

**The Administration's response to the matters raised
at the meeting of the Bills Committee
on the Property Management Services Bill
held on 23 July 2014**

Purpose

At the meeting on 23 July 2014, Members of the Bills Committee requested the Administration to provide supplementary information on –

- (a) the estimated total number of buildings which are managed but not subject to the licensing regime under the Property Management Services Bill (the Bill) and also those buildings presently without any form of management; and
- (b) the definition of “General management services relating to a property” as stated in Schedule 1 to the Bill.

This paper sets out the response of the Administration.

Estimated Total Number of Buildings

2. Property management companies (PMCs) providing property management services relating to a property as defined in Schedule 1 to the Bill will be required to obtain licences. The term “property” in the Bill is defined as having the same meaning of “building” under the Building Management Ordinance (Cap. 344). According to clause 7 of the Bill, the licensing requirement will not apply to –

- (a) the Government and the Housing Authority;
- (b) companies providing only stand-alone services, such as those providing only cleansing or security services;
- (c) owners' corporations (OC) or other forms of owners' organisations managing their own properties; and
- (d) owners of the properties who provide property management services by themselves, provided that they are individuals and

do not provide any property management services to another property for profit.

3. According to our building management statistics, as at September 2014, there are around 40 000 buildings in Hong Kong. Out of the total number of buildings, around 8 500 (around 21%) is managed by OCs or other forms of owners' organisations managing their own properties. Around 5 900 buildings (around 15%) are "three nil" buildings¹ without any form of management.

The Definition of "General Management Services Relating to a Property"

4. Property management requires multi-disciplinary professional knowledge. Modelling on the Specification of Competency Standards for Property Management Industry of the Hong Kong Qualifications Framework, Schedule 1 of the Bill lists out seven categories of property management services. They are "general management services relating to a property", "management of the environment of a property", "repair, maintenance and improvement of a property", "finance and asset management relating to a property", "facility management relating to a property", "human resources management relating to personnel involved in the management of a property" and "legal services relating to the management of a property".

5. According to clause 3 of the Bill, the Property Management Services Authority (PMSA) is empowered to prescribe the types of services under each category by regulation. We consider that it is appropriate to retain "General management services relating to a property" in Schedule 1, such that the PMSA could prescribe under this category those types of services which cannot be captured by other categories.

Home Affairs Department
October 2014

¹ "Three nil" buildings refer to those buildings without OCs, residents' organisations or PMCs.