

**For discussion on  
24 June 2019**

**LEGISLATIVE COUNCIL**

**JOINT SUBCOMMITTEE TO FOLLOW UP ISSUES RELATING  
TO THE REDEVELOPMENT, MAINTENANCE AND  
MANAGEMENT OF AGED BUILDINGS**

**Work of the Home Affairs Department on Building Management and  
Support Measures for Aged Buildings**

**PURPOSE**

This paper aims to brief Members on the work of the Home Affairs Department (HAD) on building management, and the major features of HAD's support measures, including those provided for aged buildings.

**BACKGROUND**

2. Private buildings are the properties of individual owners. Building management is the responsibility of owners. It has been the Government's policy to assist property owners to discharge their management responsibilities through various measures. We provide a legal framework through the Building Management Ordinance (Cap. 344) (BMO) for owners to form and run owners' corporations (OCs). The BMO stipulates, among other things, the formation, powers, rules of operation and monitoring mechanism of OCs, with a view to facilitating owners in managing their own buildings.

3. Moreover, to enhance support to residents, owners, OCs and other residents' organisations, we have set up a dedicated division in the HAD Headquarters and District Building Management Liaison Teams (DBMLTs) in all 18 District Offices. The DBMLTs provide to residents' organisations and property owners outreach services, including assisting owners in forming OCs, attending OC meetings upon invitation, answering enquiries and organising training courses.

## **HAD'S SUPPORT MEASURES**

4. Good building management calls for the concerted efforts and cooperation of owners. To facilitate owners in discharging their managing responsibilities effectively, we have since 2011 been introducing a host of support measures to owners, OCs, etc. We have adopted a holistic approach to address the needs of owners in various aspects of building management, from the formation of OCs, information on BMO, to the provision of professional advisory and dispute resolution services.

### **Formation of OCs**

5. Formation of OCs is one of the pivotal tools for effective building management, as OC has the legal status to represent all owners in managing the common parts of the building. Our DBMLTs provide assistance to owners interested in forming OCs, such as providing information to owners and the convenor of the meeting of owners on the relevant procedures, issuing exemption certificate to the convenor to obtain a free copy of the record of owners for the purpose of convening the meeting of owners to form the OC, attending the meeting of owners for the formation of OC and providing information on the procedures for the appointment of management committee (MC), etc. HAD's dedicated website on building management (<https://www.buildingmgt.gov.hk>) also provides detailed information about the formation of OC and the assistance offered by HAD.

6. To enhance support for owners of old buildings, particularly those living in "three-nil" buildings (i.e. buildings which do not have OCs or any form of residents' organisations, or do not engage property management companies (PMCs) in managing their buildings), we have launched the Building Management Professional Advisory Service Scheme (BMPASS), under which professional PMCs will proactively reach out to owners of such buildings and provide professional advisory and support services on building management, including the formation of OCs. Resident Liaison Ambassadors (RLAs) have also been recruited to serve as coordination points in those "three-nil" buildings. The details of the BMPASS and the RLA Scheme are set out in a separate discussion paper entitled "*Support Measures for 'Three-nil' Buildings Provided by HAD*".

### **Public Education**

7. The BMO and the Codes of Practice (CoPs) issued under the BMO have set out various procedural requirements, with a view to ensuring the transparency and accountability of OC operation. It is important for

owners and MC members of the OCs to familiarise themselves with the latest requirements so as to ensure compliance. In this connection, we have implemented the following measures –

(a) LEAD Programme

Under the LEAD Programme launched in 2011, tertiary institutions are engaged to provide structured training on building management to MC members free of charge, so as to facilitate them to discharge their duties more confidently and effectively. Graduates of the LEAD Programme will be invited to participate in the advanced LEAD Programme, under which experienced professionals will look into common building management problems in depth and explore related laws and court cases where appropriate to further enhance participants' knowledge in building management. As at March 2019, over 570 MC members graduated from the LEAD Programme, and around 460 of them participated in the Advanced LEAD Programme.

(b) Other Educational and Publicity Programme

To strengthen the concept of good building management, we have organised building management seminars, training courses and talks from time to time, as well as disseminated key messages through Announcements in the Public Interest and our website. Over the past few years, around 400 educational and publicity programmes on building management were conducted each year.

## **Advisory Services**

8. Apart from public education, we also provide the following targeted advisory services to OCs, particularly on procedural propriety through items (b) and (c) below –

(a) Free Legal Advice Service on Building Management

The service was launched in 2015 in collaboration with the Law Society of Hong Kong, under which lawyers are assigned to offer legal advice by appointment free of charge at HAD's office in Wan Chai or the Urban Renewal Resource Centre in Yau Tsim Mong. As at March 2019, 716 applications were handled.

(b) Pre-meeting Advisory Service for OCs

Launched in 2017, the Pre-meeting Advisory Service for OCs is targeted primarily at newly formed OCs, MCs of a new term and OCs anticipating controversial discussion items. DBMLTs will brief the MC members concerned on meeting procedures and provide them with relevant information before meetings to ensure compliance with the BMO and CoPs and to promote the adoption of relevant guidelines. As at March 2019, DBMLTs have provided over 10 800 sessions of services to MC members.

(c) Pilot Scheme on Advisory Service to OCs

To further enhance support to OCs, we launched a pilot scheme in May 2018 to engage a PMC to provide professional advisory service to eligible OCs (i.e. those which are newly formed or with newly elected MCs, and those requiring assistance to resolve disputes) in the following areas –

- (i) providing advice and assistance on daily operation to ensure compliance with the BMO, CoP and adoption of relevant guidelines;
- (ii) attending MC and OC meetings to provide advice on procedural matters;
- (iii) providing advice and assistance in tackling building management problems; and
- (iv) providing assistance in application for building management-related support services and subsidies.

As at March 2019, the PMC provided services to 88 OCs, which generally considered the service helpful in promoting more effective building management. As announced in the 2018 Policy Agenda, we will regularise the scheme by end-2019.

## **Dispute Resolution Services**

9. Building management disputes may originate from the lack of knowledge and misunderstanding of the relevant provisions under the BMO and Deeds of Mutual Covenant (DMCs), etc. by stakeholders such as owners,

OCs and PMCs. To assist relevant parties in resolving building management disputes more promptly and effectively, and to save the potential costs and time for instituting legal actions, HAD has launched/will launch the following dispute resolution services with the support of relevant professional bodies and professionals –

(a) Panel of Advisors on Building Management Disputes

The panel, which comprises professionals of different backgrounds (including lawyers, accountants, surveyors and property managers) experienced in building management matters, is set up in 2011 to offer neutral, authoritative and professional advice to the parties concerned to help resolve disputes.

(b) Free Mediation Service Scheme for Building Management

The scheme was launched in 2015 and is operated in collaboration with the Hong Kong Mediation Centre and the Hong Kong Mediation Council. Accredited professional mediators are deployed to assist the parties concerned in resolving disputes through mediation.

(c) Building Management Dispute Resolution Service (BMDRS)

The BMDRS was launched as a two-year free pilot scheme in April 2018. It is steered by retired Judges/Judicial Officers with relevant experience in dealing with building management cases. Depending on the wishes of the parties involved in the dispute and the circumstances of each case, the retired Judges/Judicial Officers will assist the parties in identifying issues in the dispute, exploring and generating options, with a view to reaching settlement of the dispute.

(d) Free Outreach Legal Advice Service on Building Management (FOLAS)

As announced in the 2018 Policy Agenda, to further enhance the legal support to OCs in conducting general meetings, HAD will, in collaboration with the Law Society of Hong Kong, launch the FOLAS in mid-2019 on a pilot basis for three years. Lawyers will be assigned to eligible OCs to assist them in conducting OC meetings and to provide legal advice at those meetings.

## TARGETED SUPPORT SERVICES FOR AGED BUILDINGS

### Community Care Fund (CCF) - Subsidy for OCs of Old Buildings

10. To encourage the formation of more OCs and to promote better building management, CCF launched a programme to provide subsidy to eligible OCs of old buildings (the Programme) in October 2012. Under the Programme, which is administered by HAD, eligible OCs<sup>1</sup> may apply for subsidy on an accountable basis in respect of specified items for a maximum of five times. Up to 50% of the actual expenses may be granted for each item, subject to a ceiling of \$24,000 for each OC. The specified items include –

- (a) registration or filing of any document with the Land Registry as required by the BMO;
- (b) annual premium of public liability insurance or third party risks insurance for the common parts of the buildings;
- (c) regular inspection of fire service installations and equipment;
- (d) regular inspection of electrical installations;
- (e) examination of lifts; and
- (f) clearance of fire escapes once a year.

11. Phases I and II of the Programme ended in September 2015 and September 2018 respectively. The Programme is currently at Phase III, which was launched in October 2018 for a period of three years. Over the years, we have been constantly reviewing the scope of assistance under the Programme in a bid to benefit more OCs in need. For example, we have expanded the coverage to include public liability insurance and examination of lifts. We have also raised the ceiling of the subsidy from \$20,000 to \$24,000 and relaxed the eligibility criteria regarding the annual average rateable value for Phase III of the Programme.

12. As at March 2019, 2 723 OCs benefited from the Programme, involving a total subsidy of \$34.1 million.

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<sup>1</sup> Eligible buildings must meet the following two criteria –  
(a) residential or composite (i.e. commercial/residential use) buildings aged 30 years or above; and  
(b) annual average rateable value of residential units –  
(i) urban area - not exceeding \$162,000 (including Sha Tin, Kwai Tsing and Tsuen Wan); and  
(ii) New Territories - not exceeding \$124,000.

## **Central Platform on Building Management**

13. To better assist owners of old buildings in building management and handling large-scale maintenance projects, HAD launched the Central Platform on Building Management in September 2018. The main targets of the initiative are owners, OCs, owners' committees and mutual aid committees of buildings which have received notices on the Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme or repair orders issued by the Buildings Department (BD), or Fire Safety Directions issued by the Fire Services Department (FSD) and BD.

14. Regular briefing sessions are organised via this Central Platform, at which representatives from relevant government departments and organisations, including BD, FSD, Electrical & Mechanical Services Department, the Hong Kong Police Force, the Independent Commission Against Corruption, the Urban Renewal Authority, and the Competition Commission will provide information and introduce their services and schemes on building management and maintenance. These one-stop briefing sessions enable participants to learn more about details of the services and schemes, their application methods and contact information.

15. As of March 2019, seven briefing sessions were conducted with a total of about 550 participants, covering districts with relatively more aged buildings such as the Central and Western, Yau Tsim Mong, Sham Shui Po, Wan Chai and Kowloon City Districts. Details of upcoming briefing sessions are available at HAD's dedicated website on building management (<https://www.buildingmgt.gov.hk>).

**Home Affairs Bureau  
Home Affairs Department**

**June 2019**