

LCQ22: A topside property development project at railway station

Following is a question by the Hon Mrs Regina Ip and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (August 25):

Question:

The MTR Corporation Limited (MTRCL) and a real estate developer (the developer) are jointly developing The Pavilia Farm, a topside property development project at MTR Tai Wai Station. On June 18 this year, the Buildings Department (BD) received a notification from the registered structural engineer of the project that the strength of the concrete used for some of the reinforced concrete columns in Tower 8 of Phase III had been found to be lower than the specified strength, and the relevant superstructure works for that tower had been suspended. On July 6, BD received another notification that a similar situation had been found in Tower 1, also of Phase III. In this connection, will the Government inform this Council:

(1) as it has been reported that the developer still conducted sales activities for the residential units concerned on June 20 after discovering the aforesaid works quality problem, whether the Government, upon receipt of the aforesaid notification on June 18, requested MTRCL and the developer to suspend such sales activities; if it did make such a request and receive a reply thereto, of the details of the reply; if it did not make such a request, the reasons for that;

(2) whether it has requested MTRCL and the developer to conduct a review on the works quality of all buildings of the project and submit the relevant report; if so, of the details; if not, the reasons for that; and

(3) given that the developer has decided to demolish and rebuild the two towers, whether the Government has assessed if the expenditure involved in such arrangement will affect the profits that MTRCL can earn from the project, and in turn impact the company's dividend payment to the Government as its major shareholder?

Reply:

President,

Having consulted the Development Bureau (DEVB) and the MTR Corporation Limited (MTRCL), our reply to the Hon Mrs Regina Ip's question is as follows.

(1) On June 18 this year, the Buildings Department (BD) received notification from the registered structural engineer (RSE) of the development project that

the strength of the concrete used in two reinforced concrete columns between the 7th and 8th storey of Tower 8 was lower than the specified grade strength as shown on the plans approved by the BD. As only a small portion of all the structural elements of that floor was involved then, generally speaking, the RSE could take remedial actions by carrying out rectification works, for example, progressively demolishing the part of the columns not complying with the standards after erection of temporary supporting frames and then recasting with concrete complying with specified grade strength, or carrying out strengthening works. In so far as the involved portion of structural elements as notified then, the feasible remedial works would generally bear only minor impact on the construction progress of the development project.

Afterwards, the BD received another notification on July 6 that similar condition was found at a portion of reinforced concrete load-bearing walls of Tower 8 and a portion of reinforced concrete columns and load-bearing walls of Tower 1. The developer announced on July 8 that construction defects were found in the Pavilia Farm Phase III and it was decided that the buildings concerned would be demolished and rebuilt. The Lands Department (LandsD) immediately suspended the pre-sale consent of the Pavilia Farm Phase III on July 9 and requested the developer to provide updated information and Certificate from the Authorised Person. On the same day, the developer informed the LandsD in writing that the sale of all unsold units in the Pavilia Farm Phases I, II and III had been suspended since July 7. Before this date, the LandsD was not provided with any information which suggested that the developer was unable to comply with the conditions under the pre-sale consent.

(2) Upon receipt of notification in both instances (as mentioned in part (1)), the BD has not only instantly delegated officers to inspect and closely follow-up, but has also requested the registered building professionals to submit the full incident reports, and to conduct additional tests in respect of the completed main superstructure works of the remaining five residential buildings (i.e. Tower 2, Tower 3, Tower 5, Tower 6 and Tower 7 of the Pavilia Farm) and the podium of the same development project.

The relevant additional tests to the reinforced concrete columns and load-bearing walls include conducting rebound hammer test and taking concrete cores for compressive strength test. These tests should be carried out by an accredited testing laboratory under Hong Kong Laboratory Accreditation Scheme administered by the Hong Kong Accreditation Service of the Innovation and Technology Commission. Furthermore, the extracting concrete cores for compressive strength test should be witnessed by BD officers on site.

The BD received the incident reports of Tower 1 and Tower 8 of the Pavilia Farm in end July from the registered building professionals and registered contractor concerned. After examining the reports, the BD issued letters to request the registered building professionals to provide supplementary information, including the review on the arrangement of site management and supervision. Furthermore, the preliminary additional tests for the remaining five residential buildings of the Pavilia Farm and the podium have been completed and the BD is examining the relevant results. The other

additional tests are being conducted. The BD will examine the results of relevant additional tests in detail to ensure that the concrete used in the development project and relevant structures are in compliance with the statutory requirements.

(3) Relevant responsibilities and clauses to claim against loss and damages have been clearly stipulated in the development agreement of the project entered into between the MTRCL and the developer. The demolition and reconstruction works of the two buildings of the Pavilia Farm, as well as other follow-up works will be carried out in accordance with the said agreement. The Government understands that the MTRCL is handling the relevant follow-up works with the developer. However, the development agreement contains confidentiality clauses and commercially sensitive information and thus could not be disclosed.