

## MANAGING HIGH-RISE RESIDENTIAL BUILDING IN MALAYSIA: WHERE ARE WE?

**Associate Professor Dr. Tiun Ling Ta Ph.D. (Demography)**

*School of Social Sciences  
Universiti Sains Malaysia  
11800 USM, Pulau Pinang*

### **Abstract**

High-rise residential property management sector in Malaysia is still at an infancy stage. Clear and standard qualification to determine a qualified property manager or managing agent and how to ensure that high-rise residential properties are managed in a professional manner has yet to be established. The management agents in charge of property management are also lacking in professionalism. However most parcel owners do not realize the importance of good property management until their building and common facilities are deteriorating, which are already too late. Based on surveys conducted in Johore, Federal Territory Kuala Lumpur, Penang and Selangor various problems continue to arise in the management of high-rise residential buildings due to lack of standard guideline and professionalism in property management.

Compared to the management system practiced in other countries especially in Singapore, Hong Kong or in Australia, the approach adopted in the management of high-rise residential property in Malaysia is outdated and still far behind those countries. In Malaysia, property managers have a free hand in managing properties under their care, thus the management practiced is based on their own guideline and standard since there is no standard guideline on property management. There is also no standard fee scale to be followed by all. This led to continuous and unsolved problems faced by most unit owner in the country.

Therefore the purpose of this paper is to present the research findings on the weakness of the high-rise residential management system practised in Malaysia as compared to the system practised in other countries. The factors found contributing to the problems are wide-ranging but this paper focussed on the main factors of lack of early planning, ignorance of buyers, lack of regulation on property managers, insufficient legislation and ineffective management practices.

**Keywords:** *Property Management, Legislation, Management Practices, Authorities*

## 1. INTRODUCTION

Housing is the basic needs for all and increased in population and income has lead to the increase in housing demand. The 1991 Population Census Report showed that Malaysian population has increased with an average yearly rate of 2.7% per year, that is, from 13.74 million people in 1980 to 19.35 million in 1991, followed by 20.69 million in 1995 and increase to 23.27 in year 2000 (Statistics Department, 1995a, 2000). The increase in population especially those in working groups indirectly will increases the demand for houses since they are the productive group and have the purchasing power to do so. This is followed by consistent increase in the average population monthly income. Between 1995 to 1999 the average annual growth rate of mean monthly income in Malaysia is about 5.2 %, from RM2020 in 1995 to RM2472 in 1999. The increase in income will directly increase the individual purchasing power and also the demand for housing (Department of Statistic 2003).

The increase in demand for housing and the scarcity of land for development of landed residential properties in major urban areas in Malaysia such as Penang, Kuala Lumpur, Selangor and Johor Bahru, has resulted in the rapid development of high-rise residential schemes in these high-density areas. Viewed from the end of 2000, the property outlook suggests that with land prices experiencing an upward trend, strata properties, particularly affordable schemes, continue to receive encouraging demand in the local housing market. High-rise living in urban centers is a logical response to soaring land prices. This has been successfully implemented in Singapore and Hong Kong where the traditional lifestyle is high-density, high-rise living. According to statistics obtained from the National Property Information Centre (NAPIC), it is estimated that there were at least 780,176 units of strata properties inclusive of flats, condominiums and apartments already completed nationwide by the end of 2002 and the number is growing yearly.

The concept of high-rise or strata living in this country is not new. It has been introduced in the seventies and in Penang Island, the high-rise residential known as the "Rifle Range" was introduced in the early seventies. However, the management of high-rise residential system practiced in the country is still primitive and not systematic. Not only is the demand for high-rise living increasing, the demand from house buyers today is also changing. The trend now is more towards quality living – they don't merely want to buy just a house but a home with complete housing amenities. That means the discerning buyers are now paying more attention to value added features like security, privacy, covered parking space, swimming pool, landscaped garden and many others. The demand for those value added features will also demand for a professional and knowledgeable property manager who is capable to manage those facilities.

Historically property management has not been given priority in the property market since the focus of property market is mostly on single or double storey landed property. The focus of property management at that time is often associated with maintenance job and rent collection (Singh, 1996). Property management in general is an activity that covers a wide range of activities such as property development, facilities management, project management, property portfolio management, human resources management, space management, risk management and also investment management. It is not an easy task since it involved proper planned activities that

include establishing goals, policies, objectives, and strategies implementation to achieve certain goals and objectives in property management. In other words property management is the act of sourcing and operating landed property to sustain the capital value in line with the objectives of the investor through effective management of land and building (Singh, 1969)

The introduction of Strata Titles legislation and strata title property has increased the demand for professional property management. Property management and maintenance are part and parcel of a typical high-rise living which is then had become more complex and demanding. Maintenance, in this sense, involves both preventive and corrective work including cyclical repairing, rewiring and servicing of mechanical and electrical equipment, and repair or replacement of defective part of the building. However, maintenance operations in the country are still concentrated mainly on the physical element or structures instead of the mechanical and electrical aspects of the buildings. Maintenance also tends to get the least priority in the domestic housing industry. Effective property and facility maintenance is important in the economic and socio-political aspects of high-rise living. A proactive and well-organised property management team can promote social harmony and reduce anti-social behaviour among the residents.

Nowadays people are beginning to realize that effective property management in high-rise living can sustain the property value and maintain high returns on their investment. The continuous growth of high-rise residential buildings indicates that there is a need for an effective ownership and property management system to instil a quality living experience among high-rise residents in this country. However, current practice of property management in Malaysia poses numerous problems, which affect all parties involved: the developers, property managers, owners and residents of high-rise residential complexes.

## 2. RESEARCH DATA

The data used is from a research conducted among the parcel owners, Residents Association (RA), Management Corporations (MC) and Property Managers of high-rise residential complexes in four states in Peninsular Malaysia (Selangor, Penang, Johore and Federal Territory Kuala Lumpur). A sample of 2000 parcel owner, 200 Residents Associations and 40 Property Management companies were selected. The sampling frame for this research is based on the information given by local authorities and also The National Property Information Center (NAPIC) of the four states.

The selection of the samples is based on both cluster and stratified sampling method. Using the cluster method, respondents were not identified randomly from the population but according to types of residential complexes and the property manager. Therefore the distribution of the sample in each of the four states is as listed in Table 1.

This data collection procedures involve both the quantitative as well as the qualitative (in-depth interviews & focus group discussion) methods. Questionnaires were designed for the residents and RAs/MCs. Interviewers were then required to

approach the supervisors of the buildings to get the information related to the RAs/MCs and also details on their respective Property Management Company. After confirmation has been made with the management company in-charge and also identify the types of building (low-cost or medium-cost), samples of residents were selected for survey interviews. The RA/MC of the building was also being interviewed as a check on the answers given by the residents regarding to the management system practiced at the premises.

**Table 1: Distributions of Target Samples Sizes in 4 Studied States**

	Penang	Kuala Lumpur	Selangor	Johor	TOTAL
Residents					
Low-Cost	250	250	250	250	
Medium-Cost	250	250	250	250	
<b>Total Samples Size</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>2000</b>
RA/MC					
Low-Cost	25	25	25	25	
Medium-Cost	25	25	25	25	
<b>Total Samples Size</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>200</b>
Property Manager	10	10	10	10	
<b>Total Samples Size</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>40</b>

The property managers were also identified and selected for an in-depth face-to-face interview. This step was taken to determine the management practices and the effectiveness of the system. Group discussion with the property managers and related agencies were conducted since some of the problems cannot be identify by structure questionnaires.

### 3. CURRENT SCENARIO

Property management and maintenance are part and parcel of high-rise living but the standard of management service provided by most of the property managers and developers are questionable. Most are not professional, lacking in experience and too profit orientated and not knowledgeable in managing a residential complex. Property management was not taken into consideration during the early planning stage of development. Emphasis is on the cost, location and aesthetics of the building that can attract buyers. Marketability of the building is the most important criteria for a developer. The numbers of units that can be sold are the most important in their marketing strategy. Properties managers are not consulted in determine the maintenance fee that should be collected but it was solely determined by the developer themselves, some of which have no experience in property management.

Owners are now knowledgeable in the proper property management practices for their unit and therefore good management is essential and will enhance the value of the property. In the past owners might be satisfied with only basic care-taking and cleaning service but currently owners demand that housing management

encompasses a variety of services from cleaning and security services to comprehensive maintenance.

In Malaysia the management and maintenance of high-rise residential building can be divided into two stages. The first stage is before the issuance of Strata Title where the property is under the responsibility of the developer as stated in Sec.19<sup>1</sup> of the Housing Development (Control and Licensing) Act (Legal Research Board, 1999) and the second stage is after the issuance of Strata Title, where the property will be under the responsibility of the Management Corporation (MC) (Legal Research Board, 2003) as stated in the Strata Title Act. The MC is automatically formed after one third of the titles has been transferred to the unit owners and is given the responsibilities and power to manage the strata building. The MC also have the rights to sue and can be sued. Even though the power of the MC was stated in the Strata Title Act, it dose not provide any indication of how the enforcement is to be applied. There is no direct backing given by the relevant authorities to the MC to enforce the regulations and by-laws as stated in the Act. Some of the powers stated in the Act especially those related to the collection of maintenance fees and defaulters are very difficult to enforce and most of the MCs are unable to ensure that all parcel owners pay their maintenance fee. The procedures for the MCs to recover the sums due is not as easy as stated and involved a lot of bureaucratic procedures.

Other than problems related to parcel owners, the weakness in the property management system is also related to the unprofessional practice of property managers in the country. There no proper guidelines on management procedures and professional fee. Each property manager has their own guidelines and procedures on both the management procedures and the professional fee charged. Due to these inconsistencies, numerous complaints related to the management system practiced in the country were highlighted in the media especially for those high-rise residential building which are under the management of the developer.

It is widely observed that the Strata Title Act 1985 and the Housing Developers (Control and Licensing) Act 1966 have many loopholes and tend to be biased towards developers especially before the issuance of the strata titles. Most complaints lodged with the National House Buyers Association (HBA) are associated with this problem (The Star, 24/2/2004). The seriousness of these problems is reflected in the growing number of complaints against errant developers or property managers related to the management system practiced in the country especially those related to professionalism, transparency and security provided. Thus, this paper attempts to identify the shortcomings of the existing system of property management in Malaysia and highlight the various problems arising from the weakness of the system.

From the research undertaken, several factors were identified which contributed to the weaknesses of property management in Malaysia as compared to other countries. The factors found are wide-ranging but this paper focussed on the main factors of lack of early planning, ignorance of buyers, lack of regulation on property

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<sup>1</sup> The Vendor shall provide services, including refuse collection... until such services are taken over by Appropriate Authority....

manager, insufficient legislation and ineffective management practices. Each factor will be discussed separately as follows.

### a. Planning and Design

The problem in property management begins as early as the planning and design stages. Consideration of issues relating to building management and maintenance should be carefully thought out during the design and construction stages. For example, the adoption of appropriate and good quality building materials, provision of access to parts of the building those require regular maintenance, and also high quality of workmanship, which can minimize defects and reduce future management workload. The role of building management, however, is only taken into consideration after the construction is completed and the certificate of fitness has been issued. Compared to Singapore, the property manager plays a major role in determine the management procedures and the maintenance fee even in the planning stage. The property management companies are usually invited by the Developer to provide their opinion on the amount of maintenance fee to be imposed on the buyer and the type of maintenance needed. However in Malaysia, the role of property manager tends to be sideline in most of the planning stage.

The main focus of the design is on the commercial aspect without taking into consideration the local climate, social and spiritual needs of the residents. These approached will only add more problems in the management of high-rise residential buildings. It has become a trend in Malaysia for the property developers to give the physical aspect or the esthetics outlook of the buildings the top most priority to promote sales. Developers will normally promise all sorts of facilities and services to be provided, as a gimmick to increase sales but the fact is that many of the items promised do not take into account the potential population density that will be residing in the complexes. Based on a study in Penang, Table 2 below further illustrates these problems.

**Table 2: Facilities Provided Are Not as Advertised**

<b>FACILITIES NOT AS ADVERTISED</b>	<b>PERCENTAGE</b>
CAR PARK	88.5 %
INTERNAL DESIGN	93.4 %
RECREATIONAL FACILITIES	90.2 %
SPORT FACILITIES	93.4 %
COMMUNITY FACILITIES	88.5 %
LIF FACILITIES	96.7 %
SECURITY	88.5 %
OTHERS	91.8 %

*Source: Tiun, 2003*

Planning is the most important factor in determining whether a particular housing project or complex a success or otherwise. A housing project, which is not properly planned will face a lot problems and can incur higher maintenance costs. The maintenance aspect of the building is also often overlooked and the building materials used are frequently not according to the required specification. Building

materials are often below specification and the issues of water and air-tightness of the material used are often ignored. The wall of the building is not airtight and this causes cracks to develop rather easily. The cracks on the wall in turn allow water to seep into the wall during rainy days. Water seepages promote the growth of mould and fungus on the affected wall. These tend to create a lot of problems for the management team and the buyers after they have moved into their respective units. The lifts are also substandard and this causes the lifts to break down very frequently. Many high-rise units do not provide proper space for air-conditioners installations. Water released from the air-conditioners is corrosive to paints and this led to the premature fading of the wall paint (Tiun, 2003).

The daily needs of the residents are often overlooked. For example, clothes drying areas are not provided for the residents and this causes the residents to dry their clothes in the balconies or any other spaces available outside their parcels. It seems that every available space in the residential complex is being utilized by the developer to make further profit. The residents' social and spiritual needs are also often ignored and if any facility is available it is just to cater for one ethnic group even though they are not the majority. In Penang, which has the highest number of high-rise residential complexes, 52% of the complexes do not have facilities for social activities, 44.3% do not have any recreational facilities, and 50.8% do not provide any facilities for sport or games (Tiun, 2003). Residents' welfare is not a major concern by developers but numbers of units they can build are the highest priority.

The need for the unfortunate and the elderly especially in terms of accessibility around the complexes does not give proper attention during the designing and planning stage of the buildings even though it was stated in the Uniform Building By-Laws 1984, especially MS1183 and MS1184 which was adopted by most of the states in Peninsular Malaysia. Some of the facilities provided do not cater to the needs of the disabled, therefore denying their rights to consume the facilities. "*The Planning Guidelines and Standards – Facilities of the Disabled*" published by the Town and Country Planning Department stipulates quite elaborately the various special needs of these people. According to the House Buyers' Association (HBA), however, guidelines will remain guidelines as they have been largely sidelined.

## **b. Insufficient Legislation**

There is no detailed legislation pertaining to the maintenance and management of building and common property has yet been put up in Malaysia. Compare to Singapore and Hong Kong, the procedures and guidelines on the management of high-rise residential complexes are documented in detail. In Hong Kong, the building department produced specific guidelines on different aspect of high-rise management in the Building Maintenance Guidebook and also guidelines on corruption prevention for Management Cooperation. The Maintenance Guidebook provides clear and unambiguous guideline for the Property Manager and the Management Corporation in managing strata property. Whereas in Singapore all procedures related to the management of the high-rise residential building are spelled clearly in the Building Maintenance & Strata Management Act and the Building Construction Authority (BCA) also provide guidelines on strata living in Singapore. The guidelines are very

relevant in educating parcel owners and residents on the do and don't in high-rise living.

In Malaysia, the common practice is the developer and the purchasers enter into a contractual agreement as stated in the Housing Development Acts to provide for the proper maintenance of the common areas prior to the establishment of the Management Corporations (MCs). However, the lack of practical guidelines and standard approach in the management and maintenance of common properties particularly involving high-rise buildings resulted in various problems and miseries suffered by the purchasers.

Errant developers and incompetent property managers are often quick to take advantage of the loopholes in the Housing Developer Acts in their management practiced. There have been many instances of unscrupulous developers trying to make profits by providing lower quality services but charging a high fee in the managing and maintaining of the high-rise residential buildings. The failure of developers and property managers in discharging their functions properly cause the buildings to fall into disrepair. Not only would the purchasers suffer from poor maintenance, the values of the properties would also consequently be badly affected over time.

An example of problem due to insufficiency of the legislation is the issue related to defaulters, i.e. unit owners that did not pay the service charge. Difficulty in collection of service charge is the major problems faced by all property managers and Management Corporation and also a cause for insufficient funds to maintain the property. To-date, there is no standard procedures to tackle the issues of defaulters. The defaulter issue becomes serious when some of the parcel owners cannot be contacted as they reside overseas and did not leave any forwarding address. In Hong Kong, the news media and Building and Construction website were used as a medium to inform and get in touch with owners which cannot be contacted by normal mail ([www.info.gov.hk/bd](http://www.info.gov.hk/bd)). In Malaysia there is no such avenue and the MC or the management has to bear the insurance and also the quit rent of defaulters cannot be contacted. Even though some guidelines on the recovery of the sum owned by the parcel owner were stated in the Strata Title Acts, the procedures are too complicated and the power given to the MC to exercise their duty is limited and not effective.

### **c. Ignorance of Buyers**

The situation is made worse when parcel owners of high-rise residential buildings are not aware of the problems due to ignorance on their rights and responsibilities in living in high-rise residential complexes. Most of them especially first time buyers of high-rise residential units do not understand the procedures and processes related to strata living, i.e. the transfer process of strata title and the importance of getting their title. They are also ignorant of their rights and responsibilities on the usage and maintenance of common property. This research found that parcel owner especially those in low cost complexes do not even understand the meaning of common property. This shows the lack of awareness in the culture of high-rise living. Most of first time buyers do not understand what they are signing on when signing the Sales & Purchase Agreement (S & P) and other supplementary agreement (if any) since

the S & P agreements are written in legal language, which not every buyer can understand. They are more concern with the outlook, cost, facilities, location and the feng shui of the residential units but not many emphasize on the status of the facilities, management team, security and also the social aspect of the place which they want to consider as a home. The importance of understanding the S & P only come into picture when problem occurs but it is already too late. It is therefore important for the authorities to set up a body to install awareness on buyers' rights and responsibilities among those who wants to purchases high-rise residential units. This can minimize the problems encountered by the high-rise unit owner and the unit owner can contribute to the management of the property later.

#### **d. Management Transparency**

The Malaysian property management industry today has become more complex and challenging. Property owners in the past might be satisfied with just a proper care taking and cleaning task provided. Today, however, the concept and demand for property management have changed. Owners want to have their say and play their role in the management system of their complexes. Thus, the issue of management transparency is one of the areas that need to be reconsidered in the management system practiced in this country especially prior to the issuance of strata titles.

In the current management system (buildings which does not come under the Housing Developers (Amendment) Act 2001) most of the developers or property managers who acted on behalf of the developers often denied the rights of unit owners to inspect the management account. This is against the Housing Developer (Control and Licensing) Regulation 1989, Schedule H, S & P Clause 16- payment of service charge, which states that *"from the date the purchaser taken vacant possession of the said parcel, the purchaser shall pay a fair and justifiable proportion of the costs and expenses reasonably for the management of the common property and for the services provided. Such amount payable shall be determined according to the provisional share units assigned to the said Parcel by vendor's Architect.... Every written notice to the purchaser requesting for the payment of service charges from the Vendor shall be supported by service charge statement issued by the Vendor"* (Legal Research Board, 1999). Even though this clause does not spell out clearly the issue of transparency, the word fair and justifiable does give some indications that the units owners should know what portion of the management fee they should pay and how the money collected are managed. However in the revised version of the Housing Development Acts, the management is compulsory to display the account. The account should also be audited.

Owners and residents are very concerned with the opaque management of their sinking fund as well as other funds collected by their management. However there are some ethical developers, who display their accounts and update the owners regarding the status of the sinking fund. In Hong Kong, proper guidelines on budget and account management are provided in the Building Management Ordinance (BMO). According to the BMO, the management corporation (MC) is required to prepare an annual budget based on the amount to be paid by individual owner. The management must maintain proper books or records not later than 15 months after the MC has been established. This account shall be audited by an established accountant and the summary of the income and expenditure shall be displayed in a

prominent place in the building. In addition, the management may also maintain a contingency fund to provide for deficiencies in the general fund and for unexpected expenditures ([www.buildingmgt.gov.hk](http://www.buildingmgt.gov.hk)). However, these are seldom practiced in Malaysia and the situation is more problematic especially before the establishment of Management Corporation (MC).

Measures also have to be taken to prevent corruption cases in property management. Previous studies have shown that there is a high tendency of corruption committed in building management particularly pertaining to contracts, procurement of services and goods, and financial management. Residents are not happy with the high cost incurred due to the problem of transparency in the management system. A proper legislation should be implemented to overcome this problem. An example of corruption prevention measure as practiced in Hong Kong can be adapted as a guideline for implementation.

Management transparency does not confine only to account and financial transparency. Parcel owners should be inform of all activities involved their privacy such as the usage of common property, renovations, repairing and house moving. However sad to say, it is difficult for parcel owners to get all this information. Parcel owners are not aware of things that happened in their complexes due to lack of transparency in the management system practiced in the four states. Therefore it is not surprising to find out that almost 90% of the high-rise complexes involved in this research are facing problems related to burglary and theft in their premises since they was not given information on renovation and other activities in the area. There is also lack of cooperation between the management and the security. In all the four states, the security personnel is not directly under the management (except those with in-house security) but under the control of the security head office. New task imposed by the management cannot directly implement by the security personnel on the site without prior approval from the head office. This procedure does not benefit the resident and due to this problem, the security is not aware of any new task assign to them by the management since they only take orders from their headquarter and not the management office.

The property management practice in this country seems to be too profit-orientated. Furthermore, there is no guideline on the management fee imposed by the property management company (PMC). Thus, many PMCs are taking this opportunity to charge the said fees according to their own advantage. Most of the PMCs are reported to charge between 20 – 25% of the total collections of the maintenance fee and in certain places the charge imposed is up to 40% of the total fee collected. Some PMCs charge their fees inclusive of their permanent staff monthly salary at each site but most of them include the staff salary.

The management system in Malaysia does not incorporate a long term planning strategy especially on the maintenance of common facilities. The system is based on crisis and routine management, which is according to the resident's daily needs. The management is not proactive as remedial actions were taken only when there are complaints. Supervisors at the sites are not given enough power to act on their own judgment. In Singapore, proper guidelines are provided for the maintenance of the common facilities and long term planning for cyclical works. The management system practiced in Malaysia also lacks proper financial planning. There is no appropriate

planning of the yearly expenditure and the residents are neither informed nor have any say in the yearly management budget.

This problem may be overcome by establishing mandatory terms in the deeds of mutual covenant. These deeds of mutual covenant should emphasize on the role of owners in the yearly budget planning and a requirement for the management company to prepare a draft budget. This draft budget should set out the proposed expenditure during the financial year and a copy of it should be displayed in a prominent place in the building. Owners should be invited to comment and give feedback within certain numbers of days. A final budget should be prepared after taking into consideration all comments from the residents and owners. If the budget needs to be revised, the same procedure should be followed. The management should also explain to owners any doubt regarding the budget displayed. Owners must be given the right to reject the proposed budget if there are serious doubts in order to ensure transparency in the financial management.

#### **e. Issue of Professionalism in Property Management and Maintenance**

The management approach currently practiced by many property managers (PMs) in this country also contributes to the problems faced in the management of high-rise residential buildings. Majority of the property managers are inexperienced, especially those from subsidiary companies established by the developers. These PMCs are purposely established just to fulfil their legal responsibility to manage the buildings before the issuance of strata titles (Section 14 of the Housing Developers Act 1966). The director and the staff of these PMCs are often the same staff or relatives of the developers. They do not have the appropriate qualification and experience in property management and are not subject to the Valuers, Appraisers and Estate Agents Act 1981 (Act 242) and Rules, and yet they are given the responsibility to manage the complexes by the developers. The lack of experiences in property management resulted in the PMs acting unprofessionally and adopt management style, which is unethical and inefficient. This in turn causes a lot of problems to the residents and their properties.

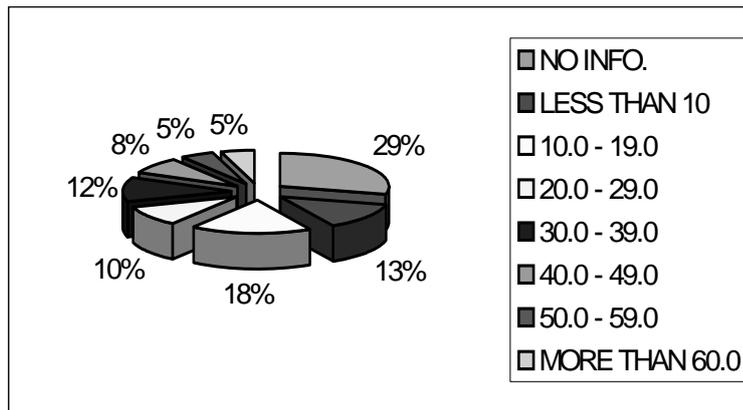
The level of professionalism and the management approach practiced by the PMs who are registered with the Board of Valuers and Appraisers are also questionable. This is because the management often failed to do their jobs professionally and efficiently. Most of them do not have knowledge of relevant Acts related to management and facilities maintenance. They fully depended on the contractors and also their supervisor. In their daily management, they could not balance between the developer's needs and the residents' rights. Most PMs are too biased towards the developers due to the fact that the developers are also their employers, whereas the residents' complaints seldom received proper and prompt response from the PMs. The residents' voices and suggestions in the management system are rarely heard or taken into consideration by the PMs. They also compete with each other to secure the project which they willing to cut cost even though fully realized that the cost they offer are too low for them to provide good services. Their main consideration is the number of projects secured even it is a sick project without any sinking fund and the management fund are in deficits. Some PMs even willing to sacrificed their ethic values just to secure the project. For example, allowed the developer used their company name even they did not directly manage the project.

PMs in this country rarely have long-term management planning strategy in an effort to improve and maintain the value of the buildings as well as the quality of life in the complexes under their management. The management system currently being applied only involve routine management, which means management of the daily maintenance in the complex such as security, garbage disposal, and cleaning of common areas. Necessary actions will only be taken as and when the problems arise or when the facilities broke down. There is no apparent effort or plan to identify problems before they actually occur. In many cases, the PMs only knew about the problems after the residents had filed complaints with the site supervisors in-charged. However, the site supervisors assigned to the complexes are usually not on permanent basis; they seem to be shifting from one complex to another according to the instructions from their employers. They also lack in experience especially in dealing with the relevant Acts related to maintenance. As a consequence, these supervisors failed to fully understand and foresee the problems in any particular complex.

The PMs also failed to play their roles as advisors to the developers in the management of the buildings and financial accounts. They only follow orders and receive instructions from the developer despite being aware that those orders are sometimes unethical and illegal. By right, as registered PMs, they are required to perform their duties based on a set of ethical codes of practice, which reflect the importance of professionalism in property management. They should act as advisors to the developers on any matters involving the interests of the relevant residents.

Social activities, such as gatherings and safety campaigns, for the benefits of the residents are often ignored due to the cost involved. The management is more concerned with the physical being of the buildings rather than the social aspects involving the residents. Due to these factors they tend to neglect the needs of social activities, health and safety of the residents. Only a few PMs who had actually organize social activities to enhance harmony and promote a sense of neighborliness among the residents, whereas social harmony and integrity among residents is the foundation to solve many problems in high-rise residential complexes. In Penang, less than 10 % of the PM organized any sort of social activities (Tiun, 2003). Even though there are activities organized, most of these activities are initiated by the residents themselves. This led to no sense of belonging among the residents and further created individualistic attitudes among the residents. The management does not have a good rapport with the resident since most of the interactions are through memorandums and official letters. Security and safety procedures provided by the PMCs are often loose and highly dependent on the security guards at the main entrance of the complexes.

Due to the element of distrust, which is largely observed between the residents and their management, there is a tendency of non-cooperation especially in the paying of maintenance fee. Non-payment of the maintenance fee or arrears in the maintenance fund is the main issue faced by most PMs as illustrated in Figure 2 below. Based on the amount paid to the management fund, 79.3% of the complexes in Penang are charging maintenance fees between RM50-RM99 per month (Tiun, 2003). Only 8.2% from the management charge monthly maintenance fee more than RM300 per month and the payment system of the said fee is determined by the developers.



**Figure 2: Percentages of Defaulters (Maintenance Fee) in High-rise Residential Complexes in Penang.**

Source: Tiun, 2003

The problem of arrears in maintenance fee arises when the parcel owner feels that the management services provided are not worth the amount charged by the PM. Such situation resulted in the parcel owners defaulting the payment of maintenance fee. On the other hand, the PM claimed that they could not provide good management services if the defaulters refuse to pay the arrears due to shortage in the management fund. Apart from being unsatisfied with the management services provided, the residents sense that the issue of defaulters is attributed to the lack of professionalism in the property management.

Most PMs, whether registered or not, only act on the problems when there are complaints from the residents. They do not have plans to improve the residents' quality of life what more to increase the value of the properties under their management. Thus, it is not surprising if activities like fire and safety campaigns are not held in high-rise residential complexes even though such campaigns are very beneficial to all high-rise dwellers. According to the Fire and Rescue Department of Penang Island, invitations to organize such campaigns in high-rise complexes in this state are very rare, which is one or two invitations in any year. Sample of water, which is supplied in the residential complexes, has never been through testing procedures to ensure that it is safe for consumption. The water tanks are only washed and inspected once a year or once in every two years. In contrast, all PMs in Singapore are required to send water sample for regular testing by the relevant authority.

The percentage of arrears in the maintenance fees in high-rise residential complexes seems to be relatively high and in some cases, for example in Penang, the amount even exceeds 60%. Such high percentage of arrears is worrying as it affects the quality of management services provided by the PMs. Most of the PMs seemed to be unconcerned to recover the said arrears. They tend to take shortcuts by only issuing warning letters to the defaulters or by posting up the defaulters' names on the notice boards. If these approaches failed, the management usually takes no further action even though there is a legal provision that allows PM to impose legal action on the defaulters. Section 53(2) in the 1985 Act allows for PMs to file suit against the defaulters and recover the sum in arrears. Perhaps due to the high cost and the

extensive amount of time required that hinders PMs from taking legal actions against the defaulters. The management realizes that in the end, the building will be transferred to the parcel owners once the strata titles are issued. Therefore, it is not worth to take legal actions against the defaulters.

PMs are more concerned with their professional fees. Therefore, if the management fees collected already exceeds the professional fees charged, no further effort to collect fees from the defaulters are made even though the total collection is still insufficient to run the monthly management operations. Instead, the easiest way for the PMs is to use the sinking fund to cover the management expenses without obtaining consent from the residents. This is one of the reasons why the sinking fund is often exhausted without the knowledge of the residents. The residents were not informed about the usage of their sinking fund and they are not aware of such actions, since there is a lack in management transparency. There are, however, some PMs who take a few steps further against the defaulters to recover the arrears in the maintenance fees. Among the actions taken include issuance of warning letters, denying services and access to facilities to the defaulters, and filing legal suits.

Ideally, property managers must be transparent and accountable of their own actions particularly before the issuance of the strata title (prior to the establishment of MC). However, this is not always the case. There are numerous complaints against inefficient property managers reported in the mass media. The services they render do not always justify the amount of “professional” fees they charged. Poor maintenance may also be due to insufficient maintenance funds allocated for particular buildings. This is mainly attributed to the managers failing to set up a long-term management and maintenance plan that can anticipate the costs for future maintenance and repair works. Some property managers do not keep proper records and important documents. According to the house buyers’ complaints statistics, poor or lack of maintenance and upkeep services is one of the major problems faced by most high-rise buildings’ residents ([www.hba.org.my](http://www.hba.org.my)). The residents of a condominium in Brickfields in 2001, for example, held a peaceful demonstration to show their displeasure with the attitude of the PMC and the poor maintenance services provided (NST, 9/5/2001).

#### **f. Regulating Authority for Property Managers**

Currently the Board of Valuer, Appraiser and Estate Agent acted as a regulatory body for property manager. However, the role of the Board is not clear for most parcel owner. There is no standard guideline for the property managers to follow. Furthermore, there are also many management agents who are not registered with the Board that practice independently or are set up by developers. The qualification of this agents are questionable and most of them are related to the developer themselves especially those management agent set up by the developer. They are not under the control of the Board of Valuer, Appraiser and Estate Agent and they are neither bound the mentioned Act. As such, it is difficult to monitor or control the professionalism of these property managers. There are property managers that provide good service, transparency and are responsible in their management. However, more often than not, the people employed to manage the high-rise residential building are those without any property management training (Tiun, 2003).

In addition, without proper regulation on the practice of property management, the activities of the property manager are not monitored to ensure quality of service. Undoubtedly, there are property managers that managed strata buildings efficiently even without a property management qualification. However, these are rarities. In Singapore, those who wish to practise property management have to register with the Singapore Building and Construction Authority (BCA) and the BCA will regulate them to ensure that they carry out their duty professionally.

Therefore it is important that a body who have the power to regulate and enforce all property and management agent and determine the management standard in the country such as the Housing Commissioner to be set up, to oversee all problems related to the management problems of high-rise residential building in the country (Lim. et al. 1991). In Singapore, the Building and Construction Authority (BCA) is responsible to regulate and oversee their management system and in Hong Kong property management is under the jurisdiction of the Building Authority. In both countries, a Housing Commissioner is responsible to handle all management problems and also to handle disputes related to high-rise living.

#### **g. Security and Safety Issues**

Creating the perception of safety and providing residents with peace of mind are as important as adopting physical security measures. The effectiveness of security system depends on the nature of the property and the management controls in place. Gates, fences, CCTV help a property manager reduce crime occurrence but the management still need to hire professional security personnel to complement the physical security buffers. However, this practice is not well developed in many high-rise buildings in this country. Developers are increasingly opting to secure their buildings physically and provide 24-hour security service to give the perception of much more enhanced security for the residents. The developers often highlight the provision of 24-hour security to promote their properties but what does 24-hour security actually means? Is it sufficient to claim that 24-hour security has been provided simply by assigning a couple of security guards at the main entrance? Who will monitor and ensure that the management actually provides 24-hour security and not less?

It is widely observed that inefficient security service is a serious problem in high-rise residential complexes in Malaysia. A study in Penang shows that 78.1% of the high-rise complexes in the Island are provided with security guards (Tiun, 2003). The number of guards assigned to each complex ranges from one to 14 personnel. Some complexes are even equipped with multi-layer security system such as guardhouse at the main entrance, automated gates, CCTV, CMS, and perimeter fencing or wall. However, the level of security in these complexes is highly questionable as the number of crime occurrences is still relatively high. Based on the same study done in Penang, a total of 85.2% of the complexes reported crime occurrences in their compounds despite being provided with security guards and other security controls. This indicates that the security measures employed in the affected complexes are still weak and inefficient.

The residents are generally unhappy with the level of security provided by the management and this can be attributed to many factors including irresponsible

security guards, thefts and break-ins, no 24-hour security as promised, security is too loose, management keeps changing security guards, foreigners hired as security guards, and management did not take any action after incidences of crimes have been reported. Too often security service in residential complexes is limited only at the main entrance. Most of the security guards are static; simply act as traffic controller or parking attendants rather than patrolling around the complexes. As reported in the media in 2000, the security guards in a condominium in Brickfields failed to respond promptly to an emergency call from a resident who was being a victim of burglary in her own apartment at that time. The guards only came up to the unit to check when the police arrived at the scene twenty minutes later. The unfortunate resident also claimed that the management firm of the condominium charges RM14,000 monthly for the security services (The Star, 9/11/2000). It is not surprising that most of the crime incidences are not reported to the local police to cover the weakness of the security services. The provision of high-tech security system, such as CCTV or CMS, does not guarantee high-level security if the security personnel do not regularly monitor them and act responsively to any occurrence of crimes. These inefficiencies frustrate the residents who had to bear the costs by paying extra fees for security and yet receive very poor services.

Security services in residential complexes are normally contracted out to private security companies and only a few PMCs who actually provide their own security guards. These PMCs have their own permanent staff, which are hired as security guards and they are assigned to the complexes managed by their PMCs. Some of these guards tend to be more efficient than security guards employed by the private security companies due to proper training and selection procedures by the PMCs. However, the cost of employing in-house security guards is not cheap because apart from their basic salary, the employers are also required to contribute to their employees' EPF and SOCSO accounts. Thus, many PMCs resort to private security firms for the provision of security guards.

On the other hand, due to the increasing demand for security guards in residential complexes, many security firms are facing shortage in manpower to fulfil those demands. Thus, in order to solve the problem, some security firms tend to employ almost anybody regardless of their background and qualifications. They are unprofessional, untrained and unfit to be security guards due to old age or having health related problems. This unprofessional attitude led to the high incidence of crimes in residential complexes even with 24-hour security services. There are numerous complaints against incompetent security guards and the number is increasing over time. Some of the guards are found drunk, sleeping or abusing drug while on duty, harassing and assaulting residents or visitors, not wearing proper uniform and attempting burglaries in complexes, which they are assigned to guard.

Many of the security guards hired are old retirees, above 60 years old, having no proper training and lack of knowledge in security services. According to the security firms, it is very hard to get younger people to join the security force and it is the reason for them to resort to retirees and the elderly for their manpower. In some extreme cases, there are also security firms who hired illegal immigrants and applicants with criminal records. The wage paid to security guards is generally low and does not worth the amount of time they spent on duty. On average, the security guards are low-paid, between RM2.50 to RM3.50 per hour, and yet have to work very

long hours, sometimes up to 12-hour shift. It is also observed that there are security guards who have to contribute a certain percentage of his low income to the hiring company as part of the contract. Perhaps, this is the main reason why the security firms cannot attract younger generation into security force even though the demand is very high. Therefore, the reliability and efficiency of their services is highly questionable. Failure to perform their duty leads to unwanted incidences and invasion of privacy by the outsiders.

Some of the security guards are not even provided with proper uniforms, which make it difficult for the residents to distinguish between the security guards or other on-site employees or even contract workers. There are also cases whereby the security firm keeps changing their employees after a short stint in particular residential complexes and this confuses the residents in identifying their security guards and vice versa. A study in Penang reveals that 23.0% of the residential complexes have problems with outsiders and sales persons came knocking at their doors and disturb their privacy despite having security guards at the main entrance (Tiun, 2003). The same study also shows that 14.8% of the complexes have security guards who could not distinguish between residents and non-residents, while 52.5% of the complexes claimed that their security guards simply let any vehicles moving in and out of the complexes without recording their registration numbers. This causes a lot of problems as visitors carelessly park their vehicles anywhere they like including at the parking lots dedicated for residents only.

Vandalism is another serious problem observed in many high-rise residential complexes. Signs of destructions of public facilities such as lifts, payphones and garbage bins can be spotted rather easily despite having security guards assigned to these complexes. Such vandalism activities are said to be attempted by irresponsible residents as well as visitors who are free to enter and exit from the complexes.

According to Telekom Malaysia Payphones (Putrajaya and Petaling Jaya), incidence of vandalisms and frauds against Telekom's payphones, even in strictly guarded complexes, are regularly reported (Table 4). The following examples illustrate the incidence of crimes against public facilities in high-rise schemes. During the second quarter of the year 2000, two units of payphones in *University Tower* in Petaling Jaya, were vandalised and in a condominium in Subang Permai, one of the four payphones was also vandalised. Thus, something needs to be done to improve the quality and level of professionalism in the provision of security services in high-rise buildings.

**Table 4: Faulty payphones due to vandalisms in high-rise complexes in Selangor, 2001**

<i>Location</i>	<i>No. Of payphones</i>	<i>No. Of faults*</i>	<i>Revenue (RM)**</i>
Abadi Indah Condominium	12	2	145
Mont'Kiara Condominium	9	2	145
University Tower	2	Once in two months	130

Country Heights	6	1	155
Bandar Sunway	146	73	260
Subang Perdana			
Flats	21	15	260
Sri Selangor Golf Club	2	Once in two months	135
SS15 Subang Jaya	85	26	250

Note: \* average per month  
 \*\* Average revenue per month per unit

**Source: Telekom Malaysia Payphones Putrajaya (Nor Malina, 2002)**

Safety procedures are very poor in most complexes. Besides the compulsory insurance coverage, most of the complexes do not have any other safety measures. Less than 10% of the Residents Association (RA) in high-rise complexes reported that the management conducted safety measure and awareness such as fire drills for the residents (Tiun, 2003). High-rise residential complexes in the country are not equipped with safety evacuation plan in the buildings. Most buildings do not have portable fire extinguishers located at the common areas even though it is a requirement in the Building By-Law for high-rise apartments. Developers are not keen on the idea of providing fire extinguishers due to maintenance problems and vandalisms. However, some buildings do have fire hoses but not all of them are functional. Residents are neither briefed nor trained to use these fire safety equipments. In comparison, Singapore has a clear guideline on safety measure in high-rise buildings such as organizing fire drills for the residents by the property managers (Lim, 1991).

#### 4. THE WAY FORWARD

Among the factors that contribute to the problems in the management and maintenance of high-rise residential buildings in Malaysia are the weakness in the Housing Developers Act 1966 and the Strata Titles Act 1985, poor enforcement by the relevant authorities, and lack of responsibility among the residents of high-rise dwellings. In this section, some suggestions are proposed to improve the quality of our property management system and to solve some of the problems discussed.

##### 1. Housing Developers Act 1966 and Strata Title Act 1985

Statistics from the Ministry of Housing and Local Government shows that the number of complaints lodged by residents regarding problems in the high-rise management has increased from 1135 cases in 1998 to 1926 cases in 2002 ([www.kpkt.com.my](http://www.kpkt.com.my)). The types of complaints reported include defects in premises during defect liability period, facilities provided not as promised, and other management and maintenance problems. The increasing number of complaints reflects the failure of the Acts and the local authorities in playing their respective roles in making the high-rise living concept a success in this country.

Housing Developers Act 1966 (Amended in 2001), Strata Title Act 1985 (Revised in 2001), and Valuers, Appraisers and Estate Agents Act 1981 are the three main Acts that regulate the power and responsibilities vested on the developers, property management companies, management corporations and residents in managing and maintaining high-rise residential complexes in Malaysia. However, it is still common to hear complaints related to the management and maintenance of their high-rise complexes. Therefore, there is a serious need to take prompt action to overcome these problems in order to instil a valuable and quality living experience in high-rise living.

As most of the problems are attributed to the weakness in the Acts, they have been reviewed and amended by taking into consideration their existing loopholes as well as the disadvantages experienced by the house buyers and residents. Both Acts are said to be biased towards the developers instead of protecting buyers and residents. If the high-rise living concept is to be promoted more widely in this country, these Acts have to be carefully reviewed and enforced. In solving problems and ensuring quality living experience in high-rise residential complexes, the “build then sell” concept should be given serious consideration by the authorities. However, there are some clauses in the two said Acts that need to be amended before the concept can be enforced. Among the clauses, which have to be reviewed are clauses pertaining to advertisement, certificate of fitness for occupation, methods in the delivery of vacant possession, defect liability period, and a few more clauses which do not provide protection for buyers.

Perhaps once the much awaited *Building and Common Property (Maintenance and Management) Bill* becomes a legislation, the problems that have troubled many owners and residents in high-rise units for decades will be alleviated as it would provide the regulatory framework needed to manage and maintain a residential complex between the time it has been completed and handed over to owners, till the establishment of a Management Corporation under the Strata Title Act 1985 (Revised in 2001). At present, without any law to govern this period which can last for many years, developers and owners are often in disputes on a range of issues covering quality of maintenance, provision of promised facilities, payment of service charges and management transparency. The relevant authorities should also produce a practical guideline for owners, developers and property managers on the intention and workings of the Bill, as without the guideline, there might be difficulties in understanding the intricacies of the law.

The *Housing Developers (Control and Licensing) (Amendment) Act 2001* which was gazetted on 31<sup>st</sup> January 2002 introduced a major revamp of the entire legislation on the law relating to the housing industry including the changing of the name of the governing act to the *Housing Development Act 2001*. The new Act replaces the Housing Developers Act 1966 and affords more protection to house buyers such as the setting up of a Housing Tribunal. The 2001 Act also provides more preventive measures and focuses on enhancing the authorities’ investigation and enforcement powers. However, there are still some rooms for improvements to be made before the Government could implement the Act. Strict enforcement of the Housing Development Act can help reform the local housing industry into one that inspires public confidence.

## 2. *Property Management System*

As discussed earlier, the management system currently practiced is generally lacking professionalism and has much impracticality. There is no guideline and clear control measures regarding who can be property managers. In reality, almost anybody can be a property manager even though the Valuers, Appraisers and Estate Agents Act 1981 has specified that only those registered with Board of Valuers and Appraisers can become professional property managers. The lack of professionalism in their practices causes a lot of inefficiencies and problems to the residents as well as the buildings under their management.

Thus, there is a serious need for the relevant authorities to develop a practical guideline to solve the problems in the management and maintenance of high-rise residential complexes as presented earlier. Among the steps that have to be taken in this regard are:

(a) To introduce guidelines which clearly state the power and responsibility of a property manager in performing their duties professionally. The guidelines must also state the mandatory qualifications and requirements that have to be met by every property manager. For example, every property manager must be licensed, registered with the Board of Valuers and Appraisers and obtained its certificate before they are allowed to take on their job responsibilities.

(b) To formulate a mechanism to standardize and legalize the rates of management fees that can be charged by property managers.

(c) To propose that the authorities to introduce new legal provision that can prevent unprofessional and unregistered property managers from being hired to manage high-rise residential complexes.

(d) To propose for a framework of a good and effective management system. Management transparency and accountability are two essential qualities, which must be the main emphasis of the proposed guidelines. The guidelines shall also take into consideration the need for a long-term planning strategy in the management and maintenance of high-rise buildings. Good management practice shall also focus on the social and religious needs of the residents especially the physically challenged and elderly, which tend to be ignored by many property managers. A more proactive approach in building management system as practiced by the city councils in Singapore should be taken as an example.

(e) To introduce procedures to ensure transparency and efficiency in the management of financial accounts and funds (management fund and sinking fund). The existence of the sinking fund needs an immediate legal recognition and this is lacking in the current property management system. The proposed procedures should also clearly spell out methods in the calculation of sinking fund contribution and the proper use of the fund.

(f) To propose that the authorities to introduce new legal provisions to prevent developers from collecting sinking fund directly from the buyers and to prevent developers and property managers from abusing the sinking fund.

(g) To propose a set of ethical codes of conducts for the residents in high-rise residential complexes to reduce problems such as defaulters, non-complying, and vandalism. Failure to comply with these codes will result in monetary and non-monetary penalties, as determined in the proposed set of codes.

(h) To propose that the authorities to introduce new legal provisions for the defaulters to pay the arrears in the management fees and for the property managers to identify and take necessary action on the defaulters. Penalties shall be imposed on the obstinate defaulters as well as the irresponsible property managers.

### 3. *Security*

Inefficiency in the provision security services in many high-rise residential complexes in this country has resulted in various problems, as discussed earlier. The failure of security system applied can be attributed to the weakness in the management system and the lack of professionalism in security provision. In order to improve the level and the quality of security services provided, below are some suggested recommendations:

(a) A more precise definition of a 24-hour security service is required and a practical guideline is proposed to establish the criteria, scope and procedures for a more standard security provision in high-rise residential complexes.

(b) To propose guidelines applicable to every private security provider regarding the criteria and qualifications required for every security personnel employed.

(c) To propose to the authorities to introduce new legal provision that can prevent incompetent security guards from being employed.

(d) The authorities should also provide a standard guideline regarding the wage rate and working hours for security guards. As discussed earlier, most security guards are underpaid and yet have to work long hours.

(e) PMs and MCs should hire their own security guards and provide proper training as this will indirectly allow the management to be fully responsible of the guards employed.

#### *i. Design and Planning*

Planning is the most important factor in determining whether a particular housing project or complex a success or otherwise. A housing project, which is not properly planned will face a lot problems and can incur higher maintenance fees. The structural design of the buildings can also contribute to some of the problems faced in the management of high-rise residential complexes. Therefore, it is recommended that the design of any residential complex should also emphasize on the followings aspects:

- (a) Right from the planning stages of any project, there should be adequate provision for special needs of the disabled and elderly. They should be provided with all the facilities to allow them to lead their lives as independently and as normally as possible. It is proposed that government to seriously consider legislating a mandatory requirement for the adequate provision of such facilities in all buildings and projects instead of confining such requirements only to public buildings.
- (b) The design of the buildings and facilities provided should consider the special requirements of the disabled and elderly. There should also be a provision of basic worship places or rooms for the major faiths. Residents should also be provided with proper facilities for recreation and social activities such as gatherings, receptions and meetings.
- (c) The provision of proper spaces for drying clothes and air-conditioners is also important. The space allocated for drying areas must receive sufficient sunlight. Otherwise, it will be a waste of space.
- (d) The buildings must be built according to original plans and utilize good quality building materials. This can help solve many structural problems such as water seepages and cracks on the walls.
- (e) An effective planning practice should involve a good coordination between the relevant Ministries, agencies and departments such as the Ministry of Housing and Local Government, Ministry of Land and Mines, Fire and Rescue Department as well as the local authorities.
- (f) Planning should also consider the population density that will be residing in the complexes with respect to unit size and the provision of facilities such as security, planning spaces, lifts, and so on.
- (g) Planning should seriously take into account the emergency needs such as fire escape routes, portable extinguishers, back-up generators and so on.
- (h) As most of the problems in high-rise complexes relate to poor building management system, there is a need, therefore, to focus on the management and maintenance aspects of the buildings. The design of the buildings should facilitate for proper maintenance and long-term management.

*ii. The Role of Owners and Residents*

Parcel owners and residents must also play their roles to ensure the comfort and convenience of living in high-rise residential complexes.

- (a) Residents should give their highest cooperation with the management in taking care of their complexes and facilities provided. For example, they must pay up the management fees in timely manner and comply with the rules enforced by the management.

(b) Residents must be proactive in ensuring their rights and welfare are properly taken care of by the management. They should also take an effort to learn their rights and responsibilities as stipulated in the Acts and the S&P (Sale & Purchase) Agreement.

(c) Residents should respect and tolerate with their neighbours' needs of privacy, comfort, and convenience. They should also initiate and organize social activities to create a sense of neighbourliness in their complexes.

(d) Residents should learn and adjust their lifestyle to suit the high-rise living concept so that these buildings do not eventually become 'blight on Malaysian urban landscape'.

*iii. The role of local authorities*

Presently, the role of local authorities in high-rise residential complexes is neither clear nor effective. The local authorities are supposed to monitor every housing project approved for construction so that the developers abide by the laws and that the buildings are constructed according to original plans. Actions taken by the local authorities on the complaints made by house buyers and residents are often slow and ineffective. This situation is made worse by the lack of enforcement by the authorities. It is suggested, therefore, for the local authorities to take necessary steps such as the followings:

(a) The relevant authorities should expedite the strata title application process and act promptly on the problems reported to them. The majority of the problems arising in high-rise living are related to the delay in application and late issuance of strata titles.

(b) The enforcement units of the local authorities should be more proactive, accountable, transparent, and stringent when performing their duties as well as take prompt actions against errant developers, irresponsible property managers or defaulting residents.

(c) Local authorities must understand and closely follow the existing guidelines in housing development so as to improve their efficiency in combating problems arising in the management of high-rise residential complexes.

(d) The Fire and Rescue Department should frequently monitor every high-rise complexes to ensure that the developers and managers of such complexes follow the fire and safety regulations and that the fire safety equipments are properly installed and in always in good condition. The Department should hold more fire safety campaigns with coordination from the property managers and residents.

(e) The formation of a proposed "one-stop agency system" to handle operations of building plans and certificates of fitness for occupation (CF) by the Ministry of Housing and Local Government is highly welcomed. There is also a need, however, to include strata title application process in such one-stop system to expedite the issuance of the strata titles.

(f) Local authorities must perform continuous monitoring and enforcement so as to ensure that all developers and property managers abide by the law. Local authorities should also increase their manpower and provide proper training to them as shortage of trained manpower leads to poor or lack of enforcement.

## **5. CONCLUSION**

It is clear that there is a pressing need to formulate and produce a set of practical guidelines for the management of high-rise residential buildings in this country. A thorough review of existing Acts and legislation by the experts as well as the views from the affected parties can greatly improve the effectiveness of the property management system. Incompetent or inefficient property managers can be monitored if they are required by law to obtain a license to manage properties professionally and become a registered member with the Board of Valuers, Estate Agents and Appraisers. There is also a need for the authorities to produce a standard guideline for a good property management practice and strictly enforce the necessary requirements so as to improve their quality of service and the level of professionalism in property management. It is very important to note that extensive rules, regulations and guidelines must always go hand in hand with strict enforcement and monitoring to ensure their effectiveness in solving the problems of high-rise residential living.

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