SUBDIVIDED BUILDINGS—DEVELOPMENTS IN AUSTRALIA, SINGAPORE AND ENGLAND

ALICE CHRISTUDASON*

"*Every storey is a complete house, occupied by a separate family; and the stair, being common to them all, is generally left in a very filthy condition; a man must tread with great circumspection to get safe housed with unpolluted shoes.*" This, rather rudely, highlights a problem which, obviously, only legislation can resolve; it cannot be left merely to "conscience" or ordinary social behaviour.[1]

I. INTRODUCTION

THIS article considers the development in several Commonwealth jurisdictions of the law relating to "horizontal subdivisions",[2] or subdivided buildings. The latter expression describes the situation where title to land can relate to a slice of defined area or cubic space, which is not grounded on the surface layer of the earth, and is divided not only horizontally, but vertically as well.

Such an arrangement involves a combination of individual and common ownership of property: the property is divided into units and common elements. While the units are owned independently of each other, the common elements—the remainder of the property—are owned in common by the owners of the units. This type of situation has been variously described in different jurisdictions. For example, in North America and Italy the term "condominium" (which is Latin for "co-ownership") is used. In New South Wales, British Columbia and Alberta—and occasionally in England—the term "strata titles" is used to denote developments initiated under the authority of enabling legislation. The term "horizontal property" is used in South America and occasionally in Europe and as part of the title of some of the statutes of the United States. The term "ownership of flats" is used in England, Australia and New Zealand to

* Senior Lecturer in Law, School of Building and Estate Management, National University of Singapore. This article is modified from chap.6 of the author's Ph.D. thesis *The Development of Singapore Land Law as Influenced by English and Australian Law*, submitted to London University in 1994.

1. From Smollet's *Humphrey Clinker*, a fictional description of eighteenth-century Edinburgh, cited in the 1965 Report of the Wilberforce Committee on Positive Covenants Affecting Land. The Committee had referred to the position in Scotland ("where separate ownership of the different floors of buildings has long been a common practice": para.39). Quoted in Rowton S. Simpson, *Land Law and Registration* (1976), p.264.

2. This is the term used by Simpson, *idem*, p.263.

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describe developments initiated in the absence of enabling legislation,[3] while the term "multi-storey building" is used in Hong Kong legislation.

The owner of a flat faces problems which are uniquely different in many respects from those faced by the owner of a house. The main and obvious problem arises because of the interdependence among flat owners. In contrast, the owner of a house is to a large extent free from such problems; for example, it is entirely up to him whether and when he wishes to repaint his house or replace roof tiles which are causing a leak.

Most of the countries of Western Europe enacted enabling legislation on subdivided buildings between 1930 and 1955. However, the New South Wales Conveyancing (Strata Title) Act of 1961 was the first statute in the Commonwealth to introduce enabling legislation dealing with subdivided buildings. Most of the provisions of the statutes of Victoria, British Columbia and Alberta are based on this Act. The same concept was introduced in Singapore by the Land Titles (Strata) Act in 1967,[4] also based on the New South Wales Act. A prospective newcomer to the scene is England with its concept of "commonhold". While there are substantive as well as adjectival differences in the provisions of the strata schemes from these various jurisdictions,[5] a common thread may be discerned:

(a) all the statutes are comprehensive codes;
(b) all determine the property interests of the owners; and
(c) all provide for an administrative framework for the management of the property, for the regulation of the conduct of the owners, for the payment of the common expenses by the owners, and for termination of the schemes.

However, it is to be expected that the legislation varies in terms of specific possibilities, detail and situations, to cater specifically for the differing requirements of the circumstances in each of these jurisdictions. Some of these are discussed below.

A. Approach

In Parts II and III this article traces the roots of enabling legislation on horizontal subdivisions in Australia and how such legislation evolved to cater for emerging problems and provided a model for other jurisdictions, including Singapore in particular. Strata title legislation in Singapore consists, in the main, of re-enactments of the Australian (New South Wales)

3. R. C. B. Risk, "Condominiums and Canada" (1968) 18 U.Toronto L.J. 1.
4. Now Cap.158, Revised Edition of Singapore Statutes, 1988.
5. These cover a variety of matters such as the type of tenure granted to owners, the specific obligations between interdependent owners and the methods of dispute resolution.

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legislation on the matter, with minor modifications to suit local conditions. In Part IV it will be seen that the road to the introduction of commonhold in England was fraught with difficulties, particularly in relation to the reforms required in the related areas of covenants and leasehold enfranchisement before the commonhold proposals can be effectively implemented. This lies in stark contrast to the relative simplicity and ease with which strata title legislation was grafted on to Singapore's existing very English land law framework.[6] Finally, an analytical comparison of the system in Singapore and the proposed "commonhold" system in England forms the subject matter of Part V.

B. Rule Relating to Burden of Positive Covenants Under English Law

A major problem in England has been the difficulty of the imposition of obligations on the owners of flats: if flats were sold *freehold*, the burden of positive covenants[7] imposed for the purposes of keeping in repair, etc., would not pass to subsequent owners. This problem could be overcome by selling the flats *leasehold* instead of freehold. However, this led to other difficulties: potential purchasers had difficulty in securing loans from financial institutions to effect a purchase. Flat owners had no share in the land on which their flats were built and, in the event of say, a calamity, the land could revert to the developer. There was scant or no provision for the maintenance of common areas like staircases, corridors, etc., and most early developments simply left each individual flat owner to make his own arrangements with his neighbours, if possible.

II. THE AUSTRALIAN EXPERIENCE

A. Background[8]

The versatility and adaptability of the Torrens system of land registration were challenged when, in the 1950s, demand rose in Australia for secure title to residential flats or units purchased on an "own-your-own" basis.

6. As a direct result of colonisation. By virtue of the Second Charter of Justice 1826, Singapore inherited fundamental common law principles which became part of Singapore law. In addition, the colonial British administrators practically re-enacted for Singapore much of the English land legislation of the 1880s, including the Yorkshire Registries Act, the Conveyancing Acts, Settled Estates Act and the Trustees Act. These form the basic framework of land law in Singapore.

7. In *Austerberry* v. *Oldham Corporation* (1885) 29 Ch.D. 750, 781 the Court of Appeal confirmed as a clear rule of law that the burden of a covenant between freeholders cannot run with the land.

8. See generally CCH Australia Ltd, *Strata Title Management and Practice in New South Wales* (6th edn, 1993), Alex Ilkin, *Strata Title Management and the Law* (1989) and Peter Butt, *Land Law* (2nd edn, 1988). For a history of legislation relating to strata titles in New South Wales see Sackville and Neave, *Property Law, Cases and Materials* (3rd edn, 1981) and A. F. Rath, P. J. Grimes and J. E. Moore, *Strata Titles* (1962).

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Purchasers of units sought the twin benefits of an indefeasible title under the Torrens system and a full statutory scheme regulating the respective rights and duties of unit owners in a particular development. The scheme devised was that of "strata titles" legislation, designed to permit and control the horizontal subdivision of land and buildings for residential use, as well as for commercial and industrial purposes.

Before the introduction of modern strata titles legislation, several techniques had been devised to meet the needs of developers who constructed blocks of flats and wished to sell them to individual buyers. The three most important schemes used in Australia were the leasehold scheme, the tenancy in common arrangement and the home unit company. However, none of these schemes proved to be entirely satisfactory[9] to every party involved in the development and sale of residential units. However, they were at the time the best available devices.

B. Enabling Legislation in Australia—the Conveyancing (Strata Titles) Act of 1961 (New South Wales)

The shortcomings of the three schemes mentioned above led to the enactment of strata titles legislation in Australia.[10] There were two primary issues to resolve: on the one hand there were constantly growing urbanisation, lack of housing and people's desire to own their homes; on the other, there was the need to regulate the respective rights and obligations of interdependent owners which would perforce arise as a result of high-density living. The legislation represents an innovative attempt to cope with the emerging economic and social pressures of the time. Elaborating on the circumstances which resulted in the emergence of New South Wales's 1961 Act, in a foreword to a handbook,[11] the main authors of the Act said:

> While the common law gave some recognition to the ownership of land in strata, in the opinion of many the definition of that recognition was in important respects too uncertain to meet the needs of an abounding society. [The] exigencies of the situation had produced adaptations of existing forms and procedures, though there were ... in these adaptations defects of significance. Thus there was conceived the idea of a statute, enacted *ad hoc*, to meet the emergent situation.

The Act covered many matters related to strata subdivisions.[12] In

9. The reasons for this are discussed *infra* Sections III.A and IV.B.

10. The first legislation was the Transfer of Land (Stratum Estates) Act 1960, passed in Victoria. This provided for the subdivision of a building into stratum estates and for the formation of a service company to hold title to all the common parts of the building and its curtilage.

11. Rath, Grimes and Moore, *op. cit. supra* n.8.

12. These include extensive provisions for cross-easements of support and shelter and the

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addition, it sought to regulate the behaviour of lot owners.[13] Following its enactment the other Australian jurisdictions, including Victoria in 1967, passed strata titles legislation.[14]

C. The Strata Titles Act (New South Wales) 1973

In 1973 the 1961 Act was repealed[15] and replaced by the Strata Titles Act (New South Wales) 1973, which with its several amendments[16] comprises the current legislation on the matter. The 1973 Act, which came into force on 1 July 1974, is much more complex and introduced some significant changes and extensions, while retaining the basic principles of the Victorian legislation.[17] Rather more stringent by-laws were introduced regulating the use by each proprietor of the common property.[18] The 1973 Act also required the body corporate to perform a rather enlarged range of functions as compared to those performed by the body corporate under the 1961 Act. In order to avoid leaving a development without an effective administrative structure at any point in time, the Act required the initial proprietor (that is, the developer) to convene a meeting of the body corporate within one month of selling one third of the units in the block.[19] The by-laws contained in Schedule 1 to the 1973 Act, which regulate the management of the building, are far more detailed than those found in other jurisdictions and were criticised for "nanny-ism" during the passage of the Bill through the New South Wales Parliament, as introducing excessive legalism into the everyday relations of unit proprietors.

A laudable measure introduced by the 1973 Act was the provision of a three-tier system to expedite the resolution of disputes between the body

passage of services such as water, sewerage, and drainage. Strata plans must be lodged with the Registrar-General to indicate that the necessary local government approvals have been obtained. In addition, a "body corporate" comprising unit-holders in the subdivided building must be formed. This will be the administrative body responsible for the proper administration and maintenance of a subdivided building subject to the Act.

13. These by-laws provide for the control, management, use and administration of the units and common property: see Scheds.1 and 2 to the Act.

14. Also based on the New South Wales Conveyancing (Strata Title) Act of 1961.

15. A number of problems had arisen as a result of the Act, particularly in relation to title, management and dispute resolution.

16. The most significant of which, from a management point of view, related to the compulsory licensing of "strata managing agents". Since 1 Oct. 1981 all managing agents appointed to manage a strata scheme must be the holders of a strata managing agents' licence issued under the Auctioneers and Agents Act 1941. The legislation is also kept under constant review by the New South Wales government through its Strata Title Act Review Committee.

17. By s.54(1) of the Act, registration of a strata plan is the means by which land may be divided into lots and common property and the body corporate automatically formed.

18. Sched.1, by-laws 14–20, 22–24, 27.

19. This meeting is to discuss matters such as insurance, maintenance contributions, the election of a council and the amendment or variation of the statutory by-laws. Part 1, Sched.2 contains detailed rules governing the conduct of meetings of the body corporate.

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corporate and unit proprietors, as well as between unit proprietors. A Strata Titles Commissioner was appointed and a Strata Titles Board established to hear and resolve disputes. In addition, appeals to the formal Court structure may be made in respect of certain decisions made by the Board.

III. ADOPTION OF THE STRATA TITLES SCHEME IN SINGAPORE

A. Circumstances Leading up to the Land Titles (Strata) Act 1967[20]

In 1959 the Singapore government set up the Housing and Development Board (HDB) as the statutory body[21] to develop a programme providing low-cost and affordable[22] *public* housing for Singaporeans. The Board emerged as the sole national public housing authority for the provision and regulation of low-cost housing estates and middle-income units. The residential units developed by the HDB come under the system of registered title and are occupied under long leases, usually for 99 years. The terms of the leases are unique and differ markedly from those contained in conventional leases.[23]

In the 1960s and 1970s there was a marked increase in private developments providing housing in Singapore. Several reasons can be given for this. The intractable problem of land scarcity, coupled with population increase and the demand for better-quality housing, led to the quickened pace of building developments. From 1965 onwards,[24] particularly in the 1970s, the number of flats developed by private individuals for sale on long leases increased tremendously. Domestic economic forces proved favourable: rapid economic growth led to rising national income and higher purchasing power.[25] A buoyant economy, higher purchasing power and increasing affluence in turn resulted in a great demand for housing,[26] par-

20. Cap.158, Revised Edition of Singapore Statutes, 1988, hereafter the LT(S)A.

21. The Board, constituted under s.3 of the Housing and Development Act 1959, replaced the Singapore Improvement Trust in 1960.

22. Income ceilings are imposed to determine eligibility, thus catering for the lower- and middle-income groups.

23. See N. Khublall's comment (*The Law of Real Property and Conveyancing in Singapore* (1991), p.543) that the nature of an HDB lease can be regarded as *so* different from a lease under general law that one may even regard the HDB lease as a "new interest in land" in Singapore. However, the law governing *public* housing in Singapore is not discussed here as the LT(S)A applies only to private housing.

24. See Ho Chi Wing and Sim Loo Lee, *Studies on the Property Market* (1992), chap.2.

25. National income, which was increasing steadily in the 1960s, grew rapidly in the late 1970s. E.g. the GDP increased dramatically from S$13,681 million in 1975 to S$22,438 million in 1980: *Yearbook of Statistics* (Department of Statistics, Singapore, 1975/76 and 1980/81).

26. In addition, the population structure comprised a younger group. E.g. in 1980 approximately 37.1% was made up of persons between 20 and 39 years old (Wing and Lee, *op. cit. supra* n.24). Many of these, being in the higher-income group, were not eligible for public housing and had to resort to private developments to fulfil their desire to become home-owners.

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ticularly condominium-type developments.[27] There was also a second source of demand—from foreigners attracted by the buoyant economy and political stability to invest in Singapore. An influx of foreign companies and expatriates led to a deluge of foreign capital and this intensified the demand for, in particular, condominium housing and luxury apartments in buildings of more than six storeys.[28]

The earliest developments of subdivided buildings in Singapore were of three- or four-storey blocks of flats, where the only provision made in the documents of title indicative of a leasehold relationship related to payment of a nominal sum as quit-rent to the developer or lessor for maintenance of the areas used in common by all flat owners, including the staircases and corridors.[29] However, the developer often neither desired nor intended to maintain the common areas and the leasehold estate was a mere device to enable a legal title to a flat unit to be granted. Prior to the introduction of strata titles legislation in Singapore, practitioners had relied on the English (and Australian) practice of the time, namely to grant title to property such as flats by means of long, for example 99 or 999-year, leases.[30] Initially, purchasers of such flats were not given ownership shares in the common areas. Later, however, developers transferred the ownership of the common areas to the purchasers to relieve themselves of the duties of management. It transpired that purchasers themselves were often not inclined to exercise their management powers. As a result, buildings were inadequately managed and maintained—to the dissatisfaction of both lessors and lessees.

Thus, the situation was far from satisfactory. The respective positions of the developer/lessor and lessee left much to be desired with regard to the maintenance and management of the subdivided building. Between unit owners, without regulation, there was no compulsion to abstain from, or deterrent to, cantankerous or "un-neighbourlike" behaviour. Neither was there a platform for the informal adjudication of disputes relating to the role and responsibility of parties involved. Resort to the courts was at the

27. The "condominium" concept of development was formally introduced in Singapore on 16 May 1972. One feature that distinguishes a condominium housing development from other conventional housing is that it involves more comprehensive planning in terms of more liberal spacing of buildings, the preservation of natural features of the land, improved living environment and the provision of more communal facilities.

28. Under s.3(1)(a) of the Residential Property Act (Cap.274, Revised Edition of Singapore Statutes, 1985) no person may, whether for consideration or by way of lifetime gift or otherwise, transfer any residential property or any estate or interest therein to any foreign person; however, by s.4(1) of the Act, this prohibition does *not* apply to the purchase or acquisition by, or a transfer to, a foreign person of an estate or interest in any flat comprised in a building consisting of six or more levels or any flat or dwelling-house shown as a unit in an approved plan bearing the title "condominium".

29. See Phyllis P. L. Tan, "Reflections on Conveyancing Practice" [1979] M.L.J. cxxviii.

30. The Singapore case of *Wong Peng Kin & Ors* v. *Melodies Ltd* [1981] 1 M.L.J. 128 boasted a lease for 999,999 years!

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time perceived as expensive, slow and not a viable alternative in a society which was characteristically litigation-shy. Such uncertainty was undesirable and unproductive in the context of Singapore, whose intractable problem of land scarcity led to an extremely high incidence of unit owners living interdependently. It is therefore not surprising that it was thought apposite to introduce legislation to bring uniformity, clarity and certainty to regulating the maintenance and management of subdivided buildings. This was more desirable than relying on the provisions of the diverse forms and legal complexities of different leasehold arrangements and varying initiatives of the parties involved.

B. The Solution

Singapore had looked towards Australia in the late 1950s for a system of title registration suitable to its needs; despite Singapore's umbilical links with English land law, the Torrens system conceived in Australia had for cogent reasons been considered eminently more suitable for Singapore than the English system of land registration.[31]

With the introduction of the Torrens system of registering title to *land* in Singapore by the Land Titles Ordinance passed in 1956, one foot was already in the door; it was only logical for Singapore to look (again) towards Australia to provide a model to enable it to take the relatively small and simple step forward[32] to enact related legislation concerning title to *flats* and matters connected therewith. Accordingly, the LT(S)A was passed in 1967. The Act is based on the New South Wales Conveyancing (Strata Titles) Act of 1961 which, as discussed above, has been replaced by the Strata Titles Act of 1973. Substantial amendments were wrought to the LT(S)A by the Land Titles (Strata) (Amendment) Act in 1987. Not surprisingly, most of these reflected many of the changes implemented by the New South Wales Act of 1973, and concerned mainly the management aspects of a subdivided building, rather than the substantive law relating to the creation of strata titles. Before examining the main provisions of the strata title legislation in the several jurisdictions, it is proposed to examine the difficulties encountered in England in the formulation of a similar scheme.

31. While Singapore had emulated much of the land legislation of England of the 1880s, the sweeping English land law reforms of 1925 were *not* similarly followed. In these circumstances the English Land Registration Act of 1925 could not have been adapted in Singapore in isolation from the other statutes comprised in the 1925 package of reforms. On the other hand, the Torrens system of land registration could readily be adapted for implementation in Singapore without the necessity of any excess legislative baggage.

32. The draftsmen of the model strata titles Bill were alert to ensure that the system of strata titles could be implanted on to the existing Torrens system with minimum disruption. E.g. accepted forms of certificate of title, transfer, mortgage and other dealings were to be used, and their processing was to be carried out in the usual manner.

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IV. THE ENGLISH EXPERIENCE

A. The Problem of Positive Covenants

One of the anomalies of English land law is that whereas the benefit of a positive covenant can pass to third parties the burden cannot pass[33] in such a way as to become directly enforceable against assigns of or successors in title to the original covenantor. An illustration will be useful here: according to English land law, the burden of a positive covenant (for example, an undertaking to maintain a boundary wall or to keep in repair) cannot be made to run with the servient (i.e. burdened) land, so that it is enforceable against subsequent owners of *freehold* property. This is obviously a drawback to adjoining owners, particularly where houses are semi-detached. In the case of flats and subdivided buildings, the problem was more acute as common entrances, lifts and stairs create an even greater degree of interdependence among unit owners. In addition, the very stability of the building depends on the proper maintenance and repair both of the individual units and of the common parts. If either falls into disrepair, there will be repercussions on the value of *all* the parts of the property and the continued enjoyment by the users of both the individual units and the common parts. While the problem of enforcing positive obligations between parties in the leasehold relationship is circumvented, the owner of each unit needed to be able to enforce the positive obligations undertaken by the others.[34] In addition, there were widespread complaints of poor management and excessive service charges.[35] This led to the establishment in 1984 of a committee of enquiry[36] to make recommendations for the improvement of leasehold flat schemes and the possibility of enabling legislation to implement such schemes.

B. Mortgageability

As the burden of positive covenants did not run with the land, building societies were resolutely set against lending on freehold flats. This led to

33. Except for leaseholds, where there exist privity of estate.

34. In this context easements of support and fencing may be permitted (see *Dalton* v. *Angus* (1881) 6 App.Cas. 740 and *Crow* v. *Wood* [1971] 1 Q.B. 77 respectively). Both these easements are capable of being granted by law so as to run with the land and to be binding on successors: being rights which lie in grant, they are of such a nature that they *can* pass under s.62 of the Law of Property Act 1925. While the general rule is that the servient owner is under no obligation to expend money on the maintenance of any property over which an easement is exercised (*Holden* v. *White* [1982] Q.B. 679), in the case of the easement of fencing the servient owner *is* under a duty to take positive steps to expend money on the maintenance of any property over which the easement is exercised.

35. E.g. if no sinking fund is established and some tenants are unable to pay their share of repair costs.

36. Chaired by Edward Nugee QC, and known as the Nugee Committee, it prepared a report on the management of privately owned blocks of flats. Singled out for attention were leases which are badly defective in that no adequate provision is made for the proper main-

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leasehold schemes being the order of the day.[37] It has even been said that "conveyancers [were] reduced to the task of turning a perfectly good fee simple title into a leasehold one to secure an advance".[38] This was not a panacea however, as the leasehold method of landholding gave rise to its own set of difficulties. The problems created by leasehold schemes in England correspond with those experienced in Australia and Singapore. Particularly pressing was that created by the *duration* of the lease and the corresponding unmortgageability of the interest. In some parts of the country the 999-year lease was common in the context of Victorian or Edwardian property which had been divided into flats by a developer. In such situations developers who wished to have no further investment interest in the property bowed out of the scene by transferring the freehold to a management company controlled by the tenants. In London, the south-east of England, Wales and other areas of the country, however, 99-year leases were more common and this period of tenure gave rise to the problem of mortgageability. Initially of course, a lessee acquiring a lease of 99 years is highly unlikely to contemplate the position and value of the lease after the lapse of a substantial period of time, say, his generation. When the lease still has more than 50 years to run, there is little practical significance. However, when there are less than 50 years to run, the lease transforms into a wasting asset,[39] although the depreciation does not become serious until there are only 35 years or so left. From then on it snowballs and the occupying leaseholder's position becomes an unenviable one. His home, while he remains there, is a depreciating asset, with the capital locked up being eroded as time passes. If he wishes to continue living there, the only means of salvaging and preserving its full value is to

tenance and care of the block, the well-being of the occupants or the legitimate interests of the reversioner.

37. There are however, cases of statutory freeholds. These are colourfully known as "flying freeholds". Probably the most renowned is New Square, Lincoln's Inn, where the buildings were originally erected and governed by Articles of Agreement entered into in 1682 between the Honourable Society of Lincoln's Inn and the developer. This agreement was superseded by the Lincoln's Inn Act of 1860. Interestingly, rentcharges were imposed to cover the services provided by the Inn, which calls into question the nature of the "freehold". To cite a more recent example, s.74 of the West Yorkshire Act 1980 deals with the repair of double-deck houses, built on top of each other, in Hebden Road, Yorkshire, which were formerly unmortgageable but are now accepted by building societies. It is noted that such statutory freeholds are exceptional and mostly of historical interest. Cited in Gangatharan, *Law Relating to Ownership, Management and Transfer of Flats in Singapore*, Ph.D. thesis, London University (1986), p.144.

38. Edward F. George and Arthur George, *The Sale of Flats* (5th edn, 1984), p.22

39. E.g. Sched.1, Part II, para.13 of the Trustee Investments Act 1961 classifies leaseholds for which the unexpired term at the time of investment is not less than 60 years as falling under "Narrower Range Investments Requiring Advice", thereby restricting the trustees' power of investment: Hayton and Marshall, *Cases and Commentary on the Law of Trusts* (9th edn, 1991), p.627.

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acquire the freehold or negotiate the grant of a longer lease.[40] On the other hand, if he wishes to sell and move elsewhere, the leaseholder will be hard put to find a buyer for two important reasons. First, the same argument will apply to a potential purchaser seeking mortgage facilities as applied to the occupying leaseholder. Second, a leasehold interest for less than 35 years lacks the permanence to attract the ordinary house-buyer, and *a fortiori*, the investor, for that person will immediately stand in the shoes of the seller.

C. Proposed Reform of the Law on Covenants

The discontent about the law relating to positive and restrictive obligations imposed upon land was formally articulated more than three decades ago.[41] In January 1984 the Law Commission presented a report[42] entitled "Transfer of Land—The Law of Positive and Restrictive Covenants". This report has been described as a *tour de force*.[43] The Law Commission decided that the difficulty could be resolved only by extending the process of law reform in the area of positive obligations, to include both positive as well as restrictive covenants, and "welding the two into a system, hopefully producing a unified and more satisfactory position".[44]

By the proposed reform, the thicket of highly technical rules determining the enforceability (or otherwise) of the benefit and the burden of restrictive covenants would be razed, once and for all. This would be achieved by requiring parties who intend to create an obligation running with land to do little more than label it a "land obligation".[45] Significantly, as the interest was one essentially attaching to the ownership of particular parcels of land, it would be enforceable only by or against the current owners of those parcels of land, rather than between the original owners after they had parted with the land, as is the position now.[46] The "land obligation" is defined[47] as an interest in land which:

40. This aspect is dealt with *infra* Section V.C, in the context of the Leasehold Reform and Urban Development Act 1993.

41. In 1961 the Law Reform Commission on Restrictive Covenants was set up and was followed in 1963 by the Wilberforce Committee on Positive Covenants Affecting Land.

42. Law Com. No.127.

43. And justifiably so, as the reports of the Wilberforce Committee on Positive Covenants of 1965, the Law Commission on Restrictive Covenants of 1967, and its 1971 working paper on Rights Appurtenant to Land, and the Benson Committee on Legal Services of 1979 were studied. See H. W. Wilkinson, "The Law Commission and the Reform of Covenants" (1984) 270 E.G. 1154–1156.

44. Law Com. No.127, para.4.21.

45. The word "land" was used because the obligations were for the benefit of (or burden to) land and not merely personal, and "obligation" because there was a duty involved.

46. Unless, of course, the restrictive covenant is construed so as not to be enforceable by or against a party who no longer has any interest in the land.

47. In the Land Obligations Bill.

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imposes a burden on one piece of land (referred to as the "servient land") either—

(a) for the benefit of another piece of land; or

(b) in pursuance of a development scheme ...

In this context the focus is on (b) above. The Commission formulated a scheme whereby the burden of positive covenants may be made to run with the servient land. This scheme, termed the "development obligation", would be relevant where a substantial area of land is to be divided into a number of separately owned but interdependent units.[48] It is in the formulation of the "development obligation" that the seeds were sown for the establishment of the "commonhold" as a third form of legal estate in land, alongside the fee simple absolute in possession and the term of years absolute.[49]

In response to the proposals contained in the Law Commission's report there had been suggestions for the introduction of "condominium" legislation in England and Wales as a solution to the problems posed by subdivided buildings. Accordingly, in 1986 a working party was established to propose details on which to base such legislation for England and Wales.[50]

D. The Commonhold Proposals

In 1990 a consultation paper, accompanied by a draft bill, was published for the establishment and operation of commonhold.[51] It was also decided to give long leaseholders of residential flats the right of collective enfranchisement at market value, provided, *inter alia*, that not more than 10 per cent of the internal floor space of a building is used for non-residential purposes.[52]

The essential scheme contained in the commonhold proposals bears a strong similarity to the schemes practised throughout the world under various names.[53] The more important features of the proposed legislation are highlighted here. Commonhold is a new form of estate in land signifying a system of land ownership which places emphasis on co-operation between owners living within a defined area. While the commonhold con-

48. Law Com. No. 127, para. 6.7 ff. The scheme would be set up by a deed executed by the developers and will have the effect of creating a kind of "local law" for the development.

49. As defined in s.1(1) of the Law of Property Act 1925.

50. This 1987 working group, under the chairmanship of Trevor Aldridge and known as the Aldridge Working Group on Freehold Flats and Freehold Ownership of Other Interdependent Buildings, proposed a new land ownership scheme for England and Wales called commonhold.

51. Cm.1345.

52. The Leasehold Reform and Urban Development Act 1993.

53. This is to be expected, as a preliminary study of "condominium" legislation in various other parts of the world was conducted before the then Lord Chancellor, Lord Hailsham, established the Aldridge Group. See *supra* Part I regarding the various labels used for subdivided buildings.

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tinues, the owner of each unit is the freeholder with exclusive ownership of a specified piece of property. In certain circumstances, the commonhold can be terminated, with the result that the unit will automatically be converted into a share of the ownership of the entire property within the commonhold.

The report outlined seven areas in which the scheme would be an improvement over the existing legal position.

(1) *Automatic rights and obligations*—the commonhold scheme would eradicate the difficulty of enforcing positive obligations in freehold developments.[54]
(2) *Ownership of a share in the site*—all unit owners will have a proportionate share in the site, rather than ownership of a block of air.
(3) *Tenure*—leasehold developments did nothing to cater for the psychological satisfaction of consumers who sought "freehold" properties and resented continuing to pay a ground rent "for nothing" under leasehold arrangements.
(4) *Mortgageability*—leases which are nearing expiry cease to provide a good security. With the commonhold scheme, the flat will comprise a freehold unit.[55]
(5) *Democratic management*—in a leasehold situation, decisions on the provision of repairs, redecorating and services are often left in the hands of the landlord, whose interests may not coincide with, and indeed may even be opposed to, those of the tenants.
(6) *Majority rule and minority protection*—fundamental decisions affecting a commonhold would require a resolution supported by a unanimous vote, so that the interests of minorities are protected.[56]
(7) *Simplified conveyancing*—with their standard forms and regulations, commonholds will make conveyancing simpler and cheaper.

In Part V some of the provisions above will be analysed to discover the similarities to and dissimilarities from the strata titles provisions in other jurisdictions, in particular, Singapore and Australia. Before doing so, however, it is apposite to provide some general comments on the apparatus which provides the groundwork for the mechanism.

54. This is because the proposed statutory obligations enjoyed by a unit owner will be automatic and standard.

55. As a result the legal interest will not expire and will (subject of course, to the physical condition of the property) continue to provide a good security for a loan.

56. There are also provisions for the majority to make an application to the court where the vote in favour of a resolution is at least 80%.

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1. *Some basic concepts under the Singapore legislation*[57]

Singapore's LT(S)A applies to *all*[58] properties comprised or to be comprised in a strata title plan and provides the legal basis for the registration and disposition of titles relating to subdivided parts of a building. A "strata title plan" is in effect a series of floor plans showing the position of the lots in relation to the whole building. Condominiums and high-rise buildings which are intended for subdivision or which have been subdivided come within the ambit of the Act,[59] as a "subdivided building" is defined as "Any one or more buildings comprised in a strata subdivision plan approved by the relevant authority".

In relation to the strata units, the share values allocated to each lot and the aggregate share value entitlement of all the lots are shown in the strata title plan. It is important to determine the basis of allocation of share values[60] as they will in turn determine:

(1) the voting rights of the subsidiary proprietors;
(2) the quantum of the undivided share of each subsidiary proprietor in the common property; and
(3) the amount of contributions levied by a management corporation on the subsidiary proprietors.

2. *Corresponding provisions under the commonhold scheme*

Although the primary use of the commonhold[61] scheme is for subdivided buildings, the report did concede that the scheme could also apply "to a group of detached buildings where a management body would be useful".[62] Second, the counterpart to the "strata title plan" in Singapore is the "commonhold declaration", which is "the formal document, incorporating a plan, used to establish the Commonhold, registered at the Land Registry and [defining]":[63]

57. See generally N. Khublall, *Strata Titles* (1995) and *op. cit. supra* n.23, at chaps.24 and 25, Lim Lan Yuan, *A Guide to Management Corporations* (1987) and Gangatharan, *op. cit. supra* n.37.

58. That is, both freehold and leasehold.

59. LT(S)A, s.45(3).

60. There is no universally accepted basis of determining the most equitable number of share values to be allocated to each strata lot. Those based on floor areas may not necessarily be consistent with those based on the capital value of each unit.

61. The term "commonhold" is defined as "property which is divided into freehold units, possibly but not necessarily with some collectively used property as well managed as a whole under the proposed Commonhold Act".

62. The scheme would be appropriate where there are a number of units which are in some way interdependent because they are physically joined, or because their occupiers use the same common facilities. The fundamental requirement is that there must be at least two units and the focus is on situations where there is interdependence between or among occupiers, as the case may be.

63. Para.3.37 of the report and cl.13 of the Bill. According to cls.13 and 1, the basis upon which the above rights and liabilities are to be determined is as follows: a number will be used

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(1) the number of units in the commonhold, which will have to be shown on a plan;
(2) the votes, ownership shares and service charge contributions of each unit owner;
(3) any variations of the standard rights and obligations of unit owners.

With this basic framework of enabling legislation on subdivided buildings providing a general backdrop, features of comparative peculiarity in the several jurisdictions may now be considered.

V. A COMPARATIVE ANALYSIS OF ENABLING LEGISLATION ON SUBDIVIDED BUILDINGS IN SINGAPORE AND ENGLAND

A. Freehold or Leasehold?

There is one striking difference in relation to the tenure of the subdivided building in Singapore under the LT(S)A and under the commonhold proposals in England. A fundamental problem in relation to subdivided buildings in England was created by the rule that the burden of positive covenants does not run with freehold land. The leasehold arrangement was one of the mechanisms devised to ensure that burdens and benefits followed successive owners. However, there were major difficulties associated with that, for example unmortgageability and clash of interests between landlord and tenant. The main advantage of the commonhold scheme is that, instead of having to rely on the technical and complex rules relating to covenants, such obligations will become *statutory*, forming a species of "local law". In fact, this was the main catalyst that provoked the commonhold reforms. The same cannot be said in the Singapore context, however, as a totally different set of circumstances obtained there.

To begin with, the problem of the running of the burden of positive covenants was not even an issue in relation to subdivided buildings in Singapore. This is because the State Lands Act in Singapore[64] had effectively rendered grants in fee simple as good as extinct; by sections 15–18 of the Act, the grant of fees simple was restricted to just a few situations and alienation of State land was to be by way of leasehold grants. In the 1950s in Singapore about 64 per cent of the land area was held under statutory land grants or 999-year leases, which, while tantamount to freeholds in terms of duration, were nevertheless leasehold, with covenants and conditions attached. However, with the increasing pace of government land acquisition, this figure fell to about 33 per cent in the 1980s and the title ordinarily issued is for leases for a term not exceeding 99 years.[65] In 1991

for the calculation of the unit's service charge contribution and a number (which will usually be the same) for the calculation of the unit's share of the capital assets on winding up.

64. Cap.314, Revised Edition of Singapore Statutes, 1985.
65. Philip Motha, *Singapore Real Property Guide* (3rd edn, 1989), p.15.

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about 529 hectares of State land were alienated to statutory boards and the private sector for development. The Jurong Town Corporation,[66] the major purchaser of State land, bought 207.78 hectares in 1991. The Corporation's practice is to sublet land to individual tenants, the standard term of the lease being 30 years with an option to renew for a further period of 30 years. The HDB bought 71.95 hectares; the private sector bought 147.19 hectares, of which 56.99 were for residential and commercial developments.[67] In each of the above cases the nature of the interest granted is perforce the *leasehold* interest. Thus, the leasehold is the most ubiquitous form of tenure in Singapore: there exists a landlord and tenant relationship (privity of estate), ensuring that the benefits, as well as the burdens, pass to successive owners of land without further ado in the form of a separate formal agreement or other arrangements. In view of this very significant feature[68] it is indeed paradoxical that Singapore had acted to introduce enabling legislation more decisively and far earlier in time than England. This is despite the fact that in England grave problems already existed as a result of the doctrine of positive covenants in relation to freehold estates.

B. Leasehold Extension and Enfranchisement

The term "leasehold enfranchisement" has been used to describe the principle that leaseholders, by the compulsory purchase of the fee simple of their holdings, together with any intervening leasehold interests, should be enabled to become freeholders.[69] The road to the Leasehold Reform Act 1967, which eventually provided for this, was indeed a long one, marked by several important milestones. These included the debate before the Royal Commission on the Housing of the Working Classes (1884–1885), the enquiry before the Select Committee on Town Holdings (1886) and the Leasehold Committee in 1948, under the chairmanship of Jenkins LJ.

The Leasehold Reform Act 1967 conferred on certain tenants of leasehold *houses* the right to enfranchisement. However, several objections were levelled against its provisions, the most stringent being that the compensation paid for enfranchisement was grossly inadequate.

As noted above, the 1967 Act applied only to houses, not to *flats* and other horizontally divided property. This meant that exactly the same arguments as those discussed earlier regarding the defects of the leasehold

66. Established by the Jurong Town Corporation Act, Cap.150, Revised Edition of Singapore Statutes, 1985.

67. From Publicity Division, Ministry of Information and the Arts, *Singapore 1994*.

68. As a result of which there was *no* difficulty in imposing burdens upon successive owners, as there is in relation to *freehold* estates.

69. See N. T. Hague, *Leasehold Enfranchisement* (2nd edn, 1987), chap.1.

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system continued to apply to such property. These problems were to some extent resolved by the Leasehold Reform and Urban Development Act 1993.

C. The Leasehold Reform and Urban Development Act 1993

The Act, which had a stormy passage through Parliament, was characterised as a battle between a small coterie of landed aristocrats[70] and the mass of leaseholders. Lord Harris of High Cross, founder of the Institute of Economic Affairs, derided the then bill as "totally deplorable and pure populism". He justified this trenchant criticism with this illustration: "If you take £100 from one man and give £1 each to 100 men you make one enemy and 100 friends. There are more tenants than landlords."[71] The 1993 Act extended the 1967 Act's ambit by including leaseholders of flats.[72] Now, the right of collective enfranchisement is available for premises in a self-contained building containing two or more flats held by qualifying tenants.[73]

To put matters in perspective, then, what is the role played by the 1993 Act in the commonhold scheme? The provisions entitling long leaseholders of flats to collective enfranchisement pave the way for more leasehold developments to be converted to the commonhold scheme. There is a precondition that it must be established only on *freehold* land. The problems highlighted earlier of the running of positive covenants in relation to freehold land will be surmounted by statutory regulations and the constitution of the commonhold association, which will govern the relations between unit owners.

D. Automatic Rights and Obligations

One of the advantages cited to support the idea of implementing legislation to regulate multiple-unit developments is that the rights enjoyed by unit owners will be automatic and uniform, no longer dependent on the provisions of lease agreements which may vary according to the skill and negotiating powers of particular lawyers who draft them.[74] What then, are

70. The Duke of Westminster, who owns much of Mayfair and Belgravia, was led to withhold donations to the Conservative party, and this galvanised opinion in the House of Lords.

71. Reported in *The Times*, 9 Mar. 1993.

72. Flats and other horizontal subdivisions had been excluded from the benefits of enfranchisement under the 1967 Act. However, doubts have been expressed as to the extent to which the new right under the 1993 Act will be utilised: the financial cost of purchase and the protracted procedure may be deterrents to the optimum utilisation of the provision. See D. N. Clarke, "Tenure of Horizontally Divided Residential Property", paper presented to Society of Public Teachers of Law, Sept. 1993, p.11.

73. See s.5 for definition of "qualifying tenant".

74. No further documentation or transfer of the benefit and burden of obligations is required as statute confers the benefit and imposes the liability: cl.6 of the Bill.

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these rights? Basically, they deal with the title, support, shelter and ancillary rights, use and enjoyment of the property, meetings and management. Some of these are examined in detail below. By section 38(7) of the LT(S)A, a subsidiary proprietor has the unfettered right to deal with his property by sale, lease or mortgage. The management corporation may not abrogate this right. It is interesting to note that this confers a right as near as possible to that of a freeholder in respect of his property.

Under the commonhold scheme, the unit owner's rights and obligations in relation to other unit owners will be covered by similar regulations. As regards use and enjoyment of the property, a subsidiary proprietor and other occupants have the right to use and enjoy their respective units and the common property, subject to the general law of nuisance and unreasonable interference. However, Part II of Schedule 1 to the LT(S)A lists a number of rules which affect subsidiary proprietors in relation to their respective units and the common property. This is to ensure that the strata scheme is properly administered and maintained to ensure (at worst) a minimal or (at best) a sophisticated level of enjoyment of the property. Some examples of these rules will give some idea of the extent of regulation:

> (b) not to park or leave any vehicle on the common property, except with the permission of the management corporation;
> (f) not to make any alterations, including alteration to any balcony, without approval;
> (n) to ensure that large objects are not disposed of through any chutes, where provided, so as to cause obstruction, and make sure that other rubbish is securely wrapped in bags before depositing it into the chutes or placed in clean covered receptacles;

A cursory glance at the rules quoted shows how far regulation has intruded on the everyday lives of subsidiary proprietors. Equally, though, the rules above are commonsense matters which should not really need to be spelt out. The following two rules are particularly interesting, even amusing, for they reflect a very "Asian" mentality and attitude:[75] "(g) when upon the common property to be adequately clothed";[76] and "flavour":

> (l) ensure that the part of the floor is sufficiently covered where chillies are being pounded to prevent transmission of noise likely to disturb the peaceful enjoyment of another subsidiary proprietor or occupier;

How much closer can rules reflect the banality of everyday existence?

75. Generally said to be more conservative.

76. One can be certain that such a directive would not enter the rule book of regulations binding unit owners in England, as sun-bathing in skimpy attire on communal lawns in summer is the prerogative of residents.

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Can excessive legalism and "nanny-ism"[77] be detected, intruding on the everyday lives of subsidiary proprietors? Or is it that a common code of civilised behaviour, consideration and decency simply *has* to be imposed due to the multiple occupancy and level of interdependence in a development?

Under the commonhold scheme, details of rights and obligations enjoyed and undertaken by the unit owners will be stipulated by statutory instrument rather than in the Act itself, unlike in Singapore where the by-laws[78] are set out in Schedule 1 to the Act.

E. The Singapore Buildings and Common Property (Maintenance and Management) Act

It is usual for a subdivided building in Singapore to be completed and occupied under a temporary occupation permit, long before the issuance of a subsidiary certificate of title to the subdivided property. It is therefore important to ascertain who is to be responsible for maintenance of the common property during this period. The practice was for the developer to bear the burden and to levy a maintenance charge on the unit holders. However, a unit holder could not query how the funds were being applied and there were no safeguards to ensure that the funds would indeed be utilised for the maintenance of the common property.

In its original form the LT(S)A failed to anticipate and provide for such situations. To fill this lacuna, the Buildings and Common Property (Maintenance and Management) Act was passed in 1973 and amended in 1982,[79] to ensure the proper maintenance and management of all types of buildings and structures through the medium of the Commissioner of Buildings. Similar duties are imposed on the commonhold association under the proposed scheme.

The provisions of the Act ensure that buildings intended for strata subdivision are properly maintained by developers after completion but prior to the formation of the management corporation. It is indeed a fitting complement to the efficacious and equitable operation of the LT(S)A.

77. This had been the criticism levelled against the by-laws contained in Sched.1 to the New South Wales Strata Titles Act 1973.

78. See comment in Khublall, *op. cit. supra* n.23, at p.582, that by definition it is inaccurate to term a set of rules contained within a Sched. to an Act as "by-laws". In *Kruse* v. *Johnson* [1898] 2 Q.B. 91 a "by-law" was defined as a law made by a subordinate body which is statutorily empowered to make such a law (viz. subsidiary legislation). The by-laws in Sched.1 to the Singapore Act were enacted directly by Parliament. However, this does not affect the validity of the by-laws in the Act.

79. Cap.30, Revised Edition of Singapore Statutes, 1985.

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F. Dispute Resolution

1. The Strata Titles Board in Singapore

One of the most valuable additions made by the 1973 New South Wales Strata Titles Act was the establishment of apparatus for the resolution of disputes relating to strata title properties. Singapore has emulated this example by providing a similar three-tier system. In supporting the amendment in the Land Titles (Strata) (Amendment) Bill for the establishment of the Strata Titles Board and highlighting the indispensable role it would play in a densely built-up and urbanised Singapore, Professor S. Jayakumar, Minister for Home Affairs and Second Minister for Law, said:[80]

> This amendment provides for the establishment of one or more Strata Titles Boards to adjudicate disputes between subsidiary proprietors and between management corporations and subsidiary proprietors. Ninety per cent of Singapore's population live and work in high-rise buildings. Those who are not occupying HDB buildings are living or working in buildings managed by management corporations constituted under the Act... A few management corporations manage developments consisting of not less than 1,000 lots. Some have annual budgets exceeding a million dollars.
>
> If the disputes are not resolved by the Strata Titles Boards, they will end up in our courts. The Strata Titles Boards will reduce the work-load of the courts. It is therefore desirable to establish Strata Titles Boards for the determination of disputes arising from the use or occupation of lots in subdivided buildings. The Boards will exercise quasi-judicial functions in respect of matters which they have jurisdiction to deal with.

Accordingly, Part VI of the 1987 amendments to the LT(S)A provides for the setting up of a mechanism, outside the traditional judicial structure, for the resolution of disputes involving strata title properties. This body is also known as the Strata Titles Board and the proceedings and other related matters are governed by the Land Titles (Strata Titles Boards) Regulations.[81] The jurisdiction of the Board covers a wide range of matters.[82] Here too, as under the New South Wales Strata Titles Act 1973, the Board exercises original as well as appellate jurisdiction.

2. Position under the commonhold scheme

Unfortunately, under the commonhold scheme no provision has been made to facilitate the resolution of disputes without resort to the courts.[83]

80. Official Report of the Select Committee on the Land Titles (Strata) (Amendment) Bill 1987, p.D62.
81. S.237/88.
82. See ss.94–107 of the Act.
83. According to para. 16.7 of the Law Commission: Commonhold–legislation on com-

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In its report the working party stated that suggestions for setting up a disputes machinery separate from the courts would be rejected for reasons of "funding and initial lack of work". In addition (and quite paradoxically), it was said that "a cheap and informal disputes procedure tended to encourage trivial disputes".[84] The suggestion was that difficulties would have to be resolved through the democratically conducted commonhold association.[85] This seems to be avoiding the issue. The reasoning is analogous to recommending the resolution of, say, a contractual dispute amicably rather than by resorting to court. Indeed, it is axiomatic that the practice of resolving disputes without recourse to the courts is commendable in any case as, *inter alia*, it saves time and expense. This argument would hold true for almost *any* dispute which is eventually brought before the courts for adjudication. But the point in this context is this: as recourse to courts is expensive and tardy, etc., it is most appropriate that an administrative body or official be appointed for the quicker and cheaper resolution of disputes. This is so, not least because the dispute *itself* arises out of the use of a mechanism for the regulation of subdivided buildings which has been implemented and is enforced by statute.[86] The working party also rejected the possible alternative of allowing resort to arbitration. This lack of an adjudicatory body outside the already overloaded court structure is most unsatisfactory and criticism has been levelled at it.[87] The conclusion reached by the College of Estate Management in this regard is pertinent here:[88]

> If Commonhold is to be a workable, worthwhile and fair system in England and Wales, an appropriate and accessible disputes procedure must be provided similar to that of the Australian system. It is no improvement on the present system if unit holders have to resort to costly and lengthy court proceedings in order to resolve disputes.

VI. SUMMARY AND CONCLUSION

THE arguments in favour of enabling legislation for subdivided buildings cannot be refuted. It offers the advantages which may be derived from co-operation and ownership. With the increase of urbanisation in metropolitan centres, expense and crowding have intensified. Co-operative coexistence in subdivided buildings offers the possibility of both intensive use and shared cost. If land is used for a high-rise residential development

monhold will provide for cases to be allocated either to the county court or the High Court, subject to proposals resulting from the Civil Justice Review.

84. *Idem*, paras.16.8–16.12.

85. *Ibid.*

86. E.g. some tribunals established by statute determine disputes which have arisen not between an individual and public authority but between individuals. Examples include the Rent Conciliation Board and the Lands Tribunal.

87. See e.g. Phillip Kenny, "Commonhold—the Latest Proposals" (1991) E.G. (9103) 127.

88. College of Estate Management Research Paper 90/03.

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the density can be greater and the cost of the land for each unit is far less than if the land is used for single-family houses. In addition, co-owners can share the cost of common facilities, such as swimming pools and tennis courts, which each unit owner alone may otherwise be unable to afford. The responsibility for managing the property may also be delegated.

The strata title system in Singapore is now the norm for developments of subdivided buildings in the private sector, particularly that of condominiums. The certainty provided by the legislation[89] has inspired confidence in developers and home buyers. This confidence has been bolstered by the creativity and quality of the developments, and manifested itself in massive increases in the market value of such units over a relatively short period.[90] There is no comparable increase in the value of traditional flats. When one considers the advantages cited in favour of enabling legislation for subdivided buildings, it seems rather myopic that it is not compulsory (under either the LT(S)A or the Commonhold Bill) for either existing leasehold and freehold flat developments or new flat developments to be brought within the ambit of the enabling legislation. There is of course, particularly in English outlook and thinking, a reluctance to regiment the affairs of citizens by introducing excessive legalism into even the mundanities of everyday existence. However, for productive coexistence in subdivided buildings, even commonplace matters cannot be left to the conscience or a sense of duty of the unit owners. Regulation may be a necessary evil. In addition, the marketability of titles will be enhanced as a result of, *inter alia*, the stance of lending institutions towards such a form of security. In view of all these factors enabling legislation seems the only solution. In this regard England, the erstwhile Colonial Master, stands to benefit from the experiences of ex-colonies, who pioneered the experiment with legislation for subdivided buildings.

89. In particular, the details of the statutory obligations of the unit owners, the democratic nature of the system and the dispute-settlement machinery.

90. E.g. prices of condominium units soared from about S$1,250 (£543) per square metre (psm) to about S$3,500 (£1,521) psm during the boom period between 1980 and 1982. Presently, the market is experiencing another boom, with prices ranging from S$4,000 (about £1,739) psm to S$6,000 (£2,608) psm in prime residential areas.

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