

## Multi-pronged measures to enhance building management (with photos)

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The Home Affairs Department (HAD) is committed to adopting a multi-pronged approach in its efforts to enhance building management and raise public awareness of building management and safety. These efforts include a series of new initiatives to be implemented in the short, medium and long term.

The Permanent Secretary for Home Affairs, Mr Raymond Young, said today (June 30) that the short-term measures include joint operations in districts with a high concentration of "three nil" buildings to appeal to residents to comply with fire and building safety requirements and to promote fire and building safety, as well as expanding the Building Management Professional Advisory Services Scheme to assist owners of old buildings to improve property management. For medium- to long-term measures, the Government will put in place a regulatory framework for the property management industry to enhance professional standards, review the Building Management Ordinance and foster a culture of good building maintenance.

On regulation of the property management industry, Mr Young said it was proposed that a mandatory licensing system be introduced to regulate both property management companies (PMCs) and practitioners. The proposal was made after taking into account the views collected during public consultation.

He said, "There is a consensus in the community for a mandatory licensing system. Besides enhancing protection of the interests of owners, it will ensure the service quality of PMCs and practitioners, hence raising the professional standards of the industry."

Under the proposal, there would be a single universal licensing regime but companies providing only stand-alone services, such as those providing only security or cleaning services, would be excluded.

Mr Young said a single-tier licensing regime for PMCs supported by the availability of transparent information would be able to balance the interests of consumers and companies of different sizes, facilitate competition, minimise the labelling effect, and ensure room for survival for small and medium companies.

The Government also proposes that owners' corporations (OCs) managing their own properties should be excluded from the regulatory framework. However, having

regard to the need to strike a proper balance between two key principles of ensuring smooth operation of OCs and quality of building management, the Government would consider strengthening further OCs' ability in managing their buildings, such as by offering advanced training courses for members of the OC management committees and providing a platform for them to share their experiences.

As for practitioners, in view of the consensus in the community, it is proposed that only individuals taking a managerial role and accountable for the overall quality assurance of property management services for the properties would be subject to the licensing regime. The advisory committee to be established will decide on the tier option.

Mr Young said, "The community is in general supportive of the establishment of an independent statutory body comprising members from the industry, related professions and the community.

"The independent statutory body, as appointed by the Chief Executive, will assume the role of both a disciplinary body and an industry promoter. It is proposed that the statutory body will be supported by income generated from licensing fees and a small percentage of levy not exceeding 0.01% imposed on each property transaction. For example, the levy will not exceed \$500 for a property transaction of \$5 million."

To allow time for the existing PMCs and practitioners to prepare, the Government proposes a three-year transitional period before full implementation of the licensing system.

An advisory committee comprising members from the industry, related professions and the community will also be formed to work out the details for licensing.

Mr Young said that apart from the efforts to enhance professional standards of the property management industry, the Government will also actively strengthen support for owners of old buildings. In the coming three years, the HAD will expand the Building Management Professional Advisory Service Scheme to provide free professional advice and follow-up services on building management to these owners to improve the management of their buildings.

The scheme was launched in April last year in six districts on a trial basis. During this period the HAD, in collaboration with the Hong Kong Housing Society and four

professional associations of the property management industry, provided services to about 1 600 old building units.

In light of the effectiveness of the pilot scheme, the Government has decided to expand it to cover all 18 districts. In the coming three years, the number of target buildings will increase to 400 (about 8 000 units) each year, which means a total of about 24 000 units of 1 200 buildings will be served.

"We have completed the first phase of work and have engaged a building management company to continue to provide services to buildings under the pilot scheme since April this year," Mr Young said.

"For phase two, we will invite applications in mid July. Target buildings/building clusters will be identified by means of self-application from owners and nominations by District Council members and District Officers."

The appointed building management companies will provide professional advisory services concerning building and public safety. These include assisting owners to form OCs or other residents' organisations; preparing management audit reports on common parts of buildings; attending OC meetings to provide professional advice and secretarial services; assisting OCs to apply for various loans and funding schemes and following up on repair works and tendering procedures; assisting OCs to procure third party risks insurance, and providing training on building management to office bearers of OCs and owners.

Besides, Mr Young pointed out that the fire that broke out at Ma Tau Wai Road, To Kwa Wan, had raised public concerns on fire and building safety of "three nil" buildings - those without OCs, management companies or residents' organisations. In this connection, the HAD, Fire Services Department (FSD) and Buildings Department (BD) will conduct joint operations in areas with a high concentration of "three nil" buildings.

The first round of joint operations started today in Ma Tau Wai Road, Kowloon City, and will later extend to Sham Shui Po and Yau Tsim Mong districts, and to other districts with old buildings.

District Offices and District Fire Safety Committees will join with the FSD and the BD to appeal to residents of "three nil" buildings to comply with fire and building

safety requirements, and to enhance their fire and building safety awareness.

Another ongoing task of the Government is the review of the Building Management Ordinance. Mr Young said, "We have established the Review Committee on the Building Management Ordinance, which is now identifying common problems on building management and studying if there is a need to resolve them by legislative amendments.

"The committee will also put forward recommendations to the Government on ways to strengthen the operation of OCs and protect the interests of owners."

In order to foster a culture of good building maintenance, the Government is organising a series of new public engagement activities to provide appropriate support to stakeholders and enhance owners' awareness of building maintenance. Specific activities include:

- engaging post-secondary institutes to provide structural training courses to volunteer owners and office bearers of OCs who participate in building management, thus facilitating their exchange of experiences and providing advice to owners and OCs;
- plan for the establishment of an advisory team that would include professional members such as lawyers, accountants and surveyors, to handle complicated cases referred by District Offices, and to provide authoritative and impartial professional advice to owners.

Mr Young said, "Through various measures, we hope to continue our all-round support to owners and OCs on building management. We will also organise public education activities to promote the message of proper building management and appeal to all owners and residents to take part in building management matters."

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