

Building Management (Amendment) Bill 2005

Edwin Hui

1. Amendment Proposal Relating to the Appointment Procedures of a Management Committee

The issue

- *Quorum requirement for owners' meetings – HAD proposes a quorum requirement of 10 % of owners throughout the meetings convened for the purpose of appointment of an MC*

My View

There exists a technical problem in counting the numbers of owners. Schedule 11 of BMO on Enumeration of Owners states that if 1 owner owns more than 1 flat, e.g. 1 owner owning 35 flats, he/she will be counted as 1 owner. However, it will be difficult for the convener of the owners' meeting to determine the base from which to calculate how many owners should attend to represent 10% of owners.

For instance, in a building with 100 flats, if 1 owner owns 1 flat, the base to calculate the percentage will be 100. 10% of the 100 base number will be 10. It will therefore need 10 owners to form a quorum, simple as that.

However, in the same building with 100 flats, there happens to be 1 owner owning 31 flats; as he will be treated as 1 owner, the base will become 70. 10% of 70 owners will be 7. That is to say we need 7 owners to form a quorum.

When it is time to hold the next owners' meeting, the owner who owns 31 flats has sold 10 flats to 10 individual owners. The total number of owners will be changed to 80. The quorum will correspondingly be changed to 8.

Based on the above, the management committee or convener of the owners meeting will need to be very certain about who owns which flat, and how many flats each owner owns. Unfortunately, the number of owners will vary from time to time. In order to maintain a true and accurate record, a fresh land search will have to be made prior to the owners' meeting and practically it will have to be made on the date of the owners' meeting to ensure the ownership records are most up-to-date.

However, if the property has thousands of flats, it will be extremely time consuming and costly to carry out the land search and match the owners who own several flats every time a meeting is convened.

We appreciate that the existing method of counting of owners aims at enhancing owners to successfully convene owners' meeting but there is a potential risk of the convener's failing to ascertain the adequacy of the quorum.

HAD may wish to reconsider counting the owner of each individual flat as 1 owner to prevent ambiguity and the excessive cost involved in ascertaining the correct base to determine the percentage of owners.