

Property Owners and Private Building Maintenance



民政事務總署
Home Affairs Department



Hong Kong's skylines are dominated by high-rises. Poor maintenance of buildings, especially in busy areas with high pedestrian flow, poses danger to the public. In order to protect the owners' interests and ensure public safety, property owners should properly maintain and repair their buildings.

Why do we have to carry out building maintenance and repair?

- Owners of private buildings have the responsibilities to regularly inspect and maintain their buildings in a safe and sound condition to avoid endangering the public or causing nuisance to other people.
- All owners are the co-owners of the common parts of the building. If accidents occur in the common parts of a building causing injury or death of a third party, the civil liability of the owners' corporation (OC) and owners could be heavy in financial terms.
- Owners should properly maintain their property units and work with other owners to keep the common parts of the building in good order in accordance with the Deed of Mutual Covenant (DMC) of the building.

Upon formation of an OC, which is a body corporate under the Building Management Ordinance (BMO), owners can manage and maintain their buildings effectively.



What should owners do if there are unauthorized building works in their buildings?

- Unauthorized building works (UBWs) refer to any addition or alteration works, such as metal cages and flat roof structures, carried out without prior approval of the Building Authority (BA), i.e. Director of Buildings. To ensure public safety, owners should remove UBWs from their buildings as soon as possible.
- OCs should remove any UBWs in the common parts of buildings to avoid endangering public safety.
- If owners and OCs receive statutory orders or warning notices on removal of UBWs from the Buildings Department (BD), they must remove the unauthorized or dangerous structures from their properties within the periods specified in the orders or warning notices.

The corporation shall-

- (a) maintain the common parts and the property of the corporation in a state of good and serviceable repair and clean condition;
- (b) carry out such work as may be ordered or required in respect of the common parts by any public officer or public body in exercise of the powers conferred by any Ordinance;
- (c) do all things reasonably necessary for the enforcement of the obligations contained in the DMC (if any) for the control, management and administration of the building.

Section 18(1), BMO (Cap. 344)



What are the benefits of maintaining buildings and demolishing UBWs?

- Secure the safety of residents, owners and the public;
- Maintain a comfortable living environment;
- Enhance property value;
- Facilitate owners or OCs in procuring third party risks insurance and negotiating more favourable premium. If owners or OCs have procured third party risks insurance, the risks faced by them in times of accidents will be reduced.

Note: It is expected that the mandatory requirement of procurement of third party risks insurance by OCs will come into effect on 1 January 2009. To protect the interests of owners and third parties, OCs should purchase third party risks insurance as required by law as soon as possible. For details, please refer to the leaflet “Building Management (Third Party Risks Insurance) Regulation” published by the Home Affairs Department.





Do You Know ?

Under the proposed **Minor Works Control System**, there is no need to obtain prior approval of plans from the BA to undertake minor works, including demolition of some types of UBWs. Owners may appoint qualified registered contractors to carry out such demolition works through simplified procedures.

Moreover, under the proposed validation scheme, owners may, after employing appropriate registered contractors to inspect and, where necessary, carry out reinforcement works, retain three types of unauthorized household minor installations, namely supporting frames for air conditioners, drying racks and small canopies.

Subject to the progress of scrutiny of the legislation, the Minor Works Control System is expected to roll out by late 2009 at the earliest.

If my building is going to carry out maintenance or remove UBWs, where can I apply for loans or grants?

The BD, the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA) provide various loan and grant schemes to encourage and assist OCs and property owners in discharging their responsibility for building maintenance. The financial and technical support given by these schemes helps to ease the burden of OCs and owners when discharging their responsibility.

These schemes include:

- BD – Comprehensive Building Safety Improvement Loan Scheme;
- HKHS – Building Management and Maintenance Scheme (including Building Management Incentive Scheme, Building Maintenance Incentive Scheme and Home Renovation Loan Scheme) and Building Maintenance Grant Scheme for Elderly Owners;
- URA – Building Rehabilitation Schemes (including Building Rehabilitation Materials Incentive Scheme and Building Rehabilitation Loan Scheme).

Which loan or grant schemes can I apply for?

Case 1 Maintenance works to be carried out by individual owners

Mrs POON



I have just received an Order for Removal of UBWs from the BD requiring all the UBWs, including metal cages and rooftop structures, be removed from my premises within a specified period. The building I am living in is 22 years old. I spent \$200,000 renovating my flat last year. Now that I have to spend at least another \$100,000 to remove all the UBWs. I may not be able to obtain a mortgage from the bank. What should I do?

Besides, I heard that my building is included in the Co-ordinated Maintenance of Buildings Scheme but we do not have an OC. What should we do?

Irrespective of whether the maintenance works are carried out voluntarily or in compliance with statutory orders, owners who meet the eligibility criteria of the Comprehensive Building Safety Improvement Loan Scheme under the BD may apply for loans to carry out maintenance works to improve the safety of buildings, fire services installations and/or private slopes, including removal of UBWs.

Under the scheme, Mrs POON may apply for a non-means-tested low interest loan of up to \$1 million to remove the UBWs. The loan is repayable in equal monthly instalments over a maximum period of 36 months. If Mrs POON has financial difficulties, she may apply for an interest-free loan which is repayable in equal monthly instalments over a maximum period of 72 months.

Moreover, if Mrs POON meets the eligibility criteria of the Home Renovation Loan Scheme of the HKHS, she may also apply for an interest-free loan of up to \$50,000, which is repayable in equal monthly instalments over a period of 36 months.

Mrs POON and other owners of the building may contact the District Building Management Liaison Team (DBMLT) of the District Office in their district to assist them in forming an OC. The OC can manage the common parts of their building on behalf of all the owners and carry out building maintenance works more effectively. They may also apply for the Building Management Incentive Scheme of the HKHS. An OC successfully formed under the scheme will be granted a lump sum of \$3,000.

Case 2 Maintenance works to be carried out by individual elderly owner-occupiers



Mr WONG

My wife and I have retired for 10 years. We live on our savings of about \$200,000. We are not eligible to apply for the Comprehensive Social Security Assistance (CSSA). We live in a self-owned flat in Tsuen Wan and it is our only asset. Today, unexpectedly, we received an order from the BD requiring us to remove the metal cage installed to the balcony 20 years ago. Even if we are successful in applying a loan under the BD's Comprehensive Building Safety Improvement Loan Scheme, I am afraid we cannot afford to repay it. Are there any other government grant schemes which may help?

Mr and Mrs WONG may apply to the HKHS for a grant under the Building Maintenance Grant Scheme for Elderly Owners. Eligible elderly owner-occupiers aged 60 or above living in self-owned property may apply for a grant to cover the maintenance costs in relation to building safety of the common parts of their buildings or their flats. Applicants should meet the specified income and asset requirements. A simple declaration-based means test will be conducted. The maximum grant per applicant or per unit over a period of five years is \$40,000.

Eligible elderly owner-occupiers may also apply for grants under this scheme to repay outstanding building maintenance loans provided by the BD, HKHS or URA.

Case 3 OC initiated maintenance works

Mr CHEUNG



I am the OC chairman of a building in Yuen Long. The OC has passed a resolution to carry out maintenance works of the building, and will take the opportunity to remove the UBWs from the external walls of the building. Are there any loan or grant schemes which the OC may apply for?

If Mr CHEUNG's building has no more than 400 residential units and is at least 20 years old, the OC may apply for the Building Maintenance Incentive Scheme under the HKHS. Details of the scheme are as follows-

- OCs may be granted a subsidy of up to 20% of the total project cost of the maintenance works (which should be related to the safety, hygiene and environmental protection of the building) or \$3,000 per residential unit, whichever is the lower;
- Eligible elderly owners may be granted a subsidy amounting to 50% of their share of contributions to the maintenance works of the common parts of the building, with a ceiling of \$10,000;
- Upon completion of the maintenance works, OCs may apply to the HKHS for a subsidy for procuring third party risks insurance in relation to the common parts of the building. The amount of subsidy is 50% of the annual insurance premium with a ceiling of \$6,000 per annum for not more than 3 years.

If the building concerned is located within scheme areas of the URA*, the OC may apply for the URA's Building Rehabilitation Loan Scheme. Please note that OCs cannot apply for schemes under the HKHS and the URA at the same time.

Eligible elderly owner-occupiers may also apply for the Building Maintenance Grant Scheme for Elderly Owners.

* As at May 2008, areas covered by the Building Rehabilitation Schemes of the URA include: Yau Ma Tei, Mongkok, Tai Kok Tsui, Ma Tau Kok, Sham Shui Po, Tsuen Wan, Kwun Tong, Wan Chai and Central & Western District.

Case 4 OC received statutory order



Ms YIP

My parents and I live in a 30-year old building in Sham Shui Po. My father is the owner of the unit. The OC chairman told us that the building has been selected by the BD as the target building of the annual large-scale operation for clearance of UBWs and that the OC has received an order from the Government requiring us to carry out extensive building maintenance works. The maintenance works are generally supported by owners of the building. My father would like to know what subsidy schemes the OC may apply for.

If Ms YIP's building is located within the scheme area of the URA in Sham Shui Po, when the OC receives the statutory order, it may apply for the Building Rehabilitation Materials Incentive Scheme of the URA. Details of the scheme are as follows-

- URA may provide rehabilitation materials including paint for common parts, drainage pipes, fresh water and flushing water supply pipes and water-proofing materials for roofing works, etc. The value of the materials to be supplied will amount to a maximum of 20% of the total cost of the maintenance works or \$3,000 per unit, whichever is the lower;
- Owners with genuine financial difficulties (such as the elderly, the disabled and families on CSSA) who meet certain eligibility criteria may apply for a building rehabilitation grant of an amount up to \$10,000;
- Upon completion of the maintenance works, OCs may apply to the URA for a subsidy for procuring third party risks insurance in relation to the common parts of the building. The amount of subsidy is 50% of the annual insurance premium or a maximum of \$6,000 per annum (whichever is the lower) for a period of up to 3 years.

If the building is not located in the URA scheme areas, the OC may apply for the HKHS's Building Maintenance Incentive Scheme. Please note that OCs cannot apply for schemes under the HKHS and the URA at the same time.

Eligible elderly owner-occupiers may also apply for the Building Maintenance Grant Scheme for Elderly Owners.

The above cases are for general reference only. OCs and owners should consult the relevant government departments or organisations on the scope and details of each scheme in order to choose the one that best suits their needs in building maintenance, including removal of UBWs. For enquiries, please contact the DBMLTs of the respective District Offices.



Enquiries on Loan or Grant Schemes

Buildings Department

Enquiry hotline: 2626 1579

Website: www.bd.gov.hk

Hong Kong Housing Society

Enquiry hotline: 3188 1188 (Building Management Incentive Scheme and Building Maintenance Incentive Scheme)

2839 7166 (Home Renovation Loan Scheme and

Building Maintenance Grant Scheme for Elderly Owners)

Website: bmms.hkhs.com

Urban Renewal Authority

Enquiry hotline: 2588 2333

Website: www.ura.org.hk



Enquiries on Demolition of UBWs

Buildings Department

Enquiry hotline: 1823

Website: www.bd.gov.hk



Enquiries on Formation of OCs or General Building Management Matters

District Building Management Liaison Teams of respective District Offices

Central & Western	2119 5010	Islands	2852 4318
Eastern	2886 6569	Kwai Tsing	2494 4543
Southern	2814 5762	North	2675 1719
Wan Chai	2835 1999	Sai Kung	2163 9431
Kowloon City	2621 3406	Sha Tin	2158 5388
Kwun Tong	2171 7465	Tai Po	2654 1262
Sham Shui Po	2150 8175	Tsuen Wan	3515 5654
Wong Tai Sin	3143 1160	Tuen Mun	2404 6535
Yau Tsim Mong	2399 2155	Yuen Long	2478 6120

Home Affairs Department's Homepage on Building Management:

www.buildingmgt.gov.hk

May 2008