

香港房屋經理學會的信頭  
Letterhead of HONG KONG INSTITUTE OF HOUSING

8 March 2000

Bills Committee on  
Building Management (Amendment) Bill 2000  
Legislative Council  
Hong Kong Special Administrative Region of the People Republic of China

Dear Sirs,

**Views On the Building Management (Amendment) Bill 2000**

We support the proposed amendments of the Building Management Ordinance in

- Specific Management and Maintenance Standards, as specified in the Code of Practice on Building Management and Maintenance for compliance by Owners Corporations (OC) by the Secretary for Home Affairs (the Authority);
- Mandatory Management of Problematic Buildings with Serious Management and Maintenance Problems; and
- Rectifying those deficiencies, including insurance to be effected for the building including the common parts, auditing of OC accounts by professional accountant and proxies to be counted towards the quorum for OC meeting.

We however do not support the proposed amendment to allow the publication of the notice of owners' meeting in one, instead of two, newspaper since this proposal will have the effect of marginalising those who cannot read Chinese and will not help our reputation as an international city.

Furthermore, we are opposed to the proposed amendment concerning facilitating formation of OCs in new buildings for the following reasons:

- (a) OC could be formed in the manner in accordance with Deed of Mutual Covenant (DMC), if so provided for the appointment of Management Committee, or in other manners as given in the Building Management Ordinance, under the order of the Secretary for Home Affairs or the Lands Tribunal.
- (b) Formation of OC is of significant impact to the owners as there are legal responsibilities for each owner to bear. It is a decision that should not be taken lightly. The proposed amendment that the quorum of such meetings shall not be less than 10% of the owners virtually means that slightly over 5% of the owners are already enough to appoint Management Committee for the purpose of OC formation, and this may be against the wish of majority of the owners who are not aware of the legal implications on them.

- (c) In larger development, when many of the flats remain unsold or unoccupied during the initial period of occupation, the small number of owners should not be empowered to incur legal liability for majority others. As far as building management affairs are concerned, most of the prevailing DMCs already provided for establishment of Owners Committees to represent owners.

To facilitate the formation of OCs, we suggest that the Building Management Ordinance should be amended to stipulate that when counting quorum of meetings, shares of the common areas should be excluded. This has been provided in the recent DMC drafting guidelines, but has no effect on all existing DMCs. With such an amendment, the quorum of meeting would be more easily attained.

Yours faithfully,

Jimmy Mak

Chairman

Chartered Institute of Housing (Hong Kong Branch)

Albert So

President

The Hong Kong Institute of Housing