



2nd June 2006

Your ref. CB2/BC/8/04

Clerk to Bills Committee on Building
Management (Amendment) Bill 2005
Legislative Council
Legislative Council Building
8 Jackson Road
Central, Hong Kong

Dear Madam,

Bills Committee on Building Management (Amendment) Bill 2005

Thank you for your letter of 26th April 2006. Whilst appreciating the desire to assist owners and deal with statutory repair work, we do have concerns with empowering owners incorporations to borrow money. In our opinion, all owners must take responsibility for the building they occupy, which includes payment for all necessary repairs and maintenance. We do not favour the suggestions made.

The scheme as outlined is complicated, as it attempts to safeguard all the legitimate interests of both government and owners. It will be costly for the other owners of a building to register a notice, whilst borrowing a sum under this scheme of a maximum of \$50,000. In addition, you have suggested an appeal procedure to the Lands Tribunal, which will mean yet more time and costs.

It is quite normal for owners to band together and carry out needed maintenance for their building. Once a majority of owners has voted for this, money is collected and if there are defaulting owners, collection from them can be arranged through the Small Claims Court or the Lands Tribunal. These defaulting owners would be fully responsible for any collection costs incurred by the owners' incorporation, and the public purse is not involved. We feel this is a far more straight forward process to get the job done.

If on the other hand, there are issues of insufficient funds being available, then dependent on the situation, government could consider a grant which should be far cheaper and cost effective. The option also remains for government, in dangerous cases, to do the work and collect the sums outstanding, itself.

I hope this is of help.

Yours sincerely,



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