

## MESSAGE

Owners of private buildings are responsible for managing and maintaining their properties. Our goal is to help the owners to help themselves. We have adopted a three-pronged approach: (1) we provide a legal framework in the Building Management Ordinance for the formation and functioning of owners' corporations; (2) we provide advice to owners' corporations and ensure that the services as indicated in this booklet are easily accessible; and (3) we provide training for members of owners' corporations.



We have recently strengthened our services with the establishment of a Building Management Division in the Home Affairs Department in June this year. This Division co-ordinates the work of the District Building Management Liaison Teams that will be established in all 18 districts and will proactively advise owners on building management matters. We now operate three Building Management Resource Centres, the third having recently been established in Tsuen Wan.

We will continue to assist owners to form owners' corporations. Owners' enthusiasm and initiative are indispensable to effective building management. Their active participation in managing their own buildings will result in a more comfortable and safer living environment.

A handwritten signature in black ink, appearing to read 'W K Lam'. The signature is fluid and cursive, written on a white background.

(W K Lam)

Secretary for Home Affairs



# **Building Management**

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## **Policy Objective and Key Result Areas**

# BUILDING MANAGEMENT

Our Policy Objective is to give more comprehensive practical advice to owners and tenants of buildings so that they are better-equipped to manage their buildings and put into practice their responsibilities for building management, maintenance and safety; and to ensure the safety of certain premises through implementation of statutory licensing schemes.

## Overall Targets

Our targets this year in pursuing this Policy Objective are –

- to form 280 owners' corporations (OCs) in 2002
- to deal with all complaints received regarding building management and safety
- to work closely with the Buildings Department to help improve buildings with management and maintenance problems
- to continue to implement the statutory licensing or certification schemes for hotels, guesthouses, bedspace apartments, and clubs to regulate their fire safety and building safety; and to introduce business-friendly measures to streamline the licensing or certification process

## Progress

In 2000, we pledged to form 260 OCs in 2001; to deal with 1 500 complaints regarding building management and safety; and to issue or renew 2% more licences for hotels, guesthouses and bedspace apartments as well as certificates of compliance for clubs over the last year. We have achieved most of those targets. We formed 124 OCs in the first half of 2001. Up to 30 September 2001, we received 529 complaints and 30 000 enquiries about building management and safety. The drop in the number of complaints and increase in enquiries (from 22 000 in 2000) probably reflect the public's satisfaction about the way their enquiries have been handled.

We also achieved the following progress in our five Key Result Areas (KRAs).

## **1 Identify building management needs and review service provisions**

In 2000, we proposed to use the following indicators to measure progress under this KRA –

- the percentage increase in the number of new OCs formed
- the number of buildings with serious building management problems to which we have rendered assistance to help resolve their problems

Between 1 January and 30 June 2001, we helped to form 124 new OCs, or about 50% of our 2001 target of 260. We are confident of achieving the balance within the target period. We have met our target of providing assistance to ten buildings with serious building management problems.

## **2 Build community awareness of the importance of building management**

In 2000, we proposed to use the following indicators to measure progress under this KRA –

- the number of education, publicity activities and other events organised
- the number of people participating in these promotional activities
- the number of Building Management Resource Centres (BMRCs) established
- the number of visitors to and enquiries made at BMRCs, and appointments made in the Centres for interviews with duty members of the professional bodies for free preliminary professional advice at BMRCs

We have achieved most of our targets. The 85 events organised by the Home Affairs Department attracted about 13 000 participants and were well received. We will organise similar events on an on-going basis. The third BMRC commenced operation in June 2001 and the

three BMRCs have 13 200 visitors and 8 400 enquiries which well exceeded the 2000 target. Between 1 October 2000 and 30 June 2001, some 128 appointments were made for interviews with professional bodies, which falls short of our target for the year 330, by about 22%. This was however encouraging since the reduction in the number of interviews with professional bodies may be due to the enhanced ability of the BMRC staff in handling the public's enquiries, as evident by the increase in the number of enquiries received in 2001 (30 000 as at 30 September 2001 compared to 22 000 in 2000).

### **3 Assist owners in the formation of owners' corporations and servicing afterwards**

In 2000, we proposed to use the following indicators to measure progress under this KRA –

- the number of OCs formed
- the percentage increase in new OCs formed
- the number of requests for information on or assistance in OC formation received

Between 1 January and 30 June 2001, we helped to form 124 OCs: about half of our target of a 10% increase over 2000. We should exceed that target as we expect to form 136 OCs in the second half of 2001. We also handled 1 600 requests for information on, or assistance with, OC formation: a 10% increase over the same period last year.

### **4 Identify and co-ordinate improvements to certain “target” buildings**

In 2000, we proposed to use the following indicators to measure progress under this KRA –

- the number of buildings on the “target” list
- the number of buildings improved and removed from the “target” list

We have achieved the target of identifying 150 buildings and have placed them on the “target” list of the Buildings Department's

Co-ordinated Maintenance of Buildings Scheme. Repair works are in progress on 70 of the 150 identified buildings; and work will soon start on another nine. We will continue to assist the Buildings Department to improve the buildings with a view to removing them from the “target” list. Since the “target” list programme started in 1985, some 581 buildings have been removed from the list, of which 11 were “delisted” last year.

## **5 Regulate safety in hotels, guesthouses, clubs and bedspace apartments**

In 2000, we proposed to use the following indicators to measure progress in this area –

- the number of licences issued under the Hotel and Guesthouse Accommodation Ordinance and the Bedspace Apartments Ordinance; and the number of certificates of compliance issued under the Clubs (Safety of Premises) Ordinance
- the percentage of bedspace apartment lodgers who are offered alternative accommodation after being displaced from bedspace apartments as a result of the implementation of the Bedspace Apartments Ordinance

Our overall performance under this KRA is satisfactory. Between 1 April 2000 and 31 March 2001, we issued 133 new and 1 383 renewed licences and certificates of compliance (total: 1 516): a 1.7% increase over the period from 1 April 1999 to 31 March 2000. We have implemented various business-friendly initiatives, achieving such benefits as substantially shorter average processing times for hotel/guesthouse licensing applications.

A new singleton hostel, the High Street House in High Street, will open soon. This is a concrete demonstration of our determination to ensure that no displaced bedspace apartment lodgers will be rendered homeless because of the statutory licensing scheme. At present, our singleton hostel programme has an intake capacity of about 630 places. The new hostel will increase that capacity to 810, which will be adequate to house all displaced lodgers.

Progress on each previously announced initiative under the above KRAs is set out in the “Detailed Progress” section of this report.

## **Looking Forward**

To achieve our overall targets this year, we will undertake the following initiatives and targets under each of the KRAs for the coming year.

# 1

## Identify building management needs and review service provisions

About half of Hong Kong's population lives in private multi-storey buildings. Some of these lack proper management and maintenance, resulting in dilapidation and safety problems. The community expects Government to do more to improve the situation and to help owners and occupants to help themselves improve the management and safety of their buildings. To this end, we work in partnership with other bureaux and departments, professional bodies and community leaders to identify needs, review standards of service, and assess current and future demand for our services.

With these things in mind, we introduced legislative amendments to the Building Management Ordinance (Cap. 344) which were passed by the Legislative Council in June 2000 and came into operation on 1 August 2000. The new provisions facilitate the formation of owners' corporations (OCs), establish a Code of Practice on building management and empower the Government to order the appointment of building management agents, if necessary, for buildings with serious management problems. An in-house Steering Group which plans, co-ordinates and monitors the implementation of the amendments met four times between September 2000 and May 2001.

In June 2001, a new division was established in the Home Affairs Department to plan and co-ordinate matters relating to building management. Additional staff, including legal and surveying professionals, will be provided to the new division before the end of 2001.

We will assess our performance in respect of this KRA against the following indicator –

- The percentage increase in the number of new OCs formed. Our target is a 7% increase over last year's total. This target is slightly lower than those of previous years because the rate of increase for OC formation has been decreasing since 1997, probably because of a slower rate of intake of new premises.

We will pursue the following initiative and target to deliver results in this area –

<b>Initiative *</b>	<b>Target</b>
To continue to monitor the implementation of the Building Management (Amendment) Ordinance 2000 <i>(Home Affairs Department)</i>	On an on-going basis, through the Inter-departmental Steering Group to plan, co-ordinate and monitor actions by relevant departments, and to examine scope for further improvement to the Ordinance to assist owners and owners' corporations in building management work

\* the bracketed information denotes the agency with lead responsibility for the initiative

We adopt educational, publicity and administrative measures to promote the community's awareness of the importance of building management.

We regularly conduct training courses, talks, seminars, exhibitions on building management and fire drills in the districts to equip owners and occupants with the relevant knowledge. We also produce promotional and publicity materials such as leaflets, booklets, TV and radio Announcements of Public Interest, and educational video tapes.

There are three Building Management Resource Centres (BMRCs): one each in Kowloon, on Hong Kong Island and in the New Territories. The Centres provide information, services and advice to building owners, residents, owners' corporations, mutual aid committees and management bodies so as to assist them to improve the standards of management, safety and maintenance of their buildings.

We will assess our performance in respect of this KRA against the following indicators –

- The number of education, publicity activities and other events organised. Our target is to hold 100 events in 2002.
- The number of people participating in these promotional activities. Our target is to attract more participants than we did last year. We expect to attract 15 000 participants in 2002.
- The number of visitors to the BMRCs, the number of enquiries they make, and the number of appointments made in BMRCs for interview with duty members of the professional bodies. Our target for 2002 is to handle 16 000 visitors, 10 000 enquiries and 200 appointments for interview.

We will pursue the following initiatives and targets to deliver results in this area –

<b>Initiative</b>	<b>Target</b>
To organise the first regional conference on private building management, inviting professionals from neighbouring regions to share their experience with participants <i>(Home Affairs Department (HAD))</i>	To organise the seminar in July 2002
To organise training courses for office bearers of owners' corporations on specialised subjects, such as audit/accounting procedures, meeting procedures, building management, interpersonal skills and so forth <i>(HAD)</i>	To organise not less than 30 such courses by end-2002

# 3

## Assist owners in the formation of owners' corporations and servicing afterwards

There are approximately 42 000 private buildings in Hong Kong. As at 30 June 2001, there were 6 464 owners' corporations (OCs) covering about 12 000 buildings. We plan to adopt a more proactive approach to encourage owners to form OCs – or other forms of owners' associations – for management and maintenance of the common parts of their buildings. Staff of the Home Affairs Department (HAD) will visit all private buildings in their districts to identify those where OCs can be formed. They will help owners to form OCs and will promote good building management. HAD staff will also attend the general meetings of all existing OCs and other meetings as and when requested. They will also help to mediate in disputes amongst owners.

We will assess our performance in respect of this KRA against the following indicators –

- The number of OCs formed. Our target is to form 280 OCs in 2002.
- The percentage increase in new OCs formed. Our target is to achieve a 7% increase over last year.
- The number of requests received for information on, or assistance in, OC formation. Our target is to handle all requests for information received during the year.

We will pursue the following initiative and target to deliver results in this area –

Initiative	Target
To continue to improve the capability of District Offices staff in attending to enquiries from and resolving problems of owners' corporations and relevant building management bodies <i>(Home Affairs Department (HAD))</i>	To organise at least five training courses/workshops for HAD staff in 2002-2003

# 4

## Identify and co-ordinate improvements to certain “target” buildings

Some buildings present particularly serious and extensive management and safety problems. The best way to deal with those problems is to improve building management in a co-ordinated way. Since 1985, we have formed Building Management Co-ordination Teams (BMCTs) in 15 districts to identify and target buildings with serious management and safety problems and to co-ordinate efforts to help owners carry out improvements.

We and the Buildings Department have formulated revised criteria for targeting buildings for co-ordinated action and for expediting improvements to such buildings. Since June 2001, we have established District Building Management Liaison Teams (DBMLT) in five of the 18 districts to replace the BMCTs. We will do so in the remaining 13 districts by the end of 2001.

We will assess our performance in respect of this KRA against the following indicator –

- The number of buildings being improved. In 2002, our target is to assist the owners of 100 “target” list buildings with their improvement works.

People who patronise hotels, guesthouses, clubs and bedspace apartments have the right to expect fire and building safety. To this end, we will continue to regulate the building and fire safety of these establishments under the Hotel and Guesthouse Accommodation Ordinance, the Clubs (Safety of Premises) Ordinance and the Bedspace Apartments Ordinance.

Since July 1998, all of these establishments have been required to obtain licences or certificates of compliance. We will ensure that all such establishments comply with the statutory requirements and will issue or renew licences or certificates of compliance to those meeting the statutory safety standards. Additionally, we have implemented various business-friendly initiatives and achieved tangible and intangible benefits such as substantially shorter average processing times for hotel/guesthouse licensing applications.

We will assess our performance in respect of this KRA against the following indicators –

- The number of licences issued under the Hotel and Guesthouse Accommodation Ordinance and the Bedspace Apartment Ordinance; and the number of certificates of compliance issued under the Clubs (Safety of Premises) Ordinance. Our target is to issue 1 500 - 1 600 licences and certificates of compliance in 2002.
- The percentage of bedspace apartment lodgers who are offered alternative accommodation after being displaced from bedspace apartments as a result of the implementation of the Bedspace Apartments Ordinance. Our target is 100%.

We will pursue the following initiative and target to deliver results in this area –

<b>Initiative</b>	<b>Target</b>
To consider ways of further shortening the processing time for the certificate of compliance application under the Clubs (Safety of Premises) Ordinance <i>(Home Affairs Department)</i>	To monitor the implementation of the performance pledge developed in March 2001 and assess whether further shortening of processing time is feasible

# **Building Management**

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## **Detailed Progress**

# 1

## Identify building management needs and review service provisions

To achieve results in this area, various initiatives have been undertaken in the past year. Details are set out below –

Initiative *	Target #	Present Position +
<p>To set up a new division in the Home Affairs Department to co-ordinate building management matters and provide comprehensive service and advice to the public on building management issues</p> <p><i>(Home Affairs Department (HAD))</i></p>	<p>To set up the new division before mid-2001</p> <p><i>(2000)</i></p>	<p>The new division was established in June 2001. Its staffing support will be strengthened with legal and surveying professionals by end-2001.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To implement the Building Management (Amendment) Ordinance 2000</p> <p><i>(HAD)</i></p>	<ul style="list-style-type: none"> <li>● To set up an Inter-departmental Steering Group to plan, co-ordinate and monitor actions by relevant departments to implement the Building Management (Amendment) Ordinance 2000 and achieve better building management and preventive maintenance</li> </ul>	<ul style="list-style-type: none"> <li>● This is an on-going task. The Steering Group met four times between September 2000 and May 2001.</li> </ul> <p><i>(Action in Progress: On Schedule)</i></p>

\* the bracketed information denotes the agency with lead responsibility for the initiative

# the bracketed information denotes the year in which the target was set

+ the bracketed information denotes the status of the target

Initiative	Target	Present Position
	<ul style="list-style-type: none"> <li>● By end-2001, to have assisted owners of ten buildings with serious building management problems to appoint management committees/building managers</li> </ul> <p>(2000)</p>	<ul style="list-style-type: none"> <li>● We provided assistance to the owners of the buildings concerned.</li> </ul> <p><i>(Action Completed)</i></p>
<p>To set up a central database of all private buildings, including residential, commercial, and industrial ones, providing basic information to the public on buildings in all districts, such as type, number of units and storeys, as well as information on building management bodies, and so forth. The information will be shared with the Buildings Department and other relevant departments, and may form part of their database on buildings</p> <p><i>(HAD/Buildings Department)</i></p>	<p>To complete the database by March 2002</p> <p>(2000)</p>	<p>We will start collecting the relevant information for the database shortly.</p> <p><i>(Action in Progress: On Schedule)</i></p>

# 2

## Build community awareness of the importance of building management

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
To set up a dedicated homepage on building management on the Internet with updated and enhanced information on building management, bulletin board service, and so forth, for quick reference and use by the public <i>(Home Affairs Department (HAD))</i>	To launch the website by end-2001 <i>(2000)</i>	We have identified the relevant types of information for the website.  <i>(Action in Progress: On Schedule)</i>
To organise training courses for office bearers of owners' corporations on specialised subjects, such as audit/ accounting procedures, meeting procedures, building maintenance, and so forth <i>(HAD)</i>	To organise not less than 30 such courses by end-2001 <i>(2000)</i>	We have organised 30 courses.  <i>(Action Completed)</i>

Initiative	Target	Present Position
To establish two more Building Management Resource Centres (one each on Hong Kong Island and in the New Territories) <i>(HAD)</i>	To establish the Centres in 1999-2000 <i>(1998)</i>	The Hong Kong Island Centre opened in January 2000 and that in the New Territories opened in June 2001. <i>(Action Completed)</i>

# 3

## Assist owners in the formation of owners' corporations and servicing afterwards

To achieve results in this area, the following initiative has been undertaken in the past year. Details are set out below –

Initiative	Target	Present Position
<p>To improve the capability of District Offices staff in attending to enquiries from and in resolving problems of owners' corporations (OCs) and relevant building management bodies</p> <p><i>(Home Affairs Department)</i></p>	<ul style="list-style-type: none"> <li>● To review the current staffing for formation and servicing of OCs and other building management bodies with a view to introducing a revised structure before June 2001</li> <li>● To organise at least five staff training courses by end-2001</li> </ul> <p><i>(2000)</i></p>	<ul style="list-style-type: none"> <li>● The review was completed and the revised structure was introduced in June 2001.</li> <li>● We have organised all five courses.</li> </ul> <p><i>(Action Completed)</i></p>

# 4

## Identify and co-ordinate improvements to certain “target” buildings

To achieve results in this area, various initiatives have been undertaken in the past year. Details are set out below –

Initiative	Target	Present Position
<p>To establish District Building Management Liaison Teams (DBMLTs) to replace the existing Building Management Co-ordination Teams (BMCTs)</p> <p><i>(Home Affairs Department (HAD))</i></p>	<p>To replace the existing 15 BMCTs by 18 DBMLTs by end-2001</p> <p><i>(2000)</i></p>	<p>As at June 2001, we had established five DBMLTs. The remaining 13 will be in place by end-2001.</p> <p><i>(Action in Progress: On Schedule)</i></p>
<p>To redefine “Target Buildings” in conjunction with the Buildings Department and to introduce a new mechanism for dealing with such buildings with a view to expediting improvements to the safety and maintenance of such buildings</p> <p><i>(Buildings Department (BD)/HAD)</i></p>	<p>To introduce the revised criteria and set up the new mechanism by early 2001</p> <p><i>(2000)</i></p>	<p>The revised criteria were introduced and the new mechanism in place at end-2000.</p> <p><i>(Action Completed)</i></p>

Initiative	Target	Present Position
<p>To help BD to implement its Co-ordinated Maintenance of Buildings Scheme which targets buildings that pose danger to life and limb</p> <p><i>(BD/HAD)</i></p>	<p>To assist BD in meeting its target of delisting 150 “target” buildings in 2001</p> <p><i>(2000)</i></p>	<p>As at end August 2001, repair work was in progress in 70 of the 150 “target” buildings. Work will soon start on nine more. We will continue to assist BD to improve the buildings with a view to delisting them.</p> <p><i>(Action in Progress: On Schedule)</i></p>

## 5

## Regulate safety in hotels, guesthouses, clubs and bedspace apartments

To achieve results in this area, various initiatives have been undertaken in the past year. Details are set out below –

Initiative	Target	Present Position
To introduce subsidiary legislation to the Hotel and Guesthouse Accommodation Ordinance to provide for a longer licence validity period up to seven years for eligible premises <i>(Home Affairs Bureau/ Home Affairs Department (HAD))</i>	To consult the relevant trades on a new scale of fees under the Ordinance and, if appropriate, introduce legislative amendments in the 2000-2001 legislative session <i>(2000)</i>	The trades were consulted and were supportive. The proposed legislative amendments were presented to the Home Affairs Panel of the Legislative Council in the 2000-2001 session. They will be presented to the Legislative Council before end-2001.  <i>(Action in Progress: Behind Schedule)</i>
To consider ways of further shortening the processing time for hotel and guesthouse licence applications under the Hotel and Guesthouse Accommodation Ordinance <i>(HAD)</i>	To develop performance pledges in relation to the processing of hotel and guesthouse licence applications by March 2001 <i>(2000)</i>	The performance pledges have been developed.  <i>(Action Completed)</i>
To ensure better planning and utilisation of the singleton hostel programme <i>(HAD)</i>	To explore and assess ways to promote, enhance and rationalise the singleton hostel programme by end-2001 <i>(2000)</i>	We have relaxed the criteria for admission to singleton hostels and will keep the subject under review.  <i>(Action in Progress: On Schedule)</i>