

## Private Building Management & Maintenance Seminar 2001

Date : 3 November 2001 (Saturday)

Time : 2:00 p.m. – 6:00 p.m.

Venue : Jockey Club Auditorium, The Hong Kong Polytechnic University

Organisers : Home Affairs Department and Buildings Department

### Programme

1:30pm	Reception & Registration	
2:05pm	Officiating Speech	<u>Ms Shelley LEE, J.P.</u> Director of Home Affairs
2:15pm	Presentation of Souvenirs	<u>Ms Shelley LEE, J.P.</u> Director of Home Affairs  <u>Mr CHEUNG Hau-wai, J.P.</u> Deputy Director of Buildings  <u>Mr LAM Chun-man, Anthony, J.P.</u> Deputy Director of Fire Services  <u>Dr. Edmond K.W. CHENG</u> President of The HK Institute of Housing  <u>Mr Stephen L.H. LIU</u> President of The HK Institute of Surveyors  <u>Prof. Patrick LAU Sau-shing</u> President of The HK Institute of Architects  <u>Ir. Dr. Alex S.K. CHAN</u> Vice President of The HK Institution of Engineers  <u>District Council and its Committee Chairmen</u>

**Speech Session**

2:30pm	Timely Maintenance & CMBS	<i>Mr LEUNG Siu-man</i> Chief Structural Engineer of Buildings Department
	(Q & A Session)	Moderator, <i>Mr YUEN Wai-kay, Ricky</i> Chairman-Prof. Practice of The Chartered Institute of Housing, HK Branch
3:00pm	Building Safety Loan Scheme	<i>Ms YUNG Mei-mui</i> Chief Executive Officer of Buildings Department
	(Q & A Session)	Moderator, <i>Mr YUEN Wai-kay, Ricky</i> Chairman-Prof. Practice of The Chartered Institute of Housing, HK Branch
3:30pm	<b><u>Refreshment Break</u></b>	
4:10pm	Fire Safety in Private Buildings	<i>Mr TSUI Yim-hung</i> Assistant Divisional Officer of Fire Services Department
	(Q & A Session)	Moderator, <i>Mr YUEN Wai-kay, Ricky</i> Chairman-Prof. Practice of The Chartered Institute of Housing, HK Branch
4:40pm	Building Management Ordinance & Owners' Corporation's Rights and Responsibilities	<i>Mr CHUNG Pui-lam, J.P.</i> Solicitor
	(Q & A Session)	Moderator, <i>Mr YUEN Wai-kay, Ricky</i> Chairman-Prof. Practice of The Chartered Institute of Housing, HK Branch
<b><u>Open Forum</u></b>		
5:10pm	Round-up Discussion	Moderator, <i>Mr YUEN Wai-kay, Ricky</i> Chairman-Prof. Practice of The Chartered Institute of Housing, HK Branch



## Building Safety and Timely Maintenance Past, Present and Future

### A. Introduction

There are 42 000 private buildings territory-wide. About 11 400 are 20 to 40 years old and are more susceptible to maintenance problems, particularly those without proper management. Some 970 new buildings are completed each year. There are 220 000 signboards and 800,000 unauthorized building works (UBWs) including metal cages, flower racks, canopies, structures on canopies, flat roofs and rooftops. These are ticking time bombs jeopardizing public safety. In fact, there have been cases of loss of life and limb in recent years arising from UBWs on the external walls of buildings.

### B. In The Past

#### The 1988 Policy

2. With limited resources and a large number of UBWs territory-wide, enforcement actions had to be prioritized in the order of the degree of risk the UBW posed to building structure, fire and public safety. In 1.3.1988, the Buildings Department (BD) implemented a policy, so-called the 88-policy, after consultation with the Unauthorized Building Advisory Committee, the Land and Building Advisory Committee, the District Boards, the OMELCO standing Panel on Lands and Works and the Chief Secretary's Committee.

3. Under this policy, UBWs which were significantly new and/or pose an obvious hazard to life or property were classified into a high priority group for immediate enforcement action. The owners were advised to rectify the situation, failing which BD would serve a statutory order. In default of compliance, a Government Contractor would be employed to carry out the works and prosecution actions instituted. The other UBWs fell into the low priority group for which enforcement action might be deferred. Cases in this group would, however, be upgraded when it was considered appropriate to do so.

4. The above policy also applied to signboards. In fact, most advertising signs belonged to minor works of which full-scale control under the Building Ordinance would create enormous workload.

### C. Present Situation

#### The New Enforcement Policy

5. With the increase in resources allocation and the aspirations of the community to tackle the problem of proliferation of UBWs, a new division, the Existing Buildings Division, was set up in

BD in July 2000 to provide a "one-stop" service to owners for dealing with building matters. The Building Authority formally announced on 30 April, 2001 the implementation of the new enforcement policy after a wide consultation in the community.

6. The new policy re-focuses priorities and broadens the scope for enforcement action, and provides for more large scale operations, such as the Operation "Blitz" (BUC), the Co-ordinated Maintenance of Buildings Scheme (CMBS) and Illegal Rooftop Structures Removal Programme (IRS) to clear UBWs on hundreds of buildings at one go and a wide range of UBWs previously classified for prioritized enforcement would now be targeted for immediate enforcement. It is expected to remove 150 000 to 300 000 UBWs in five to seven years.

### Large Scale Operations

#### BUC (Operation "Blitz" )

7. Operation "Blitz" focuses on buildings 20-40 years old with a large number of illegal projections which pose a high risk to public safety. BD' s target is 300 buildings in 1999, 400 buildings in 2000 and 1500 buildings in 2001. Experience so far from the BUC operations launched since September 1999 indicates that this approach is more effective in making owners concerned to comply with advisory letters and removal orders issued to them. As all external UBWs are dealt with in the entire building, owners are less likely to appeal against the removal orders. The order compliance rate for this operation was 80 - 90%, a sharp rise in comparison with the 20% compliance rate for orders issued in response to individual complaints.

#### CMBS (Co-ordinated Maintenance of Buildings Scheme)

8. The pilot CMBS, targeting 150 buildings, was launched in September 01 to provide better co-ordinated support to building owners in tackling their building management and maintenance problems in an integrated manner. Under the scheme, BD co-ordinates input from all participating departments, including the Home Affairs Department, Electrical and Mechanical Services Department, Fire Services Department, Food and Environmental Hygiene Department and Water Supplies Department, to advise and assist the building owners in addressing problems of UBWs, repair or maintenance of their buildings. Owners and owners' corporations are briefed on the knowledge of building safety, the importance of good management and regular maintenance. The progress of this pilot scheme is satisfactory. A review will be conducted at the end of 2001 to assess its effectiveness for extension, modification, or introduction of a mandatory Preventive Maintenance of Buildings Scheme.

#### IRS (Illegal Rooftop Structures Removal Programme)

9. To remove serious fire risk, BD has a programme to clear all 12 000 illegal rooftop structures on the 4 500 single-staircase buildings within seven years, i.e. to tackle 700 buildings per year on average. The Housing Department will rehouse the affected occupants according to their eligibility and in step with our clearance actions.

#### Work-in-progress Action Team

10. BD will stop all new or re-erection of illegal structures promptly. We will respond to community reports and commission special patrol teams.

## Incentive and Assistance Schemes

11. Loan Scheme - On financial assistance, we have merged two existing loan funds, one offered by the Fire Services Department and the other by BD, on July 2001 to form a \$700-million fund and to extend the ambit to meet all practical requirements for improving the safety and maintenance of private buildings. Owners in hardship, e.g. elderly and other persons with very low income, will be given more flexible repayment terms.

12. Issue of Buildings Repair Layman's Guide- A layman's guide which gives advise on the securing of good professional services, the preparation of tender documents, cost of works, standard of works etc. is under preparation for issue to owners and owners' corporations and will probably be ready by the end of 2001.

13. Classification of Buildings- Classifying buildings will in the long term bring market forces into play to motivate owners to take up their maintenance responsibility. Buildings attaining satisfactory standards will be rated higher and result in better market value. This will be a voluntary scheme for independent rating by such bodies as professional institutes and associations of banks, insurance agencies and building management companies. We will co-ordinate with other departments to set the safety and maintenance benchmarks for assessment and review in the light of experience.

## D. The Way Forward

### Introducing Legislation

#### Minor Works and Minor Works Contractor

14. Under the Buildings Ordinance (BO), the carrying out of any "building works" require the prior approval of plans and consents from the Building Authority for commencement of works except those classified as "exempted works". Building works carried out without going through this procedure are "unauthorized" and subject to enforcement. However, many UBWs are relatively minor in nature which include simple amenity features not provided in the original design of older buildings and are now considered essential to daily living: e.g. light-weight canopies and drying racks. BD is drawing up a new category of "minor work" for safety certification by professionals and/or contractors where appropriate. A new register of "minor works contractors" will be created under the BO.

#### Registration of Advertisement Signboards

15. To ensure public safety and to have a better control of the erection of signboards, we will introduce legislation for simple-self-financing registration scheme in 2002-03. New and existing signboards will be registered with BD. Requirements for structural and fire safety will be commensurate with their risk to public safety, including size. However, simple signboards will be exempted from registration. BD is conferring with relevant bodies to finalise dimensions for the different categories of signboards.

#### Strengthening Deterrent

16. The BO will be amended to empower the BD to cease illegal erection on site immediately; to upgrade advisory letters (which most offending owners ignore) to statutory warning notices

registrable against the title; and to update penalties. The aim is to stop the proliferation of UBWs.

## E. In the Long Term

### Public Education

19. To promote positive attitudes, we will sustain multi-media public education. We will drive home clear messages on owners' responsibility and merits of timely maintenance, risks from unsafe building works and liabilities from illegal structures.

### Community Participation

19. Community participation is crucial. Members of the public should report building safety problems. District Councils, with their role for the local well-being and environmental improvement, are well placed to join forces. In reviewing the functions of District Councils, Government will take into account any scope for strengthening their role in relation to building safety and timely maintenance.

### Measures for New Buildings

19. Some developers and professionals have already taken measures to prepare for future maintenance and management when planning and constructing new buildings. These measures include designing manageable and maintainable buildings; using durable and easily maintainable materials and setting up a schedule for future major maintenance works. We will consider measures to require owners of new buildings to set up maintenance reserve funds for future major repairs and to take out public liability insurance for common parts.

Buildings Department  
3 November 2001

E309-2

## **Building Safety Loan Scheme**

## **Features of the Scheme**

### **Broadening Ambit**

- \* All works necessary for the improvement of the safety of buildings. They include works in relation to the following aspects : electrical wiring; slopes; water pipes; fire service installations; lifts

### **Owners of all Private Buildings**

- \* Domestic
- \* Commercial
- \* Industrial
- \* Composite

### **Liberalized Criteria**

- \* On receipt of a Repair Order
- \* Self-initiated repair works

### **Increased Loan Amount**

The ceiling of the loan amount for an owner of each unit is HK\$1M

### **Favourable Lending Rate**

As at November, 2001, the interest rate per annum was 3.5%

### **Interest-bearing Loans**

- \* Applicants for the loan are not required to undergo any means-test

### **Interest-free Loans**

- \* Recipients of the Comprehensive Social Security Assistance
- \* Recipients of the Normal Old Age Allowance
- \* Low Income Category applicants

### **Simplified Procedures**

- \* Application Form
- \* Quotations/Tenders
- \* Works in relation to the common parts of a building; minutes of the general meeting of the Owners' Corporation

### **Relaxed Requirements for Security**

- \* For loan less than HK\$50,000, no security is required
- \* For loan from HK\$50,000 to HK\$150,000, a Deed of Indemnity is required

### **Release of Loan**

Approved loan will be released in stages to :

- \* Borrowers; or
- \* Owners' Corporations

### **Repayment of Loans**

- \* The first installment will become due one month after the final draw down of the loan

### **Repayment Installments**

- \* For interest-bearing loans, up to 36 monthly installments
- \* For interest-free loans, up to 72 monthly installments

### **Elderly and Interest-free Loans Receipts**

They may :

- \* apply for defer repayment; or
- \* provide security by execution of a legal charge

### **Time required for Processing an Application**

- \* Removal of unauthorized building works – 2 weeks
- \* Repair Works – 3 weeks

### **Application Procedures**

- \* All application forms should be submitted in person or by mail
- \* Applicants are required to sign a contract in person with the Buildings Department
- \* Applicants for interest-free loans should come in person to the Buildings Department to make declaration

### **Enquiry**

For more information, please call Ms CHAN OR Mr YIP at Tel. No.: 2626 1579

**Buildings Department**

**Thank You**



Fire Safety in Private Buildings

Fire Services Ordinance

Chapter 95

Laws of Hong Kong

#### **Interpretation of Fire Hazard**

- \* Any removal from any building of any fire service installation or equipment
- \* The presence in any building of any fire service installation or equipment which from lack of proper maintenance is not in efficient working order
- \* Inadequate means of egress
- \* Any circumstance which materially increases the likelihood of fire or other calamity

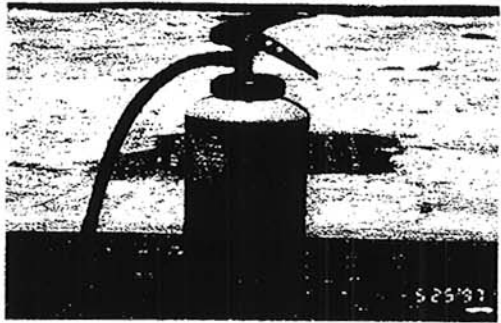
#### **Fire Service (Installations And Equipment) Regulations**

Duty of owners of fire service installations or equipment

The owner of any fire service installation or equipment which is installed in any premises shall –

- \* keep such fire service installation or equipment in efficient working order at all times; and
- \* have such fire service installation or equipment inspected by a registered contractor at least once in every 12 months.

**Contraventions in respect of  
fire service installations or equipment**

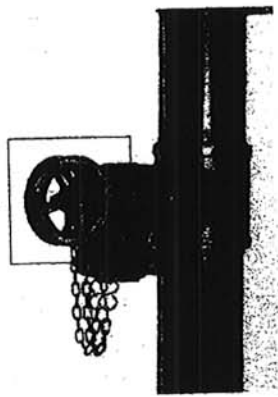


Loss of fire extinguisher/Fire extinguisher left empty after use or after accidental discharge of content

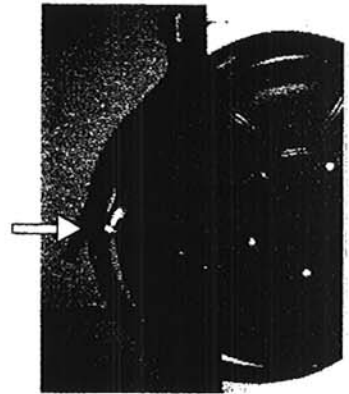


Exit sign out of order or its burned-out light bulb not replaced

Loss of hand wheel of fire hydrant



Loss of hose reel nozzle



Insufficient means of escape and other circumstances which increase the likelihood of fire or other calamity.



Means of escape obstructed by miscellaneous articles





Means of escape obstructed



Means of escape obstructed



Means of escape locked



Smoke lobby door wedged open



Smoke lobby door damaged



Hotline for reporting fire hazards  
2723 8787

## **The rights and duties of an owners' corporation as stipulated in the Building Management Ordinance**

### **1. Background**

As the shares of a multi-storey building are divided among many owners, a building's daily operation is often hindered by owners' different views over building management. To address the issue of rights and duties concerning building management, the Multi-storey Buildings (Owners Incorporation) Ordinance was introduced in 1970, which was later retitled as the Building Management Ordinance (Cap. 344)(BMO). The BMO allows owners' corporations (OCs) to acquire the independent status of a body corporate. It also sets out various criteria enabling owners to manage their multi-storey buildings in a way similar to managing a company.

### **2. The independent status of a corporate body enjoyed by OCs**

Under S.8(2) of the BMO, an OC becomes a permanent corporate body once it is formed. It will have the legal status to conduct legal proceedings, including the right of suing and being sued in the name of

the corporation. It may also hold shares of the building and handle matters which can be legally dealt with by an OC. After an OC is formed, the liabilities of the owners in relation to the common parts of the building should be undertaken and exercised by the OC (BMO S.16). An OC may pass resolutions with respect to the control, management and administration of the common parts or the maintenance and renovation of those parts. Such resolutions shall be binding on all the owners (BMO S.14).

An OC may determine the management and maintenance fees through the management committee (BMO S.21 and 22).

If an owner fails to pay the management or maintenance fees, the OC may register a charge against such person's interest in the land (BMO S.19).

### **3. The duty to manage the building**

S.18 of the BMO sets out the duties of an OC as follows:

- (a) Maintain the common parts and keep them clean.
- (b) Carry out such work in respect of the common parts in compliance with the government's orders.

- (c) Enforce the relevant provisions contained in the deed of mutual covenant.
- (d) Appoint the management company, manager and other professionals.

4. **Accounts of an OC**

S.27 (1A) of the BMO provides that the accounts of an OC of a building comprising more than 50 flats shall be audited by a qualified accountant approved by the OC by a resolution passed at a general meeting.

5. **Compulsory procurement of Third Party Liability Insurance**

S.18(2)(d), which gives an OC the discretionary power to insure against fire and other risks, is repealed. Two major amendments are contained in new S.28 :

- (a) An OC **shall** procure the third party liability insurance in relation to the building and all parts thereof (including the common parts and the property of the OC). In the event of a contravention of this provision, every member of the management committee shall be

guilty of an offence and shall be liable on conviction to a fine at level 5(HK\$50,000 at present), unless he proves that there is a reasonable ground for his act.

- (b) An OC **may** insure against fire and other risks in respect of the common parts of the building and the property of the OC.

The provision of compulsory insurance will come into effect only after the Regulation is approved by the Chief Executive in Council.

**6. Compulsory appointment of building management agent by order of Authority**

Under S.40B(1), if the Authority finds that the building has serious management problems or a risk of danger, it may order the management committee to appoint a building management agent to manage the building. If the management committee fails to comply with such order without reasonable excuses (S.40B(2)(a)and (b)), every member of the committee shall be liable on conviction to a fine at level 5 and a daily fine of \$1,000.

7. **Codes of Practice**

S.44 of the BMO empowers the Authority to introduce various standards and practices in relation to building management. Failure to observe such practices does not constitute an offence but may be relied upon as corroboration in other legal proceedings (BMO S.44(2)). Moreover, the Authority may also order the compulsory appointment of a building management agent by reason of the breach of S.40B(1)(b).

- End -