

EDITORIAL

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CONTENTS

- 1 Message from President on Accreditation Scheme for Managing Agents
- 2 A Guide for Good Practices – Another Step Towards Standardisation
- 3 Is Your Managing Agent Effective
- 4 Towards a Free Mosquito Environment
- 5 Energy Management – More Affordable Than You Think!
- 6 Choosing the Right Digital Video Recorder Surveillance System

MESSAGE FROM PRESIDENT ACCREDITATION SCHEME FOR MANAGING AGENTS

In the recent years, strata title management has become an established practice with qualified personnel offering professional services to management corporations and developers. To further enhance the quality of performance there is now an urgent need to consider issues of control and regulation of those who serve as managing agents. Conscious of the need to ensure that APFM members engaged as managing agents offer a reasonable level of service and are competent in their job, APFM together with the Singapore Institute of Surveyors and Valuers (SISV) worked jointly in introducing an Accreditation Scheme for Managing Agents.

This Scheme was officially launched by the Minister of State (National Development) Dr Vivian Balakrishnan on 3 Dec 2003. The purpose of this Scheme is to ensure accredited MAs meet minimum standards of professional management and engage in continuous professional development to keep up

with latest changes and developments in the field. The community in general would be able to benefit from the quality check provided by the system of accreditation as all accredited MAs are required to adhere to the code of conduct of APFM or SISV and adhere to any code of practice or standards as prescribed. Disciplinary action will be taken in accordance with the respective institute's disciplinary rules.

We hope eventually all accredited MAs under the Scheme would provide a high level of professional service, and the SISV-APFM Accreditation would be a brand name for professional strata title management. We would like to invite all qualified MAs to participate in this Scheme. For further information, please contact the following:

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A Guide for Good Practices – Another step towards standardisation

By Teo Poh Siang

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INTRODUCTION

The Technical Reference 3 (TR3): Performance of Managing Agents (MAs) for private sector residential properties was launched by Spring Singapore in January 2001. The TR3 spells out the minimum standard of conduct of a person or firm professing to offer MA services to its client, the Management Corporation (MC). It is the first step towards achieving standardisation for the services provided by MAs.

However, the TR3 does not specify how or in what way MA services should be conducted. In the absence of any recognized written document, the methodologies adopted and service practices by the MAs are subjected to debate.

This paper focuses on the reasons for a standard Guide for good practices. The areas recommended for the Guide and why these areas are deemed necessary are also discussed.

WHY A STANDARD GUIDE IS NEEDED ?

MAs generally have certain practices for the services which they provide for their clients. But, these practices are largely known within the firms of the MAs. MAs with ISO certified guides of practices, maintained the guides within their firms for commercial reasons. For some other MAs, the guides

practiced in their firms may not even be in a written form.

Unlike a product, a service is intangible and subjective. Benchmarking is therefore difficult. For example, it is not usual for a MA to sign a contract specifying the time frame in delivering the minutes after a particular council meeting. Although some MCs may demand for a time frame be specified in a MA contract, such requirement is done usually on a case-by-case basis. Doubt remains as to what constitutes an optimum time for which a MA should complete drafting a minute. There are also variations in the practices adopted by the MAs and to a certain extent, these variations may be substantive.

It is therefore suggested that MAs should adopt a standard Guide for Good Practices. The basic principles of the Guide would be:

1. To promote good administrative and business practices;
2. To promote transparency in the way services are carried out, allowing MCs to be more informed;
3. To recommend, where possible, a minimum standard for services. This would set a basis for which the performance of the MAs may be measured.

RECOMMENDED GUIDES

The scope involved by a MA is quite extensive. For the purpose of this paper, only 3 principal areas are covered: Administration; Financial Management; and Maintenance Management.

a. Administration Guide

Communication is an important element towards achieving transparency in an

organisation. The Guide should emphasize on correspondence management and meetings including establishing a communication line with subsidiary proprietors and service providers contracted by the MCs.

b. Financial Management Guide

Every organisation needs financial policies and procedures for spending authority and procurement of goods and services. The Guide should cover key financial administration, procedures, budgeting, arrears management including procurement to achieve the areas discussed.

c. Maintenance Management Guide

Maintenance policy may be change due to changes in council members of a MC or a lack of fund in a MC. The Guide should cover maintenance policy, preventive & corrective works, quotations & tenders and to recommend minimum expenditure limits, where possible.

CONCLUSION

Ideally, a Guide should be written for everyone from a MA serving a single development to one managing a large portfolios. But in practice, this may be something difficult to achieve. The Guide should therefore set out an overall principles for good practices designed to cover all types of properties. But the extent to which they apply will depend upon the nature, type and complexity of the property. The Guide is not intended to override the provisions of existing MA contracts but the parties should in negotiations between them seek, where possible, to interpret and apply the contract in accordance with the principles of the Guide.

Is your managing agent effective?

*This article was previously published
in BT and was contributed by
KnightFrank Estate Management*

– By Jordan Neo

HAVING engaged the best managing agent (MA) in town within your affordability limits, you now have to manage your MA to get the best results. What are the pointers you have to keep in mind? Giving support. One of the key duties of the MA is to enforce the provisions of the Land Titles (Strata) Act, or LTSA. Take, for example, a simple case of reviewing maintenance contributions, an issue decided upon by the general body at annual general meetings.

As such meetings are often poorly attended, it is not unusual for owners not to notice an increase in the contribution. If they continue to pay at the old rate, what happens is that an interest charge would be levied in accordance with resolutions passed.

In such cases though the amount involved is relatively small, those unfamiliar with the Act may be unhappy.

On top of this, requests for a waiver of interest charges are often turned down because under the Act, the agent is not authorised to exercise such discretion. In doing so an agent has discharged its duties well, but may unwittingly offend owners and end up being perceived as inflexible or unfriendly.

Hence, it would be good for council members and owners to know the duties and limits of the MA under the Act. It is for the management council, not the MA, to decide on the appropriate level of service expected, taking into account the resources and budget provided.

Every management council of strata titled estates will want the best services but at minimum cost for their management corporation, but not everyone is prepared to make the resources available for the level of service desired.

This is evident from the frequent debates and sometimes serious conflicts during annual general meetings. It is not uncommon for owners to disagree on what is beneficial for the estate and how much to pay for it.

MAs should not be asked to try and reconcile differences between owners. They can give professional advice on the different levels of

building maintenance and the associated costs involved, but it is for the management council and owners to make decisions and take responsibility for those decisions.

In our experience, some owner-occupiers typically prefer a breakdown maintenance approach on a "if it ain't broken, don't fix it" philosophy. Landlords however, generally do not mind paying a higher contribution towards maintenance as part of their re-investment plan to ensure that their rental value is not compromised by a low standard of maintenance.

Hence, it cannot be argued that having appointed an MA, the responsibility for ensuring problem-free building maintenance has automatically been passed on to the MA.

From our point of view, it would be good if owners were prepared to pay a realistic rate of contribution to protect and enhance the value of their property, rather than go for the bare minimum without considering longer term objectives.

MANAGEMENT COUNCIL'S STABILITY

The effectiveness of your MA can be affected by the lack of continuity in your management council, as it is the body providing immediate direction and supervision.

Continuity in implementation of a vision and consistent management policies is essential for the successful maintenance and management of your estate.

A well-documented programme helps future management councils ensure that over time, critical maintenance decisions do not degenerate into a series of ad-hoc and unrelated compromises between physical needs and availability of funds.

ALL-ROUND EFFICIENCY

When asked to make an assessment, most management councils – due to inexperience – tend to look for the more obvious areas of performance such as supervision of security and cleaning works.

Apart from efficient supervision of these contract services, there are other things to look at as well. These are the MA's staff quality covering aspects such as experience, efficiency and sense of responsibility, and the less obvious areas of building maintenance itself, including often over-looked facilities tucked away at the

roof-top and in remote plant rooms.

Enough effort and funds should be set aside for the effective preservation of mechanical and electrical equipment commonly found in these estates.

You can ensure that nothing is omitted only by asking for a comprehensive building maintenance inspection checklist from your MA.

CONTINUITY

Generally, council members prefer to have the comfort of appointing an agent from a more reputable firm in the expectation of a consistent and reliable level of performance, within the limits of their affordability.

At the same time, management councils try to avoid having to justify changing MAs at the general body level and prefer the comfort of maintaining the status quo unless there is serious hard evidence of failure. These tendencies may not work to the best interest of the estate. Obviously one should be prepared to make a change when it is necessary.

CHANGING THE MA

It is obvious that you should go for a change if your MA has committed serious professional mistakes. Earlier research by Ngee Ann Polytechnic's building department, Centre for Real Estate Management, shows that lack of efficiency and professionalism (40 per cent and 30 per cent respectively) are the two key reasons why MAs are not reappointed.

How then does one know if it is time for a change? Sometimes there is no single compelling reason except that your current agent is simply slacking in his duties and appears unwilling or seems unable to get over what might be regarded as a bad patch for the firm. After careful assessment, it may be appropriate to move on to another MA.

CONCLUSION

It appears that the MA profession has been much maligned. Though there are times when it is justified, they are often caught in a 'no-win' situation. Part of the problem lies in the lack of understanding on a whole gamut of factors affecting their contribution to effective maintenance and management of the estate.

It is only through increased involvement with the work of the MA that one can fully appreciate and become less dissatisfied with the MA.

Towards A Mosquito Free Environment



Adult Mosquito

It has black and white stripes on its legs and body. It is a six-legged flying insect. It emerges 7-10 days after the egg is laid in water.

The female lays about 300 eggs in her lifetime. She bites during the day. She can infect you with Dengue Fever. She is an *Aedes* mosquito.



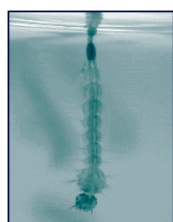
Egg

The mosquito has four life stages: egg, larva, pupa and adult. The adult is a flying insect while the larva and the pupa grow in water and are found commonly breeding in flower vases, gully traps, roof gutters, flower pot plates, earthen jars for landscape or decorative



Pupa (Tumbler)

purposes, pails, watering cans, and bamboo pole holders. Water collected on the surfaces of unusual habitats such as the hardened soil in potted plates, and the rim of unwanted pail, can breed *Aedes* mosquito. In fact, the mosquito is able to breed in a puddle about the size and depth of the 20 cent coin.



Larva (Wiggler)

Wonder how you can reduce the *Aedes* population in your neighbourhood? Simply break the cycle. The checklist tells you how.

For more information, please visit our broadband website at
<http://www.nea.gov.sg/health>

The Aedes Mosquito DO-IT-YOURSELF CHECKLIST

EVERY OTHER DAY

- Change water in **flower vases**.
Scrub the inside of vase to remove mosquito eggs before filling in fresh water.
- Remove water in plant **pot plates**.
Scrub the plate thoroughly to remove mosquito eggs.
- Clear fallen leaves and stagnant water in **drains** and the garden.



ONCE A WEEK

- Clear away leaves in **roof gutters** and **apron drains**.
Remove roof gutters wherever feasible.



ONCE A MONTH

- Add prescribed amounts of **Temephos sand granular insecticide** into containers, vases, gully traps and roof gutters, even if they are dry.
Temephos sand granular insecticide can be purchased from plant nurseries and DIY stores. (Caution: Do not add the chemical into drinking water. Keep out of reach of children.)

AT ALL TIMES

- Turn **pails** and **watering cans** over and store them under shelter.
Place/ store all articles that can collect rain water under shelter at all times.
- Cover **bamboo pole holders** when they are not in use.
- Cover rarely used **gully traps**.
If possible, replace gully trap covers with non-perforated ones and install anti-mosquito valves.
- Do not block the flow of water by not placing potted plants and other paraphernalia over scupper drains along common corridors in HDB estates.
- Stop **littering**.
Articles thrown indiscriminately into drains, grass verges, roadside, vacant lands and other public places can collect rainwater and breed mosquitoes.

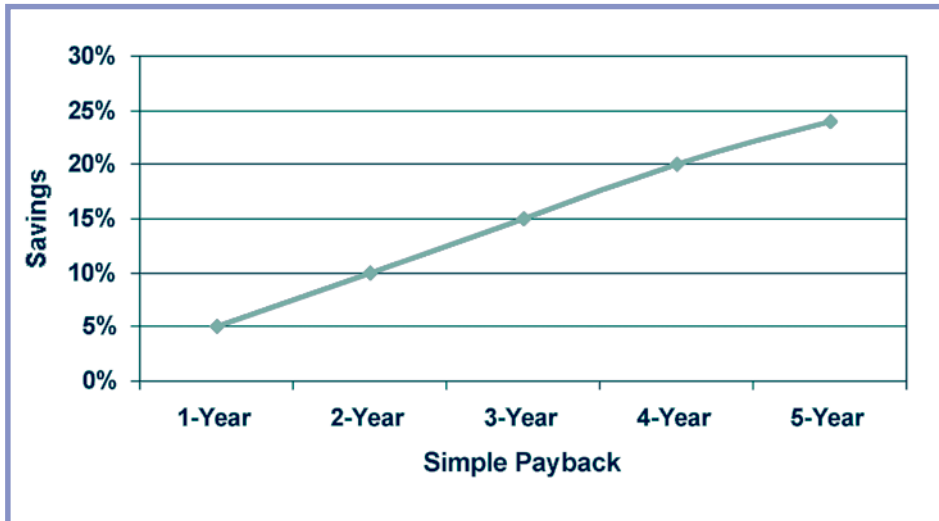


IF YOU ARE VACATING YOUR HOME

- Cover the **toilet bowls**.
- Seal off the **overflow pipe** of the flushing cistern.
- Cover all **gully** and **floor traps**.

Energy Management – More affordable than you think!

By Boniface Tan – Energy Advisor from De Uno Singapore
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How much does it cost to implement an energy conservation project is the common refrain from facility managers? The truth is it does not cost a cent as most of the implementations can be recovered from the energy saving. Most new equipment implementations has an economic lifespan of between 10 to 20 years, depreciation life of 5 to 7 years but a return on investment of less than 5 years.

If the return of investment is 3 years and new equipment lifespan is 10 years, it means than the equipment paid for by itself within 3 years and continues to enjoy saving for the next 7 years. If this is true, why there are not that many energy conservation implementations being carried out in Singapore? Is this because current packaging from Energy Service Companies (ESCO) not attractive enough? Some of the issues faced could be due to high audit fees, difficulty to justify implementation costs to higher management or not willing to take risk should implementation not meeting the targeted savings.

The quantum of saving for a total building energy management hinged very much on

the implementation payback period – see graph above.

A typical 20% reduction in energy consumption is achievable for most commercial buildings – this would translate to \$480,000 in energy saving over a 10-years period for a building average \$20,000 monthly energy bill. 40% energy reduction is not unheard of, as we have done for Customer A – see chart below.

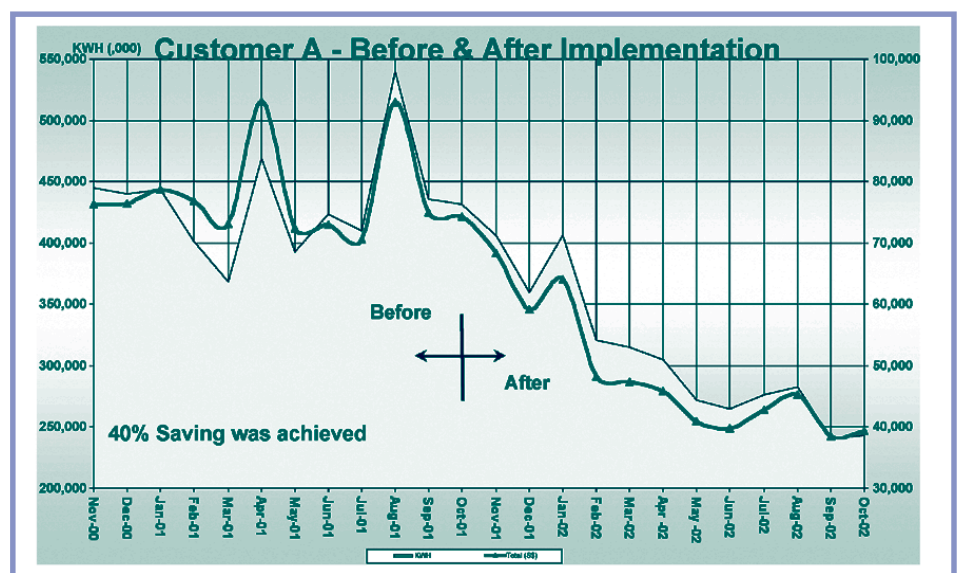
There are other ways energy conservation projects can be financed. One popular way

is to use Energy Performance Service Agreement – this remove the risk for building owners, as Energy Service Companies will be paid based on performance. Then other benefit is building owner enjoy savings from day one based on a certain Shared Saving Formula.

The % of saving building owner wish to enjoy depends very much on the duration of the service agreement which can varies from 3 years to 8 years. For example: if building owner wish to enjoy 50% shared saving with no capital investment with an average 3-years payback period, the service agreement will have to be at least 8 years – 3 years (capital expenditures), 1 year (finance cost and monitoring services) and 4 years (owner's 40% shared saving).

So based on the scenario of building owner having a monthly energy bill of \$20,000 and 20% saving, it means an additional \$2,000 cash flow for the building owner without capital expenditure upfront.

Do talk to your energy service provider! The question should be – how much will I be paid for the energy project implementation?



Choosing the Right Digital Video Recorder Surveillance System

Digital Video Recorders or more commonly known as 'DVR' has become increasingly popular. As a result, people are turning to DVR solutions to satisfy their security requirements. DVR systems are developed to capture analogue video input, process them digitally and spiced up with features not found in analogue solutions. They can be considered as 'hybrid' systems because they accept wide array of affordably priced analogue cameras that are commercially available. The DVR systems are thus developed to conveniently complement existing camera systems.

The common problems and limitations of conventional analogue CCTV equipment has been well tolerated and many of such systems are simply set up to behave as crime deterrence rather than actual surveillance. As technology advancements attain innovative levels, video security systems now become mandatory not only to prevent crimes but also to prevent proliferation of crimes as developed software features aim to alert users of any potential transgression.

In choosing the right DVS System, there are several factors for consideration and some of these are as follows:

FRAME RATE

DVRs are sold in "fps" or frames per second and this refers to the total frames per second available, which must be distributed over all cameras. This means that a 16 camera DVR with a 60fps is only able to display/record at 3.75fps per camera. Premium DVR systems with dedicated 'Live display' and 'Capture' boards which are capable of displaying 480fps and recording of 480fps for 16 camera inputs. For close to 'live' display or recording, it is recommended to have at least 15fps per camera.

FEATURES

DVRs are able to offer several features which traditional time-lapsed VHS recorders are never able to perform. Some of the commonly found features are Triplex Multiplexing or the ability to view, record and archive simultaneously, extended recording period, built-in video motion detection, sensor triggered alert, event logging and video control adjustments (brightness, contrast, saturation and hue). Other features include email notification, watermarking and external alarm activation and integration.

Another useful feature found on some DVR is the 'Normal and Event' recording feature. This feature allows recording to be carried out on a 24-hours basis but at a reduced frame rate (typically 1fps) and video quality but when a motion is detected within the camera view, the software intelligently boosts the recording frame rate and resolution to full so that critical events are recorded with best integrity.

COMPRESSION METHODS

Compression methods for DVRs are divided into two types, software and hardware. Software compression methods rely heavily on the main processor to perform its task and will display degradation in display speed and record quality as more cameras are connected. This compromises the DVRs reliability especially when they are set up to operate non-stop. Compression technique is also another factor to determine the quality of the recorded video. Compression Codecs include H.263, wavelet-based compression, JPEG and MPEG4. MPEG4 is a new standard for digital video that contains elements of both H.263 and wavelet compression.

Hardware compression techniques provide separate encoding circuits for individual camera inputs so that the actual conversion is performed before the signal enters the main processor. This process entails additional Hardware as 'LiveVideo Capture' and 'LiveVideo Display' cards to relieve the main processor from majority of the task, leaving it with applications like program execution. This method offers several advantages which include higher stability and quality live video displays, even if sixteen cameras are connected to the DVR. The drawback is the extra cost involved in hardware investment but the additional cost displaces the inconvenience of having a 'time bomb' security system. A good DVR also offers multiple compression Codecs, allowing the user to find exactly the right balance between file size and image quality

REMOTE ACCESS

All DVRs allow the user to view various live cameras and review stored footage on the DVR by attaching a computer monitor. Remote viewing may be having the DVR directly attached to a network that handles TCP/IP connections or through a web-browser. In the case of remote access using a web-browser, the remote viewing is through a built-in web server

in the DVR. This allows the user to view video through a web browser, eliminating the need to install a remote viewing software.

The quality and speed of the DVR display through networks are determined by communication bandwidth, which can be rather expensive. The DVR itself also plays an important part in streaming quality video images through networks with little degradation. Good compression techniques and additional hardware like 'live' capture boards provide the main system with excellent video display so that when transmitted through the networks, client users will experience negligible degradation in actual quality.

One useful feature allows for individual camera transmission compression levels, providing users options to give priority to more important camera with better resolution and transmission format and lower priority to other cameras. This feature provides the users with optimal utilisation of a given communication backbone.

STANDALONE OR PC-BASED

Standalone DVRs are more stable and compact and do not suffer from Windows based conflict but are less user-friendly and less feature-rich compared to PC-based DVR. PC-based DVR provides better video quality and easier technical support due to the lack of proprietary component. With improved stability in operating system like Windows 2000 and Windows XP, problem associated with PC-based systems has been very much reduced; other benefits of PC-based DVR include the ability to convert video into standard format such as AVI/MPEG1-2 which allows for the video to be played from any computer or VCD.

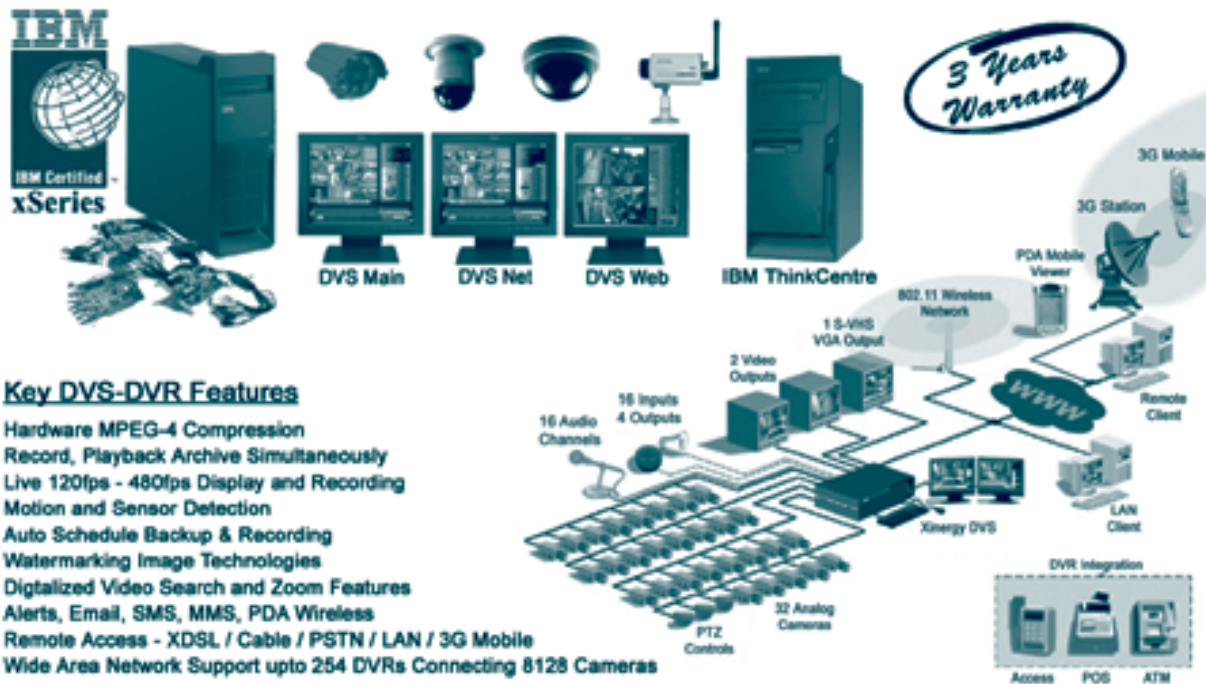
MAINTENANCE AND SUPPORT

Warranty from a reputable company is important and availability of local support is just as important. Many DVR vendors import their system direct from overseas like Korea, Taiwan, China and even the US. Without local support, maintenance can become a nightmare as critical surveillance becomes crippled in the event of equipment failure.

Quality DVR systems are assembled using quality hardware like reputable PC, Industrial PC or Servers, designed to perform under extreme environmental conditions and these systems guarantee reliability under intensive and continuous operation. PC-based systems are easier to maintain and with extended warranty period also helps to reduce total operating cost.

*Article contributed by
Xinergy Innovation Pte Ltd*

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A P F M M E S S A G E B O X

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