

Operation Building Bright

Introduction

As a specific measure for “Preserving Jobs”, the Financial Secretary announced in the 2009-10 Budget that the Government, in collaboration with the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA), will launch a \$1-billion “Operation Building Bright” (the Operation) for two years to provide subsidies and one-stop technical assistance to assist owners of about 1,000 old buildings to carry out repair works, including old buildings without owners’ corporations (OCs). The Operation aims to achieve the dual objectives of creating more job opportunities for the construction sector in the near future and improving building safety and the cityscape.

The Government will shortly present the proposal to the Panel on Development of the Legislative Council (LegCo) for discussion. Upon gaining support from the Panel on Development, the Government will apply for funding from the Finance Committee of the LegCo. We estimate that the Operation could be launched in May this year at the earliest, and jobs can be created from the middle of this year. The following is a brief introduction of the Operation:

Target Buildings

1. Target buildings of the Operation should meet the following criteria:
 - (a) the buildings are residential or composite buildings aged 30 years or above;
 - (b) the buildings concerned comprise no more than 400 residential units (according to occupation permit);
 - (c) average rateable value of the residential units does not exceed \$100,000 for buildings in the urban areas¹ or \$76,000 for buildings in other areas; and
 - (d) the buildings lack maintenance or are in dilapidated conditions, requiring maintenance or repair works (examples include buildings subject to statutory orders issued by the Buildings Department (BD)).

¹ including Hong Kong, Kowloon, Shatin, Kwai Tsing and Tsuen Wan

Amount of Grant

2. A grant amounting to 80% of the cost of repair of the common areas, subject to a ceiling of \$16,000, will be provided for the owner of each unit of a target building without asset or income means tests, and elderly owner-occupiers aged 60 or above can receive a grant to cover the full cost of repair of common areas, subject to a ceiling of \$40,000.

Use of Grant

3. The grant should first be used on repair works in **common areas** relating to **improvement of building structural safety and sanitary facilities**, including:
 - (a) repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete;
 - (b) repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles;
 - (c) repair or replacement of defective windows;
 - (d) repair of building sanitary services, e.g. repairing, maintaining and replacing defective soil, waste, rainwater, vent pipes and underground drainage; and
 - (e) maintenance works in association with the works in (a) to (d) above, including investigation works and professional services; and any incidental or consequential works, such as touch-up and finishing works arising from the repair or remedial works.
4. After covering the cost of works stated in paragraph 3 above, any remaining grant may be used for other repair and improvement works in the **common areas**, including:
 - (a) improvement of fire safety of buildings;
 - (b) provision of, improvement to and maintenance of fire service installations and equipment of buildings;
 - (c) removal of unauthorized building works and illegal rooftop structures;

- (d) improvement of building services and facilities, e.g. repairing, maintaining and replacing lifts, electrical wiring, gas risers and fresh water pipes;
 - (e) maintenance or improvement works for slopes and retaining walls;
 - (f) repair of water-proofing membranes at rooftops and flat roofs and works to alleviate water seepage problem; and
 - (g) maintenance works in association with the works in (a) to (f) above, including investigation works and professional services; and any incidental or consequential works, such as touch-up and finishing works arising from the repair or remedial works.
5. **The grant is not applicable to works with contracts awarded to contractors before 25 February 2009².** Repetition of the same items of repair works which had been completed in the last five years (unless such works have become dilapidated or dangerous again) is also not eligible for grants under the Operation.
6. The OCs should appoint Authorized Persons (APs) and qualified contractors to implement the building repair works. The tendering process should also follow the requirements and procedures of the Building Management Ordinance (Cap. 344).

Implementation of the Operation

7. The Operation will cover two categories of buildings:
- (a) Category 1 covers buildings with OCs submitting applications to participate in the Operation on their own initiative to use the grants to carry out repair works. It is expected that Category I can be open for application in May 2009 at the earliest and the application period will last for one month.

² For a works contract awarded during the period from 25 February 2009 to the date when the Operation is open for applications, if the concerned building satisfies the eligibility criteria, the works are coordinated by an AP and the procedures and standards in appointing the AP and the contractor have followed the requirements of the Building Management Ordinance, the OC of the building may also apply to participate in the Operation. Such application, together with all other applications, will be assessed in accordance with the relevant procedures.

- (b) Regarding Category 2, the BD together with the HKHS and the URA will proactively select buildings without OCs or having difficulties in coordinating repair works, which have **structural safety problems and defective sanitary facilities**, as target buildings. The BD will consider serving statutory orders on the owners under the Buildings Ordinance (Cap. 123). Where the owners fail to comply with the orders within the specified period, the BD will carry out the works on behalf of the owners. We will, after deducting the amount of grants available to each unit, recover the remaining repair cost and supervision charges from the owners.
8. The number of target buildings under Category 1 and Category 2 is initially estimated at about 500 each.

Application for Category 1 Target Buildings

9. OCs of buildings meeting the criteria of the Operation should submit a completed application form together with the relevant supporting documents by mail to a GPO Box to be established (details to be provided later). After the application deadline, we will select and determine the priorities of the eligible target buildings by computer ballot.
10. Supporting documents to be submitted with the applications for Category 1 buildings include:
- (a) minutes of meeting recording that the management committee (MC) of the OC has endorsed the building's application for joining as a target building under the Operation and authorized its members to sign the application form;
 - (b) minutes of meeting of the MC / owners endorsing the execution of the repair works items; and
 - (c) copy of the occupation permit of the building.
11. The OCs will be advised of the application results in June 2009 at the earliest. Upon receipt of the approval-in-principle for participating as a target building under Category 1 of the Operation, the OCs should appoint an AP to co-ordinate the repair works and appoint a qualified contractor to commence the works within a specified date. The HKHS and URA will provide technical support to the owners.

Selection of Category 2 Target Buildings

12. The BD together with HKHS and URA will proactively select buildings without OCs or having difficulties in coordinating repair works and which have **structural safety problems and defective sanitary facilities** as Category 2 target buildings, with a view to assisting the owners to carry out the repair works. Category 2 target buildings should satisfy the same basic criteria of Category 1 target buildings.

Enquiries

13. You are welcome to make enquiries on “Operation Building Bright” through the following channels:

The Hong Kong Housing Society
Telephone Number : 2839 7180
Email : hsadvisorycentre@hkhs.com

Urban Renewal Authority
Telephone Number : 2588 2333
Email : inquiry@mail1.ura.org.hk

**Development Bureau
Buildings Department
Hong Kong Housing Society
Urban Renewal Authority**