



**Honorary Advisor**

The Hon LEUNG Chun Ying, GBS, JP

11 February 2011

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Mr PAU Shiu Hung, SBS  
Prof Patrick LAU, SBS, SBS, JP  
Mr Thomas HO  
Dr CHAN Man Wai  
Dr Daniel HO  
Mr Frankie SO

Hon IP Kwok-him  
Chairman, Panel on Home Affairs  
Legislative Council  
HKSAR Government

Dear Chairman,

**Panel on Home Affairs – Special Meeting of 18 February 2011**

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Thank you for inviting the Hong Kong Institute of Facility Management (HKIFM) via your letter (CB2/PL/HA) of 27 January 2011, to give views on the government's consultation paper on regulation of the property management industry.

In response to the consultation paper, the HKIFM had carried out a survey to gather initial responses from our members. A CPD seminar entitled "Licensing of Property Management Companies and Practitioners" was also organized on 15 January 2011 with Assistant Director of Home Affairs, Ms Sharon Ho as our guest speaker and Ms Wong Lai Chun as the Convener. The CPD seminar was to disseminate a clear picture of the intentions and details of the regulatory framework to our members as well as to collect views from our members on this issue. Trust Sharon's team had already gathered some valuable views from our members individually. We would like to summarise the major views of the HKIFM members after the seminar for your easy reference, as follows.

**1. Spirit behind the legislation of the Regulatory Framework**

The HKIFM in general supported the legislation of a regulatory framework for the property management industry based on the following rationales:

- 1.1 to protect the interest of the general public and individual unit owners from malpractice of property management;
- 1.2 to effectively utilize statutory control and public money to ensure that the interest of the public at large and individual owners are being taken care of, and thus commercial interest should not be the target; and also no duplication of public resource;
- 1.3 to assist those individual residential properties owners to ensure quality management of their properties from mis-management of any kind, including management companies or incorporated owners, as this affects the livelihood of the citizens at large.

**(2) Scope of regulation**

Based on the spirit above, we opined that the regulation to property management companies should apply to either multi-owned properties or residential properties which currently are where the major problems lie.

Single-owned non-residential properties and government buildings should be exempted as public money should not be used to subsidize the operation of the commercial sector which they



should have their responsibility to engage personnel and companies with competent skills to manage their properties. Also, government had already deployed funding for government departments or NGOs to establish professional teams to manage their properties and no need to double-spend the public money for property management issue. The ones that need government to help to ensure good management are those individual owners of residential units.

### (3) Regulatory Level and Qualification Standards for Companies

We supported a 3-tier regulatory framework based on the complexity of the property ownership and the exemptions as stipulated in (2) above. The qualifications of the companies should be appropriately graded to suit the needs of the different categories of properties, namely,

Category 1:	Single-block residential building	(least requirement)
Category 2:	Multi block residential buildings without non-residential elements	(medium requirement)
Category 3:	Complex properties with non-residential elements	(highest requirement)

*Remarks : Residential building shall include carpark.*

*Non-residential elements shall include club house and shopping centre but exclude carpark.*

### (4) Regulatory Level and Qualification Standards for individuals

We opined that regulation of individuals may be good. We propose to use the similar system of Technical Competent Persons (TCP) used by the Buildings Department ("BD"). Currently, BD uses T1 – T5 to classify the individuals involving in construction works. This will be good for those individuals who are not members of recognised professional bodies. Government should also establish routes for them to be trained, testified and registered in similar arrangements as the TCP system used by the Buildings Department.

However, those qualified members of professional of bodies, such as the HKIFM, HKIS, HKIE, RICS and HKIH etc. should be allowed to practice in their relevant expertise areas without the requirement of an extra license. All these established professional bodies had already installed their very stringent professional standard and codes of practice to ensure the professional qualifications of their members to practice in the respective disciplines. There is no need for the government to spend extra money to duplicate the effort. The HKIFM supported direct recognition by virtue of membership of these professional bodies to the relevant competency levels in the future individual licensing system. This will save a lot of public money in testifying and maintaining the list of individual property management professionals.

### (5) Roles of the Proposed Body and Scope of the Regulations

We opined that the proposed regulatory body should be an independent non-government board or authority with representation from all relevant stakeholders in the field, such as the HKIFM, HKIS, HKIE, HKIH, RICS, etc. Details of the regulatory body should be further consulted.

### (6) Transitional Period

A grace period is necessary, and we opined that it should be at least 3 years from the date of legislation. Adequate training courses should be arranged to upgrade the current non-professional practitioners as well as for the small companies to better equip themselves to



## The Hong Kong Institute of Facility Management

c/o Suite 2102 Connaught Commercial Building, 185 Wanchai Road, Hong Kong Tel: 852 2537 0456 Fax: 852 2537 4426 <http://www.hkifm.org.hk>

meet the requirements in order not to sweep the small companies from the field leading to monopoly by large companies.

Current members of the Hong Kong Institute of Facility Management have largely been involved at managerial level and above in the industry for a long time, representing mostly the group of high end property operators and learned owners. Since Facility Managers are the professionals taking care of properties in a holistic manner with multi-skill in respect of technical, managerial, regulatory, financial as well as strategic issues, we trust that our input should be holistic. We are delighted to offer our contribution towards this issue for the betterment of the livelihood of the society at large and also for the healthy development of the property management industry. We sincerely trust that our views will contribute to the formulation of a valued property management regulatory framework.

Thank you for your kind attention. We are looking forward to further exchange with the Legislative Council, the Government and other professional institutions in the near future for the making of a successful and valued property management regulatory framework.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Eric Chan', written over a horizontal line.

Eric Chan (Dr)

President

Hong Kong Institute of Facility Management