

**Submission to The Bills Committee on Property Management Services Bill**

I thank Members for this opportunity to comment on the Property Management Services Bill.

As the District Council Member for Discovery Bay, I wish to record my overall support for this Bill. I especially appreciate the requirement that both companies and practitioners be licensed; the duty of Property Management Companies (PMC) to provide information under Part IV of the Bill; and the Property Management Services Authority's power to conduct investigations upon receipt of a material complaint from members of the public under Part V of the Bill.

I wish to comment on matters of scope and definition under the Bill.

**Part 1 Interpretation**

A Property Management Practitioner (PMP) is defined as a person who assumes a managerial or supervisory role in a property management company. I feel this definition, which focuses on the internal command structure of the PMC and not on the role of the PMP vis-à-vis the owners, is too narrow. It is important that the definition of PMP not be restricted to the top management, and that a broader range of persons responsible for providing management services be brought under the licensing regime. I suggest that the definition be expanded to include any person who is designated to represent the Manager.

For example, in Discovery Bay, each Sub-Deed of Mutual Covenant (Sub-DMC) specifies the procedures for electing owners' committees for the relevant phase of the estate, and for holding meetings of such committees. The Sub-DMCs state that the Manager may appoint a representative to attend and participate in these owners' meetings. I consider it very important that any person appointed as the representative of the Manager to such meetings be a licensed PMP, in the interest of fair elections and the provision of professional management services to owners.

**Part 3 Publication of list of licensees**

I also suggest that a PMC be required to post and maintain an up-to-date record of all PMPs assigned to the estate, specifying whether the licensed individual is a PMP Tier 1 or PMP Tier 2, at a prominent and accessible place within the Building. This should

be in addition to any power of the Authority to publish lists of licensed PMCs and PMPs.

#### **Part 4 Duties of licensees**

I appreciate the decision to require PMCs to disclose certain information. However, I am concerned that the term "Client" is undefined. I suggest that the term "Client" be replaced with the term Owners, and that any Owner should have access to the information to be provided. Client should not be restricted to the owners' committee(s).

In the case of Discovery Bay, the Owners' Committee is dominated by the developer and the Manager, as they control the majority of shares under the Deed of Mutual Covenant (DMC). Under these circumstances, if "Client" is defined as the Owners' Committee, the Client and the PMC would in effect be one and the same, which surely is not the intention of the Bill.

Furthermore, there should be a requirement to maintain an up-to-date record of the information required to be provided at Part 4, and to notify owners of the availability of updated information. In addition, at Paragraph 16, Clause (3) of the Bill, it is unclear whether the information to be provided by PMCs refers to the PMC's own budgets and accounts, or whether it refers to the budgets and accounts of the estate that is managed by the PMC – or both. The Bill should clarify. At the very minimum, the owners funds held on trust by the PMC must be covered by this requirement.

At Paragraph 16, Clause (3), I also recommend that the PMC be required to disclose any related-party transaction with the developer and its subsidiaries, if the PMC is a subsidiary of the developer.

Once again, thank you for this opportunity to comment on the Bill.

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7 July 2014