



STRATA MANAGEMENT GUIDE : 1

**Concept of
Strata Living**



Preamble

This series of Strata Management Guides published by the Building and Construction Authority (BCA) is intended to help councils of the management corporations (MCs), subsidiary proprietors (SPs), council members and managing agents (MAs) better manage their estates.

The guide will include recommended procedures and good practices to address common issues (e.g. how to conduct a general meeting and how to requisition a motion).

The guide is aimed at providing a consistent approach and standard for the strata community to facilitate better self-regulation.

Disclaimer

This guide has been prepared to provide practical information on the BMSMA and Regulations made under the BMSMA (Regulations).

This guide :

- Does not provide a legal interpretation of provisions in the Act or Regulations; and
- Is not a substitute for independent legal advice.

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Abbreviations

AGM	Annual General Meeting
BMSMA	Building Maintenance and Strata Management Act
BM(SM) REGULATIONS	Building Maintenance (Strata Management) Regulations 2005
MA	Managing Agent
MCST	Management Corporation Strata Title
MC	Management Corporation
SP	Subsidiary Proprietor

Content

Preamble

- (1) Introduction 4
- (2) Share Value 6
- (3) Common Property 7
- (4) Management and Sinking Funds 8
- (5) What are By-Laws 11
- Annex A 12

Icon in this guide



01 Introduction

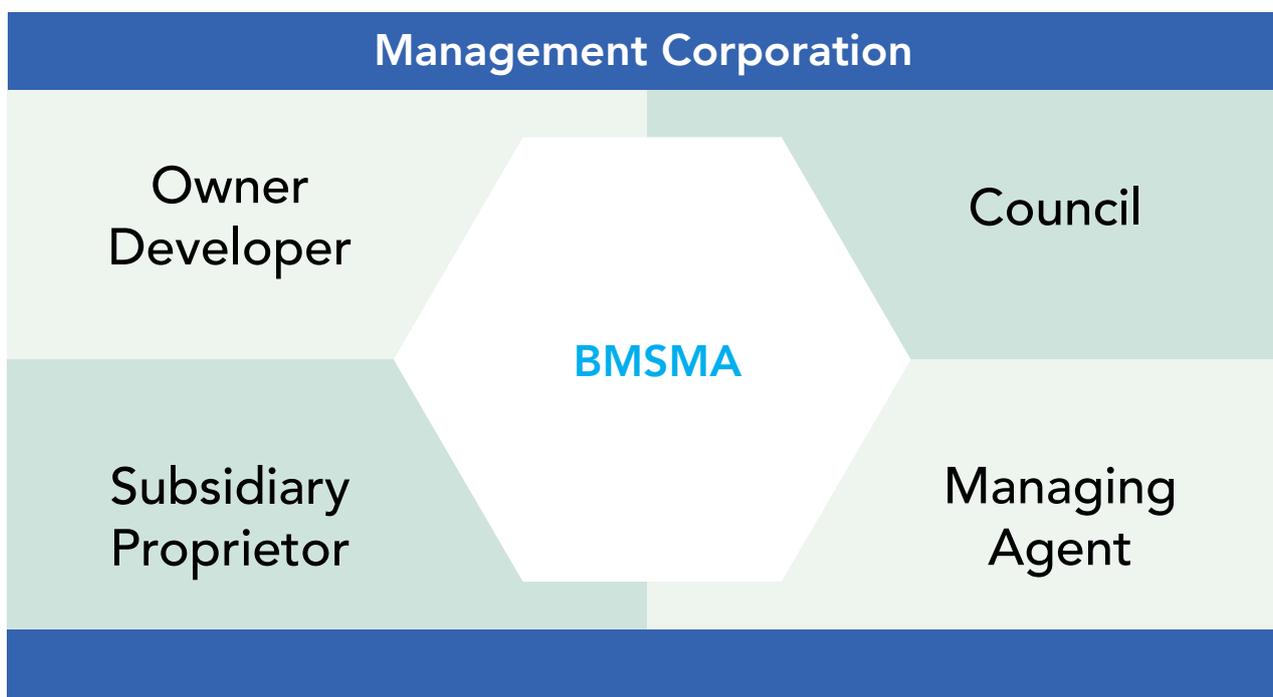


- 1.1 A **Management Corporation Strata Title (MCST)** for a strata development is constituted when the strata title plan for the development is lodged with the Chief Surveyor and a strata title application is made to the Registrar of Titles, **Singapore Land Authority (SLA)**. Each **management corporation (MC)** is assigned a unique strata title plan number. The MC, in respect of a strata title plan, is composed of the **subsidiary proprietors (SPs)** within the specific strata title plan. A SP is a purchaser to whom ownership of a unit has been transferred, as shown on the subsidiary strata certificate of title.
- 1.2 The **Building Maintenance and Strata Management Act (BMSMA)** is designed to help strata development in the MC scheme to run effectively. A MC can comprise a building or a collection of buildings, where each lot is owned by individuals or companies, who collectively own the common property (such as lift lobby, lifts and escalators, car park and driveways).



Self-Regulating Framework

- 1.3 The self-regulating framework of the BMSMA allows SPs in the MCs to decide how best to manage the property they share. All SPs (lot owners) in an estate are automatically part of the MC and have a right to take part in the decision-making process at general meetings. For example, each SP has the right to vote on decisions affecting the strata development and enforce their own rules - called by-laws to regulate the management of their estate. Equally, SPs have responsibilities, like sharing the costs for the upkeep of the common property. The specific obligations of the MC are usually performed by the **council of the MC** or **managing agents (MA)** which it appoints¹. As required under the BMSMA, the MC will also perform its own obligations which are imposed by the Act and Regulations.



- 1.4 The strata title plan for the development, which is registered with the SLA, shows the lot owned by an SP. Generally, everything inside a lot belongs to the SP and is under the SP's responsibility². Areas outside the unit or lot are usually common property which the MC is responsible to maintain and manage.
- 1.5 The MC manages the common property on behalf of the SPs.

¹ See Guide 2 on "[Role and Responsibility of Stakeholders](#)" for more information.

² Unless the items within the lot are expressly defined under Section 2(c) of the BMSMA as common property. See [Annex A](#).

02 Share Value

(Section 62 of the BMSMA)



2.1 Each lot is assigned a share value, which represents the proportionate share entitlement assigned to each unit in the same development and it determines:



A) Amount of contribution that an SP has to pay to the MC for maintaining the common properties in the development



B) Voting rights³ of an SP



C) SP's share of the common property

³ See Guide 4 on '**Proceedings of a General Meeting**' for more information on SPs' voting rights in relation to different types of resolutions.

03 Common Property

- 3.1 It is important for the SP to be aware of what constitutes common property. The SP cannot, without permission of the MC, alter or make changes to common property (e.g. install additional awning in a common property wall) without obtaining the MC's approval.
- 3.2 The strata title plan demarcates areas that fall within and outside of a lot and SPs can identify common property by referring to the strata title plan. Areas that are not within the plan and that are used by two or more SPs are considered common property. Aside from that, there are also certain structures and systems within the lot that are also considered common property⁴.
- 3.3 A copy of the strata title plan can be obtained from the SLA at a cost.



⁴ See [Annex A](#).

04 Management and Sinking Funds

(Section 38, 39, 40 and 43 of the BMSMA)

- 4.1 The SP is required to pay all levies, contributions and fees in proportion to the share value of his lot. The SP's payment of his contribution (e.g. monthly or quarterly) to the MC goes towards the maintenance of the common property and ancillary expenses.
- 4.2 The contribution is paid into two funds administered by the MC, namely the management and sinking funds to ensure the smooth running of the estate.



Management Fund

The management fund is used to manage the day-to-day operational expenses, such as water and electricity charges for common areas, building and public liability insurance, repairs and maintenance of common areas.

Sinking Fund

The sinking fund is to cater for long-term future expenditure, such as repainting of the estate, upgrading or change of major equipment, cyclical maintenance.

- 4.4 The amount of contribution towards these two funds is decided or reviewed at a general meeting of the MC. SPs should make timely payments to the MC to avoid incurring interest due to late payments. The MC has the right to recover any unpaid contribution from the SP as a debt or recover the contributions by a forced sale of the lot.
- 4.5 MC can vote to introduce a special contribution or levy where there are insufficient funds to cover expenses involving major expenditure or unforeseen work. During the general meeting, the MC can decide how often levies are collected, for example, yearly, half-yearly, quarterly or monthly. For many MCs, paying smaller amounts on a more frequent basis may be more affordable than paying larger amounts on an annual basis.





Good Practice: To prepare a comprehensive budget in advance to cater for anticipated major expenditure

For example, MC XXXX is planning to carry out major addition and alteration (A&A) works in the next few years to replace existing lifts, swimming pool pumps and carry out repainting and water proofing works to the estate.

What can the MC do?



MCs are encouraged to plan ahead and set aside sinking funds for anticipated major expenditure in advance. Common examples are large-scale paint jobs, replacing the roof or carrying out major A&A works on the common property. It is therefore advisable for the MC to set a prudent budget and build up their sinking funds gradually for such potential major expenses in addition to the cyclical maintenance and replacement works that may become necessary as the estate's infrastructure ages.



The MC should review this budget regularly to include proposed replacement works or expenditures that the MC is made aware of, over time.

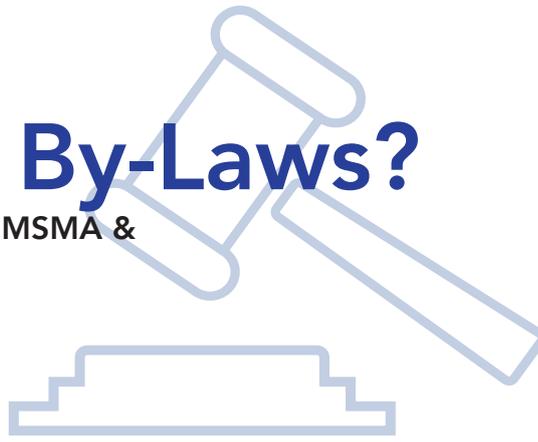


The MC may also refer to service plans, previous quotations and receipts of items as a guide to the approximate costs of future repairs.

05

What are By-Laws?

(Section 32 and 33 of the BMSMA & BM(SM) Regulations)



- 5.1 There is a set of by-laws in the Act that every MC is required to comply with the **(Prescribed By-laws)**. In addition to the Prescribed By-laws, a MC can make by-laws that are not in conflict with the Prescribed By-laws or any laws in Singapore.
- 5.2 For a newly constituted MC, the MC may consider converting house rules to by-laws at the **first annual general meeting (AGM)**. By-laws are generally made in relation to safety and security measures, details of any common property of which the use is restricted, the keeping of pets, parking, garbage disposal, behaviour such as not swimming after a certain hour and not making of loud noises after a certain hour. By-laws should be appropriate and suitable for the strata scheme concerned.
- 5.3 The MC, any SP or any occupier is entitled to apply to the court or to the Strata Titles Board to enforce a by-law or restrain the breach of a by-law.



References:

BMSMA - Sections 2, 32, 33, 38, 39, 40, 43
BM(SM) Regulations

Annex A

Extract of Section 2 of the BMSMA

“common property”, subject to subsection (9), means —

- (a) in relation to any land and building comprised or to be comprised in a strata title plan, such part of the land and building —
 - (i) not comprised in any lot or proposed lot in that strata title plan; and
 - (ii) used or capable of being used or enjoyed by occupiers of 2 or more lots or proposed lots;

- (b) in relation to any other land and building, such part of the land and building —
 - (i) not comprised in any non-strata lot; and
 - (ii) used or capable of being used or enjoyed by occupiers of 2 or more non-strata lots within that land or building; or

- (c) in relation to any land and building mentioned in paragraph (a) or (b), any of the following whether or not comprised in a lot, proposed lot or non-strata lot:
 - (i) the pipes, wires, cables or ducts which are used, or capable of being used or enjoyed, by occupiers of 2 or more lots, proposed lots or non-strata lots (as the case may be) within that land or building, or are used or capable of being used for the servicing or enjoyment of the common property;
 - (ii) the cubic space enclosed by a structure enclosing pipes, wires, cables or ducts mentioned in sub-paragraph (i);
 - (iii) any structural element of the building;
 - (iv) the waterproof membrane attached to an external wall or a roof;

Examples

- (a) A foundation, load-bearing wall, column or beam, a shear core, strut, ground anchor, slab (not including any layer that is the underlayment or the flooring finishing), truss and common staircase.
- (b) An external wall, or a roof or façade of a building which is used or enjoyed, or capable of being used or enjoyed, by occupiers of 2 or more lots, proposed lots or non-strata lots.
- (c) A garden, sporting or recreational facility, car park or parking area for other vehicles, none of which are comprised in a lot, proposed lot or non-strata lot.
- (d) A central air-conditioning system and its appurtenances, and a fire sprinkler protection system and its appurtenances.
- (e) Any chute, pipe, wire, cable, duct or facility for the passage or provision of water, sewage, drainage, gas, oil, electricity, telephone, radio, television, garbage, heating or cooling systems, or any other similar services.

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