

Legislative Council Panel on Housing

Setting up of the Tenants Purchase Scheme Advisory Team

Purpose

This paper briefs Members on the Tenants Purchase Scheme Advisory Team (TPSAT) set up by the Hong Kong Housing Authority (HA) and the advisory and educational services delivered through the TPSAT.

Background

2. The HA introduced the Tenants Purchase Scheme (TPS) in early 1998 under which sitting tenants can buy their public rental housing (PRH) flats at discounted prices. As at end-March 2010, over 117 100 flats in 39 estates, which account for around 60% of the flats originally targeted under the TPS, have participated in the TPS, while occupants in 66 300 rental flats remain as HA tenants.

Management of the TPS Estates

3. All the 39 TPS estates are managed by Property Management Agents (PMAs) engaged by respective Owners' Corporations (OCs) to whom the authority for management is vested under the Deed of Mutual Covenant (DMC) and the Building Management Ordinance (BMO). In line with the arrangements in private housing estates, the daily management issues in TPS estates are determined by a majority of votes at the Management Committee (MC) Meetings¹ and the Owners' Meetings², the decisions of which are binding on all owners. The rights and responsibilities of the HA are the same as those of individual flat owners in the TPS estates.

4. The day-to-day management of a TPS estate is monitored by its MC with an HA representative serving as one of the members. With the professional knowledge and experience on estate management and maintenance, the HA representative will provide opinions and exercise the right to vote as a MC member on major issues at MC meetings. In

¹ The MC acts as the executive arm of the OC. MC members are elected in the Owners' Meetings and responsible for the monitoring of day-to-day management of the TPS estate.

² Including Annual General Meetings and Extraordinary General Meetings convened by the OCs. All owners can attend the meeting.

addition, the HA representative will exercise the right to vote as the owner on crucial matters, such as the use of Maintenance Funds (MF) for major maintenance works, to ensure good management of the estate. The PMAs are responsible for implementing the decisions made by the MC and the Owners' Meetings.

5. The HA representatives will participate in the day-to-day management of the TPS estates by taking part in the MC. Unfortunately, some MC members do not have sufficient knowledge of property management and maintenance. Also, TPS flat owners are not fully aware of their management responsibilities. There were also cases where the PMAs do not perform at a satisfactory level. As a result, there have been some management and maintenance issues in the TPS estates. Examples include excessive tree pruning due to poor supervision by the PMAs over landscaping contractors and the maintenance problems involving lifts.

Responsibilities of the TPSAT

6. To improve the overall management of TPS estates, the HA set up a dedicated central advisory team in mid-2009, for a period of two years. The objective is to provide TPS OCs and owners with advisory and educational services and re-align the roles and responsibilities among the OC and the owners with a view to equipping them with the basic knowledge of proper estate management and maintenance. The TPSAT consist of three experienced estate management and works professionals, including one Housing Manager, one Maintenance Surveyor and one Building Services Engineer. The scope of advisory services provided by the TPSAT is set out in **Annex**. The HA representatives will continue to participate at MC meetings to ensure that the estates are properly managed, and to share with the TPSAT the working experience gained through this participation.

7. The TPSAT is preparing a comprehensive manual and pamphlet on good practices on management and maintenance with a view to enhancing the relevant knowledge of the TPS owners and OCs on estate management and maintenance. The manual and pamphlet, which are expected to be issued around mid-2010, will cover the working experience of the HA representatives in the TPS estates as well as cover established estate management policies such as tender arrangements and greening initiatives.

8. In addition, the TPSAT will conduct goodwill visits to all 39 TPS estates to gather the views and experience of the OCs and PMAs, and to understand major concerns of the owners and tenants. Good practices, such as observance of DMC and BMO and introduction of the Buildings Energy Efficiency Funding Scheme will also be promulgated in the visits. The TPSAT has visited 24 TPS estates so far.

Way Forward

9. Upon the completion of all the goodwill visits, the TPSAT would review the common concerns of the OCs and plans to hold a territory-wide forum in end-2010. Representatives from concerned organisations and government departments, such as the Home Affairs Department, the Independent Commission Against Corruption, the Independent Checking Unit of the Housing Department and the Electrical and Mechanical Services Department will be invited to participate at the forum. By attending the forum, the TPS owners and PMAs can familiarise themselves with property management knowledge and obtain expert advice on issues of concern to them. We will also conduct a comprehensive review on the TPSAT in early 2011 to gauge its overall effectiveness. Members are invited to note the TPSAT set up by the HA.

**Transport and Housing Bureau
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Major Scope of Technical/Educational Advice provided by the TPSAT

A. Safety Related Activities

1. Building Services Installations (including lift maintenance, electrical systems, fire services and gas safety systems)
2. Structural safety and structural repairs
3. Slope/retaining wall
4. Window
5. External/internal wall repairs
6. Playground equipment
7. Safe working at canopy/at height

B. Common Area Improvement Works

1. Lift modernisation
2. CCTV upgrading
3. Civil engineering works
4. Other building related works, such as plumbing and drainage

C. In-flat Repair/Improvement Works

1. Rewiring inside domestic flat
2. Spalling repairs
3. Seepage repair

D. Management Matters

1. Owners' awareness on their rights and responsibilities
2. Compliance of DMC (such as rules on the use of MF in major maintenance works)
3. Compliance of BMO (such as Code of Practice)
4. Effective operation of the MC
5. Good practices on procurement of services
6. Monitoring and quality control of services providers (such as the PMA, cleansing, security and maintenance contractors)