资产管理与维护协会
**Asset Management & Maintenance Association**
Advancing Maintainability, Sustainability and Value Chain Integration
增强可维护性，可持续性和价值链整合

*Half Day Training Course*

# Establishing Sinking Funds in Asset Service Life

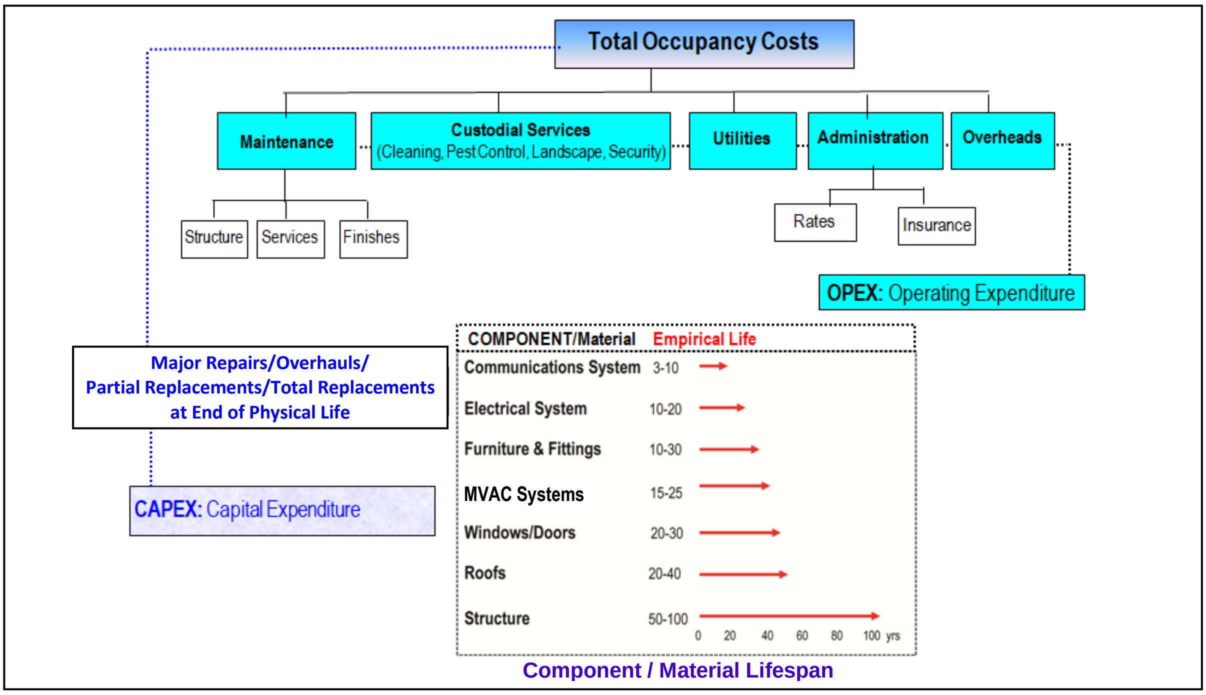
*Why & How?*

*10 September 2025, 2.00 – 5.30pm*

## Course Background

The total cost of occupying a building (putting aside the initial cost of purchase) comprises the ongoing operating and maintenance costs and the planned cost for major repairs/overhauls/partial replacement of component parts of mechanical systems such as lifts and electrical systems and, the eventual cost of total replacement at the end of their physical life. There are also architectural components such as paintwork, doors, windows, plasters and tiles that will need replacements as well.

The ongoing Operating and Maintenance cost is commonly termed Operating Expenditure (OPEX), whilst the planned cost of major repairs, overhauls, partial replacements and total replacements of the various components, systems and materials is referred to as Capital Expenditure (CAPEX).




Sufficient funds must be set aside by asset owners to pay for OPEX and CAPEX costs which are unavoidable in asset ownership. Most asset owners *[be they individual owners, investors, REITs and subsidiary proprietors (SPs) of strata-titled properties]* appreciate the need to ensure sufficient funds for OPEX (termed Management Fund in strata-titled properties). However, as CAPEX is a planned future cost, there is little appreciation of the need to set aside a Sinking Fund to pay for the inevitable cost of ageing and replacement when the time arises. The situation can be further compounded by insufficient preventive maintenance which can lead to a shortening of expected life spans and earlier than expected calls on CAPEX/Sinking funds.

The lack of appreciation of the need to establish Sinking Funds is particularly prevalent in strata-titled properties as subsidiary proprietors/strata unit owners do not stay in a strata-titled property long enough to see and feel the impact of ageing and breakdowns; the fact that the Building Maintenance & Strata Management Act (BMSMA) allows for the imposing of a special levy when there is insufficient sinking fund does not help the cause/need to ensure that all SPs contribute sufficient funds from the outset of a new strata development rather than leave the burden of large expenses due to ageing to future SPs in special levies. Under the current practice, purchasers of pre-owned strata properties are well advised to check the adequacy of the sinking fund before buying a strata-titled property.

## Course Programme

The course will provide the knowledge on and skills to establish sinking funds. It will specifically cover:

1. Building Components/Systems, Materials and Life spans
2. The Role of Preventive Maintenance in Ensuring Expected Life spans
3. Establishing Sinking Funds for Capital Replacements
   - Present Value Approach
   - Annual Equivalent Approach
4. The Role of Condition Assessments and Condition-Based/Predictive Maintenance in Optimising OPEX and CAPEX (Management Funds and Sinking Funds) in Asset Service Life.

## Trainer: Dr Quah Lee Kiang, FRICS

Dr Quah is the Director of the Real Estate and Construction Centre & the Real Estate & Construction Academy. She has extensive regional and international experience in Project and Asset Management & Maintenance research, advice and academia. She led European Commission funded project BE4213 which among other things, sought to develop an objective building condition assessment system; this project formed part of ongoing research over two decades which culminated in Dutch Standard NEN 2767-1: Condition assessment built environment. Her research and professional affiliations include being Coordinator of an international Working Commission (CIB W70) on Facilities Management and Maintenance for a decade and a past member of the Royal Institution of Chartered Surveyors (RICS) Asia Board, Singapore Board and Asia Pacific Sustainability Board. She is the current President of AMMA. Dr Quah was conferred an Honorary Fellow by Oxford Brookes University for her work in real estate and construction education and the unusual impact her career has had in this academic field in Asia.

## Course Date & Time

10 September 2025, Wednesday
2.00 pm to 5.30 pm. Registrations starts at 1.30 pm

## Course Fees

AMMA Members: $100 All Others: $200
Course fees include tea refreshments, course documentation and a Certificate of Attendance.

Please contact Gary Law (details provided below for information on AMMA membership)

## Seminar Venue

Real Estate and Construction Centre (RECC)
Devan Nair Institute for Employment & Employability
80 Jurong East St 21, #04-08, Singapore 609607

## Enquiries on AMMA Membership & Registrations

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- *Upholding a Standard of Excellence in Asset Life Cycle Management and Value Chain Integration*
- *Advancing Maintainability and Sustainability in Preserving and Reducing Embodied Carbon in Asset Maintenance & Refurbishment*
- *Promoting Standardisation and Best Practices in Asset Condition Assessment in Furtherance of Predictive Maintenance*