

Abdul Ghani bin Sarip
Department of Estate Management
Faculty of the Built Environment
University of Malaya
Kuala Lumpur, Malaysia
(T: 603-7967 6833; e-mail: garnae@um.edu.my)

“GEO-INFORMATION NEURAL SYSTEM” FOR SINGLE-PROPERTY VALUATION

Abstract:

An Automated Valuation Model (AVM) named “Geo-Information Neural System” (GINS) is developed as an integrating technology in the valuation of single-property. GINS integrates Geographical Information System (GIS) technique and computing intelligent Artificial Neural Networks (ANN). It covers the establishment of a GIS database management system, GIS location measurements, spatial queries and thematic mapping. ANN is employed to replicate the way the human brain might process data by learning relationships, in this case the one existing between property characteristics such as physical and location attributes and sales price. A sample of 100 sales of detached houses in Damansara Heights, Kuala Lumpur is trained. The model is built on a GIS platform, which will allow for GINS automation as well as the conduct of interactive valuations. A graphical user interface is developed for seamless integration and user interaction. The results indicate that GINS provides an efficient AVM tool that provides superior residential property valuations, while accuracy is improved by minimizing the influence of subjective judgments. The technique may be used to check valuations generated by more traditional methods as well as further improve the overall quality of single-property valuations.

Keywords: single-property valuation; automated valuation model; geographic information system; artificial neural networks.

TOWARD ZERO DEFECTS IN CONSTRUCTION

Abdelnaser Omran, Abdul Aziz Hussin & Azlina Bt. Abdullah
School of Housing, Building and Planning
Universiti Sains Malaysia
11800, Minden

ABSTRACT: Defects in newly completed buildings are fast becoming serious phenomena as more low cost and medium cost houses are being built. The ministry of housing and local government in Malaysia has been receiving increasing complaints from buyers about defects in their buildings in the past few years. This paper is undertaken to ascertain the level of awareness and perception of construction industry players about this concept and whether zero defects or an aim towards achieving zero defects is attainable. This paper has managed to ascertain that despite the lukewarm responses from members in the industry towards this concept in general. However, Absolute zero defects may never be attainable, but the striving towards zero defects must be encouraged and practiced among all parties involved in development projects.

Keywords: Zero Defects, Construction Industry, Awareness & Perception, Malaysia

**Internationalisation of Malaysian housing developers: cases from India,
South Africa, Australia and Cambodia.**

Ahmed Usman Awil,
Abdul Rashid Abdul Aziz
School of Housing, Building and Planning,
Universiti Sains Malaysia,
11800 Penang, Malaysia
Email: awil7@yahoo.com

Abstract

Economic liberalisation, increasing rates of urbanisation and reforms in the housing sector have transformed a previously “local” industry, dominated by local developers into one where the expertise and capital of foreign developers are tapped. Malaysia, being among the most advanced of the developing countries has successfully created and sustained a private led housing sector. The Malaysian housing developers have gained competitive advantages from undertaking extensive housing development activities in Malaysia and have thus leveraged these advantages to undertake internationalisation in some countries. This paper presents the experiences of Malaysian housing developers in four countries; India, South Africa, Australia and Cambodia. Also this paper discusses the internationalisation of seven developers and presents their internationalisation motivations, circumstances and the resulting outcomes. Three primary factors were found to be important in internationalisation of the housing developers; role of the management; particularly in having a vision for the firm, diversification of markets to overcome economic slowdown in Malaysia and the role of the Malaysian political leadership.

Keywords; Internationalisation, Malaysia, Housing developers

THE ROLE OF VALUATIONS IN INTERNATIONAL REAL ESTATE INVESTMENT

Andrew Baum, PhD
Chairman, OPC
London and Reading, UK
Professor of Land Management
Department of Real Estate and Planning
University of Reading Business School
Whiteknights
Reading RG6 6AW
United Kingdom
E-mail: a.e.baum@rdg.ac.uk

Abstract

In the absence of continuously traded, deep and securitised markets, commercial property valuations perform a vital function in the property market by acting as a surrogate for transaction prices. As with asset prices in the equity and bond markets, property asset valuations are central to the inter-related processes of performance measurement, acquisition bids and disposal decisions. However, within both the professional and academic communities there is considerable scepticism about their ability to fulfil this role in a reliable manner. Recent questions about valuations of German open-ended funds have served to focus attention even more on this issue. There has been a considerable amount of research into the operation of the valuation process in various parts of the world, especially in the US and the UK. Early research tended to concentrate on the methods used by valuers. More recent research, including an important survey recently completed at the University of Reading (Baum, Crosby, McAllister, Gallimore and Gray, 2003) has concentrated on procedural aspects and the way that valuation information is processed, dealing in particular with the following questions: how accurate are valuations? What is the probable margin of error and what is the impact of smoothing? How does the client/valuer relationship operate? Is there evidence of client influence or other external influences on valuations?

Keywords: real estate investment; internationalisation; valuation

**PAYMENT OF ADEQUATE COMPENSATION IN LAND ACQUISITION:
ISSUES AND PERSPECTIVES**

By

Anuar Alias

Assoc. Prof. Dr. Md Nasir Daud

Center for Studies of Urban Real Estates (SURE)

Department of Estate Management

Faculty of the Built Environment

University of Malaya

(E-mail: anuar_a@um.edu.my; mdnasir@um.edu.my)

Abstract

Land acquisition involves the compulsory taking of land, often against the will of the landowners. The law indeed requires the state to pay compensation adequately; however, adequate compensation is not defined in the statute. Historically, the courts seem to have succumbed to the 'pretense' that the adequacy requirement may be achieved by giving sufficient monetary rewards in exchange. The questions are what monetary quantum is appropriate to constitute the constitutional mandate of adequate compensation; what should be the measure of compensation; what makes compensation adequate, and what are the tests of adequacy? A questionnaire survey was conducted among practicing valuers to discern their views with regard to the above issues. This paper presents the results of the survey.

This survey revealed the views that compensation attributes under stipulated laws are not adequate to fulfill *adequate compensation* notion under the spirit of Article 13 of Federal Constitution 1957. There is a need to review the heads of compensation structures by incorporating other countries practices such as payment of solatium or premium as over and above total compensation. Most of the valuers opined that land acquisition need not necessarily present the best alternative for government to secure land for development.

Keywords: Land acquisition, adequate compensation, compensation structure.

A Study On Valuation Variance of Commercial Properties In Malaysia

Asmah Mohd. Nasir
Valuation Officer, Research Program,
National Institute of Valuation (INSPEN).
E-mail: asmah@inspen.gov.my

Abstract

This paper attempts to investigate the variance in terms of mean difference in valuation of commercial properties between Government Valuers and Private Valuers in terms of Insurance cases and between Declared values and Department's valuations in terms of Stamp Duty cases.

The data consists of valuations of commercial properties (shop houses and shop offices). A parametric and non-parametric one-sample t-test were carried out on the difference between the two sets of valuations. The findings showed that there is no significant difference between the Government Valuers' valuations and the Private Valuers's valuations for Insurance purpose, and also between the Department's valuation and Declared values for Stamp Duty purpose. The estimated range of variance for Insurance is between -1.53% and 4.82%. Seventy five percent of the difference in Insurance valuations is less than 10 per cent. As for stamp duty data, fifty eight percent of the difference is less than 10 per cent. It is also found that, there is no valuation bias but normal random differences from the mean value in both cases.

**DETERMINING ADEQUATE COMPENSATION IN LAND ACQUISITION
– A CASE STUDY IN MALACCA**

Associate Professor Dr Ismail Omar,
Mazlan Ismail,
Nor Hidayah Md Yunus,
Department of Land Administration and Development,
Faculty of Geoinformation Science and Engineering,
Universiti Teknologi Malaysia,
81310 Johor Bahru Ph:07 553 0805 and Fax: 07 556 6163
E-mail: ismail @ fksg. utm. my

Abstract

The purpose of land acquisition is to provide land for development for public uses. In general, no person shall be deprived of their property without any adequate compensation. What is adequate compensation? Is it the value of the land to the landowner? Or the open market value as determined by valuers? It could be the award as determined by the land administrator or even the amount of compensation as decided by the High Court. The study seeks to review literatures on adequate compensation and attempt to compare and contrast the amount of compensation or awards with valuation from both private and public valuers in the case study. Secondary data is gathered from public and private valuation reports on the value of land taken and then compared to the awards of compensation paid to the affected landowners. In the end, it was revealed that there are differences in the valuation for compensation between public and private valuers and the value awarded to the affected landowners. The public valuation seems to be generally low and the private valuations are higher. This indicates the practical aspect and applicability of the present code of land compensation to ensure the way to avoid delays in the land development process and providing necessary infrastructure to the people.

Keywords – land acquisition, adequate compensation, valuation for land acquisition.

CONCEPT OF REAL ESTATE IN TRANSITION

Dr. Ahad Gholizadeh
Assistant Professor at Isfahan University (Isfahan-Iran)
& Attorney at Law
E.mail: gholizadeh@laws.ui.ac.ir

Abstract

With new developments, in the big and crowded cities, concept of real estate is being dramatically changed. The law for many centuries was supporting the right of every real estate for access to natural lights of the sun and moon, access to fresh and natural air, access to fair and suitable passage and possessive access to above space and underground of the real estate.

Wanted and unwanted Easement and profit a prendre rights, land use control policies, in addition to restrictive covenants accompanied by the pressure of population growth and high value of real estates in crowded cities, bring about a situation, in which the law is gradually loosening its support from present concept of real estate.

Keywords:

Real estate – easement – profit a prendre – land use control – eminent domain

Modelling House Price in Malaysia: An Analysis of Hedonic Function of House-Specific Characteristics

Aminah Md Yusof PhD¹
Faculty of Civil Engineering
University Teknologi Malaysia
81310 UTM Skudai, Johor
aminah_mdyusof@yahoo.com

Abstract:

Studies on housing have been performed for various reasons. The house ownership has shifted from owner-occupation to investment demands more rigorous studies to ensure that investment will be worthwhile. As far as investment is concern, studies on pricing has numerously undertaken around the globe. Whilst some successfully demonstrated linkages between price and macro factors, others has clearly demonstrated the merits of associating price to house-specific characteristics, namely physical, locational and environmental. This paper aims at explaining variation in price is explained by numbers of selected characteristics. Sample of secondary double terrace houses in Johor Bahru, Malaysia has been selected. The study finds that there has been quite consistent explanation in house price variation. The hedonic modeling of double terrace houses in Johor Bahru shows that variation in prices is largely explained by utility-bearing characteristics or hedonic function of the houses. Physical characteristics such as floor area and building area tend to explain better variation in double storey terrace houses. This findings are consistent for different points in time. The regression analyses indicated that in some particular years location tends to be perceived significance in explaining price variation.

Key words: House in Malaysia, Price Modeling and Hedonic Analysis

¹ Lecturer, Department of Structural and Material, Universiti Teknologi Malaysia, 81310 UTM Skudai, Johor, Malaysia; PH (607) 5537699; email: dramy@utm.my, aminah_mdyusof@yahoo.com

**VALUATION OF FOREST RESOURCES IN MALAYSIA:
PRESENT STATUS AND CHALLENGES FOR VALUERS**

Awang Noor Abd. Ghani
Department of Forest Management
Faculty of Forestry
Universiti Putra Malaysia
43400 UPM Serdang, Selangor
Tel: 03-89467167 Fax: 03-89432514
E-mail: awang@forn.upm.edu.my

Abstract

Forests provide multiple benefits in terms providing various forest goods and services and play a significant role in ecological, social, environmental and economic functions. These resources are normally categorized into timber and non-timber resources. Valuation of these resources is largely ignored because of most them are considered public goods with no market price. Thus, the potential role of forest for environmental services has been given low priority as compared to agricultural or industrial projects. This undervaluation of forest resources has resulted in forest resource depletion and damage to the forest ecosystem, loss of revenue to the government, increase downstream externalities, and increase public spending on mitigation measures. The central issue, then, is how to estimate the economic values of various forest goods and services and how these values need to be incorporated in development projects. Determining the economic values of forest goods and resources is a new challenge to both foresters and valuers. Approaches and techniques to value forest goods and services have been developed and applied in the Malaysian forestry situations. This paper highlights the current status of forest valuation studies in Malaysia and discusses the challenges in conducting economic valuation of forest goods and services. The results reveal that the economic values of forest goods and services are substantial and vary in terms of time and forest ecosystems. Current interest in valuing forest goods and services is increasing and future research should be given high priority in this area by the government.

Keywords: Forest valuation, forest resources, valuation methods, undervaluation, non-market forest goods and services.

COMMERCIAL DEVELOPERS IN MALAYSIA : THE NEED FOR REGULATIONS

Dr. Azlinor Sufian
Private Law Department
Ahmad Ibrahim Kulliyah of Laws
International Islamic University Malaysia
sazlinor@iiu.edu.my / azlinor_s@yahoo.com

Abstract

It is generally known to the public that housing development in Peninsular Malaysia is governed by the Housing Development (Control and Licensing) Act, 1966 ("HDA") and regulations made thereunder. On the other hand no parallel law with comparable objects to the HDA has been enacted to protect buyers of commercial properties. It would therefore lead to the assumption that developers of commercial properties are not subject to stringent rules and regulations such as the statutory requirement of opening a development account, rules for advertising of sale of properties or standard form of sale and purchase agreements as found under the HDA. In other words, purchasers of commercial units in Malaysia are not protected by any specific law save for the general provisions found in the Contracts Act, 1950.

Despite the existence of specific statutes governing housing development, there are still numerous complaints registered by purchasers such as abandonment of housing projects, sub-standard quality of workmanship and materials of houses, non-issuance or delay of issuance of the certificate of fitness for occupation and delays in completion. It is probable that purchasers of commercial units too are facing the same problems. In the absence of specific regulatory measures, purchasers of commercial units having problems with their developers will have to resort to remedies found in the common law and the Contracts Act. Thus it is the aim of this paper to highlight some of the problems faced by purchasers of commercial units and look into a few possible solutions to these predicaments. The laws and regulations enforceable in other jurisdictions will be referred to as comparison. It is hoped that this paper will contribute to the growth of real estate development in general while at the same time mindful of the rights of consumers.

Keywords: Commercial developers-land development-consumers-local authority-real estate

**PROPERTY AND VALUATION EDUCATION: AN ANALYSIS OF UWS
PROPERTY STUDENTS FROM 1994 TO 2006.**

Dr Chris Eves
University of Western Sydney
School of Economics and Finance
a.eves@uws.edu.au

Abstract

The valuation and property is an evolving industry and the participants within the industry are also changing. This change is due to improved technology and construction, global nature of business today, professional standards, legal and accounting issues and environmental matters.

Throughout this change in the property industry, there has also been significant change in the structure and content of tertiary property courses in Australia.

Over the past thirteen years each first year cohort commencing study in the property program at the University of Western Sydney have been surveyed in relation to their background, reasons for course selection and job expectations.

This paper will review this annual survey and the profile of all first year students who commenced their studies in the Bachelor of Business (Property) degree [formerly Bachelor of Commerce (Property Economics) and Bachelor of Commerce (Land Economy)] for years commencing 1994 to 2006.

The paper will also provide a detailed analysis of the type of student entering the property industry and their exposure to the valuation and property sectors prior to commencing their studies.

Key words: Property, property courses, property economics, property industry, university, student demographics.

SIZE EFFECT ON THE PERFORMANCE OF LISTED REAL ESTATE COMPANIES

Hishamuddin Mohd Ali, Ph.D

Department of Property Management
Faculty of Geoinformation Science and Engineering
Universiti Teknologi Malaysia
81310 UTM Skudai
hisham@fkg.utm.my

Abstract

The paper presents the examination of company size effect to the risk and return. Many previous studies explore the effects of size to the securitised real estate such as real estate share and real estate trust from the perspective of returns, risk and asset allocation. The study aims to explore the effects of size to the performance of listed real estate share by looking on the implications of real estate company size to the mixed assets portfolio and identifying the relationship between firm size and unsystematic risk of real estate share. The total of 30 real estate shares were randomly selected from Bursa Malaysia and divided into three groups based on size viz: big, medium, small capitalisation group. The result shows that big capitalisation real estate shares have better performance than other real estate share with higher return and lower risk in the allocation with mixed assets. The study also found there is a negative relationship between size and unsystematic risk in which the larger the firm size, the unsystematic risk is lower.

Keywords: Market Capitalisation, Firm Size, Risk, Return, Performance.

**THE QUESTION OF PROFESSIONALISM IN THE MANAGEMENT OF HIGH-RISE
RESIDENTIAL BUILDINGS**

Dr. Nor Malina Malek

School of Social Sciences
Universiti Sains Malaysia
11800 Pulau Pinang
(malina@usm.my)

Assoc. Prof. Dr. Tiun Ling Ta

School of Social Sciences
Universiti Sains Malaysia
11800 Pulau Pinang
(lttiun@usm.my)

Abstract

This paper focuses on the issue of professionalism in the management of high-rise residential buildings with respect to the medium- and low-cost projects. Based on surveys, interviews and observations, various problems continue to arise in the management and maintenance of high-rise residential buildings in Malaysia. Many of these problems emerged due to the lack of professionalism in our property management system. Ensuring professionalism in the high-rise residential property management leads to a more conducive high-rise living and can better protect the value of the property. From our research, it is evident that there is a need for a more effective and efficient property management system consisting of a more effectual regulating mechanism, a set of practical guidelines, effective laws and regulations, and strict enforcement in order to improve the quality of property management in this country.

Keywords: Property management, professionalism, high-rise building management

MEASUREMENT OF INDOOR AIR QUALITY IN MALAYSIAN BUILDINGS

Dr. Nor Mariah Adam
Associate Professor,
Department of mechanical and Manufacturing Engineering,
Faculty of Engineering,
Universiti Putra Malaysia,
43400 UPM Serdang, Malaysia
Tel: 03 8946 6345
email:Mariah@eng.upm.edu.my

Increased concern on sick building syndrome has prompted work on measurement of indoor air quality (IAQ) in Malaysian buildings (office, hotels, and shopping complex) in the Klang Valley and Kuching. Parameters measured were carbon dioxide and carbon dioxide levels; air temperature and relative humidity; dust level, lighting level and sound pressure levels. Lighting and sound levels are stressors and not part of the indoor air quality parameters but it affects emotion and anxiety of building occupants.

The tracer-gas decay method has been developed using carbon dioxide for measurement on air-exchange rates for some of the buildings. The methodology involved injecting an amount of tracer, mix with the room air and then monitoring of the tracer decay. The slope of log concentration versus time graph gives the air exchange rate value in unit per hour.

A total of 55 readings were obtained for various conditions in twelve high rise buildings in Kuching. External temperature was 30 °C for all situations, internal temperature ranged between 24-27 °C. In a few buildings, the air exchange rate was 6 h⁻¹ when the fan was switched on in the staircase, and two buildings achieved the required 12 h⁻¹ when the fan was switched as per UBBL requirement. The indoor air quality of two office buildings in the Klang Valley complied with the American Society of heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) recommendations for temperature (about 25 °C), relative humidity (40-45%), carbon dioxide (about 1000 ppm) and carbon monoxide (0-1 ppm) levels. Formaldehyde and volatile organic compounds were not measured as the offices were not new. Dust levels were about 300% of recommended levels during the haze of August 2005.

Further work should include measurements in a newly furnished office building to evaluate potential volatile organic compounds and formaldehyde content.

Key words: indoor air quality, Malaysian office, tracer-gas

**CORPORATE REAL ESTATE INTENSITIES OF LISTED COMPANIES:
EVIDENCE FROM BURSA MALAYSIA**

Ting Kien Hwa

Department of Estate Management
Faculty of Architecture, Planning & Surveying,
University of Technology MARA,
40450 Shah Alam, Selangor
Malaysia
E-mail : tkhlsk@tm.net.my

Abstract

This study examines the extent of corporate real estate holdings by corporate non-property companies listed on Bursa Malaysia for the 1995 to 2001 period. Several asset and capital structure ratios are used to determine the extent of real estate ownership.

The results of this study provided strong evidence that corporate real estate is a significant asset in the balance sheets of Malaysian listed companies. On average real estate comprises 36% of net tangible assets, 34% of shareholders' equity, 35% of market capitalization, 27% of total capital employed and 19% of total tangible assets of listed companies for the 1995-2001 period.

The level of property ownership of a non-property company is affected by its industry sector. Property holdings as a percentage of total tangible asset vary from 7% for the Mining Sector to 50% in the Hotel Sector. The Plantation and Hotel Sectors are the sectors having a high level of property holdings.

The one way ANOVA shows that the real estate asset intensities are significantly different from one sector to another. The Scheffe tests confirms that the Plantation and Hotel Sectors are significantly different other sectors.

Keywords : corporate real estate, real estate holdings, ANOVA, Scheffe test

ISSUES ON GATED COMMUNITY DEVELOPMENT

Ting Kien Hwa

Department of Estate Management
Faculty of Architecture, Planning & Surveying
University of Technology MARA
40450 Shah Alam, Selangor
Malaysia

Tan Yen Keng

DTZ Tie Leung PLC
Hong Kong
E-mail: tingkienhwa@yahoo.com

Abstract

With the first gated community introduced in 1980s, gated community has become a property development trend in Malaysia with more developers launching similar projects particularly in the Klang Valley. With increasing affluence, gated communities have emerged to meet the perceived need for security and privacy for the high income group.

This paper examines the definition, features and benefits of gated community schemes. It also discuss the social issues arising from gated community development, issues on the lack of legislations that support ownership of common areas, the provision of services, restrictions to public access, service charge and property management and finally the directions on further research on gated community are also suggested.

Keywords: gated communities, issues

PROPERTY MANAGEMENT IN MEDIUM COST HIGH-RISE RESIDENTIAL BUILDING: IS THERE ROOM FOR IMPROVEMENT?

Y.M. Lim¹(ymlim@usm.my) and L.T. Tiun² (Assoc. Prof., Ph.D.) (littiun@usm.my)

¹School of Housing, Building and Planning, Universiti Sains Malaysia

²School of Social Sciences, Universiti Sains Malaysia

Abstract

Living in high-rise residential building is not a new phenomenon in this country. Three decades have passed since the first high-rise residential building emerged. However, only until recently, authorities, residents and property managers have discussed, argued, debated and deliberated issues pertaining to property managers with much urgency to find solutions to problems that cannot be swept under the carpet anymore.

After two years of research on the management of high-rise residential building, findings showed that problems faced by all parties are due to various factors. Factors causing the current problems range from the application of strata titles to management style to the attitude of residents. All parties involved, from the authorities to property managers/developers and residents wanted immediate solution to the problems faced. However, our research found that the problems are all tied together in a messy knot.

Having said that, this paper attempts to provide some suggestions to unravel the problematic knot of property management in medium cost high-rise residential building. The suggestions given are wide ranging, from application of strata titles to handing over procedures to voting in an AGM.

Keywords: property management, strata titles, management corporation

CUSTOMER SATISFACTION IN THE MANAGEMENT OF PUBLIC OFFICE BUILDINGS: EVIDENCE FROM MALAYSIA

Dr. Zailan Binti Mohd Isa

Valuation and Property Services Department
Level 3, Southern Block
Ministry of Finance Complex
62592 Putrajaya
Malaysia
E-mail: zailan@jp-ph.gov.my

Prof. Dr. Maziah Ismail

Department of Construction and Property Management
Faculty of Technology Management
Kolej Universiti Teknikal Tun Hussein Onn (KUiTTHO)
86400 Parit Raja, Batu Pahat
Johore
Malaysia
E-mail: maziah@kuittho.edu.my

Abstracts

This paper presents findings on critical success factors (CSFs) and key performance indicators (KPIs) from the customer perspective in the management of public office buildings. The study applies the five dimensions under the Service Quality (SERVQUAL) model as the CSFs in achieving the property management strategy and property objectives of public organisations. The dimensions of tangibility, reliability, responsiveness, assurance, and empathy form the basis for the identification of KPIs.

The study focuses on in-house property management teams that managed their public office buildings as operational properties in the study area of Kuala Lumpur. The research employs multi cases study approach and applies personally administrated questionnaire surveys as data collection instrument. Descriptive statistics are employed to retrieve the inclination of the respondents to the subjected answers in the survey questionnaires and factor analysis technique is used to investigate the cluster of multivariate relationships that existed between KPIs in property management. The findings show that the staffs of the selected office buildings consider seven CSFs and 23 KPIs.

Key words: *Property Management, Office Buildings, Performance Measurement, Service Quality (SERVQUAL) model, Critical Success Factors (CSFs), Key Performance Indicators (KPIs), Customer satisfaction.*

**HEDONIC MODELLING OF HOUSING MARKETS
USING GEOGRAPHICAL INFORMATION SYSTEM
(GIS) AND SPATIAL STATISTICS: GLASGOW, SCOTLAND**

SURIATINI ISMAIL

Fakulti Kejuruteraan & Sains Geoinformasi, Universiti Teknologi Malaysia,
81310 Skudai, Johor Bahru, Johor, Malaysia.

E-mail: suriatini@fkg.utm.my

and

BRYAN D. MACGREGOR

Vice Principal and Head of College, College of Arts and Social Sciences,
University of Aberdeen, Powis Gate,

College Bounds, King's College, Aberdeen AB24 3UG, Scotland.

Ee-mail: b.d.macgregor@abdn.ac.uk

Abstract

This paper presents the results of a simultaneous consideration of detailed accessibility measures and spatial autocorrelation in house price hedonic modelling. It illustrates the application of GIS and spatial statistics in the estimation of hedonic models for the entire housing market in Glasgow, Scotland, using 2,715 house prices for 2002 and 61 independent variables. GIS is used in this study to construct spatial variables including detailed accessibility measures, to help detect spatial autocorrelation, and for map visualisation. Spatial statistics are used to test formally and model explicitly the spatial autocorrelation. The results suggest that an individual accessibility measure is more influential than a zonal accessibility measure because the former is able to capture the micro effect of location on house price. Furthermore, the application of spatial statistics can produce more accurate and reliable estimates of implicit prices.

Keywords: Hedonic modelling, house prices, accessibility, spatial autocorrelation, GIS, spatial statistics

MALAYSIAN HOUSING DEVELOPERS' INTENT TO DIVERSIFY INTERNATIONALLY MALAYSIAN HOUSING

Ho Shiew Yi
MSc. Candidate
School of Housing, Building and Planning
11800 Minden
Universiti Sains Malaysia
Penang.

Abdul Rashid Abdul Aziz
Associate Professor
School of Housing, Building and Planning
11800 Minden
Universiti Sains Malaysia
Penang.

ABSTRACT

A nation-wide survey conducted in 2004 on Malaysian housing developers without international experience captured several interesting observations. Less than one percent of the survey population planned to expand their operations abroad. No apparent firm-characteristic patterns could be linked to this intent (i.e. in terms of year of establishment, legal status, housing segment involved, domestic geographical spread, etc). Their proposed initial ventures were also diverse in terms of targeted overseas market and type of project. If there is one commonality between all of them, it is that virtually all would like to venture abroad in consortia, which is ironic given that Malaysian housing developers do not have a tradition of working with one another. The study highlights the intent to venture overseas among Malaysian housing developers is greatly influenced by top management decision on whether to take the internationalisation risk, when to venture and where to invest.

KEYWORDS

Consortia, internationalisation, Malaysian housing developers, top management decision

**ENVIRONMENT MANAGEMENT STRATEGY TO REACH OF
PROPERTY SUSTAINABLE**

Hermawan¹, Djoko Suwarno²

¹Researcher at Construction Management and Infrastructure Laboratory

²Chairman of Environment, Human and Building Institute

^{1,2}Lecturer at Civil Engineering Department

Soegijapranata Catholic University

Jl. Pawiyatan Luhur IV/1

Telp. (024) 8441 555, ext. 217, 235, 236, Fax (024) 8416 052 (Direct)

Semarang – 50234, Indonesian

Email: hermawan@unika.ac.id, hmcm9429@yahoo.com

Abstract

Affect from globalization have resulted city expand widely, either through physical and also non physical. City development quickly tend to followed by height of intensity of land use in city centre result to go up of land price, whereas amount of population non-stoped to increase and need a resident. Culminate from this effect is height mount urbanization and environmental degradation, such as infrastructure procurement which improper in housing of such as place of garbage dismissal or even not yet been thought up for procurement of garbage processing. So that very needed a system of clean water management, solid waste in housing area well-balancedly and the wisdom. Demand of teamwork care and the decision making affirm that concept proactive non simply an approach think or an analyzer, but have to be grown as ethics for society and decision taker to the continuity of life of future and and to going of property sustainable.

Keywords: *globalization, environment management, sustainable*

IS URBAN CONSERVATION A VIABLE REAL ESTATE DEVELOPMENT STRATEGY FOR GEORGETOWN PENANG:
SOME PRELIMINARY FINDINGS

Lim Yoke Mui², Lee Lik Meng³, Nor'aini Yusof⁴, Chang Shu Fun⁵,
Tan Sook Fern⁶ & Mohd Wira Mohd Shafiei⁷

School of Housing, Building and Planning,
Universiti Sains Malaysia

Abstract

Penang is well known for the heritage character of its capital city Georgetown with over 200 years of history.

In the effort to conserve the heritage character of Georgetown, the State and Local Government has implemented a conservation policy and identified a heritage zone in the inner city of Georgetown. From literature reviews, it is gathered that the impact of conservation policy is wide-ranging, i.e. ripple effect on economic development, urban gentrification, cultural pride and preservation, increase tax revenue and also value detracting due to restriction and the need for special maintenance. Literature reviews also indicated that in many places in the world, designation as heritage property has a positive effect on property values.

However, is this phenomenon equally true for heritage property in Georgetown? Thus far there is no research to verify that conservation policies are a boon or disadvantageous to heritage property in Georgetown.

As such, a research is undertaken to study the viability of urban conservation as real estate strategy. In an attempt to find a model that is all encompassing in determining the effects of variables on the values of heritage properties, a probing study into the variables that affect property trends is first conducted.

To achieve that, data on property transactions will be collected and analysed to obtain property trends in Georgetown for the last 30 years. In addition, variables such as public policies and intervention strategies, social-economic, political and cultural changes for the same time frame will be analysed. Further analysis will then be conducted to establish the co-relation between both sets of data with the hope of identifying the variables that has an effect on property trends in this island city.

Keywords: property trends, heritage property, Penang

² ymlim@usm.my

³ likmeng@gmail.com

⁴ norainy@gmail.com

⁵ nic_csf@gmail.com

⁶ tsfern@yahoo.com

⁷ wira@usm.my

DEVELOPING A CONTRACTUAL FRAMEWORK FOR OUTSOURCING OF FACILITIES MANAGEMENT

Maizan Bin Baba (PhD Student)

&

Assoc. Prof. Dr. Abdul Hakim Bin Mohammed

Department of Property Management,
Faculty of Geoinformation Science and Engineering,
Universiti Teknologi Malaysia,
Skudai, Johor, Malaysia.

Email : maizan@fksg.utm.my, hakim@fksg.utm.my

Abstract

This paper aims to describe the imperatives of the operation of facilities management outsourcing contract. The focus will be on the supervision and monitoring mechanisms. The success of outsourcing ventures including the supervision and monitoring is one of the most popular areas researched to date. The success of outsourcing depends on the relationships among the parties involved that include the client, service provider, users and customers. Their relationships are on two natures of platform, the social and contractual relationships. The latter involves determining what the client, users and customers actually require and expect; designing and documenting of the service provider's obligations in respect of service specifications and limits of liability, reporting and inspection procedures, equipment provisions, provisions of changes and compensation to be provided to the service provider, enforcement mechanisms and protections for the client, including performance control and indemnification; provision for amending the contract; specific context, depending on the service involved and the desires of the client. The paper proposes a theoretical framework to depict the contractual relationship between the client and service provider with the requirements and benefits expected by the users and customers incorporated.

MANAGING SPECIFIC RISK IN PROPERTY PORTFOLIOS

Andrew Baum, PhD
University of Reading, UK

&

Peter Struempell
OPC, London, UK

Contact author:

Andrew Baum

Professor of Land Management
Department of Real Estate and Planning
University of Reading Business School
Whiteknights
Reading RG6 6AW
United Kingdom
E-mail: a.e.baum@rdg.ac.uk

Abstract

Specific risk in property, whether measured as standard deviation or as a tracking error against a benchmark, is a key problem for international investors. It arises through large average property capital values (lot sizes), through an uneven distribution of these values and through the inability of investors to match competitors' portfolios, as each property is unique. Property funds offer a way to limit this problem, as all three issues are minimised by investing indirectly by using diversified funds. But this paper shows that specific risk varies significantly between sectors and countries, and unlisted funds may be more useful in some sectors and countries than others. This is not simply a function of lot size but also of 'diversification power' within sectors, defined as the efficiency of specific risk reduction through adding properties. Data from the UK is used to illustrate this issue and to show where the use of funds would be most useful. It also examines whether the funds currently available are large enough to offer the necessary risk reduction.

Keywords: real estate investment; specific risk; unlisted vehicles

MAINTAINING SPORTS FACILITIES IN MALAYSIA THROUGH
STRATEGIC PLANNING SYSTEM

Mohd Zulakhmar bin Zakiyudin
Lecture at Faculty of Architecture and Built Environment
International University College of Technology Twintech
Persiaran Industri, Bandar Sri Damansara
52200 Kuala Lumpur
Email : akhmar@yahoo.com

Abstract

Malaysia's commitment in upgrading its infrastructure has resulted in one of the well-developed infrastructures among the newly industrializing countries of Asia. The Malaysian government has invested heavily in world-class infrastructure. At the same time responsibilities for public property management in Malaysia are distributed among various government departments and often managed in reactive manner, thus little concern given for any long term requirements. This study is aimed at the implementation of the strategic planning in maintaining sports facilities in Malaysia. Data was gathered from the related sources by means of literature as well as case study. The finding revealed that the strategic planning system could easily accept and implement to the maintenance practice in Malaysia. This study concludes with some proposal to improve the current maintenance system. It is also envisioned that by implementing this plan, we could expect that our sports facilities are in positive state of repair, support and reliable in future. There will also a departmental operation that is responsive, efficient and effective in providing quality physical sports facilities to support our nation's mission.

Keywords: Public Property, Sports Facilities, Maintenance System, Strategic Planning and Performance Criteria.

DEVELOPMENT OF KNOWLEDGE MANAGEMENT SYSTEM: A PRELIMINARY STUDY ON FACILITIES
MANAGEMENT IN MALAYSIA

Muhammad Najib Razali, Zaharah Manaf & Burhaida Burhan

Faculty of Technology Management

Kolej Universiti Teknologi Tun Hussein Onn (KUiTTHO)

86400, Parit Raja

Batu Pahat, Johor Darul Takzim

Email : najibr@kuittho.edu.my, zaharah@kuittho.edu.my, burhaida@kuittho.edu.my

Abstract:

This paper describes the nature of facilities management and explores the implementation of knowledge management system in this area. Facilities Management is the practice of coordinating the physical workplace with the people and work of an organization; it integrates the principles of business administration, architecture, behavioural and engineering. Information and Communication Technology (ICT), continues to sit 'out on a limb' and is less well integrated into the facilities management domain compared to others. For instance, IT has been used to support the knowledge creation phase. We defined knowledge management as the deployment of a comprehensive system that enhances the growth of an organization's knowledge. Knowledge management concept has been implemented in many areas.

However, no study has been done in facilities management area. One of the issues to be solved in the implementation of the knowledge management concept is the development of knowledge management system itself. The main objective of this paper is to explore knowledge management systems that will be used as a basis guideline to be implemented in facilities management in Malaysia. This system consists of five key elements; contents, technology, people, process and context that are related to each other and needed for the development of knowledge management systems.

Key words: Knowledge management, facilities management

**DETERMINING THE INFLUENCE OF LOCATION ON SHOP HOUSE'S
RENTAL VALUE USING SPATIAL STATISTICS TECHNIQUES**

Oliver Valentine Eboy
School of Science Social
University Malaysia Sabah
Email: oliver_eboy@yahoo.com

Abstract

Traditional approach such as Multiple Regression Analysis (MRA) has been used to identify the location factor and perform value prediction of the property. This approach, however, is subjective, choosing which measures to include in the model or in defining the measures itself. A possible alternative to this approach is to integrate the MRA with spatial statistics techniques to produce a better result. The spatial heterogeneity of the relationship between the rental value of the shop house and location influence is explored in this paper using geographically weighted regression (GWR) and Trend Surface Analysis (TSA).

TSA is implemented directly in regression models, using a set of combinations of the coordinates of properties in several power degrees. The GWR however, attempts to capture spatial variation by calibrating a multiple regression model fitted at each shop house in localities, weighting all neighbouring factors by a function of distance from the subject shop house. Hence, parameter estimates and model statistics produce from these models can be mapped using visualisation tools, such as Geographic Information system (GIS). Consequently, the influence of site location, bank facilities, shopping complexes and others can be evaluated, tested, modelled, and readily visualised. As a result, it is evident that TSA and GWR model provides useful information on rental value caused by surrounding factors. These models also provide more information on spatial relationships to assist in model development and further our understanding of spatial processes.

Key words: Geographical Weighted Regression (GWR), Trend Surface Analysis (TSA), Multiple Regression Analysis (MRA), Geographic Information System (GIS), location, rental value, shop house, spatial statistics techniques

**PROCUREMENT SYSTEM MOST PREFERRED BY RESIDENTIAL
PROPERTY DEVELOPERS**

Khairuddin Abdul Rashid, PhD
International Islamic University Malaysia
53100 Kuala Lumpur
Email : khairuddin@iiu.edu.my

Abstract

Procuring residential properties, like other activities of the construction industry, is subject to risk and uncertainty. Risk cannot be eliminated but may be allocated among the parties involved with the procurement process: its allocation is a function of the system of procurement. Generally, the design-bid-build is the most dominant system of procurement (for project delivery) in Malaysia. However, recent studies indicate that the use of other systems, notably design-build or turnkey and management contracting, is on the increase. This paper reports a study on major private residential property developers to ascertain key strategies in project delivery, particularly on the systems of procurement used, when they procure residential property portfolios. The methodology adopted for the study combines desk research and interviews. Key outcome of the study suggests that major private residential property developers in Malaysia: (i) prefer to remain status-quo, i.e. the design-bid-build remains the most preferred procurement system; (ii) will consider using other systems of procurement when special circumstances warrant them to do so; and (iii) are dissatisfaction with the outcome of their procurement process; key areas of dissatisfaction are time and cost over-runs contributed by in-competent constructors and consultants, and constraints in resources and functions within the process of procurement. The paper concludes by summarizing the key findings of the study.

Keywords

Design-build, Design-bid-build, Development, Property, Procurement, Residential

Waterfront Regeneration :
Models For Urban Planning Interventions
Prof. Ahmed M.Salah Ouf,
Expert of Urban Design and Planning
Arch. Amany al-Sayed Abdul-Rahman
Ph.D. Candidate Cairo University

Abstract

Higher global standards for communication, transportation, industry and shipping during the last few decades impacted heavily on the existing urban areas in many ways. More important than most, was the substantiation of nine soft locations within existing urban areas that are more susceptible to change than others. Solving the problems of such soft locations, require varied urban regeneration interventions in order to heal the real estate market in and around these locations.

Old waterfronts present special softer nature within their existing urban areas as they were mostly developed to serve industry or harbor docks that were most hit by global impacts. Waterfront regenerations has been gaining momentum as a special form of urban regeneration that many cities around the world needed to bring back to life their abandoned or underutilized inner city harbors.

This research paper presents the case for waterfront regeneration in different parts of the world and discusses Waterfront Repalnning efforts in Sharjah city.

BARRIERS TO PRIVATE SECTOR INVESTMENT INTO REGENERATION

Alastair Adair*, Jim Berry & Stanley McGreal

School of the Built Environment
Centre for Research in Property and Planning
University of Ulster

Norman Hutchison

Business School, Centre for Property Research
University of Aberdeen
Email as.adair@ulster.ac.uk

Abstract

At an international level governments are increasingly seeking to ensure greater involvement of the private sector in the financing and delivery of regeneration in urban areas. To achieve this objective the public sector is being encouraged to take on a more strategic role, which creates confidence for the private sector to invest. However the success of such an approach depends on the removal of the barriers to private sector investment and meaningful engagement between the public sector and financial institutions in particular.

The financial institutions are major players in the UK capital markets, controlling assets in excess of £1,500 billion. Research into the size and the structure of the UK commercial property market has estimated that at the end of 2003 the value of commercial property was of the order of £254 billion (Key, 2005). Just over half of this stock is of investment grade, the majority of which is owned by institutional investors.

The paper addresses the challenges facing regeneration markets in broadening their appeal as an investment opportunity. In particular it examines the barriers to engaging the private sector in the financing regeneration. It draws upon surveys of investors and non-investors in regeneration together with structured discussions with institutional investors in order to identify ways of making regeneration investment opportunities more attractive.

The paper concludes by examining the challenges facing policy makers and practitioners in their attempts to lever in enhanced private sector investment into regeneration areas.

Keywords: regeneration, private sector investment, benchmarking, performance

**THE ROLE OF EMERGING PROPERTY SECTORS
IN PROPERTY PORTFOLIOS**

Graeme Newell And Hsu Wen Peng

School of Economics and Finance

University of Western Sydney

[**\(g.newell@uws.edu.au\)**](mailto:g.newell@uws.edu.au)

Abstract

Office, retail and industrial property are the major property sectors typically contributing to property portfolios. However, recent years have seen increased attention given to the property investment opportunities available from the emerging property sectors such as self-storage, healthcare, retirement facilities, leisure and entertainment. This paper will assess the significance of these emerging property sectors in property portfolios; particularly highlighting issues such as current portfolio levels, leading property funds in emerging property sectors and the risk management strategies adopted for the effective integration of these emerging property sectors into property portfolios. Performance analysis for the emerging property sectors in Australia and the US will highlight the contribution of these emerging property sectors in property portfolios.

Keywords: Emerging property sectors, property portfolios, property vehicles, self-storage, healthcare, retirement facilities, leisure, performance analysis.

DEVELOPMENT OF REAL ESTATE EDUCATION AT THE UNIVERSITY OF JOHANNESBURG

Prof Nj Smith

And

Mr S H P Chikafalimani

Department Of Real Estate, University Of Johannesburg,
Republic Of South Africa
Email : nicosmit@twr.ac.za

Abstract

This paper reports the development of real estate education at the University of Johannesburg. It emphasises on the development process of real estate programme currently being offered. Courses proposed to be offered in the near future are also highlighted. Plans for research, consultancy and community work to be undertaken are given. The paper indicates the contribution of the University of Johannesburg in the area of training competent real estate professionals for the property industry in South Africa and internationally.

Keywords: Property ownership in South-Africa; co-operative education; experiential learning; real estate education; undergraduate; graduate and postgraduate courses; research; consultancy and community work; National Diploma Real Estate (NDRE); University of Johannesburg (UJ); National Property Education Committee (NPEC).

**SECURITY OF TENURE UNDER THE MALAYSIAN TORRENS SYSTEM:
WHAT NEXT AFTER *BOONSOM BOONYANIT*?**

Prof. Salleh Buang

Email : sallehbuang@hotmail.com.

Abstract

The Federal Court decision in *Adorna Properties Sdn Bhd v Boonsom Boonyanit* had resulted in an ongoing debate (both within and beyond the legal fraternity) on the issue of security of tenure, specifically with regard to the indefeasibility of title of registered proprietors of land in Peninsular Malaysia. As a result of that controversial decision, a registered land owner in Peninsular Malaysia can in future lose his property to a bona fide purchaser for value who had purchased the property, not from the owner, but from an impostor who had successfully deceived the purchaser and forged the owner's signature on the instrument of transfer.

Whilst the debate has become more subdued as the years passed by, it has not diminished the anxiety of the general public, nor has it defused the call for a review of the law. Of late, some quarters have urged the authorities to study the applicable law and practice in other jurisdictions (where the Torrens system is also in place), so that a mechanism can be devised in this country, providing remedies to landowners who (like *Boonsom*) might one day lose their titles to con-artists.

Key words – security of tenure, indefeasibility of title, bona fide purchaser, Torrens system

Postgraduate Real Estate Education in Africa

S.H.P. Chikafalimani

and

C.E. Cloete

Department of Construction Economics,
University of Pretoria, Republic of South Africa

Abstract

The history and development of postgraduate real estate education programmes are briefly described in the countries in Africa where such courses are offered, viz. South Africa, Tanzania, Kenya, Ghana and Nigeria. The structure and contents of these programmes are compared and assessed relative to similar programmes elsewhere in the world, with special emphasis on the relative weight given to real estate valuation, finance, investment, property development and property management (including facilities management). Conclusions are drawn as to the appropriateness of the various programmes to the needs of the relevant countries.

Keywords : Real estate, postgraduate, education, Africa

INTEGRATING THREE DIMENSIONAL GIS AND VIRTUAL REALITY IN THE DESIGN AND DEVELOPMENT OF WEB-BASED GIS PROPERTY MARKETING INFORMATION SYSTEM

Siti Aekbal Salleh¹

Wan Mohd Naim Wan Mohd

Abdul Hadi Hj Nawawi, Eran Sadek Said Md. Sadek

Department of Surveying Science and Geomatics

Faculty of Architecture, Planning and Surveying

Universiti Teknologi MARA, Malaysia.

Email : 1sitiaekbal@yahoo.co.uk

Abstract

Decades ago, the property information such as ownership, taxes, tenants, maintenance, address, facilities or any location-based data predominant in multi-disciplines were recorded and displayed on thousands of maps. There are neither views of the image property nor the physical representation of the property. Geographical Information System (GIS) has transpired to cater the growing need of spatial data handling and analysis across various government, semi-government and private agencies. GIS technologies have been used in the practices of land and property management and it has improved significantly over the years. Traditionally, GIS was only used to visualize 2D property and most of the current property management systems have certain limitations such as it does not allow 3D physical representation and virtual environment of the property and its neighbourhood. Conventional database management system can only display the tabulated data of the property. GIS technology not only relates spatial and attributes data but also allow user to spatially visualize data, reveals the hidden relationships, patterns and trends. This paper aims to describe the on-going project related to the integration of 3-dimensional and virtual environments to the design and development of Web-based GIS Property Marketing Information System (WGPMIS). The system is based on ArcGIS (including 3D analyst extension, ArcObjects and Arc Internet Map Server (ArcIMS) modules), Sketchup 5.0 and its GIS plug-in.

Keywords: GIS, Virtual GIS, 3 Dimensional, Property marketing, Web-based, Marketing system

PROFITABILITY AND CAPITAL STRUCTURE OF THE PROPERTY AND CONSTRUCTION SECTORS IN MALAYSIA

Wan Mansor Wan Mahmood and Rozimah Zakaria
Universiti Teknologi MARA Terengganu,
23000 Dungun, Terengganu
Tel: 09 8400774. Fax: 09 8400234
Email: dwanmans@tganu.uitm.edu.my

Abstract

This study examines the profitability and capital structure among property developers and constructors in Malaysia. The findings are compared and contrasted. In many literatures, the finding that developers are larger and more profitable compared to contractors' counterparts is well documented. Using the sample of 25 property companies and 20 construction companies for a period of eight years, the present study suggests that developers are more profitable than contractors. However, their capital gearing and debt equity ratio are less than those of contractors. These findings are consistent with that of Chiang, Albert and Eddie (2002). The results from the regression analysis indicate that capital gearing is negatively related with net profit margins and price earning ratio for both property and construction sectors. The findings of the present study show unequal business relationship with regards to debt and profit even though their business is very interrelated. The findings of this paper will help financial institutions and markets to better facilitate property and construction financing in the context of Malaysia property and construction market in the future.

Keywords: Profitability, Capital Structure, Property Developer, Contractor

JEL classification: L85

MEASURING TENANTS' SATISFACTION OF PURPOSE BUILT OFFICE BUILDINGS

Zarita binti Ahmad Baharum,
Prof Madya Dr Hj Abdul Hadi Nawawi and
Prof Dr Hj Zainal Mat Saat
Department of Estate Management,
Faculty of Architecture Planning & Surveying,
University Technology MARA,
Shah Alam, Selangor.

Email : zarit928@salam.uitm.edu.my

Abstract

The issue of tenants' satisfaction, combined with product and service quality, has been one of the most powerful marketing tools. Property management companies are striving to deliver to their tenants not only their products and services, but also 'quality' and 'satisfaction' that may lead to increase economic returns on investment. This industry wide effort to deliver exceptional product/service quality and total tenant satisfaction continues to intensify in the marketplace as it is directly connected to the survival of the company.

This paper is aim at highlighting the advantage of measuring tenants' satisfaction and the significance of this research to the property management profession.

Key words: Tenants' satisfaction, property management, purpose built office buildings