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From: David Chan (Corp Real Estate & Facility Mgmt)  
Sent: 02 May 2017 16:35  
To: [REDACTED]@had.gov.hk  
Subject: RE: BMO Review - Public Engagement for HAD Briefing Session on 26.4.2017 and the HA Panel Special Deputation Meeting on 4.5.2017

Dear Becky,

I have list out the following comments, but it looks like I might be too late to submit this to Legco. Perhaps the HAD can include this as the event is no longer listed on the website link.

<http://app3.legco.gov.hk/ors/chinese/Invite.aspx?InvId=10000045>.

Regards

David

#### General background

I don't think the BMO have done enough, instead of just providing a legal framework, it should be compulsory / statutory requirement for ALL property (other than single ownership to form an OC. The BMO emphasize too much on the DMC, in particular contractual obligations and agreement of the DMC written decade ago - a relic of the past and should be updated to reflect modern management. This is a problem for owners and manager as many of the DMC are written some time ago under different legal and political requirements. In particular older property where obligations between the various parties are not clearly defined. In particular many DMC are written in favour of the developer/certain owners resulting in dispute between owners.

There should also be a different approach for difference building instead of one size fit all. for example electrician have A, B and C license. Driving license have different type for driving different size vehicles – why not the BMO?

There are a few things I would Like to see:

- A) Statutory requirement of all property to form OC.
- B) Make it compulsory for the appointment of Property/Building Managers who are registered/licensed and adhere to a strict code of conducts.
- C) Strengthen the industry with the establishment of registration of trained qualified building managers and operatives (similar to registered contractors)
- D) Provide standard BMO compliance DMC so that ALL DMC are in line with the Ordinance
- E) Strengthen the duty and responsibility of the HAD so that they can mediate and enforce BMO requirements to MC and owners instead of MC having the keep resort to the court.

In relate to the LC paper No CB(2)1038/16-17(03), I have the following comments:

5) It might make sense in greater participations, but it should be pointed out in many IO meetings achieving 20% participation is actually quite difficult so this fact of practicality should be taken into consideration.

11) There should be a Tier 4 for smaller Building, There are many buildings in HK less than 100 and that is too wide a scope for smaller buildings like old style tenement buildings.

13) I don't think just disclosure and declaration alone are enough, it should be professionally manage – refer to A to E above.

14 – 15) It should be aware that it is quite difficult to check proxies, unless we have a proper framework of managing the process.

While many of the suggested amendments are improvements, but does not address a key issue, the complexity of the BMO, 344 are hundreds of pages of legal text, as well as the 200 plus pages from the HAD - a Guide on BMO. It expects owners to have law degree to understand fully the various aspects of the BMO as well as time and effort in managing their property and to do this on a part time basis - but with the Ordinance putting much of the duties and obligations and hence responsibilities and liability at the MC/OC members. No wonder many OC are filled with self-interest owners who will benefit from being IO members – who would really want to do this mostly thankless job?

The Authority MUST strengthen support further, having more focus on assisting IO and owners. There should be proper remuneration for members (surely MC should be paid more than the minimum wage?). They should also be provided with guideline and I think to take compulsory training for ALL MC members before they can become one.

Overall - the day to day management should be by management company and that set of performance requirement to be provided. In many way, the MC of the IO should act like board members of a company to provide the direction and management oversight.

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