LISTED PROPERTY TRUSTS IN MALAYSIA: A COMPARATIVE PERFORMANCE ANALYSIS*

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Abstract

This paper analyses the investment performance of listed property trusts from 1991 to 1998. The investment performance is compared with the performance of shares and direct residential property. Based on annual returns, Amanah Hartanah, PNB and First Malaysia Property Trust had achieved higher risk adjusted returns than shares and direct residential property but lower than the Second Board Index. Arab Malaysian First Property Trust had the lowest risk-adjusted ranking among the investment options. Listed property trusts could not offer diversification possibilities due to high correlation with shares and do not act as substitutes to direct residential investment due to negative correlation.

Keywords: listed property trusts, Malaysian House Price Index, risk-return analysis, Sharpe Index
COMPUTER ASSISTED RATING VALUATION OF COMMERCIAL AND INDUSTRIAL PROPERTIES IN MALAYSIA: DEVELOPING AN EXERT SYSTEM FROM A multiple EXPERTS KNOWLEDGE ELICITATION METHODOLOGY

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Abstract

The feasibility of developing an expert system in the valuation of commercial and industrial properties for rating purpose in Malaysia from several experts using various techniques: separate interviews, group interviews and observation. The main source of knowledge came from several core valuers who acted as a panel to provide core domain knowledge. The knowledge was then augmented by knowledge from complementary valuer: seven local authorities’ valuers; a private valuer and an academic to contribute local contextual knowledge, market knowledge and legal knowledge respectively. Supporting specialists provided building technology knowledge, spatial knowledge and macro-economic knowledge. The opinions of tenants were also elicited. Secondary sources of knowledge were provided by supporting staff from the local authorities, observation of document and objection hearings. A simple regression analysis to find the weightings of the main factors was also incorporated in the knowledgebase for the purpose of complementing the heuristic approach and as a possible comparison with that approach. The knowledge-base was analyzed and represented in a prototype consisting of four modules: purpose-built office complex, shopping complex, shop house/flat/office and factory. The prototype was evaluated through valuers commenting upon the knowledge-base contained in the prototype and by a comparison of actual valuation against the prototype’s predictions.

Keywords: expert system, rating, knowledge elicitation process, multiple experts
LEGAL ISSUES IN THE RATING VALUATION OF A POWER SUB-STATION PLANT

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Abstract

Presently, most local authorities in Malaysia have not included power sub-station plant as a rate able property component. The current practice is to include only land and buildings, but not the plant. In the light of this point, there are some disputes between the local authority and the rate-payers as to the admissibility of the sub-station plant for rating purposes. This paper addresses this issue from the legal perspective. The fundamental legal problem in valuing power substation is discussed. A possible solution to this problem is proposed. Finally, the prospect of rating power sub-station plant is assessed.

Keywords: power sub-station plant and machinery, rating valuation, local Authority
Abstract

The paper presents theoretical and empirical analyses of the source of property investment depreciation with particular reference to offices in the city of Kuala Lumpur. It reviews three major sources of depreciation; physical deterioration, building obsolescence and site obsolescence. The paper considers variable other than “age” in the analysis of obsolescence. The principle components analysis, eliminates multicollinearity (a common problem associated with a large number of explanatory variables) and produces orthogonal factors which have better links to the sources of depreciation, describe in this paper. The study indicates that the main sources, of depreciation in the city of Kuala Lumpur offices are building obsolescence and physical deterioration.

Keywords: depreciation, physical deterioration, building obsolescence, site obsolescence
ECONOMIC TRENDS AND THE PROPERTY MARKET: THE MALAYSIAN CASE

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Abstract

The depth and severity of the Asian financial crisis which started in July 1997 affected Malaysia in many ways. Coming on the back of a prolonged period of rapid economic growth, the full effects of the regional crisis on the country’s economic and property sectors are examined. Prior to the crisis, Malaysia was a model of economic growth with a vibrant property sector. Investors and speculators were attracted to the fast capital gains and increases in equity offered by the property sector. The paper offers a general discussion on the impact of a financial crisis on the buoyant property sector of a fast developing Asian country.

Keywords: financial crisis, speculation, equity withdrawal, economic growth, liquidity