

Our Ref: APPBCA-2026-24

30 October 2026

Developers & Stakeholders Associations

Dear Sir/Madam

IMPLEMENTATION OF MAXIMUM MAINTENANCE CHARGES REQUIREMENTS UNDER SECTION 18 OF THE BUILDING (STRATA MANAGEMENT) ACT 2004 AND REGULATION 4 OF THE BUILDING MAINTENANCE (STRATA MANAGEMENT) REGULATIONS 2005

Background

1. This circular is to inform you that following the amendments to Section 18 of the Building (Strata Management) Act (formerly known as the Building Maintenance and Strata Management Act), new requirements have been introduced regarding maximum maintenance charges (MCH) that developers must comply with. These requirements were introduced to give purchasers greater transparency on the maximum MCH rate they would be expected to pay when they take over their units from developers.

Key Requirements

2. Under the amended Section 18, developers are now required to obtain prior written approval from the Commissioner of Buildings for the maximum MCH before commencing sale of units and before collecting any maintenance charges for the management and maintenance of developments, common property, or limited common property from property buyers. Developers are required to notify property buyers of the maximum MCH rates prior to collection of booking fees and state the MCH rates in the prescribed Option to Purchase (OTP) and Sale and Purchase Agreement (S&PA).

3. Where a developer seeks to revise the approved maximum MCH upwards after units have been sold, the developer must obtain the written consent of all purchasers, including sub-sale purchasers, before applying to the Commissioner of Buildings for approval of the revised rate.

Implementation Timeline

4. To allow adequate time for industry adaptation to the new regulatory framework, the new framework will only apply to new projects that submit applications to URA for planning permission on or after 1 June 2027. This transition period enables developers to engage professional consultants for detailed cost estimates, obtain quotations from various service providers, update internal systems and processes, and ensure compliance with new regulatory requirements.

Further Information

5. Frequently Asked Questions (FAQs) and additional guidance materials will be made available to assist with the transition to the new requirements. For URA's circular on the related Housing Developers Rules amendments, please refer to go.gov.sg/hdr2026.
6. If you require any clarification on the above, you may wish to write in via the following online feedback forms:



Yours faithfully

CLEMENT TSENG (MR)
COMMISSIONER OF BUILDINGS
BUILDING AND CONSTRUCTION AUTHORITY

LING HUI LING (MS)
CONTROLLER OF HOUSING
URBAN REDEVELOPMENT AUTHORITY

Frequently Asked Questions (FAQ)

A. Maximum Maintenance Charge (MCH) Approval Framework

1. What is the Maximum MCH Approval Framework?

Currently, developers are required to obtain approval from the Commissioner of Buildings (COB) for maintenance charges (MCH) before collecting such charges from property buyers. Under the new Maximum MCH Approval Framework, developers are required to obtain COB's approval for maximum MCH rates before commencing unit sales. This framework ensures that the maximum MCH will be transparent to property buyers at the point of sale.

2. Why is this framework being implemented?

The framework addresses parliamentary intent from the 2017 Building Maintenance and Strata Management Act (BMSMA) amendment to enhance transparency in property transactions. Previously, some property buyers experienced MCH that were "almost more than double" what was conveyed during sales.

3. What legislation supports this framework?

The framework is supported by Section 18 of the Building (Strata Management) Act and Regulation 4 of the Building Maintenance (Strata Management) Regulations 2005. Consequential amendments have also been made to the Housing Developers Rules (HDR), Executive Condominium Housing Scheme Regulations (ECHSR), and Sale of Commercial Properties Rules (SCPR) to give effect to the notification and disclosure requirements in the prescribed sales contracts. Please refer to the amendments at go.gov.sg/mchamendments2026.

B. Application Process

4. When must developers apply for maximum MCH approval?

Under the enhanced framework, developers must apply and obtain COB's approval for maximum MCH rates before commencing sale of units and before collecting any maintenance charges for the management and maintenance of developments, common property, or limited common property from property buyers.

5. What documentation is required for the application?

Developers can continue submitting applications with supporting documents similar to those currently used:

- Monthly budgets per strata unit, including 2-year budgets
- Cost estimates and quotations
- Comprehensive supporting documentation

- Approved building plans and share value classifications
- Artist impressions and site layouts
- Technical specifications (lifts, water tanks, infrastructure)
- Standard maintenance cost components and projections

6. Does this apply to mixed-use developments?

Yes, COB approval for maximum MCH is applicable to all strata developments, including mixed-use developments. Developers must seek approval for maximum MCH for all common and limited common properties before selling any unit in the project.

C. Implementation and Transition

7. When will the framework be implemented?

To allow sufficient time for the industry to adapt to the new framework, the framework will apply to new projects submitted to URA for planning permission on or after 1 June 2027.

8. Which projects will be affected?

The new maximum MCH framework will apply to developments where the developer's application for planning permission (specifically written permission under the Planning Act) is made on or after 1 June 2027. Developments where the developer's application for planning permission was made before 1 June 2027 will continue under the existing MCH approval framework.

D. Option to Purchase and Sale and Purchase Agreement clauses

9. How should developers inform property buyers of the maximum MCH rates?

To ensure that property buyers can make informed purchase decisions, developers must provide information on the maximum MCH rates approved by the COB to prospective property buyers prior to accepting any booking fee. The approved maximum MCH rates must also be stated in the Option to Purchase and Sale and Purchase Agreement.

10. Can the developer collect maintenance charges that are higher than the approved maximum rate approved by the COB?

No. The developer can only collect up to the maximum rate as approved by COB.

E. Amendments and Revisions

11. Can approved maximum MCH rates be revised upwards?

The developer should ensure that they keep within the maximum MCH rates approved by COB, and stated in the OTP and S&PA signed with the property buyers. A developer may apply to COB for

approval to revise the approved maximum MCH upwards. However, the developer must first obtain the written consent of all purchasers, including sub-sale purchasers, who have signed an Option to Purchase or Sale and Purchase Agreement for units in the development. When making an application to COB for an upward revision, developers must provide supporting documents including a declaration and proof of signed purchaser consent from all purchasers.

12. Does the developer require COB's approval when collecting a rate lower than the approved maximum rate?

If the actual MCH collected is lower than the approved maximum rate, no additional approval is required from COB.

F. Others

13. How should developers plan for cost variations over the 3-4 year period before collection?

Developers should factor in potential cost variations and market conditions when preparing initial project budgets. Based on documentation such as approved building plans, strata title classifications, artist impressions, site layouts and technical specifications, developers can establish the cost components for standard maintenance and services. Developers should consult main contractors for advice on associated costs for fixtures and equipment, and reference existing property portfolio benchmarks. Given that any upward revision to the approved maximum MCH will require 100% purchaser consent, developers are strongly encouraged to build in appropriate buffers when setting their initial maximum MCH to account for potential cost increases over the development period.

14. What happens to the maintenance contributions collected by the developer?

The maintenance contributions collected by the developer for a strata-titled development are held in a general maintenance fund, which must only be used by the developer for purposes prescribed in the B(SM)A, including maintaining the common property in a state of good repair. Upon constitution of the Management Corporation Strata Title (MCST), the developer is obliged, under the B(SM)A, to immediately open a bank account in the MCST's name and pay these moneys into the account for the continued upkeep of the common property.

15. Can the approved rate be amended during the first Annual General Meeting (AGM)?

Yes. Under the B(SM)A, the MCST is to determine contributions by subsidiary proprietors by ordinary resolution. The general body may review the amounts to determine the reasonable and necessary contributions during the first AGM, and subsequent AGMs. Contributions collected are used for the management and maintenance of the common property.