

CONTROLLING OFFICER'S REPLY

DEVB(PL)110

(Question Serial No. 2522)

Head: (82) Buildings Department
Subhead (No. & title): (-) Not Specified
Programme: (1) Buildings and Building Works
Controlling Officer: Director of Buildings (YU Tak-cheung)
Director of Bureau: Secretary for Development

Question:

The application for Category 1 buildings of the Operation Building Bright 2.0 (OBB 2.0) was closed on 30 October 2020. Please inform this Committee of the number of applications received (broken down by Category 1 and Category 2 buildings and building age group), the total amount of subsidies granted, the average amount of subsidy granted for each approved application, the expenditure and manpower involved in OBB 2.0 so far, as well as the estimated expenditure and manpower for the coming year.

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 24)

Reply:

To safeguard public safety from hazards caused by building neglect, the Government announced in October 2017 the launching of Operation Building Bright 2.0 (OBB 2.0) in partnership with the Urban Renewal Authority (URA) to provide technical and financial assistance to eligible buildings for carrying out prescribed inspections and repair works under the Mandatory Building Inspection Scheme (MBIS). With a total commitment of \$6 billion, OBB 2.0 is expected to benefit some 5 000 buildings.

There are two categories of buildings under OBB 2.0. Category 1 buildings are those whose owners are prepared to take up the organisation of the inspection and repair works for their buildings under MBIS. Category 2 buildings cover those which have outstanding MBIS notices but the owners concerned have difficulties in coordinating the inspections and repair works. The Buildings Department (BD) proactively selects Category 2 buildings on risk basis and exercises its statutory power to carry out the requisite inspections 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 OBB 2.0 to cover all or part of such cost. No application is therefore required for Category 2 buildings.

For Category 1 buildings, first and second round of applications were ended in October 2018 and October 2020 respectively. With input from URA, as of end December 2020, the building age distribution of the numbers of Category 1 building applications received, Category 1 buildings involved in the approved applications, and Category 2 buildings selected are set out in the table below –

Building age (years)	Number of applications received⁽¹⁾	Number of Category 1 buildings involved in approved applications^{(1)&(2)}	Number of Category 2 buildings selected
40 – 49	323	254	0
50 or above	1 242	919	636
Total	1 565	1 173	636

Note ⁽¹⁾: Application under OBB 2.0 is made on the basis of Deed of Mutual Covenant (DMC). Some buildings may have more than one DMC, and some DMCs may cover more than one building. The number of applications received therefore does not correspond to the number of buildings involved for some cases.

Note ⁽²⁾: Another 35 applications (involving 29 buildings) received at the second round application to join OBB2.0 as Category 1 buildings under processing.

Generally speaking, after applications are approved, owner-occupiers of Category 1 buildings could only apply for grant of subsidy from URA after the works contracts have been procured. In the case of Category 2 buildings, the subsidies would be used by eligible owners to offset the amounts to be charged by BD upon completion of the requisite inspection and repair works under MBIS. As of end December 2020, according to URA, around \$73.2 million, including the amount of subsidies released and committed to be released, has been approved under OBB 2.0 for 172 buildings. A substantial number of participating buildings have yet to reach the stage of submitting the applications for grant of subsidy from owner-occupiers or the applications are under processing. For undertaking the prescribed inspection and repair works in the common parts of a building, eligible applicants (except elderly applicants) will be subsidised 80% of the cost subject to a cap of \$40,000 per unit; eligible elderly applicants will be subsidised 100% of the cost subject to a cap of \$50,000 per unit. Besides, all eligible applicants irrespective of age will be subsidised 50% of the cost for undertaking the prescribed inspection and repair works for private projecting structures subject to a cap of \$6,000 per unit.

The work performed by BD under OBB 2.0 is to be carried out by the professional and technical staff of the Mandatory Building Inspection Sections of BD as part of their overall duties. BD is unable to provide a breakdown of the expenditure and manpower incurred solely for this task. URA, as government's partner in administering OBB 2.0, absorbs the associated administration cost using its own funding.

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