

**LEGISLATIVE COUNCIL
BILLS COMMITTEE ON BUILDINGS (AMENDMENT) BILL 2010**

**Support to Building Owners and Owners' Corporations to
Facilitate Building Management**

Purpose

At the Bills Committee meeting on 20 March 2010, Members considered that the Home Affairs Department's (HAD) assistance to building owners and owners' corporations (OCs) in building management was indispensable to the successful implementation of maintenance works. Members expressed concern about the manpower resources of the District Building Management Liaison Teams (DBMLTs) of the District Offices (DOs), which are responsible for building management matters. This paper sets out the Administration's work on facilitating building management and views on the above matters.

Building Management

2. The Building Management Ordinance (Cap. 344) (BMO) provides a legal framework for owners of private buildings to organise and form OCs to jointly manage their buildings. Apart from forming OCs, some owners have established other forms of residents' organisations such as owners' committees or mutual aid committees while others have employed property management companies to assist and coordinate the daily operation of building management and maintenance.

3. The HAD is the executive arm that assists the Secretary for Home Affairs in enforcing the BMO. Liaison Officers (LOs) from DBMLTs of DOs under the HAD will assist owners to manage their buildings properly by providing them with advice and assistance on building management matters. At present, about 110 LOs, accounting for about 25% of the establishment of 440 LOs, are undertaking duties related to building management. They will visit private buildings throughout the territory regularly to encourage the owners of buildings without OCs to form OCs, and to advise and assist them on the

procedures for the formation of OCs. In addition, when attending OC meetings upon invitation, they will provide advice and support on a range of building management issues, such as the formation and operation procedures of an OC, honest and effective financial management, code of practice on procurement of goods and services, and code of practice on building management and maintenance. They will also handle enquiries and complaints related to building management and act as mediators to help resolve disputes among owners, OCs and management companies. We must, however, stress that disputes arising from building management may involve complicated professional issues such as legal and accounting issues. Staff of DOs will suggest owners seek professional advice in view of the unique circumstances of each individual case. They will also assist owners in obtaining free legal or mediation services as appropriate.

4. The HAD undertakes overall planning of education and publicity activities on building management. DOs will organise activities such as training sessions, workshops and talks from time to time, and invite professionals from government departments and industries concerned such as housing managers, surveyors, accountants and insurance practitioners to share professional expertise on building management, so as to increase owners' awareness of building management and maintenance. The HAD has also produced a series of publications and compact discs to highlight in a simple and easy to understand manner key messages of proper building management, including matters requiring attention in procurement of supplies, goods and services, as well as guidelines on the formation of an OC.

5. There are currently ten Property Management Advisory Centres under the Hong Kong Housing Society (HKHS) which provide property management advisory services for building owners, occupants, OCs, mutual aid committees, etc. in their respective districts. Services include providing guidance to owners on the formation of an OC, as well as assistance to owners in employing property management companies and project consultants, in order to help them tackle building management and maintenance problems. DOs have been working closely with the centres and will refer owners and OCs to the centres when necessary for free appointments to meet with professionals such as lawyers, surveyors and housing managers.

6. At present, there are over 40 000 private buildings in Hong Kong. Among them, around 16 000 have formed OCs under the BMO (accounting for about 40%). In 2007, 2008 and 2009, DOs assisted in the formation of 249, 219 and 315 OCs respectively. Nonetheless, there are many old single-storey buildings in old districts, the flat owners of which are mainly the elderly or grass-root residents, who have limited financial resources and ability in organising themselves for action. Some owners want to wait for opportunities to sell their properties for redevelopment and are unwilling to pay for building management and maintenance. In addition, many of these buildings have complicated ownership issues. It is also difficult to maintain regular contact with owners who lease their flats to tenants and collect rent through agents. There are difficulties in forming OCs in these buildings.

Building Management Professional Service Scheme

7. The Home Affairs Bureau (HAB) will, in collaboration with the HKHS and professional associations of the property management industry, launch the Building Management Professional Service Scheme in April 2010. The Scheme will provide owners with free professional advice on property management and follow up services to improve the management of about 1 000 units in old buildings. This Scheme pools professionals in property management to join forces in enhancing building management and maintenance. In particular, it will offer tailored support and services to owners who cannot organise themselves for action or lack the necessary professional knowledge. We hope that the Scheme will set a good example, and through this Scheme, owners will understand the positive effects of continuous management and regular maintenance of their buildings, which will bring about improvement in the living conditions of private buildings.

8. The HKHS and the property management professionals will form expert teams. In the next twelve months, they will pay visits to households in the target building clusters, contact owners directly to give them professional advice and answer their enquiries, as well as produce building management audit reports with suggestions to enhance management and maintenance conditions of buildings. The audit report will evaluate the conditions of various facilities including the external walls, roofs, windows in common parts, lobbies of buildings, electricity and water supply systems, fire services and

lighting equipment, and illegal structures in the common areas. The experts will visit the target buildings in person, evaluate each item in the audit report, process the information and then propose specific and feasible suggestions.

9. Along with the visits and professional advice of the expert teams, the HKHS and relevant DOs will provide buildings in the clusters with strong support to form OCs, or give assistance to the owners to organise themselves to consider or approve the necessary improvement plans for their buildings. Furthermore, the expert teams will assist owners and OCs in applying for various loan and assistance schemes, give OCs assistance in preparing tender documents for improvement or maintenance works, and follow up on tender evaluation and works implementation. The expert teams will also provide office-bearers of OCs and owners with training on building management.

Advice Sought

10. Members are invited to note and comment on the package of measures to enhance building management.

Home Affairs Department
March 2010