

PROPERTY insights



STRATA SERIES

Strata intelligence

> Important information pertaining strata-type property

CONTINUING from our series of features on strata-titled property, previously on Dec 29, this week we feature a pictorial and point-form article highlighting important information on management bodies, the strata management tribunal and the commissioner of buildings, as well as their roles and responsibilities.

MANAGEMENT BODIES

The main purpose of setting up a "management body" (MB) is to "maintain and manage the building or land intended for subdivision into parcels, common property and such other related matters".

The different MBs established during various phases/periods of "completion" of the strata property can be further divided into two categories:

- 1) When the vacant possession of parcels are delivered to the strata owners BEFORE the issuance of the strata titles.
- 2) When the vacant possession of parcels are delivered to the strata owners AFTER the issuance of the strata titles.

FEATURES OF EACH MANAGEMENT BODY POWERS AND DUTIES OF THE MB

The VITAL ROLE of an MB is to control, maintain and manage the common property for the benefit, comfort and enjoyment of the strata owners, including its occupants. These no doubt gives the MB authority, but that which comes with responsibilities.

Below are SOME of the powers and duties of the MB:

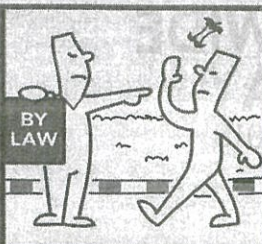
- 1) Determine and impose charges commonly known as "service charges or maintenance charges";
- 2) Determine and impose sinking fund contributions, which serve as a kind of reserved fund, usually 10% the rate of service/maintenance charges;
- 3) Setting up and upkeep the maintenance and sinking fund accounts; maintaining proper records and annual auditing, statements, filing, and providing financial statements and info to the strata owners, etc;
- 4) To insure building under a damage policy via a licensed insurer;
- 5) To set up a proper administration office within the common property;
- 6) To comply with notices or orders issued by authorities pertaining the common property, the strata owners' parcels, etc;
- 7) To enforce by-laws and additional by-laws - fines and such, where monies collected are deposited into the maintenance



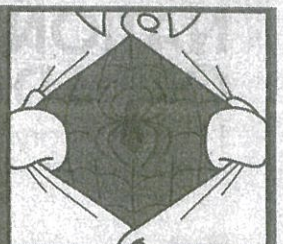
Taking mandate from annual general meeting.



Performing powers and duties in accordance with Strata Management Act 2013.



Compliance with the prescribed by-laws.



Great power comes with great responsibility.

Management Body	Developer	Joint Management Body	Management Corporation	Subsidiary Management Corporation
Establishment	Incorporated under the Companies Act 1965 (under the presumption that the Developer is a local incorporated company)	Upon the convening of the 1st AGM under Section 17 of the Strata Management Act 2013	Upon the opening of book of strata register under Section 17 of Strata Titles Act 1985	Upon issuance of a certificate of its establishment by the Director of Land and Mines under Section 17A(5) of Strata Titles Act 1985
Commencement of Strata Management Operation	Upon delivery of vacant possession of parcel to the Strata Owners	Upon the convening of the 1st AGM	Upon the convening of the 1st AGM	Upon the convening of the 1st AGM
Legal Entity	<ul style="list-style-type: none"> • Having perpetual succession • Having a common seal • May sue and be sued in its name 			
Members	Shareholders	Developer and all Strata Owners	All Proprietors	All Proprietors who enjoy the exclusive benefit of the designated Limited Common Property

- 8) In statutory presumption cases where leakage and damage to "inter-floor" and/or "party wall" originates from the upper floor parcel (unless the upper floor strata owner can prove otherwise) - the MB has to carry out an inspection within seven days from receiving the "notice/complaint", determine the cause, determine the party responsible to rectify the defect, to issue a certificate of inspection "Form 28", to carry out and expenses from responsible party in the event the responsible party fails to rectify the "problem" within seven days from the date on the Form 28.

[Refer to Chris Tan's Owner's Manual & Guidebook for the complete list of MB's powers and duties.]

STRATA MANAGEMENT TRIBUNAL

A tribunal is established under the Strata Management Act (SMA). Called the Strata Management Tribunal (SMT) - it is established mainly to settle disputes in relation to strata management issues, in a more expedient manner and via minimal costs.

Who can be members of this Tribunal?

They must be appointed by the minister of urban wellbeing, housing and local government.

The position of the chairman and his deputy can only be occupied by members of the Judicial and Legal Services. A minimum of 20 additional regular members must comprise those in the Judicial and Legal Service, including lawyers with more than seven years of experience in practice.

The SMT only takes up issues related to strata management. Claims and disputes sought cannot amount more than RM250,000.

There is also no jurisdiction to hear claims pertaining land title, or estate or interest in land, or any franchise, which is in question.

Some of the more common disputes the SMT resolves include those regarding outstanding service charges, unsatisfactory management, defect rectification by the developer, disputes among strata owners on leakage issues, rejected renovation plans, etc.

Claims must be filed with the "Tribunal Perumahan dan Pengurusan Strata", regardless of the location of the parcel concerned.

Offices are located in Putrajaya, Penang, Johor Baru and Kuala Terengganu.

COMMISSIONER OF BUILDINGS

Otherwise known as COB, the "position" can only be taken up by an authority employed by a district city council office e.g. MPSJ, MBPJ, DBKL, etc.

Below are SOME of the powers and duties of the COB:

- 1) To enforce the provisions of SMA including all rules and regulations promulgated there under;
- 2) To act as "trustee" for the Common Property Defect Account;
- 3) To appoint a managing agent if in any case all Strata Owners refuse to become members of Committee or the MB fails to carry out its duties to the satisfaction of the COB;
- 4) To assist/direct the MB - in convening meetings, in exercising its duties and powers in accordance to the SMA, in imposing and reviewing the Charges, and reviewing decisions; and
- 5) To issue warrant of attachment, if required, with the aid of the MB or police personnel, and supervise the auction for recovery of sums vide warrant of attachment.

[All information and charts are retrieved from Owner's Manual & Guidebook by Chris Tan.]

Follow our final part of the series next week on frequently asked questions on strata-type property and advice from Chris Tan himself on certain issues.

▶ Email your feedback and queries to: propertyqs@thesundaily.com



STRATA MANAGEMENT BOOST

... The Valuers, Appraisers and Estate Agents Act 1981 has been amended has been gazetted on Jan 2, 2018 as Valuers, Appraisers and Estate Agents and Property Managers Act, 1981 following amendment to Act 242. This led to the Urban Wellbeing, Housing and Local Government Ministry launching the "Register of Property Managers". With this register, strata-property owners can rely on 'professional, well-informed and capable' registered property managers to address their grievances and find solutions to strata-property issues in a proper, lawful and hopefully faster time frame. The photograph features members of the Property Management Committee who will oversee the 'sanctioned/registered property managers', together with (from eighth, left) Finance Minister II Datuk Seri Johari Abdul Ghani, Urban Wellbeing, Housing and Local Government Minister Tan Sri Noh Omar and the Board of Valuers, Appraisers and Estate Agents Malaysia president Nordin Daharom at the official launch of the Register. Follow our property article on Jan 26 for more exciting details.