

**Supplementary Information on
Regulation of the Property Management Industry**

Background

During the discussion on “Regulation of the Property Management Industry” at the meeting of the Legislative Council Panel on Home Affairs (the Panel) held on 13 December 2013, Members of the Panel requested us to provide supplementary information on the number and qualifications of property management practitioners (PMPs), the training for PMPs and the budget of the Property Management Services Authority (PMSA). The required information is appended below for Members’ information.

Property Management Practitioners

2. A licensed PMP will have to fulfil all the licensing criteria including academic and professional qualifications, years of relevant working experience, and pass the fitness and propriety test. The first tier of PMPs will have to fulfil more stringent qualification requirements than those for the second tier.

3. In order to facilitate existing PMPs to migrate to the new licensing system, experienced PMPs meeting certain basic requirements will be granted provisional licences during the three-year transitional period. They will be given three years to complete continuing professional education courses so that they can be granted formal licences by the PMSA upon expiry of their provisional licences. PMPs who already meet the licensing criteria of formal licences may also apply for formal licences directly during the transitional period, if they so wish.

4. As there is currently no mandatory registration system for PMPs, we are unable to provide an accurate estimation of the number of PMPs and to provide detailed breakdown on their qualifications at this stage. According to a survey conducted by the Hong Kong Institute of Housing (HKIH) recently, the HKIH estimates that there are around 4000 Tier 1 PMPs and 7500 Tier 2 PMPs. We understand that the estimates

are worked out by the HKIHK based on its assumptions on the detailed licensing criteria for provisional and formal PMP licences.

5. The detailed criteria for both the formal and provisional licences will be worked out at the later stage of the legislative exercise and will be set out in the subsidiary legislation. We will be able to come up with a more accurate estimation after the detailed licensing criteria have been drawn up. The PMSA will liaise with industry organisations and local tertiary institutes to ensure that sufficient training will be provided to PMPs to meet the licensing requirements.

Budget of PMSA

6. We envisage that the new PMSA will have a staff size of around 60 persons. At today's prices, we estimate that the recurrent expenditure of the PMSA to be around \$30 million a year. The PMSA will be a self-financing statutory body supported by income generated from both licence fees and a very small amount of levy (around \$200 - \$350) to be charged on each conveyance on sale of immovable property. The actual level of levy will be worked out at the later stage of the legislative exercise, taking into account the detailed licensing requirements to be set out in the subsidiary legislation.

7. We estimate that the PMSA will have to generate a levy income of around \$20 million per year in order to maintain a balanced budget. In arriving at the estimated amount of levy per property transaction (i.e. around \$200 - \$350), we have made reference to the number of conveyances on sale in the past 15 years. Even if the number of conveyances on sale drops to its lowest level during the past 15 years (i.e. around 110 000 in 2003), the imposition of a fixed levy of around \$200 per conveyance on sale will still be able to generate a total levy income of around \$22 million per year.

Home Affairs Department
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