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Housing, Planning and Lands Bureau  
9/F, Murray Building,  
Garden Road  
Hong Kong

Attention: Ms Olivia Nip, Assistant Secretary, (UR)4

Dear Miss Nip

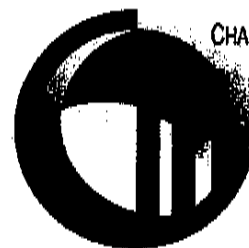
**Consultation on Mandatory Building Inspection Scheme (MBIS)**

The Government was facing strong opposition in the political arena and from the public when the notion of MBIS was first revealed five years ago. Hong Kong citizens were then quite ignorant of the tremendous social and economic costs that unsafe buildings could cause to the society. The Albert House Incident and the continuous falling of aluminium windows in recent years have awoken public attention to the pressing need for restoring safety to our built environment.

The Chartered Institute of Housing Asian Pacific Branch is supportive of the framework as proposed in the MBIS and wish to express our observations and opinions as below:

**1. Formation of Owners Incorporations**

One of the root causes of dilapidated buildings is the absence of owners corporations to spearhead the proper management and maintenance of buildings. Concurrent with the implementation of MBIS, Government should mobilize more resources to help owners to form corporations to manage their buildings. You are probably aware that the Hong Kong Housing Society has been successful in helping building owners to form corporations through her network of Property Management Advisory Centres in Hong Kong.



## **2. Administration of Building Safety Loan Schemes**

There are at present three loan schemes administered separately by the Buildings Department, Urban Renewal Authority and Hong Kong Housing Society. It is desirable to combine the schemes by pooling the resources, standardize the eligibility criteria and application procedures and unify the message to the public to achieve synergy effect. Government should entrust the work to a housing related NGO to assume the role of a central loan administrator.

## **3. Objective of MBIS**

We are of the view that the objective of MBIS should include both "Safety and Health" as equally important to the well-being of our citizens particularly in the aftermath of SARS and the prevalence of Avian Influenza.

## **4. Target Buildings**

We concur with the proposal to start with buildings over 30 years old and consider it appropriate to prioritize the inspection to those buildings to which the Buildings Department have served repair orders to be followed by those severely dilapidated ones. Progressively, the Scheme could be cascaded down to buildings over 20 years old. But we are concerned that the Scheme should be confined to buildings over 3 storeys high because lower buildings without proper maintenance and repair pose no less hazards to their occupants than tall buildings.

## **5. Inspection Items**

Building health and safety is a total product, therefore we consider it necessary for the MBIS to include inspection to fresh and flushing water systems, fire safety installations and electrical installations as a comprehensive and integrated "body check" to buildings. To this end, the MBIS would need to take into consideration current statutory requirements on inspection of all relevant building services to avoid duplication.

## **6. Authorized Inspectors**

Under the MBIS, the inspections are to be carried out by APs or RSEs who are statutory authorized professionals specified in the Building Ordinance (BO).



The scoring system adopted by the VBCS for assessing the maintenance conditions of the buildings is by personnel not specified in the BO but the scores will result in exemption of a statutory requirement. We are concerned if there will be liability implications to the assessor of the VBCS when safety issue arises. For the two schemes to be complementary to one another, the standards of inspection as well as qualifications of the assessors must be compatible, if not entirely the same.

#### **7. Inspection of Windows**

We are supportive of periodic inspection of windows instead of a one-off exercise. In view of the volume of inspections, Government might not have the resources to effectively enforce the legislation. It is desirable to entrust the job to licensed persons or minor works contractors to carry out the inspection on a 3-year cycle. Government should set up safety standards for windows and establish licensing requirements for qualified window inspectors. The Construction Industry Training Authority (CITA) should organized courses to train window inspectors in order to meet with the implementation of this legislation. On the other hand, government should educate owners of private buildings to carry out regular maintenance, inspection and repair to the windows to alleviate the problem.

#### **8. Voluntary Buildings Classification Scheme (VBCS)**

We appreciate the fundamental principles of the VBCS in encouraging the good management and maintenance of buildings. However, it is imperative that VBCS be interfacing and running parallel with MBIS on a complementary basis. It is also considered appropriate to launch the VBCS in advance to set the scene for the subsequent smooth implementation of MBIS by promoting the building care culture in Hong Kong. To make VBCS a success, Government may provide incentives to owners by reducing the rates payable and encourage insurance companies and banks to lower the insurance and lending rate to buildings receiving high ratings in the Scheme.

#### **9. Finance for Building Maintenance**

To tackle the deep-rooted problem of building neglect in Hong Kong and in line with the introduction of MBIS, Government should consider mandatory measure for building owners to set aside a building maintenance sinking fund if such is



not a ready p rovided for i n their building m anagement budget. This c ould be done by way of taxation in the form of increased rates.

#### **10. Licensing of Property Management Companies and Managers**

Modern building management and maintenance is not an amateurish pursuit that requires s ophisticated t echnical a nd m anagerial expertise. We firmly a dvocate Government to monitor the quality and standard of practice of property management companies and practitioners through a licensing system. In the long run, the success of MBIS and hence, the quality and sustainability of our built environment relies heavily on a regulatory system for our property management industry.

#### **11. Mandatory Management of Problematic Buildings**

We have r eservation o ver the m andatory formation o f o wners c orporations i n view of the ownership structure of old buildings, absentee landlords, financial and age profile of owners. Given these constraints, Government may introduce flexibility into the Building Management Ordinance (Cap344) to allow building repairs and maintenance works to be carried out upon consent of over 70% of the owners if there is no owners corporation for the building. Mandatory management of problematic buildings by Government appointed agencies might be a solution to the problem but there must be a mechanism to ensure adequate recovery of expenses by the management agencies to make the scheme a financially attractive one.

We hope that our views will be useful for you to formulate future policy for building management and maintenance. We look forward to having the opportunity to discuss the possible contribution that the Institute could offer to make the MBIS and VBCS successful.

Yours sincerely,

Ricky Yuen

Chairman

Chartered Institute of Housing Asian Pacific Branch