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En-bloc system needs relook, as Bayshore shows

IF THE Government still thinks the current laws under the Building Maintenance and Strata Management Act and the Land Titles (Strata) Act (Amendment) are sufficient to regulate the issues of collective property sales, this tale of two condos may provide food for thought, especially as the Government has invited feedback on these laws.

On April 27, Bayshore Park and Mandarin Gardens both held annual general meetings. These two estates, with more than 1,000 units each, sit on 1 million sq ft of land next to the sea.

Both have got a collective sale initiative off the ground, with sale committees elected. With the support of pro-sale residents, voting powers are then used to control the rest of the estate, even though the votes represent only a minority of residents. Let me illustrate:

In Bayshore Park, the pro-sale group outvoted other residents on crucial issues and in selection of council members. Averaging 60 per cent of votes cast at the AGM, this roughly 20 per cent of residents (as only 30 per cent of owners were represented at the AGM) voted down a proposed increase in maintenance charges in line with current inflation, voted for a lower increase in the sinking fund, voted down crucial replacement of copper pipes in the common corridors and voted down any exploration of corridor upgrading. In addition, they voted for a reduction in council seats to nine, making sure four sale committee members were voted into the council, and ensured that four of the five previous council members retained had exhibited pro-sale inclinations. They made sure two previous council members who did not favour sale were not re-elected. I was one of the two.

At Mandarin Gardens, in a similar vein, the pro-sale camp mustered enough proxy forms to control 65 per cent of the votes in the AGM. They defeated a motion to reduce water ponding of walkways and lift lobbies to improve safety, and passed a resolution to reduce management council (MC) expenditure limits from \$300,000 to \$50,000 making it almost impossible for the MC to function. Consequently, the incumbent council refused to stand for re-election. Even more devastating, the pro-sale camp fielded no candidates for council. Hence, no council was elected.

The law was not broken at either AGM. However, many of us affected are sure the law was not designed to produce such outcomes.

Augustine Cheah