

**Views of the Chartered Institute of Housing Asian Pacific Branch
to the LEGISLATIVE COUNCIL PANEL ON HOME AFFAIRS on the
“Review of the Building Management Ordinance” (Cap. 344) –
Further Legislative Proposals and Administrative Measures”**



The Chartered Institute of Housing (CIH) is an international institution for housing managers with membership of over 20,000 world-wide. The Asian Pacific Branch of CIH was setup in 1966 in Hong Kong and has a wide representation of professional housing managers in the Asian Pacific Region. Our members in Hong Kong are involved in the management of residential, commercial and industrial buildings as well as other facilities both in the public and private sector.

The Chartered Institute of Housing Asian Pacific Branch welcomes the continual revision of the Building Management Ordinance (BMO) to keep up with the rapid economic and social change of Hong Kong in providing quality property management services for a better living environment.

With the increasing need of major repair and maintenance as our housing stock ages, we understand the concern of both the general public and property owners on the process of making decision on large scale repair and maintenance. The current practice of 10% of ownership shares as the quorum for general meetings of owners' corporations, as stipulated in paragraph 5(1)(b) of Schedule 3 to the current BMO, may not be high enough to protect the interests of the majority of owners on decision making on large scale maintenance as well as improvement works. Hence, we support the proposed amendment of raising the quorum on general meeting of the owners' corporation if the meeting involves resolution on large scale repair, maintenance and improvement works. We also support the tightening up of proxy arrangement to require at least 10% of the owners to attend the relevant meetings in person. However, we would also like to alert the government the difficulties in mobilising the participation of owners to satisfy the quorum requirement for general meetings and more education for owners may be necessary.

However, we have **STRONG RESERVATION** on the proposal to extend criminal liability currently applicable to Management Committee members of the owners' corporations to the DMC Manager and Property Management Company if they fail to produce annual audited accounts or audited accounts as required by contract, proper safekeeping and circulation of minutes of Management Committee or Owners' Corporation meetings or tender documents. In fact, the DMC managers or the property management companies do not have full control on the production and circulation of such documents and hence it is unfair to make them accountable to wrongdoing of other parties who are involved in the process. The law is also effective enough to cover the act of fraud or negligence of the DMC managers or the property management companies. There appears to be no urgent need to extend the criminal liability as proposed. Criminal liability also would not help to mitigate the problems of property management. For the same argument, we support the lifting of criminal liability on members of the management committee of owners' corporation in the revised legislation.

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