

**INTERNATIONAL JOURNAL OF LAW,  
GOVERNMENT AND COMMUNICATION  
(IJLGC)**[www.ijlgc.com](http://www.ijlgc.com)**A REVIEW OF SHARE UNIT IMPACT AS A VOTING  
DETERMINANT FOR STRATA SUBDIVISION TERMINATION  
IN MALAYSIA: A COMPARISON WITH SINGAPORE**Ilmiah Bakri<sup>1\*</sup>, Salfarina Samsudin<sup>2</sup>, Zafirah Ab. Muin<sup>3</sup>

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**Article Info:****Article history:**

Received date: 10.07.2023

Revised date: 27.07.2023

Accepted date: 24.08.2023

Published date: 11.09.2023

**To cite this document:**

Bakri, I., Samsudin, S., & Muin, Z. A. (2023). A Review of Share Unit Impact as A Voting Determinant for Strata Subdivision Termination in Malaysia: A Comparison With Singapore. *International Journal of Law, Government and Communication*, 8 (33), 47-60.

DOI: 10.35631/IJLGC.833004

This work is licensed under [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)**Abstract:**

Buildings have a finite lifespan, and urban redevelopment initiatives are implemented to ensure the sustainability of cities. One legal solution for removing unsafe structures and making room for new developments is strata subdivision termination. In this process, the share unit, which determines an owner's contribution to building upkeep and voting rights, plays a vital role in decision-making. However, conflicts arise regarding the entitlements of share units, particularly in mixed-use developments. The current share unit formula lacks differentiation for limited access and benefits for certain parcel proprietors, resulting in potential prejudice and unfairness in the payment of maintenance fees. This review paper delves into the significance of share units in the context of strata subdivision termination and redevelopment in Malaysia and Singapore. Both Malaysia and Singapore calculate share units based on the floor area. However, their formulas differ in certain aspects. Unlike in other countries, Malaysia's share unit's entitlement does not determine ownership rights over the common property. Additionally, the termination of a subdivision requires a unanimous resolution, excluding invalid votes, and the share unit's significance regarding property value and compensation during acquisition is minimal. This article has been created using the qualitative approach, combining information gathered from dependable and pertinent statutes, books, journals, articles, case law, and seminar papers. The paper sheds light on the complexities and inequities associated with share units and emphasizes the necessity for further research to address these issues and emphasizes the importance of raising awareness about strata ownership's legal and practical aspects.

**Keywords:**

Share Value, Share Unit, Strata Termination, Strata Renewal, Strata Redevelopment

**Introduction**

Buildings have their own lifespan which relates to the quality of the built materials used, the technology of manufacture and reconstruction, frequency of asset use, and building maintenance quality (Easthope et al., 2020; Kong Sia et al., 2017). There are several approaches to lessen the detrimental consequences of urban and building degradation, from generating funds for building renovation to demolishing the building in order to redevelop new structures. The urban redevelopment effort which is also called urban renewal is actively implemented in developed countries to create a sustainable city (Easthope et al., 2013; Gotham, 2001). This approach also includes existing structures being terminated to ensure that the land can be optimized for better purposes (Zakiah et al., 2016). Referring to Malaysia's Strata Title Act 1985 [Act 318], the strata subdivision termination in Malaysia involves unanimous consent from parcel proprietors, which heavily relates to the voting right and procedure as mentioned in the Strata Management Act 2013 [Act 757]. While in Singapore, the Land Titles (Strata) Act (LTSA) allows majority consent with share unit as one of the determinant factors for the voting process of the termination. Apart from LTSA, the Building Maintenance and Strata Management Act 2004 (BMSM) ensures the proper management of strata-titled properties and the maintenance of all strata buildings in Singapore, including issues pertaining to the decision-making process (Teo Keang Sood, 2020a).

Despite several studies conducted in Malaysia concerning strata subdivision termination, which is also called a collective sale, en-bloc sale, and strata renewal (JKPTG Persekutuan, 2020; Khadijah et al., 2014; Mohd Shukri, 2011; N. A. Muhamad, 2014; Zakiah et al., 2016), there remains limited research into the extent to which the share unit affects the determination of voting rights for such purposes. Previous research especially by Khadijah et al. (2014), Mohd Shukri (2011), N.A. Muhamad (2014), Zakiah et al. (2016), and JKPTG (2020) primarily highlight the deficiencies in Malaysia's legislation concerning the required consent threshold for terminating strata subdivision, which acts as a barrier to redevelopment endeavors. Md Zan et al. (2018) provided an explanation of the impact of share unit on the management of the strata building (Md Zan et al., 2018). Only Hardy (2019) delved extensively into the impact of share unit on strata ownership, although it did not specifically address the strata subdivision termination (Hardy, 2019). Therefore, it is crucial to emphasize the association of the share unit with the ownership of the title within the unique context of strata subdivision termination and redevelopment scenarios. This article is concentrating on unraveling the insignificance of share units with respect to the right of ownership for strata title in Malaysia and Singapore especially pertaining to strata subdivision termination and eventually expanding awareness of the legal and practical issues of strata ownership.

Singapore is compared to Malaysia because both countries have strata title's legislation that was modeled after the Australian New South Wales Conveyancing (Strata Titles) Act 1961 (Shukri & Maidin, 2010). Nevertheless, Singapore has made notable progress in its LTSA legislation by enacting Act No. 21 of 1999 to streamline the termination of strata subdivisions. This significant advancement predates New South Wales's Strata Development Act of 2015 and

marks a notable departure from Malaysia (Christudason, 2010a; Crommelin et al., 2020a; Khadijah & Hadi, 2014).

In Malaysia, the amendment of Act 318 in 2013 has distinguished itself from the rest by removing the entitlements of the share unit pertaining to the quantum of undivided shares in the common property as previously specified in section 36(b) (Strata Titles (Amendment) Act 2013, 2013). Additionally, the amendment ensures that the distribution of profits related to the proprietorship is based on the open market instead of the share unit, as stated in section 57(4)(e). Since there is a need to improve the provision in future as mentioned by JKPTG (2020), the implications of these amendments have influenced future plans to streamline the consent threshold in the termination process as proposed by Khadijah et al. (2014), Mohd Shukri (2011) and Zakiah et al. (2016), specifically regarding the option to use the share unit as the determining factor for voting as implemented by Singapore.

### Literature Review

The literature review clarifies the concept and implementation of the share unit in the decision-making process of strata building. It then explores the conflicts that arise from the use of the share unit as a determinant factor in the decision-making process, particularly concerning the ownership or parcel and land, rather than the management of the building. Table 1 states all the relevant research pertaining to the strata subdivision termination and the implementation of share unit in strata development in Malaysia.

**Table 1 : Previous Research Pertaining to Strata Subdivision Termination and Implementation of Share Unit in Malaysia Referred by The Author**

Author	Topic Discussed
(JKPTG Persekutuan, 2020)	<ul style="list-style-type: none"> <li>The need for legislative amendment concerning the strata subdivision termination in Malaysia, taking into account the current situation of strata development issues, weaknesses in existing legislation, urban planning policy, and several case studies.</li> </ul>
(Hardy, 2019)	<ul style="list-style-type: none"> <li>The relationship of share units with strata ownership.</li> <li>Suggestions for improvements include amending Act 318 and eliminating the inclusion of share units in the document of strata title.</li> </ul>
(Md Zan et al., 2018)	<ul style="list-style-type: none"> <li>The amended Act 318 in 2013 pertaining to the share unit formula and its contribution to the strata development</li> </ul>
(Zakiah et al., 2016)	<ul style="list-style-type: none"> <li>Concept of en-bloc sale, process and legal framework used based on experience in Singapore.</li> </ul>
(Khadijah et al., 2014)	<ul style="list-style-type: none"> <li>The implementation of strata subdivision termination in Singapore and Hong Kong and the comparison with Malaysia within the ambit of consent threshold and the termination procedure</li> </ul>
(N.A. Mohamad, 2014)	<ul style="list-style-type: none"> <li>Legal analysis on the legislation of termination for strata schemes in New South Wales, Australia and Singapore with comparison to Malaysia</li> </ul>
(Mohd Shukri, 2011)	<ul style="list-style-type: none"> <li>The need for strata subdivision termination Malaysia with comparison to New South Wales, Australia, Hong Kong and Singapore.</li> </ul>

Source: Author's Elaboration

Referring to Table 1, Khadijah et al. (2014), N.A. Mohamad (2014), Mohd Shukri (2011) and Zakiah et al. (2014) emphasized on the importance of comparing to other countries' legislation in modifying the laws to facilitate strata subdivision termination and redevelopment processes in Malaysia. JKPTG (2020) agrees that there is pressing need for strata subdivision termination, especially in city centers. However, the articles briefly mentioned the voting determinant for terminating strata subdivisions and its impact on the right to propriety. In 2018, Md Zan discussed the establishment of share units and their implications on the management of strata development in Malaysia (Md Zan et al., 2018). Though, the author did not explore the impact on the ownership of strata titles. While extensively examining the influence of share units on strata ownership, Hardy (2019) acknowledges the lack of connection between the two. However, the author's coverage of strata subdivision termination is limited.

### **Importance of Unit Share in The Strata Subdivision Termination Decision**

Strata subdivision termination involves an intricate procedure of dissolving strata ownership to enable the land to be transferred or sold to a third party. It is also called a collective sale, strata renewal, or en-bloc sale (Crommelin et al., 2020b; Easthope et al., 2013; Khadijah et al., 2014). This article uses the term strata subdivision termination to align with the regulatory requirement as mentioned in section 57 of Act 318. For the building to be terminated, one of three conditions must be met: it must be completely destroyed, the parcel owners opted to demolish the building or the remaining parts of the destroyed building, or the building has the same owner for every parcel. Even though strata subdivision termination has drawn criticism for its impacts on the affected parcel owners, such as gentrification and displacement, it is still a legal solution that may be used to remove unsafe and dilapidated structures to make way for new development (Christudason, 2004a). Unlike Singapore, Malaysia's Act 318 has stated that a unanimous resolution is needed before the application of strata subdivision termination can be submitted to the Director General of Land and Mines (DGLM). The act also lacks a method on how the termination should be achieved (N.A. Mohamad, 2014).

The share unit determines an owner's contribution to building upkeep, their ability to vote, and their share of common property in Singapore, British Columbia, and New South Wales, Australia (Alice Christudason, 2010; N. Khublall, 1995; Teo Keang Sood, 2020a). However, one significant distinction between Malaysia and these countries is that the share unit does not determine the parcel proprietor's ownership rights toward the common property (Strata Title Act 1985 (Act 318), 1985; Hardy, 2019). The corresponding clause was deleted from section 36 of Act 318 during the amendment in 2015 [Act A1450] (Strata Titles (Amendment) Act 2013, 2013). In tandem with this amendment, section 57(4)(e) of Act 318 was also amended to provide for a fair and equitable distribution of sale proceeds of the strata development based on the corresponding market value of each parcel when the strata development is being sold off for redevelopment. These amendments prove that the share unit has minor significance to the valuation of the property (Hardy, 2019). This also indicates that the parcel proprietors will get a proportionate amount of the profit from the lot, including the transfer before strata termination, based on the current market values rather than the share unit. By means of this amendment, it reinforces the notion that the selling price of a parcel is not directly linked to the apportionment of maintenance costs for the common property. This aligns with the precedent set by the Court's decision in the Ampang Park strata development land acquisition case (*Perbadanan Pengurusan Ara Ampang vs Pentadbir Tanah Daerah Hulu Langat*, 2021). Physical and legislative elements are used to determine the value of a parcel, including location, building condition, amenities, and additional upgrading (Lynne Michael, 2013).

### **The Formation of Share Unit**

The decision-making process among residents with different rights is facilitated by the establishment of share units to represent their entitlements. In Malaysia, the share unit is determined during SiFUS (*Certificate of Share Unit Formula*) stage which comes before the property is being sold to ensure the purchasers are aware of their right on management of the building prior to vacant possession (Md Zan et al., 2018). Once the share unit is approved, it becomes the main reference to the management of the building even before the strata title is registered and the MC is formed. One of the requirements for strata title application approval that the DGLM must guarantee is the equity of the share units that are allocated to each parcel. The formula of share unit is referred from the First Schedule of Strata Management Act as well as the State's Strata Land Rules (Md Zan et al., 2018; Shukri & Maidin, 2010). The share units of the parcel are included in Form 4 of Act 318, which serves as the instrument of strata title and contains other information regarding strata ownership. Share unit represents the right to vote and the proportion payable to the management corporation in accordance with the Act 757 (Md Zan et al., 2018). In 2015, Malaysia distinguished itself from many other countries by removing the share unit entitlement from Act 318, which determined the quantum of the undivided share of each proprietor in the common property.

In Singapore, the share unit needs to be shown in the strata plan for each lot, and it is approved and accepted by the Commissioner of Buildings (COB). This is one of the important requirements for the strata title application to be approved by the Registrar, even though it is not shown on the document of strata title (Teo Keang Sood, 2020a). Similar to Malaysia, the share units are allocated in whole numbers, including provisional share units that is allocated to provisional blocks. The schedule of share units can only be amended before the sale if it does not result to different aggregate share unit for the development (N. Khublall, 1995; Teo Keang Sood, 2020a).

There are several bases of share unit computation being used around the world, including the floor area basis, market value, value judgment or combinations of methods (N. Khublall, 1995; Teo Keang Sood, 2020a). In Malaysia and Singapore, the formula of share unit is based on the floor area (N. Khublall, 1995; Shukri & Maidin, 2010; Teo Keang Sood, 2020a). Share unit determinants are restricted to several aspects in the share unit formula including the type of parcel, the width of the floor parcel, the location of the accessory parcels, and the access to the centralized air conditioning system. Each of these aspects is represented by fixed weight factors (Md Zan et al., 2018; Teo Keang Sood, 2020a). These weighting factors are established by the proportion of maintenance expenses based on the anticipated usage or benefit that each user group will receive from the risk that it will bear contributing to the common property (Teo Keang Sood, 2020a). The right of the parcel owners to access and use common areas within a strata scheme, especially a large, mixed-use development is complicated to be determined because there are many determinant factors that influence its adequacies such as the building's design and the property's value (Craddock, 2013; Easthope et al., 2014). Therefore, although there are several methods that are used globally to determine the share value of a strata parcel, it is difficult to ensure any of those formulas will be fair to all owners (Christudason, 2010b; Teo Keang Sood, 2020a).

### **The Conflicts on The Entitlements of Share Unit**

The existing share unit formula does not differentiate the limited access and benefit of certain parcel proprietors towards some limited common properties or the extent of usage. Referring

to N. Khublall (1995) and Teo Keang Sood (2020a) in their books entitled *Strata Titles and Strata Title in Singapore and Malaysia* respectively, the share unit has the potential to create prejudice and unfairness in maintenance fee payment (N. Khublall, 1995; Teo Keang Sood, 2020a). Contrary to using property valuation that is subject to current market value as a reference, the weighting factors in the share unit formula are fixed at a certain value. As a result of the weight factor's influence on the majority of share values calculation, certain groups of owners within a mixed-used development are at risk of having unequal voting rights (Altmann et al., 2018; Christudason, 2010a). In Malaysia, even if the proprietors believe that the share unit allocated earlier was unfair and prejudicial, they are left in limbo since the share unit is entrenched inside the strata title document and any alteration or variation after it was registered is not permitted by Act 318 (Hardy, 2019).

Teo (2020a) argues that every proprietor still has the right to enjoy the same common property despite the quantum of undivided shares. Parcel owners have the right to use any common property in the development once they have access to it, regardless of the allocation of the share unit. The share unit will be significant when it comes to the distribution of profits from transactions related to the common property (Teo Keang Sood, 2020a). In this situation, Malaysia is not forced to rely on this fact due to the absence of section 36(b) 318, especially regarding strata parcels that are exclusively owned by the parcel proprietors. Furthermore, the profits distribution method is remedied by section 50(2) of the Strata Management Act 2013 [Act 757] which mentioned among others that the maintenance account shall consist of all funds derived from any dealings with the common property that is exclusively owned by the MC. Therefore, MC has the right and power under the law to utilize or distribute the funds in any manner they decided upon in the general meeting, even though there is no definitive rule that the distribution must be allocated to the parcel proprietors in accordance with their share units' allotments.

When it comes to the termination of subdivision, which must occur before the site could be transferred to a new owner, the link between the strata title in the subdivided building and the parent title is particularly crucial (Shukri et al., 2010). Above all, the right to property as depicted in Article 13 of the Federal Constitution needs to be upheld. The requirement in Act 318 for termination necessitates unanimous resolution which excludes invalid votes. Conflict emerges in the decision-making process of the strata subdivision termination procedure associated with the right to property when the invalid voters are still the valid proprietors in accordance with the National Land Code [NLC] (Mohd Shukri, 2011; Shukri et al., 2010). Moreover, the formula for determining the share unit is proven to be inadequate and inequitable which resulted from the share unit's entitlements that are determined by a single method of calculation, especially for the complex and mixed-used strata developments (Alice Christudason, 2010).

### **Scope Of Paper and Methodology**

Act 318 has yet to be amended to simplify the strata subdivision termination and redevelopment in Malaysia, particularly the consent threshold. Section 57 in the current act still requires a unanimous resolution for the termination, with regards to the voting process in the general meeting as prescribed in Act 757. This is different from Singapore which has taken a radical approach during the amendment of Act No. 21 of 1999 to adopt supermajority consent from the strata owners (Christudason, 2005). Furthermore, based on the comparison with strata

legislation in Singapore, Act 318 does not encompass the specification of the quantum of the undivided share of each proprietor in the common property.

**Table 2 : The Entitlements of Share Unit in the Malaysia's Strata Title Act 1985 [Act 318] and Singapore's Land Titles (Strata) Act (Chapter 158) [LTSA]**

Country	Provision	Details of Share Unit Entitlement
Malaysia	Section 36 of the Strata Title Act 1985	(a) the voting right of the proprietors; (b) (Deleted) [Act A1450]; (c) the proportion payable by each proprietor of the contribution levied by the Strata Management Act 2013.
Singapore	Section 30(2) of the Land Titles (Strata) Act (Chapter 158)	(2) The share value of a lot shall determine – (a) the voting rights of the subsidiary proprietors; (b) the quantum of the undivided share of each subsidiary proprietor in the common property; and (c) the amount of contributions levied by a management corporation on the subsidiary proprietors of all the lots in a subdivided building.

Source: Strata Title Act 1985 (Malaysia) and Land Titles (Strata) Act (Chapter 158) (Singapore)

Table 2 shows the differences of the entitlement for share unit in both Act 318 and LTSA. The deletion of section 36(b) of Act 318 was made during the amendment in 2013 (Strata Titles (Amendment) Act 2013, 2013). The amendment was made in conjunction with the addition to Act 318, specifically Section 57(4)(e), which altered the method of profit distribution related to proprietorship. This change shifted the basis of profit distribution from share units to the open market capital value of the parcel, including the purchase money received upon transfer (Strata Titles (Amendment) Act 2013, 2013).

Additionally, the article explores the repercussions of the share unit in relation to the right to property ownership, specifically in the context of the voting procedure for strata subdivision termination and the distribution of compensation to parcel proprietors in the event of land acquisition. The limitation of using the share unit as a determinant in favor of land ownership is further examined by distinguishing between the right to manage the building and the proof of indefeasibility of title under land law. Furthermore, the landmark land acquisition case in Ampang Park, Malaysia, has established a precedent for the distribution of profits in accordance with the legislation, serving as a guiding principle for future cases involving strata property. This is supported by earlier research conducted in Singapore examines the conflict arising from the share unit determinant method and its impact on multi-use buildings. Significantly, the research conducted by Teo (2020a), along with the articles authored by Christudason (2004b, 2010a, 2010b) and Ti (2020, 2022) offer valuable perspectives that bolster the argument. The paper concludes by proposing that the share unit should not be relied upon as the determinant in the decision-making process of strata subdivision termination.

## The Impact of Share Unit as The Voting Determinant for Strata Subdivision Termination

### Malaysia

#### *Discrimination On the Right to Property*

The term "unanimous resolution," as used in Section 4 of Act 318, refers to a resolution adopted by a lawfully called general meeting of an MC, to which at least 21 days' notice identifying the proposed resolution was given, and in which no votes were cast against it. However, the procedure for general meetings and voting in strata development is regulated by Act 757. Section 2 of the Strata Management Act 2013 (Act 757) prohibits any invalid vote to be casted at the general meeting (Strata Management Act 2013, 2013). Strata owners who have unpaid amounts owed to the management corporation are not allowed to vote, as stated in paragraph 21(1) of the Second Schedule, Provision for Management Corporation of Act 757. These provisions imply that, only those who have legal voting rights and attended the general meeting have the full authority to decide how their property will be handled, including the properties of others. It is peculiar that strata owners are deprived of their property rights, as outlined in Article 13 of the Federal Constitution, solely due to unpaid arrears to the MC. This is considering that the punishment for having outstanding maintenance fee arrears may only involves a maximum penalty of fine not exceeding RM5,000 or imprisonment for up to three years as mentioned in section 78 of Act 757, rather than the forfeiture of property.

#### *Limited Association to The Property's Value*

Apart from discriminating the property right, the significance of the share unit is minimal in relation to the property's value and the entitlement to receive appropriate compensation during acquisition. In the case of land acquisition of a strata development called Ampang Park in Jalan Ampang, Kuala Lumpur (*Perbadanan Pengurusan Ara Ampang vs Pentadbir Tanah Daerah Hulu Langat*, 2021), the scheme needs to be redeveloped for transit-oriented development. The Court concurs that the valuation for the purpose of compensation for the strata parcel owners encompasses the valuation of common properties that are closely connected with the use and enjoyment of the related strata parcels.

The Court also upheld the valuation method referred to in the First Schedule to the Land Acquisition Act 1960 and Malaysian Standard of Valuation 6<sup>th</sup> Edition 2019 which have little significance on the share unit. As described by Ti (2022), aside from size and land use, there are several distinct factors that can impact the value of a lot. These factors encompass the parcel's view, the availability of nearby amenities, and even the specific unit number of the property (Ti, 2022). In a case study on the valuation of strata property for collective sales in Singapore, the distribution of the sale proceeds is proved to be fairly consistent by using the method of 70% based on floor area and 30% based on share unit (Lim, 2010). Any lesser than 70% will cause injustice to other parcel owners, especially in a multi-use property.

#### *Confusion of The Right to Use and Manage as The Right of Ownership*

Although the ownership of strata property and the rights of use appear to be linked, they are actually distinct concepts. The parcel proprietors only own the common property together as an MC based on section 17B (1) of Act 318, but owns their parcel independently. This is defined as the "Dualistic System" which refers to the combination of two elements within a condominium—the share in the common parts and the individual rights in the apartment—to create a distinct form of ownership, with individual ownership often being the primary



component (Merwe, 1994). The right to use and to possess property is secured by the sale and purchase agreement which can be either from Schedule G or Schedule H of the Housing Development (Control and Licensing) Act 2966 [Act 118] or the Contract Act 1950 (Revised 1974) [Act 136], where the rights to enjoy certain facilities or common properties are spelled out, including the rights and obligations of the developer and purchaser to manage the building. For new development, the agreement is signed before the building is built, which implies that the buyers only have contractual remedies against the developers as opposed to proprietary remedies (Ti, 2022).

The right of use and possession should not be confused with the right of ownership (Lynne Michael, 2013). This is because, the right to property is only proven by the registration of the title in accordance with the land law and the Torrens system of land registration (Hogg, 1918; Teo Keang Sood, 2020a). The share unit determines the maintenance levy that the parcel owners need to pay to the MC and any arrears will cause the parcel proprietors to lose their right to vote and to enjoy the common property. But the parcel rent that is a debt due to the State Authority will cause the ownership to be forfeited if the arrears are not paid. Therefore, the share unit does not relate to the determinant of parcel rent; its impact only relates to the management of the property (Hardy, 2019).

For instance, in the case of Special Buildings, which is buildings occupied before 11 April 2007, the inability to obtain strata titles is frequently attributed to situations where developers have declared bankruptcy and failed to initiate the application process for strata titles (Izanda et al., 2022). In this situation, the purchasers have no right of ownership upon their own parcels and must rely on the liquidators appointed by the insolvent company or the court, as specified in the Companies Act 2016 [Act 777] to submit the official application for the registration of ownership to the Director of Land and Mines (Izanda et al., 2022). This is reflected in the case of two Special Buildings strata development (*CLJ\_1997\_3\_79 Esther Tan Wooi Hong v Saujana Holding*, 1996) where the court had issued an order allowing a third party to apply for the strata title. In addition, the purchasers of the property are mere trustees as the beneficial ownership is held by the Director-General of Insolvency (*Tan Bon Kiat v. Penghuni Pelita Indah Kondominium dan Kang Hock Hin*, 2020). The share unit that is approved prior to the registration of the strata title does not serve as proof of ownership for purchasers; its impact is restricted to the management of the building. Consequently, in terms of ownership, the utmost importance lies in the proof of registration.

### **Singapore**

Unlike Malaysia, Singapore determines the share unit or share value based on different development conditions, including single-use residential or non-residential developments, as well as multiple-use development (Teo Keang Sood, 2020a). Every application for strata ownership must include the share values of each parcel in full numbers which will be evaluate and approved by the Commissioner of Buildings. If there are errors in the computation or the share unit was fraudulently allocated, the LTSA allows any modifications to be made with the Registrar of Titles' consent (Christudason, 2010b). This offers as a convenient alternative solution instead of having to go through the Court.

***The Inherent Prejudice Associated with The Allocation of Share Units in Multi-Use Buildings***

Share unit in Singapore also determines the shares of the former proprietors in the parcels as tenants in common in the event of the termination of strata subdivision. This is where the distribution of asset will be based on the share unit when the MC is wound up (Teo Keang Sood, 2020a). Owing to the underuse of limited land resources, LTSA is amended to facilitate collective sale or similar to strata subdivision termination to allow the land to be redeveloped. Referring to the age of the buildings, the consent is changed from unanimous to majority, with buildings older than 10 years needing at least 80 percent of the share values and those earlier than 10 years needing at least 90 percent of the share value (Altmann et al., 2009; Christudason, 2004b). The utilization of floor area as the basis for determining the share unit in Singapore has resulted in difficulties and unfairness. In this matter, a high share value will result in a higher voting right in general meeting, and also higher cost of contribution towards the common property (Christudason, 2010b; Teo Keang Sood, 2020a). As described by Christudason (2010), the redevelopment of a mixed-use building, concern has been raised about Kim Tian Plaza in Singapore due to the fact that commercial retail lots have five times the share value of residential apartments with the same floor size. As a result, the voting has been biased in favor of the owners of the commercial parcels. This injustice has prompted an amendment to the Land Titles (Strata) Act 1999 in 2007 to introduce an additional consent requirement based on the floor area. This is able to reduce the risk of the minorities' rights from being violated.

**Table 3: Summary of Findings**

<b>Findings</b>	<b>Justification</b>	<b>Reference</b>
<b>Discrimination in Voting Rights</b>	The term "unanimous resolution" is defined and refers to a resolution passed in a general meeting with no votes against it. The Strata Management Act 2013 prohibits any invalid votes at the general meeting, ensuring that only those with legal voting rights can make decisions regarding property management.	(Strata Management Act 2013, 2013)
<b>Limited Association to Property Value</b>	The significance of share units in relation to property value and compensation distribution during acquisition is minimal. A landmark case involving the Ampang Park strata development in Kuala Lumpur demonstrates that the valuation for compensation encompasses common properties rather than relying solely on share units.	(Perbadanan Pengurusan Ara Ampang vs Pentadbir Tanah Daerah Hulu Langat, 2021; Lim, 2010; Ti, 2022)
<b>Unrelated to the Right to Property:</b>	Ownership of strata property and the right to use and possess the property are distinct concepts. The share unit determines maintenance fees but does not prove ownership. Ownership is	(Hardy, 2019; <i>Tan Bon Kiat v. Penghuni Pelita Indah Kondominium dan Kang Hock Hin</i> , 2020; <i>CLJ_1997_3_79 Esther Tan Wooi Hong v</i>

	established through the registration of the title.	<i>Saujana Holding</i> , 1996; <i>UDA Holdings Berhad</i> , 2017; Hogg, 1918; Izanda et al., 2022; Teo Keang Sood, 2020b; van de Merwe, 1994)
<b>Discrimination in Multi-Use Buildings</b>	Singapore's Land Titles (Strata) Act determines share units based on various development conditions. In mixed-use buildings, concerns arise regarding unfairness in voting rights due to variations in share values. Amendments to the Land Titles (Strata) Act have been made to address this issue and protect the rights of minorities.	(Christudason, 2004b, 2010b; Teo Keang Sood, 2020b)

Source: Author's Elaboration

### Discussion

Even though the usage of share unit reduced the risk of unfairness to the parcel owners and ensure the effectiveness of the management of the buildings, Christudason (2010) and Teo (2009) have discovered discrepancies and unfairness in the voting outcomes, particularly in relation to strata ownership. As Ti (2020) mentioned, the task of ensuring fairness in the allocation of share units is already challenging on its own, and using them as the determinant of sales proceeds in relation to the collective sale further compounds the difficulty.

The significant impact of the injustice in the case of Kim Tian Plaza has even influenced the amendment of Singapore's Land Titles (Strata) Act to improve the voting determinant rather than focusing entirely on the share unit. As comparison, in Australia, particularly the Northern Territory, New South Wales and Western Australia, the legislations have required that the voting determinant for the strata subdivision termination to be based on majority decision of the lot owners instead of share unit (Ti, 2022). This also brings out concrete arguments that share units should be link to different purposes than ownership, because voting rights, maintenance contributions, and share of common property does not operate in the same direction and should be based on different formula (Alice Christudason, 2010; Teo Keang Sood, 2020a; Ti, 2020). The inconsistencies should not be link to the ownership of land as it jeopardizes the right to property and the fair compensation that one should receive upon the termination of their ownership.

Singapore is still referring the entitlements of share units towards the right to common properties. The importance of the share unit in relation to property ownership has been significantly reduced by the decision to amend Malaysia's Act 318 in 2015 regarding the share unit's entitlements on common property ownership and ensure that the method of profit distribution refers to market capital values of the strata properties. In addition, the court's ruling on the land acquisition of the Ampang Park (2021) acknowledges that the value of a share unit is not the primary factor in determining the value of the property when it comes to compensation. This shows that the value of the property is not significantly influenced by the share unit.

Based on how the formula was derived and the entitlement of the share unit in the current legislation, it is dubious to use it as the determining factor for the voting rights in strata subdivision termination process, especially in Malaysia. Even though Malaysia is still referring to the unanimous consent, the actual implementation needs to refer to the Act 757 which eliminate the invalid voters from having a say towards their ownership. This in itself is clearly unconstitutional and depriving the right to property ownership. Furthermore, N.A. Mohamad (2014) confirms that the legislation in Act 318 lacks reference on what constitute an adequate compensation pertaining to the strata subdivision termination.

### Conclusion

It is important to acknowledge that share unit does not represent the entirety of property rights. The strata title document holds significant importance in determining strata ownership. It is a recognized legal document that attests to an individual's ownership of a particular unit inside a strata development. Appropriate registration is required to protect against disputes and fraud and to guarantee the strata title is valid and indefeasible. In addition, the responsibilities and rights that come with strata ownership, such as the requirement to manage and maintain the building jointly as well as access and enjoyment of common property, further support the ownership claims. These elements jointly contribute to the overall assessment of strata ownership, beyond the narrow focus on share units alone. From this article, it is evident that share units are not the definitive factor in determining ownership in strata development. Therefore, they should not be relied upon as the determining factor in the decision-making process of strata subdivision termination. The article argues that the share unit can lead to unfairness in maintenance fee payment, unequal voting rights, and inadequate profit distribution among parcel owners. The result has emphasis how little weight share value has in determining the strata ownership. However, the findings and conclusions of the writing may not be applicable to all contexts or countries with different legal frameworks or practices. This understanding is trivial in encouraging all the party involves in a strata development to take more delicate approach in comprehending the meaning of strata ownership including improving the method of voting for strata subdivision termination.

### Acknowledgements

The authors wish to express their sincere gratitude to all individuals who generously contributed data and provided invaluable insights for this article.

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