



22 OCT, 2019

Strata titles: Different rates still apply

The Star, Malaysia



REHDA

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AS the owner of a parcel in a mixed development, I salute the courageous parcel owner of Rajawali Development who took a joint management body and relevant parties to task and won the Court of Appeal case for proper enforcement of the equitable basis of share unit allocation to set a single charge as entrenched in the Strata Management Act 2013, ACT 757.

Contrary to the position presented in the article "Owners of high-rise mixed-use property likely to pay higher maintenance fees" (*The Star*, Oct 16; online at bit.ly/star_strata), it needs to be pointed out that this Court of Appeal ruling will result in a fairer distribution of maintenance fees and the majority of individual residential and SoHo (small office/home office) owners will benefit from lower maintenance

“ Different rates do still apply in a mixed development property ”

costs in a mixed development property.

The article on Oct 16 did not explain the fundamental basis of share units allocation under the Strata Management Act. The First Schedule of the Act provides for the equitable allocation of weightage factors for different sectors of a mixed development property so that, basically, all sectors pay different but equitable rates to use amen-

ities. The share units computation formula is very straightforward, it's not rocket science and can be easily understood by the general public.

For example, a 800sq ft (74sq m) SoHo unit that has access to lifts but does not have centralised airconditioning in common lobbies or corridors, and which has one indoor car park bay will be assigned a share unit of about 80; the weightage factor on the parcel would be 1.0, based on the Strata Management Act's computation formula provisions.

On the other hand, a 800sq ft shop unit within a retail complex in the same mixed development property with the use of lifts, escalators and costly centralised airconditioning, and with one outdoor car park bay, will be assigned a share unit of

240; the weightage factor on the parcel will be 3.2. Assuming the property's joint management body has established a single service charge rate of RM2 per share unit, then the 800sq ft SoHo unit will pay RM160 a month in maintenance fees whereas the same sized retail complex unit has to pay RM480 a month. Therefore, different rates do still apply in a mixed development property.

I believe the Court of Appeal's esteemed judges would have duly delved into, understood, and considered these important provisions of the Act and concluded the landmark judgment to rightly enforce the Act's provisions.

**CONCERNED INVESTOR OF
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 Kuala Lumpur**



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SUMMARIES

AS the owner of a parcel in a mixed development, I salute the courageous parcel owner of Rajawali Development who took a joint management body and relevant parties to task and won the Court of Appeal case for proper enforcement of the equitable basis of share unit allocation to set a single charge as entrenched in the Strata Management Act 2013, ACT 757.