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Replies to supplementary questions raised by Legislative Council Members in examining the Estimates of Expenditure 2025-26

Director of Bureau : Secretary for Development Session No. : 15

Consolidated e-file name: DEVB(PL)-2S-e1.docx

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CONTROLLING OFFICER'S REPLY

S-DEVB(PL)001

(Question Serial No. S058)

<u>Head</u>: (138) Government Secretariat: Development Bureau

(Planning and Lands Branch)

Subhead (No. & title): (700) General non-recurrent

(Item 802 Operation Building Bright 2.0)

<u>Programme</u>: (2) Buildings, Lands and Planning

Controlling Officer: Permanent Secretary for Development (Planning and Lands)

(Ms Doris HO)

<u>Director of Bureau</u>: Secretary for Development

Question:

Further to Reply Serial No. DEVB(PL)009, as mentioned in Note (3) of the geographical distribution table in the reply, the subsidy approved includes the amount of subsidies released and committed to be released as at 2024. The amount does not represent the amount of subsidies involved for all buildings referred to in the table. In this connection, please advise this Committee of the following:

1. whether the subsidy approved as listed in the table, in particular that for the third round, does not reflect the final amount of subsidies; if so, whether this will lead to any delay in the allocation of funding, and whether the Government has estimated the approximate amount in this regard; if not, of the reasons for the increase in the amount of subsidy approved for the Southern District in the third round by as much as \$93.97 million, compared with those in the first and second rounds.

Asked by: Hon LAM Siu-lo, Andrew

Reply:

There are two categories of buildings under the Operation Building Bright 2.0 (OBB 2.0). Category 1 buildings are those with owners who are prepared to take up the organisation of inspection and repair works for their buildings under the Mandatory Building Inspection Scheme (MBIS)^(note). Owners of eligible buildings may apply to the Urban Renewal Authority (URA) within the specified timeframe. Category 2 buildings are those with outstanding MBIS notices and the owners concerned have difficulties in co-ordinating the requisite inspection and repair works. The Buildings Department (BD) proactively selects Category 2 buildings on a risk basis (i.e. not upon application by owners) and exercises its statutory power to carry out the requisite inspection and repair works in default of owners,

and seeks to recover the cost from owners concerned afterwards. Eligible owners of Category 2 buildings may claim subsidies under the OBB 2.0 to cover all or part of such cost.

The Government's provision of \$6 billion under the OBB 2.0 is disbursed to the URA by instalments on an annual basis. As at 2024-25, a total of \$3.63 billion was disbursed by the Government. Since the works and release of subsidies under the OBB 2.0 may span across several years, the URA needs to earmark sufficient funds for Category 1 buildings issued with Approval-in-Principle letters and Category 2 buildings selected by the BD for their future applications for subsidies.

Only owner-occupiers can benefit from subsidies under the OBB 2.0. Generally speaking, owner-occupiers of Category 1 buildings (if approved by the URA) can only apply for subsidies from the URA after completing the procurement of works contracts for their buildings. Applicants may choose to either apply for full release of subsidies from the URA upon completion of the repair works, or apply for the relevant portion of subsidies from the URA by instalments based on the works progress. At present, as a substantial number of buildings participating in the OBB 2.0 have yet to reach the stage under which individual owner-occupiers may submit applications for partial or full release of subsidies, the amount of subsidy approved for the relevant buildings as currently provided does not represent the final amount of subsidies.

As at 2024, 16 buildings in the Southern District were approved-in-principle in the third round of the OBB 2.0. As most buildings in the Southern District approved in the third round of the OBB 2.0 have already appointed registered inspectors or contractors before submitting their applications, they may apply for partial or full release of subsidies from the URA shortly after approval of their applications. As a result, the amount of subsidy approved is higher than those in the first and second rounds.

Note: Under the MBIS, owners of buildings aged 30 years or above (except domestic buildings not exceeding three storeys) and served with statutory notices are required to carry out the prescribed inspection and prescribed repair works found necessary for the common parts, external walls and projections or signboards of the buildings.

CONTROLLING OFFICER'S REPLY

S-DEVB(PL)002

(Question Serial No. S059)

<u>Head</u>: (138) Government Secretariat: Development Bureau

(Planning and Lands Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (2) Buildings, Lands and Planning

Controlling Officer: Permanent Secretary for Development (Planning and Lands)

(Ms Doris HO)

<u>Director of Bureau</u>: Secretary for Development

Question:

Further to Reply Serial No. DEVB(PL)042, according to paragraph 3(iii) of the reply, it is expected that 120 hectares of government land may be rolled out in batches over the next six years, and the first batch of site(s) will be granted to affected brownfield operators by restricted tender in the second half of this year. What are the details of the site(s) to be granted in each of the next six years, including their location, size and whether they are granted to operators subjected to environmental constraints; if so, what are the types or respective numbers of such operators?

Asked by: Hon LAM Siu-lo, Andrew

Reply:

Considering that land resumption by the Government would increase substantially in the next few years for developing the Northern Metropolis (NM), including the resumption of existing brownfield sites for modification for development, the Development Bureau (DEVB) has embarked on another thorough site search exercise lately to identify more government sites for temporary use by displaced brownfield operators with the focus on government land not yet needed for long-term uses. To this end, the DEVB and the relevant departments have initially identified around 120 hectares of government land. These sites are mostly located in various districts in the New Territories, such as sites to be formed in New Development Areas within the NM with long-term uses yet to be implemented, as well as works sites to be released by works departments after consolidation.

It is expected that these sites could be rolled out in batches for temporary use by brownfield operators upon progressive completion of site formation works or release of sites in the coming six years. The majority of these sites have been/will be formed with vehicular access and basic infrastructure. The location and size of sites that may be rolled out each year depend on the time when such sites become available for temporary use by brownfield

operators, as well as the conditions and constraints of individual sites. The DEVB and the departments concerned have commenced preparation for the necessary work, including making arrangement for letting the identified sites through restricted tender in batches to brownfield operators affected by land resumption and clearance, with the first such tender to be launched in the latter half of 2025. We will also formulate a centralised, streamlined arrangement for the Government to take the planning applications to the Town Planning Board in batches in respect of the sites that require planning approval before they can be put to temporary use by brownfield operators, with the first batch of applications to be submitted in the latter half of 2025.

SV-DEVB(PL)001

CONTROLLING OFFICER'S REPLY

(Question Serial No. SV041)

<u>Head</u>: (138) Government Secretariat: Development Bureau

(Planning and Lands Branch)

Subhead (No. & title): (700) General non-recurrent

(Item 802 Operation Building Bright 2.0)

<u>Programme</u>: (2) Buildings, Lands and Planning

Controlling Officer: Permanent Secretary for Development (Planning and Lands)

(Ms Doris HO)

Director of Bureau: Secretary for Development

Question:

Further to Reply Serial No. DEVB(PL)020, the Government and the Urban Renewal Authority jointly launched the first round of the Operation Building Bright 2.0 ("First Round") in 2018. In this connection, please provide supplementary information on the First Round with regard to (a) the number of buildings with prescribed inspections or repair works that have commenced, and its proportion to the number of applications under the First Round; and (b) the number of buildings with repair works completed, and its proportion to the number of applications under the First Round.

Asked by: Hon CHENG Wing-shun, Vincent

Reply:

There are two categories of buildings under the Operation Building Bright 2.0 (OBB 2.0). Category 1 buildings are those with owners who are prepared to take up the organisation of inspection and repair works for their buildings under the Mandatory Building Inspection Scheme (MBIS)⁽¹⁾. Owners of eligible buildings may apply to the Urban Renewal Authority (URA) within the specified timeframe. Category 2 buildings are those with outstanding MBIS notices and the owners concerned have difficulties in co-ordinating the requisite inspection and repair works. The Buildings Department (BD) proactively selects Category 2 buildings on a risk basis (i.e. not upon application by owners) and exercises its statutory power to carry out the requisite inspection and repair works in default of owners, and seeks to recover the cost from owners concerned afterwards. Eligible owners of Category 2 buildings may claim subsidies under the OBB 2.0 to cover all or part of such cost.

Three rounds of applications for the OBB $2.0^{(2)}$ have been launched for Category 1 buildings. For the first round of applications, as at 2024, the number of Category 1 buildings

approved-in-principle, the number of buildings with commenced prescribed inspection or repair works (including those with repair works completed), its proportion to the number of Category 1 buildings approved-in-principle, the number of buildings with repair works completed under the OBB 2.0 and its proportion to the number of Category 1 buildings approved-in-principle are set out in the table below:

Number of Category 1 buildings approved-in-	inspection or (including the	ced prescribed repair works se with repair ampleted)	With prescribed repair works completed (compliance with statutory notice as confirmed by the BD)		
principle	Number of buildings	Proportion to the number of Category 1 buildings approved-in- principle	Number of buildings	Proportion to the number of Category 1 buildings approved-in- principle	
439	429	98%	33	7.5%	

Since the implementation of improvement measures under the OBB 2.0 in May 2024, the URA has been robustly enforcing the milestones. For the first round of applications, as at 2024, a total of ten buildings had yet to commence the prescribed inspection (accounting for 2.5% of the number of Category 1 buildings approved-in-principle). These buildings are arranging tender invitation for registered inspector consultancy contracts, and the URA will closely monitor the progress. If the progress of the relevant buildings is unsatisfactory, the approved applications will be revoked by the URA so that resources can be allocated to other buildings in need.

Note⁽¹⁾: Under the MBIS, owners of buildings aged 30 years or above (except domestic buildings not exceeding three storeys) and served with statutory notices are required to carry out the prescribed inspection and prescribed repair works found necessary for the common parts, external walls and projections or signboards of the buildings.

Note⁽²⁾: The application period for the first round of the OBB 2.0 was from 1 July 2018 to 30 October 2018. The application period for the second round of the OBB 2.0 was from 1 July 2020 to 30 October 2020. The application period for the third round of the OBB 2.0 was from 1 April 2023 to 30 September 2023.