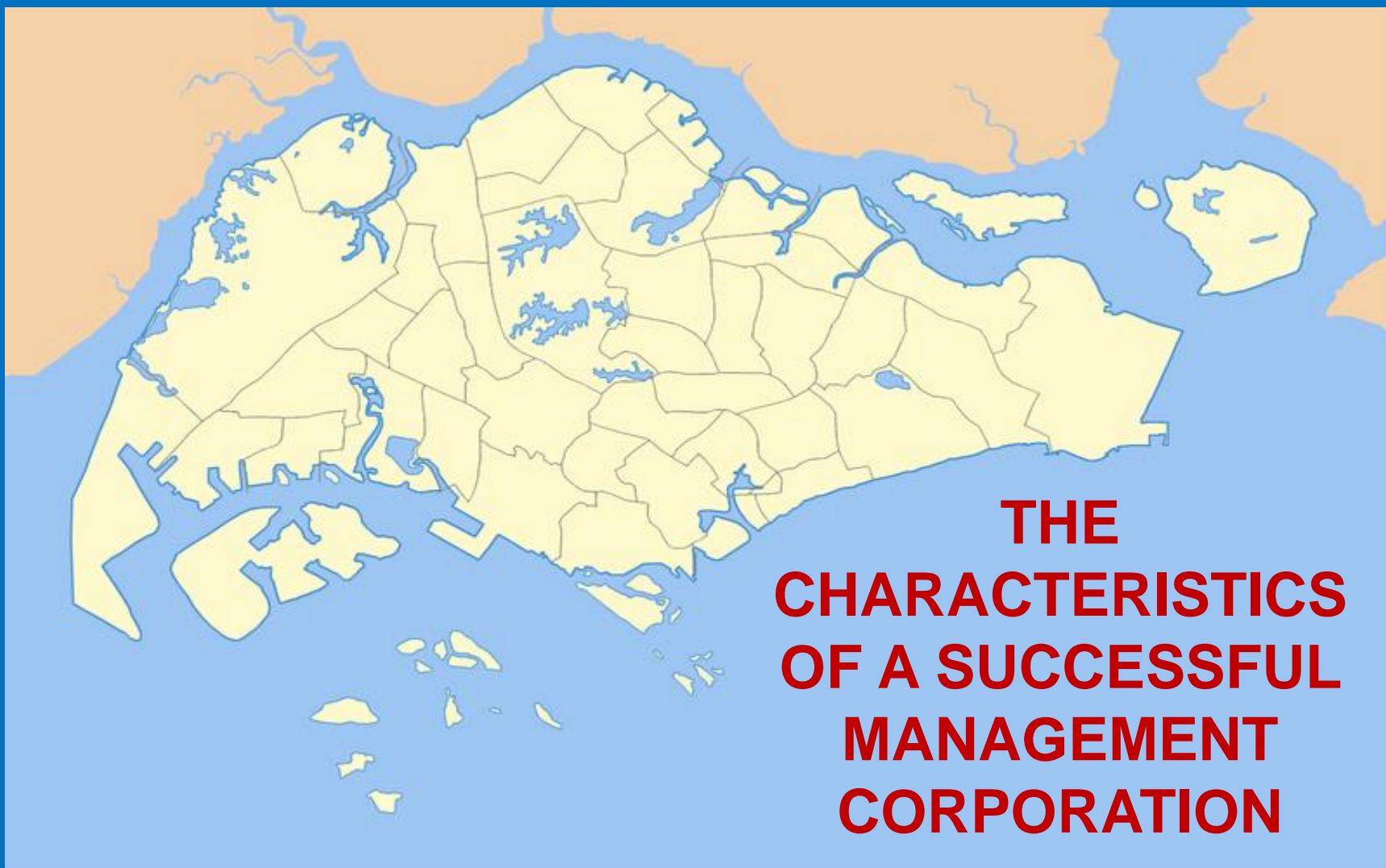




STRATA TITLE WORKSHOP
BRUNEI DARUSSALAM
7–8 MAY 2018



THE CHARACTERISTICS OF A SUCCESSFUL MANAGEMENT CORPORATION

**STRATA TITLE WORKSHOP
BRUNEI DARUSSALAM, 7–8 MAY 2018**

STRATA DEVELOPMENT IN SINGAPORE

The Singapore success story on Strata Development is the result of the various legislations enacted by Government to regulate the construction, selling and maintenance and management of strata-titled properties.

STRATA DEVELOPMENT IN SINGAPORE

Information to Share

1. **Legislations pertaining to Strata Development;**
2. Basic information that the purchasers and owners should know on living in strata-titled properties and the management of their estates.
3. **Land Surveyor's role in the construction and selling of Strata Development;**

STRATA DEVELOPMENT IN SINGAPORE

Strata-titled properties were introduced in Singapore almost 50 years ago with the enactment of the Land Title (Strata) Act in May 1968.



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STRATA DEVELOPMENT IN SINGAPORE

Most Singaporean now live in strata-leased apartments and strata-titled properties

To date, there are more than 1.2 millions strata units in Singapore.

About 400,000 are strata titled properties



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STRATA DEVELOPMENT IN SINGAPORE

Strata leased apartments

These are mainly public housing units sold by the government to the general population who qualified to own such properties.

The leasehold tenure of these strata units is 99 years .

These housing estates are governed by the Land Titles Act and Town Council Act.



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Strata leased apartments

Lessees are responsible for the upkeep and maintenance of their own strata unit.

The Town Council, which the apartment comes under, is responsible for the upkeep of the common properties.



STRATA DEVELOPMENT IN SINGAPORE

Strata leased apartments

Lessees pay a fixed monthly maintenance fees to the Town Council, based on the room types of their strata unit.

Lessees also pay for car parking facilities.

They do not own the common areas and facilities



STRATA DEVELOPMENT IN SINGAPORE

Strata leased apartments

- 16 Town Councils



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STRATA DEVELOPMENT IN SINGAPORE

Strata titled properties

These are private developments located on leasehold or freehold lands. Tenure of leasehold lands are commonly 99 years and 999 years

The communities in the condominium own, enjoy and are responsible for the upkeep the common facilities, such as car parks, lifts, sports and recreational facilities in their estates



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STRATA DEVELOPMENT IN SINGAPORE

Control of Developers

Statutory safeguards to protect purchasers of private properties are :

1. The Housing Developers (Control and Licensing) Act governs residential property developers.
- 2 The Sale of Commercial Properties Act deals with developers of non-residential property developments.

STRATA DEVELOPMENT IN SINGAPORE

Control of Developers

1. The Housing Developers (Control and Licensing) Act

- a) Developers of more than four units of housing accommodation are required to be licensed.
- b) The definition of housing developer is wide and would include persons who finance the development. Developers are only allowed to sell units in their development upon the grant of certain approvals (including building plan and subdivision approvals).

STRATA DEVELOPMENT IN SINGAPORE

Control of Developers

1. The Housing Developers (Control and Licensing) Act

- c) The sale must follow terms and conditions in prescribed contractual documents that are fair to purchaser and progress payments under the sale are required to be paid into special project accounts that are regulated under the rules passed pursuant to the Act.
- d) There are also provisions on dealing with necessary disclosures as well as regulating the developers' advertisements.

STRATA DEVELOPMENT IN SINGAPORE

Control of Developers

2. The Sale of Commercial Properties Act

- a) Regulates the sale by a property developer of units in a non-residential development of more than four units.
- b) It also provides for standard contractual documents (under the Sale of Commercial Properties Rules) the developer has to follow when selling to a purchaser and no variance is allowed without the relevant prior written approval.

STRATA DEVELOPMENT IN SINGAPORE

Ownership of Strata Properties

The Land Title (Strata) Act (LTSA) enacted in 1968 facilitates the ownership of flats and communal living.



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STRATA DEVELOPMENT IN SINGAPORE

Ownership of Strata Properties

Basically, a development or building may be subdivided into strata units as well as common areas called common property that are used together with other Subsidiary Proprietors.



STRATA DEVELOPMENT IN SINGAPORE

Ownership of Strata Properties

The strata units are capable of being separately owned (by subsidiary proprietors)

Each strata units is issued a certificate of title which facilitate and simplify future dealings of the property.



STRATA DEVELOPMENT IN SINGAPORE

Ownership of Strata Properties

The common property is **co-owned** by all the subsidiary proprietors (SP) in the development. The share unit entitlement of the common property by each (SP) is based on the strata units owned. This is commonly termed '**Share Value**'



STRATA DEVELOPMENT IN SINGAPORE

Maintenance and Management of Strata Properties

Maintenance and management of strata titled developments are governed by the Building Maintenance and Strata Management Act (BMSMA)



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Maintenance and Management of Strata Properties

Under the BMSMA, a Management Corporation (MC) is constituted to control as well as maintain the common property.

The MC is funded through contributions made by the subsidiary proprietors who own the common property as tenants in common in proportion to the share value stated in their subsidiary strata certificates of title.



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Maintenance and Management of Strata Properties

Another legal entity called Strata Title Board (STB) is also established under the BMSMA.



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STRATA DEVELOPMENT IN SINGAPORE

Maintenance and Management of Strata Properties

STB mediate and hear applications relating to :

- a) orders for collective sale of property under Land Title (Strata) Act
- b) certain disputes arising in respect of the strata development



STRATA DEVELOPMENT IN SINGAPORE

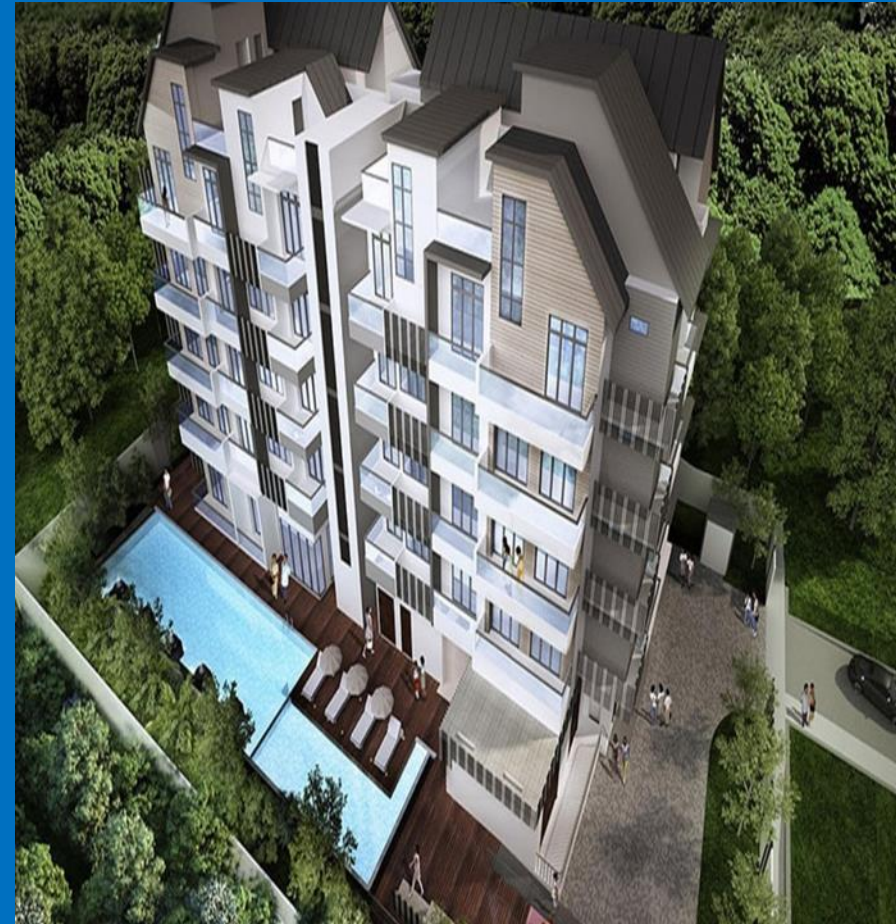
Maintenance and Management of Strata Properties

STB is made up of a panel of 30 members who are lawyers and experience practitioners in the building industry

A STB is constituted to hear each dispute

The decisions of STB are final.

Appeal can only be made to the High Court on the question of law



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STRATA DEVELOPMENT IN SINGAPORE

Purchasers need to know these :

1. Duties of the Developers
2. Strata Unit Entitlement
 - Share Value
3. Management Corporation
4. Duties of the Subsidiary Proprietors
5. Maintenance & Sinking Funds



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STRATA DEVELOPMENT IN SINGAPORE

Purchasers need to know these:

- 6. Use of Common Property
- 7. Resolving Disputes
- 8. Strata Title Board



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STRATA DEVELOPMENT IN SINGAPORE

Duties of Developer

- a) Require to keep proper books of account for the development. Certified copy of annual audited account must be filed with the COB.
- b) Developer play the Role of the Management Corporation (MC) before official MC is elected at the 1st AGM.



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Duties of Developer

- c) Obtain approval from Commissioner of Buildings (COB) before collecting maintenance fund from Subsidiary Proprietor (SP).
- d) required to pay maintenance charges for all unsold units and those units not handed over to SP after the maintenance fund is established.



STRATA DEVELOPMENT IN SINGAPORE

Share Value

- a) Determine the owner share in the common property of the strata development
- b) Determine the amount of maintenance fund the owner has to pay for maintaining the common property
- c) The voting right of the unit owner



STRATA DEVELOPMENT IN SINGAPORE

Share Value

d) The Commissioner on Buildings provide guidelines to help developers determine share values of strata developments

e) The main principle is based on perceived usage of the common facilities



STRATA DEVELOPMENT IN SINGAPORE

Share Value

f) For residential properties –
Floor areas is used to determine the number of occupants that is likely to live in the apartment.



STRATA DEVELOPMENT IN SINGAPORE

Share Value

f) For residential properties

– share value allotted based on floor area grouping of 50 sq m.

Floor Area (m ²)	SV in whole number
50 and below	5
51 to 100	6
101 to 150	7
151 to 200	8
201 to 250	9
251 to 300	10

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Share Value

- g) For mixed development
 - different weight factors are used for unequal usage of common facilities among different group users.

For example shops which use more air-conditioning and escalators are allotted higher share values



STRATA DEVELOPMENT IN SINGAPORE

Management Corporation (MC)

All owners are member of the MC

MC assists owners to govern and manage the strata development.



STRATA DEVELOPMENT IN SINGAPORE

Management Corporation (MC)

The Council of the MC is a representative body of members elected among the Subsidiary Proprietors

Administer the day to day running of the strata development and is elected at each AGM.



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Management Corporation (MC)

MC will perform all the duties and responsibilities using the money from the management fund contributed by all the owners of the strata development.



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Duties of Subsidiary Proprietors (SP)

- a) required to pay certain amount levied by MC to help maintain and manage the common property
- b) maintain external features which are part of SP strata unit, for example external openable windows and pipes which are exclusively used by the SP



STRATA DEVELOPMENT IN SINGAPORE

Duties of Subsidiary Proprietors (SP)

c) inter floor leakage -

the SP and his neighbours have to jointly establish the cause of the leak and proceed with the repair works.

The cost of repairs should be resolved by both owners



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Duties of Subsidiary Proprietors (SP)

d) SP and occupiers
are obliged to
comply with by-laws
make by MC regarding
use and enjoyment of
the common property
and strata units.



STRATA DEVELOPMENT IN SINGAPORE

Duties of Subsidiary Proprietors (SP)

- e) MC approval is required for improvement to strata unit which increase the Gross Floor Area of the development. In some cases, consent from approving public authorities are also required .
For example, putting a slab over a void area in the strata unit.



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Contribution to Maintenance Fund

SPs in a development have to pay contributions to maintain the common property and ancillary expenses.

All the levies SPs have to pay are in proportion to the share value of their strata unit.



STRATA DEVELOPMENT IN SINGAPORE

Contribution to Maintenance Fund

Two forms of Contributions:

- a) Management Fund
- b) Sinking Fund



STRATA DEVELOPMENT IN SINGAPORE

Contribution to Maintenance Fund

Management Fund:

- i) Cost of looking after the strata development
- ii) Payment of insurance premium
- iii) Expenses not covered by Sinking Fund



STRATA DEVELOPMENT IN SINGAPORE

Contribution to Maintenance Fund

Sinking Fund

- i) Painting of property
- ii) Acquiring of movable property
- iii) Replacing any fixtures in common property
- iv) Replacing or making good of common property
- v) Any debts that are not covered by management fund
- vi) Other capital expenses



STRATA DEVELOPMENT IN SINGAPORE

Resolving Disputes

3 Types of Disputes:

- a) Between Purchasers and Developer
- b) Between SPs and MC
- c) Among SPs



STRATA DEVELOPMENT IN SINGAPORE

Resolving Disputes

Between Purchasers and Developer

Developers of private housing projects come under the purview of Housing Developers (Control and Licensing) Act (HDA) which regulates the development and sales of uncompleted private residential properties in Singapore. To protect the interests of buyers and avert disputes after purchase, Developers are required to comply with Rules made under the HDA. These Rules are regularly review and amended.

STRATA DEVELOPMENT IN SINGAPORE

Resolving Disputes

Between SPs and MC & Among SPs

With people of different backgrounds and interests staying in the same strata development, there bound to be disagreements and disputes.

Practicing good neighbourliness and adopting a give and take attitude will help to avert many disputes



STRATA DEVELOPMENT IN SINGAPORE

Resolving Disputes

Ways to resolve disputes are:

- a) Talking to the other Party
- b) Seeking Mediations
- c) Refer disputes to
Strata Title Board
- d) Referral to the Court
 - for disputes outside
the jurisdiction of the
STB



STRATA DEVELOPMENT IN SINGAPORE

Roles of Registered Surveyors

**Sales of Property
(compliance with HDA)**

**Prepare Sales Agreement Plan
Compute & Obtain Schedule of
Share Values
Calculate & Confirm Strata Areas
Certify Floor to Ceiling Heights
Estimate of Survey Fees**

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wikiHow to Read a Property Survey

Roles of Registered Surveyors

Registration of Property (compliance with LTSA)

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NOTE:
1. THE AREA QUOTED IS FOR AN APPROXIMATE MEASUREMENT & SUBJECT TO FINAL SURVEY BY REGISTERED SURVEYOR.
2. LAYOUT OF SKY GARDEN/SKYWALK/OPEN ROOF TERRACE IS INDICATIVE AND SUBJECT TO ADJUSTMENT.

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Thank You

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SEE SENG GUAN
SENIOR CONSULTANT, LAND SURVEY
SURBANA JURONG CONSULTANTS PTE. LTD

