

Government studying measures to promote interest of property purchasers and owners

Responding to the Consumer Council's report on the bundling of telecommunications service charges with building management fees released yesterday (September 27), a Government spokesman said today (September 28) that the Competition Policy Advisory Group (COMPAG) chaired by the Financial Secretary had directed the Housing, Planning and Lands Bureau (HPLB) and the Home Affairs Department (HAD) to examine the Deed of Mutual Covenant (DMC) and the Building Management Ordinance (BMO) to ensure that services procured by building managers were fair, transparent, and to the benefit of all owners.

This came after COMPAG had reviewed the findings of the Telecommunications Authority's investigation into the Banyan Garden case.

HPLB and HAD have been instructed to make recommendations to COMPAG to address the issues identified. COMPAG had also directed that HAD should encourage and assist owners of buildings to set up the Owners' Corporation as soon as possible.

"COMPAG considered that advance, comprehensive and comprehensible information on the types of services which are included in the management fee should be made available prior to the sale or occupation of the building," the spokesman said.

COMPAG further concluded that where building management services were provided by the real estate developer or management company before an Owners' Corporation could be formed, the contracted services should only be of a reasonable duration such that the owners will have the option of subsequently making their choice.

"In other words, the real estate developer or management company should not enter into excessively long service contracts to deprive owners of the option to vary the type or choice of services later. The tenders should also be competitive, open and transparent," the spokesman said.

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