

MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

**The BMSMA empower
MC of each strata
development to govern
and control the common
property.**

**MC should be self governing
and manage its own
domestic affairs**



MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

MC is automatically formed when the Strata Title Plan is lodged with the Chief Surveyor and a strata title application is made with the Registrar of Titles



MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

ALL SPs are members of the MC

Initial Period – Day MC was formed to the 1st AGM.

Developer play the Role of the MC during the Initial Period



MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

Developer require to transfer all the money collected to the MC bank account and keep proper books of accounts for auditing.



MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

During the initial period, the Developer/MC cannot do the followings unless approved by COB

- a) amend, add or revoke by-laws
- b) grand easement or restrictive covenant
- c) execute transfer of common property



MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

- d) Make contract that transfer rights and control beyond initial period
- e) Borrow money or give securities
- f) Appoint Managing Agent beyond initial period
- g) Alteration or development of common property can only be executed through special resolution



MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

**The Council of the MC is
a representative body
of members elected
among the SPs**

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



MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

Responsibilities :

- a) Keep accounting records and financial statements for 7 years.
- b) Conduct Annual audit of accounts
- c) Keep Strata Roll
 - a register of owners, mortgagees and share values of each lot in the strata development.



MANAGING STRATA DEVELOPMENT

Management Corporation (MC)

Restrictions on MC:

- a) Matters that must be decided by general meetings
- b) Matters that have been decided by general body to put restriction on the MC.



MANAGING STRATA DEVELOPMENT

Managing Agent (MA)

MC may employ the services of a Managing Agent to help the day to day running of the strata development.

The tenure is a maximum of 3 years subject to performance review at AGM



MANAGING STRATA DEVELOPMENT

Managing Agent (MA)

Duties and Liabilities

MC may delegate to the MA part or all of its power, duties and functions. The delegation can be done by ordinary resolution at General Meeting

MA in exercising the delegated authority of the MC will be liable for any contravention of the BMSMA



MANAGING STRATA DEVELOPMENT

By-Laws on the use and enjoyment of
Common Property

BMSMA provide a set of
By-Laws or Rules for SPs
and Occupiers to obey so
as to enjoy living with other
residents in the strata
development.

Every MC must adopt these
By-Laws.

MC may also make
additional By-Laws .



THE CHARACTERISTICS OF A SUCCESSFUL MANAGEMENT CORPORATION
STRATA TITLE WORKSHOP BRUNEI DARUSSALAM, 7-8 MAY 2018

MANAGING STRATA DEVELOPMENT

By-Laws on the use and enjoyment of
Common Property

Compulsory By-Laws include:

- a) Noise
- b) Obstruction of Common
Property
- c) Drying of Laundry
- d) Cleaning of windows
- e) Car parking
- f) Behaviour of Residents
and Visitors
- g) Garbage Disposal
- i) Keeping of Animals
- j) Control on use of facilities



THE CHARACTERISTICS OF A SUCCESSFUL MANAGEMENT CORPORATION
STRATA TITLE WORKSHOP BRUNEI DARUSSALAM, 7-8 MAY 2018

MANAGING STRATA DEVELOPMENT

Insurance

Every building in a strata development must be insured against fire, lightning and explosion or any other occurrence that may be specified in the policy.



MANAGING STRATA DEVELOPMENT Insurance

MC must also take out
the following insurances:

a) Insurance under the
Workmen's Compensation
Act

b) Public Liability Insurance for
damage to property or death
or injury to any person that
may occur on the common
property



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Made up of 2 levels of management;

Main MC at the 1st tier

One or more Sub-MCs at the 2nd tier

Each Sub-MC represents the interest of a particular group of owners with common interest.



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

For a mixed use development

1st tier MC take care of the common property used by all SPs like driveway and car parks

2nd tier residential Sub-MC take care of the swimming pool meant for their use only.

2nd tier commercial Sub-MC take care of the central air conditioning of the shops



THE CHARACTERISTICS OF A SUCCESSFUL MANAGEMENT CORPORATION
STRATA TITLE WORKSHOP BRUNEI DARUSSALAM, 7–8 MAY 2018

MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Factors to consider
whether a development
is eligible are :

- a) design of the
development
- b) types of user groups
in the development
- c) type of common
property



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Examples of eligible developments:

- a) mix of residential lots and non residential lots. – apartments and retail shops
- b) non-residential lots used for different purposes. - office and retail shops



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

- c) non-residential lots
used for the same
purpose that are
detached from other
lots. - 2 office blocks,
each with strata area
of more than 5000 m²
- d) different types of
residential lots.
 - apartment block with
lift and one without lift



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Limited Common Property (LCP)

LCP is part of the common property that is marked out for the exclusive benefit and management of the SPs that make up a particular Sub-MC

The layout, boundaries and other physical aspects must be clearly identifiable and capable of being marked on describe in the Strata Title Plan



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Limited Common Property (LCP)

LCP is a critical criteria
for Two-Tier MC

- a) LCP must be clearly
identifiable to avoid
disputes among MC
and Sub-MCs
- b) Each LCP is used and
managed by one
Sub-MC, cannot be
shared by two or more
Sub-MCs



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Limited Common Property (LCP)

- c) To facilitate the use and management by SPs of a Sub-MC, the LCP should not be physically separated from the Sub-MC group but within its boundaries
- d) For small development with small common property, it is more practical not to have LCP



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Limited Common Property (LCP)

e) There should be sufficient strata lots in a Sub-MC to ensure there are enough members to serve in the executive committee and also a critical mass to give economies of scale for maintenance.



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Formation of Sub-MC

For new development,
a Sub-MC is legally
formed when the Strata
Title Plan that demarcates
its LCP is filed and
registered with the Chief
Surveyor and Registrar of
Titles, respectively.

There is also provision for
existing developments to form Sub-MC



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Function and Administration of Sub-MCs

A Sub-MC has the same powers and duties as the MC over its LCP and Strata Lots only

Keep its own maintenance and sinking fund.

Make By-laws relating to its LCP

Represented in the MC by at least one executive member



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Things Sub-MCs cannot do:

- a) execute a transfer of the LCP, amalgamate or made an addition to the LCP
- b) accept or surrender a grant of easement or restrictive covenants
- c) allow improvement and additions to strata lots



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Things Sub-MCs cannot do:

- d) maintain the strata roll
- e) insure every subdivided building in the development
- f) take care of structural defects in the development



MANAGING STRATA DEVELOPMENT

Two – Tier MC Scheme

Contributions by SPs of Sub-MCs

SPs have to contribute to both maintenance and sinking funds of both the MC and Sub-MC they belong to, as there are common property and LCP to be maintained

