

## **LEGISLATIVE COUNCIL BRIEF**

### **MEASURES TO ENHANCE BUILDING SAFETY IN HONG KONG**

#### **INTRODUCTION**

At the meeting of the Executive Council on 21 September 2010, the Council ADVISED and the Chief Executive ORDERED that a multi-pronged package of measures, as described in paragraphs 9 to 21 below, be implemented to enhance building safety in Hong Kong.

#### **JUSTIFICATIONS**

##### Conditions of Buildings in Hong Kong

2. Building safety is a highly complex and multi-faceted issue. If not addressed properly, the problem will only get more serious as Hong Kong's building stock continues to grow old. Dilapidated concrete spalling, unauthorised or abandoned signboards, windows installed with substandard workmanship or lacking proper maintenance, illegal alterations to internal building structure, etc. are urban time bombs waiting to strike and cause injuries and fatalities. The tragic building collapse at 45J Ma Tau Wai Road in January 2010 took away four lives and seriously injured two residents of the building. It has set off the alarm that the Government and the whole community must take action now to arrest building decay. There are currently some 4 000 buildings aged 50 years or above in Hong Kong, and the number will increase by 500 each year. Buildings in Hong Kong are mainly reinforced concrete structures designed to have a serviceable life of around 50 years. That means if we do not act now to work together with the owners and the industry to properly inspect and maintain this group of buildings, their conditions will deteriorate rapidly and threaten public safety. Recent building inspections have confirmed this point: the Buildings Department (BD)'s inspection after the Ma Tau Wai Road incident reveals that, although buildings aged 50 years or above are generally structurally safe, one in four of them have maintenance and repair problems, while the building conditions survey carried out by the Urban Renewal Authority (URA) of 7 000 buildings aged 30 years or above in support of the Urban Renewal Strategy Review finds out that 20% of these buildings are in dilapidated conditions of various degrees. The situation is indeed worrying.

3. Redevelopment remains an effective means to tackle old and dilapidated buildings, and efforts have been made to facilitate urban

redevelopment by both the public and private sectors, namely, through the establishment of the URA and the enactment of the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) (including the recent lowering of threshold from 90% to 80% of ownership of the undivided shares of the lot for applying to the Lands Tribunal for compulsory sale in respect of buildings of 50 years or above). However, the protracted process and social tension associated with it does not offer a ready solution. Proper building maintenance and timely repairs are essential.

### The Role of Government

4. To effectively tackle the problem of building safety in a sustainable manner, all concerned parties must play their due roles. We have reiterated in numerous public discussions that building owners have the ultimate responsibility to properly maintain their own properties and keep them in good repair. However, incidents caused by poor building maintenance or neglect and experience from our enforcement actions indicate that building owners' awareness of the importance of timely maintenance and their responsibility to fulfil statutory orders remains low. Many owners do not comply with statutory repair or removal orders issued by BD. The current approach of registering defaulted orders at the Land Registry has not been particularly effective in deterring owners from ignoring orders, in particular those speculator owners (“釘子戶”) or elderly owners who do not have the intention to sell their flats. Currently, BD has over 52 000 outstanding unauthorised building works (UBWs) removal or repair orders.

5. Since 2001, the Government has embarked on a building safety programme. Most notable is the systematic enforcement programme against UBWs, which focuses efforts on priority items that fall under seven specific categories<sup>1</sup>, uses large-scale operations to clear in one go actionable external unauthorised works on buildings, and commits to the clearing of illegal rooftop structures on all single-staircase buildings in Hong Kong. In 2001, the total number of UBWs in the territory was estimated to be 800 000. By the completion of BD's intensive enforcement programme in March 2011, some 400 000 UBWs will have been demolished, and all single-staircase illegal rooftop structures will have been cleared. However, another 400 000 UBWs and many illegal rooftop structures on non-single-staircase buildings remain. BD also estimates that there are around 190 000 unauthorised signboards in

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<sup>1</sup> These seven priority categories are UBWs newly constructed or under construction, those constituting obvious or imminent danger to life or property, those constituting serious hazards or serious environmental nuisance, major individual items, items in individual buildings with extensive UBWs, UBWs in buildings targeted for large-scale operation and unauthorised alterations to or works in environmentally friendly features granted with gross floor area concessions.

Hong Kong, and their construction standards and quality of workmanship are unknown. Another problem that has become an area of grave public concern is subdivision of flat units (“劏房”). These subdivided units are prevalent in old buildings in urban areas and they are often constructed by contractors and workers without adequate qualifications or under proper supervision.

6. Building safety is not just a city infrastructure concern, but also a livelihood issue. While the Government would continue to uphold the principle of making owners responsible for the safety and maintenance of their properties, many of those owners residing in old and dilapidated buildings are people without much means, particularly the elders. To many of them, their poorly maintained flats are probably their only assets. For tenanted flats in these old buildings, many owners are also not keen to spend money on maintenance as their ultimate objective is redevelopment. In the case of subdivided flats, they reflect a growing demand for affordable housing in urban areas, particularly from small families and young singletons who prefer to live in a small flat in the vicinity of their work place. The case for stronger government action to tackle the problem is justified.

7. The longer term safety of our buildings depends very much on sound building management by the building owners themselves. Our present policy on building management is to perform a facilitating role, maintaining that it is the owners' responsibility to manage their own properties. The Building Management Ordinance (Cap. 344) (BMO) provides a legal framework for owners to form owners' corporations (OCs) to jointly manage their buildings. District Offices under the Home Affairs Department (HAD) render general advice to owners on building management matters, including the formation and operation of OCs under the BMO, as well as guidance on financial management, procurement of supplies, goods and services.

#### Package of Measures to Enhance Building Safety

8. The Government has to work in partnership with building owners, building professionals and contractors, and other members of the community to tackle the problem of building neglect. Taking into account past experiences, we propose to adopt a new multi-pronged approach with a view to optimising available resources and maximising synergy amongst the various stakeholders involved in building management and maintenance. The proposed package is focused and targeted, pinpointing and addressing the roots of the problem and inadequacies identified in the existing regime. The approach will cover the following four major areas –

- (a) legislation;

- (b) enforcement;
- (c) support and assistance to owners; and
- (d) publicity and public education.

**(a) Legislation**

9. Our aim is to provide and maintain a modernised, efficient and user-friendly statutory building control regime to meet the development needs of Hong Kong, and at the same time provide adequate enforcement powers to deter non-compliance. We plan to achieve this aim through the following legislative proposals -

Minor Works Control System

- (i) With the passage through the Legislative Council (LegCo) of the enabling provisions in the Buildings Ordinance (BO) (Cap. 123), we will commence the minor works control system on 31 December 2010. The system will provide a lawful, simple, safe as well as convenient means for building owners to carry out small-scale building works in order to improve safety standard of building works and facilitate compliance. In respect of minor works, the requirement to seek the prior approval of BD for building plans and consent to commence works will be dispensed with. Building professionals and registered contractors will be required to follow the new “simplified requirements” for carrying out minor works. This will enhance building safety as, under the current regime, many owners choose to ignore the statutory requirements and hire personnel without formal training to conduct minor works. Apart from being UBWs, such works are without guarantee in quality. With the introduction of the minor works control system, BD will register existing practitioners and arrange suitable training for them before their registration as minor works contractors. BD will also provide guidelines and advice by issuing codes of practice and practice notes to facilitate contractors to carry out works safely and in compliance with the relevant standards. To properly regulate the contractors, we have included sanctioning powers such as offences and disciplinary provisions in the enabling legislation for the system. The simplified procedures will also encourage compliance by building owners who will be provided with access to user-friendly pamphlets and other publicity materials. The system will therefore

improve the safety standards of both the work procedures and resultant building works. To make the system effective, BD will conduct vigorous inspections and audit checks to ensure that the requirements are adhered to. Enforcement actions will be taken if irregularities are found.

#### Putting Subdivision of Flats under Minor Works Control

- (ii) To tackle the increasing trend of subdivided flats, we propose to control the quality of the associated works at source. The minor works control system provides an effective platform to control the carrying out of small-scale building works, including subdivision works in flat units. Under the minor works control system approved by LegCo, drainage works within internal flat units are already designated as minor works. We propose to expand the system to include other works that are common features of subdivided flats, such as installation of solid partition walls and thickening of floor slabs in the schedule of minor works. This would put beyond doubt that any subdivision works are minor works and owners would have to hire trained and qualified contractors to carry out such works through simple and efficient procedures. This would provide better guarantee on the quality of works, and the safety and nuisance (e.g. water seepage) problems associated with subdivision works would be minimised. Prospective tenants or buyers of such subdivided flats would also be able to ascertain their legality by checking against the building plans.

#### Mandatory Building and Window Inspection

- (iii) Riding on a community consensus built through extensive public consultations over the years, we are pursuing mandatory building and window inspection schemes. The proposed Mandatory Building Inspection Scheme (MBIS) will cover private buildings aged 30 years or above, except domestic buildings not exceeding three storeys. BD will require building owners to carry out inspection (and repair works if necessary) in relation to the common parts, external walls, projections and signboards of the buildings once every ten years. Regarding the Mandatory Window Inspection Scheme (MWIS), it will cover private buildings aged ten years or above, except domestic buildings not exceeding three storeys. BD will require building owners to carry out inspection (and repair works if necessary) in relation to windows in both common parts and individual units of the buildings once every five

years. The two Schemes will arrest the building dilapidation problem in Hong Kong in a sustainable manner in the long run. With regular inspection and repair, the building stock will remain in a healthy state and their serviceable life prolonged. We introduced the Buildings (Amendment) Bill 2010, stipulating the statutory framework for the MBIS and MWIS, into LegCo on 3 February 2010. Nine Bills Committee meetings have been held before the summer recess to scrutinise the Bill clause-by-clause. We expect to see passage of the Bill by the first quarter of 2011, and will table the subsidiary legislation required immediately thereafter. We aim to implement the mandatory schemes within the same year. Like the minor works control system, implementation of these mandatory schemes will provide an effective platform for other measures to follow.

#### Surcharge for Defaulted Works and Penalty for Refusing to Share Cost of Works

- (iv) During public consultations on MBIS and MWIS, there was strong support for appropriate penalties to be imposed on uncooperative owners who refuse to comply with statutory requirements. In response to the public's comments, the Bill proposes that BD may carry out the inspections and repair works required under the MBIS or MWIS upon the owners' default and recover the cost together with a 20% surcharge from the owners concerned. The Bills Committee is supportive of this measure. We consider that such arrangement should be extended to all statutory orders issued under the BO so as to create a stronger deterrent effect against non-compliance. We will introduce legislative amendments to that effect. Similarly, we have proposed in the Bill for the MBIS/MWIS that it will be an offence if an owner/occupier, without reasonable excuse, refuses to pay the relevant share of the inspection and repair costs for the common areas for works being undertaken by his building's OC. We trust that this arrangement will deter uncooperative owners from hindering the inspection and repair works. We propose to extend this arrangement to all works related to statutory orders for common areas being undertaken by OCs.

#### Warrants for Inspection of Interiors

- (v) Section 22 of the BO currently empowers officers of BD to enter into any individual premises and, in the presence of police officers, break into such premises to inspect their safety. Nevertheless, in practice, it is difficult for BD to exercise such power. The work of

BD is often frustrated by uncooperative owners or occupants who refuse to grant entrance to BD's staff, despite the department's effort of paying visits to the flats during different times of the day, incurring significant staffing resources. Unless there is a clear sign of imminent danger, it is rare for BD to exercise the power to break into flats. Operational experience of other departments reveals that with the issue of a warrant from the Court, owners will more readily cooperate and grant entry for inspection. We propose to introduce legislative amendments to provide for application to the Court for a warrant under the BO to facilitate BD's enforcement actions. This will be particularly useful for inspections relating to subdivided units or flats suspected to have illegal internal alterations.

### Control of Signboards

- (vi) Unauthorised signboards are another persistent building safety problem in the territory. We propose to introduce a system to comprehensively tackle both new and existing unauthorised signboards. It is estimated that there are about 190 000 unauthorised signboards in Hong Kong. Many of them are in active use by business operations while others are simply abandoned. We propose to bring in a statutory control scheme, similar to the one for specified minor building works (small canopies, drying racks and supporting frames for air-conditioners), which will allow the continued use of certain existing unauthorised signboards (e.g. within stipulated dimensional requirements, not blocking operation of emergency vehicles, etc.) after safety checks by registered building professionals or registered contractors. The safety checking has to be renewed once every five years. Unauthorised signboards not joining the scheme will be subject to BD's enforcement actions. Regarding new signboards, small ones will be taken care of by the minor works control system, while larger ones will continue to require the prior approval and consent of BD before erection. With the new schemes, BD will in time establish a comprehensive database of all signboards in Hong Kong and have a firmer grasp of their safety conditions to facilitate control and enforcement action.

### **(b) Enforcement**

#### Vigorous Enforcement Action against UBWs

10. The ten-year UBW programme launched in 2001 by BD will come to

an end by March 2011. The programme focuses on UBWs that were then most prevalent in Hong Kong posing imminent dangers (such as steel cages, large canopies, large supporting frames for air conditioners, illegal rooftop structures on single-staircase buildings and UBWs on canopies and cantilevered slab balconies). New UBWs and works-in-progress (WIPs) will also be enforced against. For UBWs not under BD's priority or included in its "large scale operations", upon receipt of complaints, BD will either issue warning notices and register defaults in the Land Registry, or issue advisory letters to persuade owners to take action. The issue of warning notices originally aimed to raise community awareness of the liability of owners for their UBWs, thereby encouraging owners to remove their UBWs voluntarily so as to avert an encumbrance registered against their property titles. However, most owners do not take action to demolish their UBWs as no statutory orders are issued in such cases. The public is not satisfied with this selective enforcement arrangement (differential treatment between new and existing UBWs and amongst different types of unauthorised works) and tolerating policy.

11. In practice, owners living in the same building will often complain to BD about the existence of UBWs in their building. Upon receipt of such complaints or referrals from District Council (DC) Members, BD will inspect the building and ascertain whether the UBWs are indeed unauthorised structures under the BO. Enforcement action will only be taken if these UBWs fall within the seven categories for special attention. After issuing the orders, BD will first encourage voluntary compliance. However, many owners currently do not comply with statutory orders in a timely fashion. Upon expiry of the orders, BD will issue reminders and warning letters before considering prosecution. Where owners claim to have genuine difficulties, BD may grant extension of time for compliance. In recent years, the average time for compliance is about 12 months and the longest period for compliance can be up to 37 months.

12. There are views in the community that a tougher stance should be taken against non-compliant owners to create a stronger deterrent effect. Accordingly, we propose to adopt a new approach. Under the new approach, we will extend the coverage of actionable UBWs to include unauthorised works in roof-tops, podiums, as well as yards and back-lanes of buildings instead of focusing on the high priority items under the ten-year programme. With this extension, we will in effect be taking enforcement action against most, if not all, actionable UBWs found on the façade of a building. BD will actively respond to complaints and issue statutory orders requiring owners to conduct rectification works immediately if there are confirmed actionable UBWs after inspection. BD will also instigate prosecution actions more readily to sanction owners who do not duly observe the statutory orders to protect building safety.

For buildings lacking management and owners of which could not coordinate the repair works or UBW removal works by themselves, BD will consider arranging the carrying out of the works on behalf of owners and then charge them at a later stage. As mentioned in paragraph 9(iv) above, a surcharge of 20% will be imposed on non-compliant owners. In parallel with the aforementioned actions, BD will conduct a stock-taking exercise of all UBWs on the exteriors of buildings and continue its enforcement against WIPs, as well as select an appropriate number of buildings each year for comprehensive repair and UBWs demolition works under the brand of “large scale operations”. Selection of buildings above 30 years old will be synchronised with the MBIS programme.

13. Although not strictly related to the structural safety of buildings, proper regulation of fresh water cooling towers is currently lacking. There is currently no specific legislation to holistically control and regulate fresh water cooling towers which, if not properly maintained, may pose public health risks in the form of Legionnaires’ Disease. While enactment of the enabling legislation for controlling such towers is planned to be pursued, the Electrical and Mechanical Services Department and Water Supplies Department will implement stop-gap arrangements to regulate such water cooling towers in Hong Kong.

#### Subdivided Units

14. The above mentioned modus operandi in combating UBWs will also be applicable to the handling of subdivided units. Apart from including subdivision works under the minor works control system, BD will step up patrol and inspection, and enhance the response time to complaints. Statutory orders will be issued and prosecution actions instigated if violations of the BO are found. Common breaches of subdivided units subject to action under the Ordinance include serious water seepage due to poor workmanship and lack of maintenance of water and drainage pipes, installation of additional partition walls or thickening of floor slabs overloading the building structure, obstructions to means of escape due to improper installation of additional entrance gates, etc.

#### **(c) Support and Assistance to Owners**

##### Comprehensive “One-stop” Assistance

15. We believe that a prerequisite for the successful implementation of our various programmes is the availability of effective support and assistance measures for owners in need. In the past few years, the Government has

strengthened support and assistance to needy building owners. New initiatives include the \$1-billion Building Maintenance Grant Scheme for Elderly Owners and the \$2.5-billion Operation Building Bright (OBB). We are also working closely with our partner organisations, namely the Hong Kong Housing Society (HKHS) and URA, to provide loans, grants and building material assistance to owners. As we implement the proposed package of measures, the Government and our partner organisations will join hands to strengthen technical and financial support to cater for the needs of OCs and individual building owners. Through the implementation of OBB, BD, HKHS and URA have further consolidated their partnership in promoting building safety. With BD focusing on its statutory role to take enforcement actions, and HKHS and URA on the provision of practical advice and technical support, the three organisations have created much synergy in taking forward their shared goal of improving building safety in Hong Kong. We will continue to nurture the *modus operandi* so developed and utilise the same in pursuing our new programmes.

16. There are at present no fewer than seven loan, grant and technical assistance schemes operated by BD, HKHS and URA. To optimise and rationalise the utilisation of resources and streamline the procedures to enhance the convenience of potential applicants, we will pool together the resources of various parties and devise afresh a unified and comprehensive scheme of both technical and financial assistance, ranging from OC formation to building inspection and maintenance, to be operated by HKHS and URA. Similar to OBB, “one-stop service” will be provided to building owners in need. The service of HKHS and URA will be divided according to geographical areas, and URA intends to set up building resources centres in its main service area while HKHS already has a network of Property Management Advisory Centres in its catchment areas. In future, an owner would only need to contact either HKHS or URA, depending on the location of his building, to obtain a full-range of assistance. The administration of the Comprehensive Building Safety Improvement Loan Scheme, currently undertaken by BD, will also be transferred to HKHS and URA so that BD may concentrate its efforts on enforcement.

17. URA has in the past focused its effort on urban redevelopment. As the Authority continues to evolve, it will adopt “building rehabilitation” as its core business along with “redevelopment” pursuant to the Urban Renewal Strategy Review and roll out a package of measures to support the work of the Government in building management and maintenance. It should, however, be noted that while these enhanced support programmes will no doubt be welcomed by owners, there are still many owners who are reluctant to or will not take action to maintain or repair their buildings, in particular those living in old tenement buildings without any form of management who do not have the

knowledge and ability to properly manage their buildings. The programmes of HKHS and URA mentioned in paragraph 16 above will help alleviate the situation.

### Water Seepage

18. Identifying the source of and curbing water seepage, which is essentially a building management and maintenance issue, is primarily the responsibility of property owners. Government action will be warranted only if statutory power may be exercised under a relevant statute. Based on this principle, the Food and Environmental Hygiene Department and BD established a Joint Office (JO) as a pilot programme in 2006 to assist members of the public to tackle some of the water seepage problems. The relevant statutory authorities<sup>2</sup> will act in situations involving (a) public health nuisance; (b) building structural safety risk; and (c) wastage of water.

19. The demand for service from the JO has been ever increasing since its establishment. In the past three years, on average over 20 000 cases have been received every year, and the number is still on the rise, and may reach 30 000 in 2010. Notwithstanding the availability of free one-stop investigation service, complaints against the Government's efficiency in water seepage investigations have continued in tandem with the increase in demand for service from the JO. Building owners have a tendency to resort to statutory authority when there is a conveniently available and free avenue, and are often reluctant to assume their responsibilities as owners and attempt to resolve the cases by themselves in the first place. In the "Direct Investigation Report on Handling Water Seepage Complaints" released in 2008, the Ombudsman recognised that the Government has made commendable initiatives in setting up the JO and that maintenance of private buildings is the responsibility of property owners. While we will continue to pursue the recommendations of the Ombudsman and explore means to enhance the modus operandi and efficiency of the JO, we will explore the feasibility of encouraging building owners to make use of mediation to resolve their water seepage related disputes. We will also study whether legislation could be an effective means to resolve water seepage related disputes between owners in Hong Kong. Reference will be made to overseas regulatory experience, such as the Singaporean Strata Titles Board, in handling water seepage cases. In Singapore, in a water seepage case, it is always presumed that seepage comes from the upper floor unit and the owner of the upper floor unit has the responsibility to prove that he is innocent. We will encourage public discussion to explore the feasibility of adopting similar mechanisms in Hong Kong, and carefully consider the human rights and other implications.

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<sup>2</sup> The Food and Environmental Hygiene Department, BD and Water Supplies Department may act under the Public Health and Municipal Services Ordinance (Cap. 132), BO and Waterworks Ordinance (Cap. 102) in respect of public health nuisance, buildings structural safety risk and wastage of water respectively.

**(d) Publicity and Public Education**

Building Safety Culture

20. The Ma Tau Wai Road building collapse and the large number of backlog statutory orders of BD accumulated throughout the years have revealed that the building safety awareness of the general public is still weak. It therefore remains our objective to foster a building safety culture in Hong Kong, so that all stakeholders involved (building owners, occupants, building professionals, property management companies, contractors and workers) will possess the self-awareness to properly observe building safety. A safe built environment can only be sustained if all concerned in our community responsibly play their part. We will mount a large-scale public education campaign with a view to fostering a building safety culture in Hong Kong. Apart from the traditional publicity tools such as TV advertisements and posters, tailor-made promotional tactics will be developed. For example, the safety concepts of carrying out building works will be included in the syllabus of training courses for frontline contractors and workers. Regarding building management practices and related legal issues, BD, HKHS and URA will explain to OCs and building owners through their direct contacts with them in running their respective building safety programmes as well as the implementation of OBB. The new building resource centres to be established by URA's and HKHS' existing Property Management Advisory Centres will be upgraded to provide more owner-oriented information and advice, including information on mediation service, to owners. To instil a stronger sense of appreciation of the importance of building safety amongst our younger population, we will pursue the idea of incorporating building safety into the liberal studies curriculum of school education by producing teaching kits as appropriate. Our publicity campaign will continue to evolve, and we will continue to explore new methods to effectively disseminate building safety messages to the hearts of all stakeholders.

Community Monitoring

21. It has to be emphasised that building owners bear the ultimate responsibility to look after their own properties. In fact, it is not possible to expect Government departments to monitor the conditions of private properties round the clock. The most appropriate personnel to play the monitoring role are the building owners themselves. We will launch a "community monitoring" programme to mobilise every member of the community to play a part to report building safety problems. For example, if a security guard suspects that illegal alteration works are being carried out in a flat unit, he should report the case to the building's management office or owners'

corporation as well as BD immediately. Such community monitoring will be of great help to the authorities in early detection of potential building safety problems. As mentioned in paragraph 14 above, BD will respond to complaints or reports swiftly and take follow-up actions if irregularities are identified.

## **IMPLICATIONS OF THE PROPOSAL**

22. The proposal's financial, civil service, economic, environmental and sustainability implications are set out at the Annex. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. The proposal has no productivity or competition implications.

## **PUBLIC CONSULTATION**

23. The Ma Tau Wai Road building collapse has aroused grave public concern over building safety in Hong Kong. Motion debates took place in LegCo on 3 February, 3 March and 26 May 2010 respectively after the collapse. Secretary for Development (SDEV) floated during the debates ideas along the above lines to tackle building safety problem in Hong Kong. Members were generally supportive of a stronger determination and tougher enforcement and urged the Government to take early action. A dedicated subcommittee has been established in LegCo to closely monitor the Government's progress of review on building safety. The Subcommittee was briefed on 27 April and 27 July 2010 on various aspects of our proposed package of measures. Building maintenance was also a topical issue included in the 2010 District Administration Summit with participation by SDEV. The measures we are proposing are in line with the recommendations of DCs which were presented to the Chief Executive at the Summit held on 21 July 2010.

## **PUBLICITY**

24. We will widely publicise the new package of measures and solicit public support for our efforts to enhance building safety in Hong Kong.

## **ENQUIRY**

25. Any enquiry on this brief may be addressed to Mr Edward To, Principal Assistant Secretary for Development (Planning and Lands) on 2848 6288.

**Development Bureau**  
**13 October 2010**

## Implications of the Proposal

### **Financial and Civil Service Implications**

Additional resources will be required by BD and other relevant departments to implement the various new initiatives. The major areas of work include more vigorous enforcement against UBWs, selecting buildings for large scale operations; issuing orders, attending to complaints and conducting site inspections, conducting audit checks on submissions by registered building professionals or registered contractors, conducting public education activities and providing support to owners, as well as dealing with non-compliant cases by issuing penalty notices, instigating disciplinary proceedings and prosecutions. Consultants will also be employed to undertake the bulk of public education and publicity work and to provide integrated customer service including viewing and copying of building records in the dedicated resource centre.

2. The Hong Kong Housing Society (HKHS) and Urban Renewal Authority (URA) will provide comprehensive assistance to owners in need with their own means. They will administer both the Maintenance Grant Scheme for Elderly Owners (a \$1-billion commitment with \$850 million uncommitted funds as at 31 July 2010) and the Comprehensive Building Safety Improvement Loan Scheme (a \$700 million revolving loan commitment) on behalf of the Government. There is no need to top up these financial commitments.

### **Economic Implications**

3. The implementation of the multi-pronged package of measures will reduce threat to public safety and economic costs arising from building neglect and dilapidation, including cost of remedial repairs, personal injury and property damage. There will be economic benefits in terms of improved utility, durability, safety and appearance of the buildings involved. Thus, while there will be a corresponding increase in Government expenditure and owners' expenses on building enforcement, inspection and repair works, these costs are to be incurred for the benefit of public safety and a better living environment.

4. In addition, the implementation of the multi-pronged package of measures will generate added demand for building management and maintenance services, thereby creating employment opportunities in the property management and building industries.

## **Environmental Implications**

5. Proper building maintenance will slow down the dilapidation of buildings. Pollution and hygiene problems caused by building defects, such as defective drainage system, would be minimised. While the inspection and repair works may pose some potential impacts to the environment (such as noise and demolition waste), these activities will be subject to relevant environmental regulations and have to meet all applicable requirements and standards. Overall speaking, the multi-pronged package of measures will bring about improvement to the built environment.

## **Sustainability Implications**

6. The implementation of the multi-pronged package of measures will address the long-standing problem of building neglect and dilapidation and improve building safety in Hong Kong. The package will promote a building care culture in the society. In the long run, the number of prematurely aging buildings would be reduced, the overall life span of private buildings prolonged, and the living and working environment of Hong Kong improved. This is in line with the sustainability principle of providing a living and working environment and pursuing policies which promote and protect the safety of the people of Hong Kong.