Mandatory Building Inspection Subsidy Scheme (MBISS) – Frequently Asked Questions (FAQs)

(1) Q: What kind of assistance will be provided to owners by Hong Kong Housing Society (HKHS) and Urban Renewal Authority (URA) under Mandatory Building Inspection Scheme (MBIS) and Mandatory Window Inspection Scheme (MWIS)?

A: In order to assist owners in complying with the statutory requirements of MBIS and MWIS, HKHS and URA jointly launch the Mandatory Building Inspection Subsidy Scheme (MBISS) to provide financial and technical assistance to those owners whose buildings have been selected under MBIS.

For financial assistance, HKHS and URA will subsidize eligible Owners’ Corporations (OCs)/owners for the cost of first building inspection under MBIS, subject to a cap limit. Subsidy confines to the expenses on the first Prescribed Inspection for common parts of building. If the actual cost of building inspection does not exceed the cap limit, any remaining subsidy may be used to cover the cost on Prescribed Inspection of windows in common parts. For technical assistance, upon issuance of Pre-notification Letters to the target buildings by Buildings Authority (BA), HKHS and URA will attend the District Briefing Sessions organized by Buildings Department (BD)/Housing Department (HD) to explain to the owners of target buildings about the details of packages of assistance available under the MBIS. Moreover, for OCs/owners who have joined the MBISS, HKHS and URA will also provide standard templates on tender document and service agreement for reference use on arrangement of tender and appointment of Registered Inspector (RI).

HKHS and URA will continue to provide technical and financial assistance to owners in needs on Prescribed Repairs, if required, through existing Integrated Building Maintenance Assistance Scheme (IBMAS).
For enquires relating to assistance schemes of building inspection and repairs, OCs/Owners can call Building Maintenance Assistance Schemes Hotline (BMASH) 3188 1188 provided by HKHS and URA.

(2) **Q:** Which organization should the owners/OCs seek assistance from if they have any queries relating to the enforcement of Statutory Notices, interpretation of statutory requirements, Code of Practice and technical issues under the MBIS / MWIS?

**A:** They should approach BD for assistance.

(3) **Q:** What are the eligibility criteria for MBISS?

**A:** Buildings should fulfill all of the following criteria:

- Private residential or composite (commercial & residential) buildings aged 30 or above (according to the Occupation Permit), excluding residential buildings not exceeding 3 storeys; and

- Buildings of an **average** rateable value per residential unit not exceeding $162,000 p.a. in the urban areas including Shatin, Kwai Tsing and Tsuen Wan or $124,000 p.a. in the New Territories; and

- Buildings not in single ownership; and

- OCs/co-owners having received MBIS Pre-Notification Letters or Statutory Notices issued by BD; and

- Applicant is required to appoint a person whose name is for the time being on the Inspectors’ Register kept by the BA for the prescribed inspection.

- Application should be submitted **before the appointment of RI.**
(4) Q: Can buildings without OCs apply for mandatory building inspection subsidy relating to the common parts of the buildings?

A: Yes. However, for buildings without OCs (excluding buildings in single ownership), application for the subsidy shall be resolved in the Owners’ Meeting with consensus from all owners or in accordance with the relevant provisions as stated in the Deed of Mutual Covenant (DMC) and submitted by an authorized representative to the HKHS/URA. The authorized representative shall either be the DMC Manager or property management company or registered owner.

(5) Q: Are single ownership buildings eligible for the MBISS?

A: Single ownership buildings are not eligible.

(6) Q: Are industrial or commercial buildings eligible for MBISS?

A: Industrial or commercial buildings are not eligible.

(7) Q: For a building with more than one OC, is it necessary for the OCs to submit application jointly?

A: Separate application form has to be completed by individual OC. However, it is up to the OC to decide whether to submit application jointly with the other OC and carry out building inspection jointly. The subsidy cap is based on the total numbers of units covered in each individual application and will not be affected by joint application. It may be more cost effective and efficient for the whole building to carry out building inspection simultaneously. In the circumstances, OCs are advised to communicate with each other for the most appropriate arrangement.
(8) Q: Will multiple applications for MBISS be accepted?

A: No, subsidy will only be granted once.

(9) Q: How to calculate the average rateable value of the residential units?

A: Before application, owners may refer to the rates demand notes issued by the Rating and Valuation Department (RVD) for residential units in different sizes located at high, middle and low levels of the building for initial estimate of the average rateable value of the building. HKHS/URA will base on the latest average annual rateable value of the residential units (for the whole development under the same DMC) provided by the RVD for calculation.

(10) Q: Can a building apply for MBISS if no MBIS Pre-Notification Letter or Statutory Notice received?

A: No.

(11) Q: If an owner has only received MWIS Pre-Notification Letter or Statutory Notice, can he/ she apply for MBISS?

A: No. Only the building owners having received MBIS Pre-notification Letters or Statutory Notice can apply MBISS.

(12) Q: Are there any subsidy schemes for MWIS? If individual owner needs to carry out window repair works after the inspection, are there any subsidies for the repairs?

A: HKHS and URA jointly rolled out the IBMAS, providing financial assistance to eligible owners. Under the IBMAS, “Home Renovation Interest-free Loan”
(HRIL) implemented by URA, “Building Safety Loan Scheme” (BSLS) implemented by BD and “Building Maintenance Grant Scheme for Elderly Owners” (BMGS) implemented by HKHS (Government fund) provide loan or subsidy to eligible owners for prescribed inspection and/or prescribed repair under the MWIS. For HRIL, eligible owners will be granted an interest-free loan not exceeding $50,000 for flat interior repairs. For BSLS, eligible owners will be granted an interest-bearing loan subject to a ceiling of $1 million per unit. Owners going through the means-test under BSLS may also apply for interest-free loan. Moreover, a maximum grant of $40,000 is available for each elderly owner-occupier (aged 60 or above) who has complied with income and asset limits under BMGS. The scope covers repair works in individual flats or building common areas.

(13) **Q:** How much subsidy can be obtained by an OC under the MBISS?

**A:** The amount of subsidy will be based on the actual expenses of the first time prescribed inspection, subject to a capping limit. The subsidy cap is determined according to the total number of residential and commercial units of the target building(s) covered by the same DMC. If BD does not select all building blocks under the same DMC into the target building list in one batch, the subsidy cap will be based on total number of units of the building blocks which received MBIS statutory notice(s) issued by BD in the same batch.

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<tr>
<th>Total number of units of the building</th>
<th>Subsidy Cap (HK$)</th>
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<tbody>
<tr>
<td>20 units or below</td>
<td>$25,000</td>
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<tr>
<td>21 to 49 units</td>
<td>$35,000</td>
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<td>50 to 200 units</td>
<td>$60,000</td>
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<tr>
<td>201 units or above</td>
<td>$100,000</td>
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(14) Q: Does MBISS include all expenses for inspection and repair?

A: Subsidy will be confined to the expenses on the first time prescribed inspection of the common parts of the building conducted by an RI according to relevant statutory requirements and the Code of Practice for MBIS and MWIS. If owners receive MBIS and MWIS Pre-Notification Letters or Statutory Notices at the same time and employ the same RI or RI / AP in the same company, any remaining subsidy within the same MBISS application for the building inspection may be used for inspection of windows in common parts under MWIS. Other expenses such as Detailed Investigation, prescribed building repair works, inspection and repair of windows for individual private units are not covered.

(15) Q: How will the subsidy be released under MBISS?

A: One-off subsidy will be released to the applicant after receipt and vetting of claim form and other supporting documents regarding completion of prescribed building inspection required by the HKHS/URA.

(16) Q: Are there any specific requirements on appointment of RI under MBISS?

A: Application for MBISS should be submitted prior to the appointment of RI. Provisions in Section 20A of Building Management Ordinance (BMO) (Cap344) and the Code of Practice on Procurement of Supplies, Goods & Services should be compiled with. Moreover, upon issuance of Approval-In-Principle by HKHS/URA, “Sample Tender Document and Service Agreement of MBISS for Appointment of RI” will be provided to applicant for reference and use. The applicant must have the mandatory clauses in the sample documents be included in the tender document and service agreement.
(17) Q: Should OC or owners representative accept request from RI for additional fee if during the prescribed inspection, there are discrepancy in the condition of building or extensive hidden elements at common areas which require removal of decorative facades?

A: Generally, it is the responsibility of the RI to assess the building conditions before submission of quotation. OC or owners’ representative are advised to check the scope of service as stipulated in the service agreement before considering any request for additional fee. To avoid dispute in future, OC or owners’ representative should confirm with the RI details of his scope of service and listed as the terms of contract before signing in order to protect the interests of both parties.

If OC or owners’ representative uses the template “Sample Tender Document and Service Agreement of MBISS for Appointment of RI” provided by HKHS and URA, the quoted service fee should be on lump-sum basis and remain unchanged irrespective of variation in the total number of working days of the RI. Therefore, except for the extra cost related to Detailed Investigation which is endorsed by the BA or the searching fees / copying charges paid to various government departments on actual reimbursement basis, OC or owners’ representative should not be required to pay any extra service fee.

(18) Q: During the course of prescribed inspection, should OC or owners’ representative always follow the recommendation for Detailed Investigation suggested by the RI?

A: Under the requirements of MBIS, when the RI intends to conduct a Detailed Investigation, he shall submit a proposal for the endorsement of BA prior to commencement of any Detailed Investigation. As Detailed Investigation may involve extra fee for engaging other specialists, OC or owners’ representative should taking into account of the endorsement from BA before deciding to proceed with any Detailed Investigation works. Moreover, OC or owners representative may request the RI to explain the
reason(s) for, coverage of and extra cost incurred by the Detailed Investigation. In case a Detailed Investigation involves extra fee in engaging other specialists, OC or owners representative should request the RI to obtain several quotations for consideration and selection (the RI should also make a Declaration of Interest). Such procurement exercise should also observe the provisions as stated in Section 20A of BMO (Cap344) and the standards and guidelines as specified in the Code of Practice.

(19) Q: In case the RI cannot gain access to some common areas/ facilities to conduct inspection, for example areas concealed by false ceiling, and requests to engage contractor and use equipment such as CCTV, should OC or owners’ representative accept and pay extra fee?

A: Under the requirements of MBIS, for any communal facilities concealed by decorative facades or situated inside individual private units (such as beam-slab type cantilevered reinforced concrete structures or common pipes inside private premises), the RI shall make all efforts, including removal of the surface cover to facilitate the inspection. OC or owners’ representative should request the RI to explain the reason(s) for and the necessity of conducting such inspection. The OC or owners representative should check whether the requested service has already been explicitly included in the service agreement or not before accepting any request for additional fee. To avoid dispute in future, the OC or owners’ representative should confirm with the RI details of his scope of service and listed as terms of contract before signing in order to protect the interests of both parties.

(20) Q: What is the difference between MBIS and Voluntary Building Assessment Scheme (VBAS)? What is the criteria for joining VBAS?

A: The coverage of VBAS is more extensive than MBIS. In addition to the assessment for building safety, there are elements covering building maintenance, building management, environmental protection and value-added aspects. Buildings certified under the VBAS are recognized by the BA
as having fulfilled the requirements under the MBIS and MWIS (in respect of windows in common parts only). All private domestic buildings and composite buildings (domestic & commercial) with building management, of any building age, can join VBAS. As VBAS is not a subsidy scheme, applicants are required to pay application and certification fees.

(21) **Q:** If the prescribed inspection of a building has indicated repair works in common parts are necessary under the MBISS, is there any financial assistance offered by HKHS/URA?

**A:** The IBMAS was jointly operated by HKHS and URA since April 2011. All new applications under the IBMAS will be handled by URA starting from July 2015. “Common Area Repair Works Subsidy” under the IBMAS implemented by URA can provide financial assistance on repair works in common parts. Eligible individual owners can also apply “Common Area Repair Works Hardship Grant” (maximum amount $10,000). Apart from this, BMGS (maximum amount $40,000) funded by the government and administered by HKHS and BSLS (maximum amount $1million) implemented by BD can subsidize or provide loans to individual owners to share the expense related to repair works in common parts.

(22) **Q:** How much subsidy can be obtained under CAS as the cost of repair works in common parts can be substantial?

**A:** The total amount of subsidy for eligible building per OC within 5 years (whichever is the lower) is as follows:

- 20 units or below - 30% of the approved cost of works up to HK$225,000 in which HK$75,000 is for green items
- 21-49 units - 20% of the approved cost of works up to HK$225,000 in which HK$75,000 is for green items
• 50 units or above - 20% of the approved cost of works or not more than HK$4,500 per unit, capped at HK$1,800,000 in which HK$600,000 or HK$1,500 per unit is for green items (whichever is lower).

(23) Q: After completing the Prescribed Inspection, in case the applicant has applied IBMAS to execute the Prescribed Repair works, can the same RI be appointed for supervision of the repair works?

A: As required under IBMAS, application has to be submitted prior to the appointment of Authorized Person or qualified professional for supervision of maintenance/repair works. However, such requirement may be waived provided that the applicant has joined MBISS with Prescribed Inspection completed according to the specified requirements and the same RI appointed for supervision of the Prescribed Repair provided that the requirement on tendering / procurement of IBMAS are fulfilled. As there is no restriction in MBIS that OC is required to appoint the same RI to supervise the repair works, OC can consider either to sign the service contract with the RI for supervision of the repair works based on his past performance and quoted price for the supervision work or to re-tender for appointment of another RI for the supervision work. Applicants of IBMAS are advised to contact URA through BMASH 3188 1188 to understand the specified requirements before submission of Application Form.

(24) Q: If upon completion of the prescribed inspection under MBIS and MWIS, no prescribed repair works is required, can the owners apply for IBMAS if they intend to carry out repair works for the building voluntarily?

A: Yes. IBMAS does not only provide assistance for the prescribed repair works under MBIS and MWIS. Eligible owners can also apply for subsidy under IBMAS in respect of repair works at common areas or individual unit.
(25)  Q: What is the amount of grant for BMGS and what does the scope of grant cover?

A: A maximum grant of $40,000 is available for each eligible elderly owner-occupier. The scope of grant covers repair works in a residential flat and/or in building common areas. For application of grant for repair works in a residential flat, application form should be submitted prior to commencement of the works. For application of grant for repair works in building common areas, application form should be submitted prior to the date of Practical Completion Certificate for completion of repair works. Flat inspection and screening of the quotation will be conducted by the HKHS staff before release of grant.

(26)  Q: If an owner has successfully applied for BMGS and has been granted $40,000, is he still eligible to apply for HRLS to carry out window repairs for individual flat? Can he also apply for the grant of $10,000 under “Home Renovation Hardship Grant” (HRHG)?

A: BMGS and HRLS are two separate schemes with different eligibility criteria. For an eligible applicant who has been granted $40,000 under BMGS, he is also eligible to apply for HRLS to carry out window repairs in individual flat in case he received either MWIS Pre-Notification Letter or Statutory Notice. For applicant who has applied and is eligible for HRLS, he may also apply for HRHG if he meets the eligibility criteria. However, each repair item can only be granted subsidy or loan once and no duplication of financial assistance will be given.