

FINANCIAL COSTS OF SPRAWL IN MALAYSIA: CONCEPTUAL FRAMEWORK

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ABSTRACT

This is a conceptual paper on the financial costs of sprawl. There are varying opinions about the qualitative costs and benefits of sprawl, but the quantitative studies suggest that sprawl is more costly, both monetized and non-monetized terms. Sprawling development results in higher government costs. The primary concern about sprawl development in its outcome, that is cost. It has been a problematic aspect of metropolitan growth and development all around the world. Much has been studied on the social, economic and environment cost but financial cost received limited scholarly attention. Thus, financial cost will include infrastructure, transportation, capital, operating and also resource depletion cost. Analysis on cost of sprawl (Burchell 1998) found that savings of \$420 billion in real estate development costs can be achieve through more compact development. Savings are a by product of more compact development cities can save developer time and money through policies that encourage compact, mixed-use growth.

The financial cost need to be measured in terms of efficiency in operating, financing and investment decisions in the urban services provided. These costs need to be reconciled to local government and private spending and expenditures based on landuse patterns of a region. The implications include both positive and negative, and much effort need to be intensified by all players in the urban development. The ability to access, measure and monitor sprawl depend on the availability of relevant, accurate reliable data. This paper will focus on the financial cost of sprawl, which has limited scholarly attention in Malaysia.

Keywords: *Financial Cost, Sprawl Developments And Savings.*

IMPACT OF SINGLE-TIER DIVIDEND SYSTEM ON DIVIDEND RETURNS OF INDIRECT PROPERTY INVESTMENTS IN MALAYSIA

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ABSTRACT

The Budget 2008 has proposed to replace the existing dividend imputation system with a single-tier dividend tax system as part of the tax reform process to achieve efficiency and simplicity.

The new single-tier dividend system is compared with the former two-tier imputation system to examine the tax effects on dividends declared by listed companies of the property, hotel and plantation sectors of Bursa Malaysia.

The after-tax dividend income under the single-tier system is compared with the holding tax imposed on REITs to examine the relative attractiveness of different indirect property investment options i.e. shares in the property, hotel and plantation sectors versus REITs.

Keywords: *single-tier dividend system, indirect property investment, REITs*

THE FINANCIAL GAINS FROM ADDING FARMLAND TO AN INTERNATIONAL INVESTMENT PORTFOLIO

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ABSTRACT

In the past 20 years there has been a significant shift in personal investment as baby boomers around the world start preparing for retirement. Mutual funds have become the choice investment vehicles because they are very easy for individuals to manage. Diversification has become a key word for investors and it has become much easier to achieve international diversification through various types of mutual funds. The financial industry can provide not only geographic diversification but also diversification across asset types (treasury bills, bonds, stocks, options, futures, currencies, etc.) and industries or sectors. Asset allocation has become very important as a means of achieving good financial performance in an investment portfolio. Choosing the right mix of geographic, industry and sector, and asset types is of key importance in achieving the targeted financial performance over an investment horizon. Real estate represents a significant percentage of world asset value and has been an important component of investment portfolios.

THE IMPACT OF MALAYSIAN REAL ESTATE INVESTMENT TRUST IN PORTFOLIO DIVERSIFICATION

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ABSTRACT

The study investigates the influence of Real Estate Investment Trusts (REIT) on portfolio diversification in Malaysia. It is known that REIT by its fundamental is appropriate to produce a stable optimal return. However there is less evidence on its contribution of REITs allocation on maximizing investor's benefit. Studies on the US REITs found that there are strong influences of return maximization of a portfolio with the inclusion of REIT companies. However, based on the trend analysis of price changes of REIT prices quotes daily in Bursa Malaysia, there is evidence that Malaysian REITs do not perform well. The differences on investors' buying pattern and perception are influenced by the participation of major institutional investor, capital structure or dividend policy. The objective of this study is to examine the implication of allocating REITs in the multi asset portfolio diversification through the establishment of efficient frontier. The data are collected based on REITs traded in Bursa Malaysia which been segmented into three different periods of evaluation through the establishment of efficient frontier. This study found that Malaysian REITs are able to contribute higher possible return in portfolio diversification as compared to those asset portfolios without REITs allocation. Therefore few measures are highlighted for the benefit of Malaysian REITs industry and are believed to be useful for the investors to make their judgment of adding REITs in their portfolio.

Keywords: *Malaysian REITs, Asset Allocation, REITs Performance*



ISLAMIC FINANCE AS A STRATEGIC FINANCING ALTERNATIVE FOR KLCC CONDOMINIUM FINANCING: A CASE STUDY OF MALAYSIAN ISLAMIC FINANCE AS A CATALYST FOR GROWTH

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ABSTRACT

This paper undertakes an analysis of the institutional financing environment pertaining to Islamic financing for the residential real estate market in Malaysia. The primary aim is to discuss the peculiar and specific parts of this institutional environment that can impact the sustained and viable performance of residential development, specifically the luxury apartment market. The practical relevance of Islamic financing to corporate borrowers specifically from a cash flow funding basis is examined as corporate borrowers attempt to match short term cash constraints with the zero or low coupon payments prior to large balloon payments.

A case-study approach is adopted to gauge the sustained viability of a medium sized Malaysian public listed Apartment developer in Kuala Lumpur, Malaysia under the favourable impact of the institutional legal environment analysis of Islamic financing (ILEIF) especially post the 1997 Asian Financial Crisis (AFC). A review of the Islamic financing strategy undertaken by the said real estate developer illustrates how Islamic financing provides a viable alternative to hedge against rising interest rates and also provides optimum cash flow management.

This paper highlights the connectivity between the real estate market analysis (REMA) and the institutional legal environment analysis of Islamic financing (ILEIF). Discussions with market practitioners should determine the optimum balance sheet financing (proportion) structure for developers with respect to convention financing (interest bearing but low margin spread - 50 bp over BLR) versus Islamic financing (zero coupon but higher margin spreads – 100 to 150 bp over BLR). Commonly asked questions include; What is the security criterion for Islamic lenders? In the event of default, how Islamic institutions attempt to recover holding costs and opportunity costs since the option of higher penalty interest rates is not “halal/kosher”. Is the legal environment conducive for lenders and borrowers to seek legal remedies?

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SPATIAL AUTOCORRELATION IN HEDONIC MODEL: EMPIRICAL EVIDENCE FROM MALAYSIA¹

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ABSTRACT

The need to consider spatial autocorrelation in hedonic price modelling is paramount since reliability and accuracy are important in any housing market analysis. Although hedonic modelling is widely accepted, the issue of spatial autocorrelation has received little attention in house price studies in Malaysia. This paper examines the presence of spatial autocorrelation in the hedonic price model using data from Malaysia. As many as 80 3-year sale observations (2001-2003) and eight property attributes are used to construct Ordinary Least Square (OLS) model and General Spatial Model (GSM) employing a double log functional form. The results indicate the presence of spatial lag and spatial error types of autocorrelation. The GSM model is found to be better in terms of efficiency, unbiasedness and explanatory power than the OLS. This suggests that a hedonic model that addresses the issue of spatial autocorrelation should be emphasised in real estate price modelling.

Keywords: *hedonic model, house price, spatial autocorrelation*

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HOUSING AFFORDABILITY AND AVAILABILITY THE MALAYSIAN CASE

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ABSTRACT

Residential property market in Malaysia has experienced significant price expansion over the past fifteen years with prices, at several states, expanded at higher rates. As economic theory explained, house price movements is inherent with the regional economics and regional demographics such as income, cost of capital, stock prices and population change. However, sudden price change, to increase or to decline, could affect home ownership to some extent. Under any circumstances, the need for housing as a basic necessity persist. This paper intend to analyse house price movements as to affordability and availability and to some extent the possibility of wealth creation of house ownership and its influence on consumption. Discussion will also on effect of the recent Budget 2008 on home ownerships. The outcome of the paper should address issues pertaining to affordability level among the sampled states, availability of housing for the lower income earners and wealth created through home ownership. Since the housing industry is an important sector to the Malaysian economy, the health of the housing market is of paramount important and directly correlated to ability to own and thus the purchasing power of the public. Pronounced price fluctuation affect ownership thus affordability and availability are much reduced. Sustained price movement can ensure sustainable house ownerships and support the housing market thus affordability level are favourable.

Keywords : *Affordability, availability, sustainability, wealth*

ASSESSING PROPERTY DEVELOPERS' READINESS IN THE IMPLEMENTATION OF BUILD THEN SELL SYSTEM

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ABSTRACT

Since the nation's independence, the housing needs of the populace was satisfied by the Sell Then Build (STB) housing delivery system. This housing delivery method was extensively used and mutually accepted by both property developers and house buyers. Some previous commentaries on the property development industry had even attributed Sell Then Build system as the main driver of the nation's admirable housing stock that had been achieved in a relatively short time after independence. However, all was not well in the late 1980s. The economic recession, coupled by the bad practices that had crept into the industry had laid bare all the deficiencies of the industry. Problems such as abandoned projects, property overhang, late delivery and shoddy workmanship had almost been accepted as a norm in the Malaysian property development industry. Moved by the multitude of problems that had surfaced in the industry, consumer associations started to lobby the government for the implementation of Build Then Sell (BTS) housing delivery. Their calls did not go unnoticed. After decades of endless debates and discussions, last year the government had announced the implementation of BTS. The BTS system was expected to co-exist with the STB system for a period of two years. Then, the effectiveness of the new practice will be evaluated. This paper focuses on the readiness of private housing developers in implementing BTS system. By analysing organisational variables of a developer, this paper proposes a research framework capable to assess the developers' readiness in using the new system.

Keywords: *Housing delivery system, build then sell, sell then build*

**INVESTIGATING THE CHARACTERISTICS OF UNSOLD
RESIDENTIAL PROPERTIES AT PUBLIC AUCTION SALES
USING MULTIPLE REGRESSION ANALYSIS (MRA)**

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ABSTRACT

The Malaysian property market recovered from the slump in 1998 as a result of the expansionary fiscal policies adopted by the government. The notable ones include lowering the interest rate, e.g. Base Lending Rate (BLR). In line with the government's policy, most financial institutions concentrated on expanding the financing for properties as opposed to large-scaled corporate loans. Accordingly, mortgage loans recorded significant increase since 1999. As a result of the expansionary policy adopted by the financial institutions, financing for the purchase of properties increased significantly, irregardless of the viability of the project or property. A large proportion of the properties financed by the financial institutions is infeasible and lack of demand. This has resulted increasing number of unsold properties, particularly the residential properties during auction sales. Many properties remained unsold despite being auctioned at substantial discounts from their Market Value. This paper analyses the key factors that have contributed to this phenomenon and highlight the projects that have recorded high number of unsold properties in the auction market. This paper will also cover brief introduction about research project to address this issue, which is about to start.

Keywords: *unsold residential properties, public auction, MRA*

MALAYSIAN OFFICE PERFORMANCE INDEX

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ABSTRACT

The objective of this paper is to propose a study on the development of office performance index as part of the commercial property price index. In future, this commercial property price index will form the All Property Performance Index for Malaysia. The methodology of this study is based on an extensive use of secondary sources relating to the technical aspects of index construction and a review on the basis employed in the construction of Malaysian House Price Index. This paper discusses development of nine indicators that will form office performance index. The indicators include five supply and demand indicators, two each for price and rental indicators and investment and return indicators. This proposal suggests studying the office property market in the major cities and towns in the states of Kuala Lumpur, Selangor, Pulau Pinang and Johor as a pilot study area.

Keywords: *office performance index, Laspeyres price index, hedonic or quality-adjusted regression price index, office property market, market segmentation*

A STUDY OF THE FACTORS DETERMINING RESIDENTIAL LOCATION DECISIONS OF IIUM EMPLOYEES IN MALAYSIA

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ABSTRACT

Studies on the residential aspects in Malaysia are mostly focussed on land use and housing issues. No systematic study has been done to look at the locational choice aspect of residences or housing of the employees in the country. Therefore, there is a lack of knowledge on this aspect. Studies on residential location choice elsewhere mainly consider two factors - friction or distance from the work place, and rent (Alonso, 1964; Muth, 1969). Others include the variable or factor of size as manifested in the access-space trade-off model. In both cases, however, modern location theories cast the economic behaviour of households in a competitive neo-classical context, with the consumer being viewed as a utility maximizing price taker (Maclennan, 1982). Although there are certain truths about such assumptions, it is clear that there may be other factors influencing residential location decision making. The degree to which residence location is driven by workplace location or the converse may also vary by household relationship, tenure, ethnicity and socioeconomic status (Waddell, 1997). This paper is focussed to identify the array of factors and the extent to which they influence residential location of households. The scope of the paper is narrowed down to employees in the institutional sector. Employees of the International Islamic University Malaysia are the subject-matter of the study which is directed to achieve the following objectives:

- Study the household expenditure pattern of the International Islamic University Malaysia (IIUM) employees, particularly on housing and transport;
- Analyse the demographic attributes and socio-economic conditions of the employees and examine their impacts on residential location decisions; and
- Develop a regression model to explain or predict the relationships between residential location and demographic, and socio-economic variables.

Keywords: Residential Location; Housing; Socio-Economic Variables; Rent; Work Place.



PERFORMANCE OF KUALA LUMPUR OFFICE MARKET AFTER THE 1997 ASIAN FINANCIAL CRISIS

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ABSTRACT

Malaysia's economic regain after the 1997 Asian Financial crisis sustains upward real estate cycle. The country's GDP grew at 5.5% in 2003 with the possibility of reaching 6.0% to 6.5% in 2008. In tandem with the economic growth, services sector expanded at more than 6.4% since 2004 and forecasted to strengthen at 8.6% next year. At the same time, government promotes real estate industry as a sector to boost the country's economy. For example, in Budget 2006 and 2007, the promotion of the REITs and establishment of Pelaburan Hartanah Bumiputera Berhad (PHBB) are anticipated to consolidate the office market. The question is, "how does the office market perform in the past decade?" It is interesting to study whether there is any correlation between the market's indicators and the GDP growth.

This paper explores the performance of Kuala Lumpur office market. The aim is to study the supply, demand and pricing patterns of office space together with GDP growth to determine any correlation between the market's indicators and the GDP growth. The study analyse NAPIC's data i.e. supply of purpose-built office space, occupancy rates and take up space in Kuala Lumpur from 1996 to 2006. Descriptive statistics are employed to study the patterns and trends. The findings show the supply and take up of office space note similar patterns of growing trends prior to the crisis, and peaked in 1998; after which the growths are declining. The supply of office space movement is inconsistent with the GDP growth, while the changes in occupancy rates note otherwise. The study also shows that the concentration of private office buildings shifts from the Central Business District (CBD) to the Suburban areas whilst saturated areas such as the Golden Triangle and Jalan Ampang stagnated since 2003.

Keywords: *Office market, take up space, occupancy rate, supply of office space, market indicators, GDP, Kuala Lumpur*



**URBAN HOUSING OWNERSHIP : FACTORS INFLUENCING THE PROBLEMS
FACED BY THE BUMIPUTERA IN THE DISTRICT OF JOHORE BAHRU,
JOHOR, MALAYSIA**

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ABSTRACT

Bumiputera housing problems and issues in the urban areas begin from the process of urbanization and industrialization, which bring in many immigrants from rural areas. Most of these immigrants are bumiputera come from the lower and medium income groups. They can't afford to pay rental or purchase houses at a higher price. Thus, it created socio-economic problems, especially in the urban areas. To solve these problems, the government intervention can be in form of introducing various housing policies and regulations. One of them is the introduction of Bumiputera Lot Quota Regulation. The aim of this regulation is to balance the distribution of property ownership, especially the residential units among the bumiputera and non bumiputera. Under this regulation, the developers had to allocate at least 30 percent from the total property development for the bumiputera's quota, at discounted rate between 5 to 15 percent of the selling price. The State Authorities have the discretion to fix the discounted rate. Although this regulation was introduced for decades, under the New Economic Policy (NEP), 1971, the selling rate of these houses is still low at an approximately 15 percent from the total allocated. Thus, it shows that property ownership among the bumiputera is still low. In Johor Bahru, the selling rate of these houses is approximately 15 percent of the allocated quota. A case study is carried out to identify the factors that influenced this problems and issues. In this case study, a field survey is carried out. The result from the analysis shows that, the factors which influenced the housing problems and issues among the bumiputera in Johor Bahru are, the offered selling price is high, difficult to secure end financing, difficult to allocate 10 percent deposit, type and accommodation of the house is unfavorable and the location is not strategic. However, the most important findings in this paper are, the regulations failed to achieve its goal and the affordable housing for most bumiputera is below RM150,000.00 per unit.

Keywords : *Housing, housing policy, bumiputera*



BUYER'S CONJOINT PREFERENCE FOR THE ATTRIBUTES OF CONDOMINIUM PROPERTIES

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ABSTRACT

Real estate buyer's purchase decision is influenced by a number of pertinent product attributes whereby they make trade-offs between these attributes before making a final choice. This study examined the requirements of middle-income condominium buyers in Johor Bahru in their purchase decisions of condominium units. Applying the conjoint method, this study analysed buyers' preferences for eighteen condominium attributes which make up a condominium unit. A total of 150 buyers were selected as respondents and they were asked to rank their choices of different combinations of attributes of the condominium units. A regression analysis on the data collected suggested that the main attribute combination of that maximises condominium buyers' utility were selling price, built area or size of property, and location. This study revealed that apart from the common method of understanding buyer's behaviour, the conjoint method is useful in property marketing analysis as it considers the realistic nature of utility of a common buyer in the market.

Keywords: *Conjoint method, preference, utility, attribute, condominium*

GEOGRAPHICALLY WEIGHTED REGRESSION (GWR) TO PREDICT PROPERTY VALUES IN MASS VALUATION FOR RATING PURPOSES

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ABSTRACT

Traditionally, valuation for rating purposes employed single valuation technique to determine the market value of properties. However, single valuation technique is not efficient to be used for rating because of large number of properties to be valued. In 1980's, mass valuation using Multiple Regression Analysis (MRA) method began to be used as the only viable alternative. However, MRA method has not been able to take into account of spatial effects inherent in property data. As a result, the predictive accuracy of the method is not as high. At present, a number of regression methods have been identified that are able to incorporate spatial effects and one of them is called Geographically Weighted Regression (GWR). In this paper, the GWR method will be used in a mass appraisal or property values. GWR is able to capture spatial variation by calibrating a multiple regression model that allows different relationships between variables to exist at different points in space. Data from Majlis Perbandaran Kulai will be used to test the method. Result from the GWR method will be compared with MRA method to assess the performance and predictive ability of the method.

Keywords: *Property Tax, Mass Valuation, Multiple Regression Analysis (MRA)*

EXTERNALITIES, HOUSEHOLD PREFERENCES, AND HOUSE PRICES

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ABSTRACT

Urban planners and city officials are concerned over potential effects of negative externalities such as traffic congestion, noise, lighting, and high pollution generated by non-residential land uses on the values of surrounding residential properties. This study provides a statistical evidence of the effect of non-residential land use such as a shopping center complex on the values of surrounding residential properties. Using hedonic modeling technique, a model is formulated that best explains this phenomenon, and identifies the variables that significantly affect the values of properties.

In this paper, the price-rise per foot at various distances from the complex are found to decrease monotonically as the distance from the complex increases. The price-rise per foot does not follow a pattern such as first positively increasing, then a positively decreasing up to a certain distance, and afterwards a negatively increasing as the distance from the center further increases. The effects of quadratic terms of various structural, financing, and locational variables are also analyzed. The third-order terms of these variables are also analyzed, and have been found not to affect the values of the surrounding residential properties.

Households are found to prefer not to live close to either a nearby shopping center complex, or a nearby central places of employment such as central business district and university. However, they are found to prefer to live nearby an elementary school to some extent. Furthermore, no conclusive evidence is found for their preference to live close to a nearby park.

Keywords: *Shopping center Complex, Price gradients, Hedonic modelling. Residential properties*

SPATIAL HEDONIC MODELLING (SHM) FOR MASS VALUATION

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ABSTRACT

Literature has criticized that conventional hedonic model is not capable of taking into account of spatial effects on house prices, spatial dependence in particular. In response to this, several advances of multiple regression methods that incorporate spatial dependence have recently emerged. One of the methods is known as spatial hedonic modelling (SHM). There are two common spatial hedonic models namely Spatial Lag Model and Spatial Error Model and both models have been empirically tested to be superior to the conventional model. This paper will focus on the performance of the conventional model and spatial hedonic model in the prediction of residential property values in Malaysia. The sample comprises residential properties located within the jurisdiction of Majlis Perbandaran Kulai. The housing characteristics of structural, accessibility, neighbourhood are used to construct both the conventional and spatial hedonic models. The outcomes of this study are expected to confirm the theory in the context of Malaysia.

Keywords: *Spatial dependence, spatial autocorrelation, multiple regression analysis (MRA), mass appraisal*

MOVING WINDOW REGRESSION IN MASS APPRAISAL FOR RATING

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ABSTRACT

Mass appraisal is a science of valuing properties in a defined geographic area using maps, market data, comparative information and valid statistical procedure. Mass appraisal allows valuing a large number of properties in a reasonably short period of time and for a relatively small cost per property. Several statistical methods can be applied in mass appraisal of properties and this paper will focus on the use of Moving Window Regression (MWR). MWR is capable of handling spatial effects peculiar to property data; a characteristic not available in the conventional Multiple Regression Analysis (MRA) The paper will present the result of a MWR method using 1105 housing sales observations occurring between 2004 until 2006 within the Majlis Perbandaran Kulai. The result will be compared with the MRA method to assess the predictive performance of the method.

Keywords : *Multiple Regression Analysis (MRA), Moving Window Regression (MWR), Mass appraisal,*

USING GEOGRAPHICALLY WEIGHTED REGRESSION TO DETECT MARKET SEGMENTS AND USE THEM TO IMPROVE THE ACCURACY OF AUTOMATED VALUATION MODELS

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ABSTRACT

A method for detecting residential submarkets with the use of Geographically Weighted Regression (GWR) is described. Spatial variation in value for a property with fixed characteristics provides the basis for the method. The efficacy of the procedure is established by demonstrating improvements in predictive accuracy of the resultant segmented market models. Optimal number of segments is obtained by measures of predictive accuracy, spatial autocorrelation in the residual errors and an application of the Akaike Information Criterion to a system of models. Three U.S. counties of quite different market characteristics are used to demonstrate the methodology.

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Keywords: *submarkets, segmentation, geographically weighted regression, housing, automated valuation models*



SINGLE PROPERTY VS MASS APPRAISAL FOR THE PURPOSE OF PROPERTY TAX IN MALAYSIA

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ABSTRACT

Local Government Act 1976 allows local authorities in Malaysia to appraise all properties in their jurisdiction by their current fair market values and use these values as the basis for property taxes. Traditionally, revaluation for property tax purposes employed single property appraisal where properties are valued individually. Considering that the number of properties to be valued is large, single property appraisal is not the best method to handle revaluation. Mass appraisal approach where a group of properties are valued simultaneously using standardized procedures backed by sound statistical basis has been proposed. In this paper, the disadvantages of single appraisal and the advantages of mass appraisal for the purpose of property tax will be discussed. Examples of jurisdictions implementing mass appraisal and the benefits that they have realized will be highlighted.

Keywords: *Assessment rate, rating valuation*

ENERGY SAVINGS BENEFIT IN PASSIVE ARCHITECTURE AS VALUE ADDED TO PROPERTY APPRAISAL

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ABSTRACT

The design factor considered in local property appraisal has traditionally been considered from the aesthetic point of view; namely style, appearance and trend. In the wake of Sustainability awareness, design from Passive Architecture and Energy Savings Benefit is a new perspective that could contribute in the appraisal of properties.

Passive Architecture is fundamentally designing for building to be less dependent on fossil fuel energy. By strategising the major variables, namely orientation, form, openings and shading devices, a building in the hot and humid tropics can eliminate the need for mechanical cooling and artificial lighting. Such advantage is termed as Energy Savings Benefit to make economic sense of Passive Architecture.

Two houses of similar requirement are designed with and without Passive Architecture design strategies. From the simulation, the house that applies Passive Architecture design strategies gives good results on indoor comfortable conditions. The Energy Savings Benefit for such house happens when it does not need to use mechanical cooling and artificial lighting, as in the other. The potential yield of such Energy Savings Benefit could actually be an edge in getting higher market value for property.

Keywords: *Passive Architecture, Energy Savings Benefit, and Property Appraisal*

ASSESSING LOCAL GOVERNMENT WEALTH BASE

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ABSTRACT

This study aims to investigate the implications for local taxation revenue raising of the proposed Local Government Reform in Northern Ireland, as affected by the recently completed review of the rating system. Under the Review of Public Administration, the number of Councils is likely to be reduced from the present 26 to as few as seven. This reduction will have an impact on the rating base for the newly created councils. In this regard the objective of this research is to try and measure the underlying property wealth base that can be utilised by district councils in raising locally based revenue through the system of domestic and non-domestic rates. It is also important to recognise that, for domestic property, a capital value based system was introduced from April 2007 with each property having its own assessed capital value, a change which would also alter the revenue raising capacity of the proposed new jurisdictions. Against an expectation that these new 'super councils' will have roughly similar resource requirements, the research seeks to indicate which pattern or shape of local government would be best suited to balance resource requirement with revenue raising capacity. The study is of relevance in a local context and also in an international context, given the increasing reliance on locally raised property based taxes to underpin revenue raising for local services and decentralised local government.

Keywords: *Local Government, Wealth base, Rating, Co-terminosity, Capital Value, Property Tax*



THE EFFECTS OF LAND AUCTION ON PROPERTIES PRICES IN THE VICINITY

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ABSTRACT

All lands in Hong Kong are owned by the Government of the Hong Kong Special Administrative Region (HKSAR). The HKSAR government regularly sells developable leasehold land to developers by English auction. The results of land auction are widely reported by the media and attracted attentions by general public as well as stock analyst, surveyors and real estate practitioners. Most people believe that the result of land auction would have an effect on nearby property price for two possible reasons. First, land auction results reflect developers' expectation about future property prices. Since developers in Hong Kong are very large, they possess more information and expertise and thus are believed to be able to predict future price movement more accurately than an average individually market participant can. Second, land auction is similar to forward bulk purchase real estate assets. The outcome of land auction contains current price information of real estate price assets. Which effect plays a more dominate role is an empirical question that has not be investigated so far.

Previous studies on land auctions outcomes were mainly focused on how land auction affect the share prices of the winning company. However, how the direct market might respond to land suction outcome has largely been ignored. This study attempts to fill this gap by investigating how land auctions in Hong Kong affect the property prices in the locality of the auctioned site using empirical data from Hong Kong.

Keywords: *Auction, event studies, Hong Kong, land, property prices.*



KRIGING IN MASS APPRAISAL FOR RATING

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ABSTRACT

The application of geostatistical method, called kriging, to estimate the unknown property values from observed data of known values in the context of mass appraisal will be described in this paper. This method uses semivariogram to define the weight of neighboring observations in the estimation procedure. Kriging has been used successfully in predicting underground surfaces such as ore bodies and soil nutrients but receives less attention from valuation and econometrics experts. Several variations of kriging are available but the focus of the paper is on point kriging. The theory will be described and computational method applicable to hedonic price equation will be shown. Transaction data within Majlis Perbandaran Kulai from year 2004 to 2006 will be used as a case study. The result will be compared with the traditional method of Multiple Regression Analysis (MRA) in terms of its estimation performance.

Keywords: *Mass Appraisal, Multiple Regression Analysis, Geostatistics.*

THE SIGNIFICANCE AND PERFORMANCE OF THE MALAYSIAN PROPERTY MARKETS

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ABSTRACT

The property markets in Malaysia have grown significantly in recent years, being a key ingredient in the Asian established markets (eg: Singapore, Hong Kong, Tokyo) and the Asian emerging markets (eg: Shanghai, Bangkok, Mumbai, Jakarta, Manila). These different levels of Asian property market maturity provide potential opportunities for international property investors to achieve portfolio diversification and enhanced returns.

The purpose of this paper is to assess the significance and performance of the Kuala Lumpur property markets. In particular, the performance of the KL office and retail property markets will be assessed over 1996-2007 and contrasted to the performance of the other Asian property markets. The risk-adjusted performance and portfolio diversification benefits of the KL property markets will be assessed; particularly whether these benefits have been enhanced in more recent years. The implications for international property investors will also be assessed.

Keywords: *Malaysia, Asian property markets, risk-adjusted performance, portfolio diversification benefits, international property investment*



MALAYSIAN LISTED PROPERTY COMPANIES – ITS CHARACTERISTICS

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ABSTRACT

Whilst its contribution to market capitalization of the capital industry is rather small, the property sector has remained significant as demand for landed properties are always in tandem with economic and population growth. Being one of the most affected sectors in the 1997 Asian crisis, property companies in Malaysia as shown by the property index has started to record considerable growth since 2002. This paper provides an overall description of property companies listed at Bursa Malaysia, where the more prominent companies in terms of their market capitalization will be highlighted. Eighty-one(81) property companies have been selected as the sample comprising almost all the property companies listed at the first Bursa Malaysia Main Board. The sample however does not include listed property trust companies or REITS.

Specifically, this paper provides an overview of the sectors listed at Bursa Malaysia focusing on property companies. The interest of companies/organizations from other sectors re-classifying themselves into the property sector, the business activities of the property companies that include the location distribution and types of property owned and developed will be discussed. To provide a better understanding of the listed companies, its profile with regards to their origins and age will also be highlighted. Apart from providing the companies' demographics, its financial performance with regards to its market capitalization, book value of properties owned by top property companies together with the overall performance of the property sector will also be deliberated upon.

Keywords: *Listed property companies, Bursa Malaysia, description of property companies.*

CORPORATE REAL ESTATE STRATEGIES: EVIDENCE FROM THE UK AND MALAYSIA

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ABSTRACT

Previous research has identified how Corporate Real Estate (CRE) adds value to corporate wealth. However, there is an absence of research that has empirically tested the CRE strategy model to companies' share price. This study analyses the relationships between CRE strategy and share price of major companies in two different markets, namely the UK (matured) and Malaysia (emerging) during 1998 and 2003. The identification of CRE strategies is based on the seminal work of Nourse and Roulac (1993) and maps these strategies to the share price of companies through multivariate models. The results show that a high percentage of companies have CRE strategies that map to the Nourse and Roulac framework, though some companies had alternative or no CRE strategies. The contribution of CRE strategy to share price is more significant in 2003. The facilitate managerial process and knowledge framework is shown to enhance share price compared to other CRE strategies or the no strategy alternative in both markets. This study concludes that CRE strategy can make a positive contribution to share price, but needs more attention from management in order to maximize its potential.

Keywords: *Corporate real estate strategies, share price, UK companies, Malaysian companies, multivariate modelling*

COMPARATIVE STUDY OF OFFICE BUILDING CLASSIFICATIONS FROM INTERNATIONAL PRACTICES

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ABSTRACT

The classification of purpose built office building varies amongst organisations in many countries depending on the objectives of each classification. Some of the purposes of classification may include environmental performances, user requirements, health and safety, building intelligent and energy efficiency. This paper will identify and make a comparative study of the existing criteria adopted by organisations in Australia, UK, Singapore, Hong Kong and USA. From these classification studies conducted there is no clear guideline which meets the objective of classifying office building to be adopted in Malaysia. This paper also reviews the relevant classifications that may be adopted in the local context.

Keywords: *office building classification, criteria, comparative study*

IDENTIFYING CRITERIA AND SUB-CRITERIA IN GRADING OF OFFICE BUILDINGS IN MALAYSIA

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ABSTRACT

The identification of the criteria and sub-criteria of office building quality may include many aspects including location, market, rental level, quality of space and the physical as well as non-physical attributes. The grading matrix that was derived by the Australian Property Council includes criteria which are quantifiable as well as subjective in nature. Other grading matrices adopted by many real estate organisations have market-driven qualities which may include rent.

In identifying the criteria and sub-criteria of building grading in Malaysia, a market-driven approach was adopted. From a focus group session that was conducted amongst the parties which have vested interest in grading of office buildings namely the owners, investor/developers, managers and tenants/occupiers, a list of criteria has been identified.

This paper discusses the list of criteria and the development of the major heading and sub-criteria that were identified in arriving at the finalised version of grading matrix to be adopted.

Keyword : *Criteria, Grading Office Building, Grading Matrix*

**A CONCEPTUAL CONTRACT FRAMEWORK FOR RESEARCH TO DEVELOP
A CONTRACT FRAMEWORK FOR OUTSOURCING OF FACILITIES
MANAGEMENT IN MALAYSIAN HOSPITALS**

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ABSTRACT

This paper aims to identify the contract framework for outsourcing of facilities management of hospitals in Malaysia. The scope is the facilities engineering management services. The focus is the operation stage of the outsourcing project. It comprises the service start-up, implementation, on-going service development, review and project close. The framework is identified from the practices of public and private hospitals in Malaysia, and literatures. The public hospitals use a more comprehensive contract due to the big number of hospitals involved, scattered all over the country. There are those that have existed for more than 50 years. The comprehensiveness is to enable the client and consultant to manage, and the contractors and sub-contractors to deliver the large number hospitals specific required service levels. The private hospitals use a simpler contract, as the consultant is a subsidiary company. It stresses the contractors and consultant to follow the practice and procedures of the hospitals. However, both hospitals and the literatures describe the service start-up and implementation processes in more detail than the other three processes. This may imply that both processes have more issues to be managed; there are also more characteristics of requirements for good outsourcing contracts.

Keywords: *Outsourcing, Facilities Management. Hospital. Contract Framework. Users.*

PROPERTY MANAGEMENT AND THE ENVIRONMENTAL ISSUES

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ABSTRACT

Environmental issue has become the main issue in all aspect such as corporation, accounting, business, hospitality, investment, property and etc. Problem regarding environmental has actually started when the Industrialization Era or Industrial Revolution Era where at this time has witnessed lots of factory-based industries grew.

Time passed by and so did the ignorance and unconsciousness on the effect of the industries to the environment. Nations started to provide various kinds of laws and legislations on environmental issue in order to eradicate the negative effect and to sustain the green of the earth.

Property industry, generally, and property management, specifically, is not excluded to the environmental issue. The aim of this paper is to identify the evolution of environmental issues and to investigate the issue of environment in managing properties.

Keywords: *Environmental issues, property management, buildings.*

THE DEVELOPMENT OF PROPERTY MANAGER COMPETENCY MODEL: A BRIEF FROM LITERATURE REVIEW

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ABSTRACT

The construction of a property is usually done to fulfill various objectives or specific functional requirements such as residential, commercial, industrial and others. In order to ensure these objectives are fully met, the property in question should be systematically and effectively managed using the most suitable approach. To fulfill this need, most property owners would normally appoint qualified property management firms to manage their respective properties. By virtue of this appointment, the task of managing the properties concerned will be solely handled by the assigned firm. As such, a property manager will be responsible to spearhead the management operation implementation for the related property. Nevertheless, this form of action is not always the best approach in ensuring that a certain property will function effectively and consequently achieve the desired predetermined objectives. This is due to the fact that issues pertaining to the shortcomings of property management practices and implementation are discussed and publicised in the mass media, such as ineffective maintenance, lack of tenants, rent arrears and others, even though the property is said to be managed by a qualified property manager. In view of this scenario, the question arises whether the property manager actually possesses the specific knowledge, skills and experience which truly qualify him to exercise effective and efficient property management practices, or does he merely have the requisite qualification obtained from any one of the numerous institutions of higher learning. As an early measure towards correcting this predicament, it is prudent that a detailed research is conducted to discover the actual fundamental abilities and capacities any concerned party should have in order to be qualified to function or be appointed as a property manager. This discovery will also consequently bring to light and describe the necessary capacities that every competitive property manager should have. Therefore, this working paper will present from the literature aspect the core elements that should be considered and looked for in a property manager. This presentation will be able to be used as the basis for the implementation of the desired additional research towards reaching a detailed explanation on the levels of knowledge, skills and experience that should be clearly ingrained in any property manager.

FACILITIES MANAGEMENT PRACTICE IN CONSTRUCTION MANAGEMENT A CASE STUDY OF CONSTRUCTION COMPANIES IN MALAYSIA

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ABSTRACT

Facilities management is very large in the scope. However, unlike new construction, facilities management is to be taken within the context of not only property maintenance and management, but also, retrofitting, refurbishment, and renovation works involves more risks because of its higher level of uncertainties. In construction management, the best concept of management it's already in place but as a world become more competitive, it needs to be revised. The concept of facilities management is believed can contribute towards creating new knowledge in organization. This will leads betterment in industries. This paper attempts to assess facilities management concept in construction companies in Malaysia by focusing on creating knowledge and good management practice. It is envisaged that this survey would yield beneficial results for the betterment of the construction industry in Malaysia at large. Furthermore, it is felt that it can contribute significantly towards generating quality management practice by the aforesaid professional practitioners.

Keywords: *Facilities management, knowledge, Malaysia.*

DELIVERING FACILITIES PERFORMANCE

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ABSTRACT

Globalization has brought strong need for common theoretical and coherent structure; in order to give more precise detection and analysis of gaps to enhance facilities performance. Facilities management has its rationale in performance and this constitutes a serious challenge to the profession. For an improved dimension on customer satisfaction, improvement initiative can focus on operational measurement and key performance indicator. Facilities benchmarking is the search for the best practices, these performance criteria, had become a standard valid for business results. This paper presents a framework using intellectual capital principle for better outsourcing deliveries. A survey of the industry using a rated scale questionnaire had shown that outsourcing delivering strategies is however questionable. This partly prompted the inauguration of NAFAM convention to manage better, in order to justify the billions and trillions of Malaysian Ringgits spent on its asset and infrastructure since late 80's to date.

Key words: *Facilities management, Outsourcing, Performance, Measurement, Value, Sustainability.*

A FRESH LOOK AT LAND USE PLANNING TOWARDS A MORE DYNAMIC REAL ESTATE DEVELOPMENT

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ABSTRACT

The crux of urban development is real estate development. How and where we put our houses, shops, offices, and industrial buildings makes what our urban areas what they are. Of late the facets of how and where we put these livelihood elements has been said to have a disconcerting impact on our livelihood globally. This paper will be looking at how real estates have been developed and what impact they have on downtowns and the areas around and beyond them. This requires the paper to also investigate on how land uses are planned and why they are planned that way to see whether there is a connection between the two. Further to that the paper will suggest whether a fresh look at both will provide solutions to what may be the roots to urban development problems such as massive urban traffic congestion and inefficient use of urban land towards a more cost-effective urban development.

Keywords: *Land use planning, real estate development, urban sprawl, mixed land use.*

**AL –ISTISNA AND ITS COMPARISON WITH HOUSING DEVELOPMENT
CONCEPT IN MALAYSIA**

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ABSTRACT

The housing development in Peninsular Malaysia practices the system of “sell then build” which means that a buyer would buy a house, which is yet to be constructed. In this regard, the contract of purchase of a house from a developer would involve the subject matter that is non-existent during the signing of the sale and purchase agreement. The objective of this paper is to compare the features of the contract of sale and purchase of houses in Peninsular Malaysia with the concept of *istisna*’ under Islamic law.

Keywords: *Housing development-sale and purchase-Islamic law-istisna’*

PUBLIC-PRIVATE PARTNERSHIPS IN HOUSING DEVELOPMENT IN MALAYSIA

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ABSTRACT

It is quite common for local authorities, development corporations and government-linked companies in Malaysia to partner with private companies for the development of housing. Anecdotal evidence suggests that not all of the partnerships achieved the intended objectives as outlined by such public-sector organisation. A study was conducted to examine public-private partnerships in housing development in Malaysia with the objective, among others, to identify the critical factors required for these partnerships to succeed. Data was obtained from a postal questionnaire survey, followed by interviews. This paper presents the findings of the study.

Keywords: *success factors, public-private partnerships (PPP), public sector organisations (PSO), housing, Malaysia.*

EXPLORATORY STUDY ON THE INDIGENOUS HOUSING DEVELOPERS IN MALAYSIA

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ABSTRACT

Over the years, the immigrants from China and its descendants have dominated the Malaysia housing industry. To increase the indigenous' participation in the economic sectors, the Malaysian government practised their own version of affirmative action or known as the 'New Economic Policy' (NEP). Nevertheless, the indigenous' participation in the housing sector is still at the unsatisfactory level compared to other Malaysians. One of the elements that can help the indigenous people to improve their socioeconomic circumstances is through entrepreneurship. An exploratory study was conducted to explore the indigenous' participation in housing development industry in terms of their entrepreneurial background, company profile, entrepreneurial characteristics and business strategy. Data was collected through the postal questionnaires followed by face-to-face interviews. This paper will present the findings obtained from the postal survey.

Keywords: *indigenous housing developers, housing development industry, entrepreneurial profile, entrepreneurial characteristics and business strategy*

HERITAGE REAL ESTATE DEVELOPMENT IN INNER CITY OF GEORGE TOWN: STAKEHOLDERS' PERCEPTIONS

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ABSTRACT

Pre-war heritage property is one of the unique and historical elements that shape the townscape of George Town. There are about 10,000 pre-war heritage properties in George Town and more than half of them are located at the prime area in the inner city of George Town. Unlike heritage properties in Singapore, Macau and other countries, heritage properties in George Town do not seem to attract local investors and developers. Many of the pre-war properties are underdeveloped and vacant. Despite efforts by the local government to promote conservation in this city, the market for heritage real estate in George Town has not picked up as expected.

It would seem that efforts by the Government alone are not sufficient to impact the real estate development. It needs the co-operation and participation of the business and residential community. As such, it is important to find out what are the perceptions of the stakeholders in heritage real estate development. The knowledge of this preference will enable the policy makers to determine the direction to be headed and the best course of action to achieve that.

To the best of our knowledge, no survey has been conducted to obtain feedback from the stakeholders such as developers, property owners and professional property consultants pertaining to the heritage real estate in George Town. In light of this and as part of a research on conservation in Georgetown under the research grant from NAPREC, a feedback was obtained from these stakeholders. The feedback through forums, questionnaires and interviews were collected and analyzed to obtain the viewpoint of these stakeholders on the issues, prospects and impacts on heritage real estate in George Town.

Keywords: *Stakeholder Perception, Heritage Property, George Town*

**THE NATIONAL LAND POLICY – THE WAY FORWARD FOR A
SUSTAINABLE ECONOMIC, ENVIRONMENTAL AND SOCIAL
DEVELOPMENT OF MALAYSIA**

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ABSTRACT

Land is inherited from one generation to another. Land has become the basic resource in driving the country's economy and history has told us about how mankind warring to dominate land as it is the symbol of power and politics. Currently it is still the symbol of might but more focus to its main objective of national development through supposedly balancing between economic development and the prevention of environmental degradation with the sole intention of achieving the ultimate agenda of social development. Hence land should be administered and managed wisely and not greedily. Hence, the responsibility of land administration embraces all aspects of land development which spans from across economic development to as far as protecting the environment. Land administration has a great impact on the economy of the country. In a wider scope, it stimulates investment and national growth through the development of the property, industrial and agricultural sectors. As environmental management and land use planning too is part of land administration, land administration needs to play a very big role in balancing both the developmental and environmental needs. Neglecting both or one of it can create disequilibrium on the economy, environment and the social needs of the people. Recognizing such requirements the country's policies or land administration must be all encompassing. There are instances of actions cannot be taken on those degrading the environment among others waste disposal in rivers due to uncoordinated actions taken by various authorities and subjected to inadequate enforcement laws. Within this scenario, the research has to be an extensive research. The research covers the area of land administration issues, land use planning, the National Physical Plan, environmental management, land consolidation, information and communication technology and history of land development in order to formulate National Land Policy as a guiding document for land administration. It is the way forward towards the achievement for a world class land administration which is able to balance between developmental and environmental needs and thus coordinate actions on environment protection between agencies. It is a vehicle that can definitely ensure a sustainable economic, environmental and social development in Malaysia. Hence, the expectation through the formulation of the National Land Policy, is for land to be continuously maintained as the main resource of development but at the same time eliminating the negativities of pollution, degradation of the environment and lack of food resources as consequences from the growth of the industrial sector which is all in the name of the nation's social and societal development.

Keywords: *Land administration, land policy, land planning, environmental impact*



I OWN THE LAND, DO I OWN THE AIRSPACE AS WELL?

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ABSTRACT

Section 44 of the National Land Code 1965 provides for the exclusive use and enjoyment to any registered owner over his land. In addition, S 340 declares for an indefeasible title for every registration of land titles and dealings. The question is can the airspace be regarded in its own right a real property which can be utilized and enjoyed as land?. It is doubtful as to whether an owner has a sufficient proprietary right and interest of the airspace above his land. The paper seeks to analyse the law and the policy pertaining to the right to enjoy the airspace by the land owner and whether the right of enjoyment is unlimited and thus the owner can dispose his right and interest over the airspace to others. Nowadays when development takes place vertically and horizontally, the right to the airspace gives rise to many legal issues which requires policy consideration and legal solution.

Keywords: *Real property, Land, Right to airspace, right of use and enjoyment of land, permit to use airspace.*

INDEFEASIBILITY OF TITLE UNDER THE NATIONAL LAND CODE 1965 : A MYTH OR REALITY AS AGAINST BONA FIDE PURCHASER?

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ABSTRACT

Dato Siti Norma Yaacob JCA in her judgment in the case of OCBC Bank Berhad v Lee Lee Fah & Anor (2000) 1 MLJ 134, indicated that the defendants have acquired indefeasible titles and interests to the lands upon registration of the dealings document by virtue of Section 340(1) of the National Land Code 1965 (hereinafter referred to as “the Code”). The only way the titles and interests can be challenged is for the respondents to establish any of the circumstances listed in sub-section (2) of the same section to be present as to render such titles and interests defeasible. This principle strengthens the position of registered proprietor who has complied with the registration procedures. The Code also provide for the right for the recovery of land by the registered proprietor against any person for any length of time without being affected by time limit stipulated under the Limitation Act 1953. On the surface, it seems that indefeasibility of title awarded to a registered proprietor can guarantee the proprietorship will not be taken away unfairly except if any of the circumstances in Section 340(2) of the Code is proven. On the other hand, the right of person dealing with the land who is bona fide is also protected under the Code where it is stipulated in the proviso of Section 340(3) of the Code that the title acquired by any purchaser in good faith and for valuable consideration will be conferred with indefeasibility of title. The case of Adorna Properties Sdn Bhd v Boonson Boonyanit @ Sun Yok Eng (2001) 1 MLJ 241 triggers apprehension of the possibility that the right of a bona fide purchaser shall prevail over the right of registered proprietor in claiming title over the land. This issue leads to another pertinent question, which is whether indefeasibility of title awarded to registered proprietor in reality truly protect the proprietor or is it just a myth. The writers will focus on this issue by evaluating recent judgment from Malaysian courts to resolve the uncertainty that had been created when the conveyancing transactions are tainted with fraud or forgery.

Keywords: *Indefeasibility of titles, purchaser in good faith, valuable consideration.*



GATED COMMUNITY HOUSING SCHEMES FOR THE FORMULATION OF APPROPRIATE LEGISLATIONS IN MALAYSIA

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ABSTRACT

The proliferation of gated communities schemes (GACOS) in Malaysia has generated great interest and critical attention from urban scholars and planners. The rise of GACOS, however, is by no means a universal urban phenomenon that displays uniform characteristics and genesis. Using Malaysia, Singapore and Australia as a case study, this paper examines the development of GACOS (in the form of Landed Housing Estates) within the context of the social, economy, politic, taxation and legislation. One of the core arguments in this paper is the development of GACOS in Malaysia and the impact of the development to the aspect of social, economy, politics, taxation and legislation. Gated Community Schemes (GACOS) are the latest trend in housing development in Malaysia. Theoretically, it provides an image of security and privacy. Despite the increasing popularity of gated communities in the country there has been no study on their impact on society at large. Most of the gated housing project has perimeter fencing and guarded entrances that have caused concern among some people who see it as a form of apartheid. Singapore and Australia is taken into consideration to consolidate the paper. For Singapore the study is made on the development of Sentosa Cove and highlights the role of the state in regulating GACOS. As for Australia the study was on Western Australia looking on the development and the local government policies that apply for the development of GACOS. The research methodology involves an in depth literature review of all available documents among others seminar papers, newspapers articles both local and international, current related local policies such as National Social Policy, National Housing Policy, State's Policies and the National Physical Plan and references on the legal aspects that are used by other countries in regulating the implementation of the GACOS in their housing projects. Apart from those documentations, data was also gathered through interviews and surveys with the developers; residents who lived in Gated Housing Schemes; people who reside in close proximity to these areas; the local authorities; and policy makers. It also involved visits to GACOS in Pulau Pinang, Selangor and Kuala Lumpur. Other information gathered from each GACOS comprise Information on facilities and amenities provided, how the security works, maintenance fees, management corporation roles and duties, problem occur between vendor and purchaser, issues from residents, deed of mutual covenant, and other important information about GACOS to help the research formulate new legislation for GACOS in Malaysia.

Keywords : *Gated community, legislation, housing policy, management corporation*



THE DEVELOPMENT OF ACCOMMODATION FOR UNIVERSITY STUDENTS

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ABSTRACT

Although not a university's core business, the development of real estate for their needs is essential. In the past, the University of Pretoria provided accommodation to students without consulting them regarding to what their likes and dislikes were in terms of residential accommodation. After a number of years where no new residences were built, the university decided to erect a new residence in order to cater for the growing number of students requiring accommodation. Before starting with the procurement process, it was decided to do research among current and prospective students to determine their needs and perceptions towards residential accommodation.

This paper looks at the results of this research and how it can be integrated into the development of new residences in order to satisfy students' needs while at the same time keep it within the university's budget. Some of the findings were that there are differences between race groups regarding the reasons they do not wish to stay in residences, as well as preferences regarding different sexes staying together. Furthermore it was found that 50% of prospective students intended staying in formal residences, indicating that residences are still a popular means of accommodation.

The importance of the research is that it re-defined the parameters of residence development, not only for the University of Pretoria, but also for other South African tertiary institutions

Keywords: *real estate development, student accommodation*

REAL ESTATE GRADUATES IN MALAYSIAN CORPORATE COMPANIES

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ABSTRACT

In 1970s and 1980s, most of real estate graduates in Malaysia have been placed at Valuation and Property Services Department, Ministry of Finance. Since then, shifts in real estate activities from individual to corporate participation however have encouraged real estate graduates to move forward exploring new challenges. This is the consequences of Real Estate Investment Trust (REIT) securities listing, corporate real estate management and the changing perception of real estate investment with other investment means. Therefore, the study aimed to investigate the sufficiency of current real estate curriculum at Universiti Teknologi Malaysia in fulfilling corporate companies' expectations. Corporate companies listed in Bursa Malaysia and real state graduates with corporate working experience were surveyed in order to determine the sufficiency of our local real estate course in preparing students for real estate career. The results indicate that improvements on the syllabus are needed to prepare students for the recruitment in corporate companies. Besides that, types of real estate jobs offered by corporate companies and their requirements were also identified. The study reveals that there is a high demand on real estate research and development skills from corporate companies. Another aspect that should be considered seriously is generic skills. Finally, several suggestions were made to overcome the insufficiency of current real estate courses. These include improving the current research and development subjects and to provide strategic planning, presentation skills and communication skills as compulsory subjects.

Keywords: *Real Estate Education, Decision Making, Real Estate Profession*



THE NEEDS FOR CAPACITY BUILDING IN LOCAL GOVERNMENT IN MALAYSIA (WITH REGARDS TO PROPERTY TAXATION ADMINISTRATION)

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ABSTRACT

Property tax is a widely used fiscal tool because it is a vital source of income for urban authorities in developing countries like Malaysia. The tax, levied on land and buildings and is based on either improved or annual value. Valuation of these properties is a tedious and continuous process. In Malaysia, the revaluation exercise is still carried out manually. Due to financial, labour, and time constraints, most Local Governments in Malaysia are unable to meet this requirement and only capable to carry out revaluation every 10 years or more. Property taxation administration involves and requires good and skilled administrators, efficient system (property tax administration system) and advanced or efficient technology. University Teknologi Malaysia (UTM) has embarked on research and development of Computer Assisted Mass Appraisal (CAMA) for rating valuation to assist Department of Property Valuation in Local Governments to improve their capacity with regards to property taxation administration for the purpose of complying with the requirements of the Local Government Act 1976 which stipulated that every Local Government has to carry out revaluation every five (5) years. This paper discusses the capacity building in local governments in Malaysia and identifies areas in which they are lacking.

Keywords: *CAMA (computer assisted mass appraisal), capacity building, property taxation, local government, property tax administration, technology*



THE QUALITY OF VALUATION REPORTS IN MALAYSIA: A PRELIMINARY STUDY

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ABSTRACT

The issue of professional valuation practice standards has recently been the focus of attention in many parts of the world. In particular, the issue of the quality of valuation reports has also been the focus of considerable international attention in recent years; particularly in Australia and the UK. This paper seeks to assess whether external valuation client needs and expectations are being met concerning the quality of commercial valuation reports in Malaysia. This will be achieved by using a survey of external users of valuation reports to assess client needs of the quality of valuation reports in Malaysia. The preliminary survey will be studied to get an overview for the needs of quality valuation reports in Malaysia. Specific issues to be addressed in the study include quality and reliability of valuation reports, information content of valuation reports, client satisfaction with valuation reports, perceived weaknesses in valuation reports, and suggested solutions to these perceived weaknesses.

Keywords: *Quality, Valuation Reports, Malaysia.*

RESPRO-VIEWER: DEVELOPMENT OF WEB BASED RESIDENTIAL PROPERTIES VISUALIZATION TOOLS

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ABSTRACT

Location is an important component in almost everything that we do on this earth. But viewing a location for residential area is crucial to customer and also developers in the development of residential property viewer system. In this paper, we discuss about developing a web based solution for visualization of Residential Properties by using the Geographical Information System (GIS) mapping technology. *ResPro-Viewer* is utilized of GIS component tool that make the relationship for visualization of objects like distances of the property from several of points like mosque, schools, public transport and others are more realistic. By using this *ResPro-Viewer* software, the statistical information of the properties for example total number of the properties was sold or not could be updated in real time and displaying in graph format in the online map. Viewing of the property location is not only beneficial to the customer in viewing the location and the navigating places but could also be used by the developers to monitor all the residential properties through web based environment.

Keywords: *GIS Mapping Technology, Residential Property and Spatial Data, Web Environment.*

STUDY ANALYSIS OF INDEX ACCURATION IN CONSTRUCTION ESTIMATION COST BETWEEN BOW, SNI 2003 AND PROJECT REAL COST

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ABSTRACT

Construction estimation cost is one of important factor in project management. Determination or selection of index for item of work, it's can cause high cost in project. The second impact, contractor can loss in the tender. So, we must be careful to arrange in construction estimation cost. Generally, there are some instruments to arrange in construction estimation cost, BOW (*Burgerlijke Openbare Werken*) and SNI 2003. Except, BOW and SNI 2003, the contractor's experience have significant factor to estimate project cost. This research have aim to determine of index accuration between BOW and SNI 2003, specially structure. Method Productivity Delay Model (MPDM) is used method in this research. The result this research shown craftsmanship coefficient is 0,45, whereas BOW and SNI 2002 is 0,59. Worker coefficient is 0,53, whereas BOW and SNI 2002 is 2,07.

Keywords: *estimation, index*

THE SIGNIFICANCE AND PERFORMANCE OF THE MALAYSIAN PROPERTY MARKETS

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ABSTRACT

The property markets in Malaysia have grown significantly in recent years, being a key ingredient in the Asian established markets (eg: Singapore, Hong Kong, Tokyo) and the Asian emerging markets (eg: Shanghai, Bangkok, Mumbai, Jakarta, Manila). These different levels of Asian property market maturity provide potential opportunities for international property investors to achieve portfolio diversification and enhanced returns.

The purpose of this paper is to assess the significance and performance of the Kuala Lumpur property markets. In particular, the performance of the KL office and retail property markets will be assessed over 1996-2007 and contrasted to the performance of the other Asian property markets. The risk-adjusted performance and portfolio diversification benefits of the KL property markets will be assessed; particularly whether these benefits have been enhanced in more recent years. The implications for international property investors will also be assessed.

Keywords: *Malaysia, Asian property markets, risk-adjusted performance, portfolio diversification benefits, international property investment*

A HOLISTIC CONCEPT OF GREEN BUILDING: POTENTIAL APPLICATION IN MALAYSIA

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ABSTRACT

Nowadays, the implementation of green building is becoming a major concern in many countries, Malaysia is also no exception. The launching of Green Building Mission by Prime Minister in March 2007 has proven that Malaysia also concern in achieving green or sustainable building and construction. MS1525: 2007 which is “Code of Practice on Energy Efficiency and the use of Renewable Energy for Non- Residential Buildings” is the closest standard that relate with the application of green building in Malaysia, but it’s only focusing on one of the green building features, which is energy efficiency. In this paper, a holistic concept of green building is being proposed. It is hoped that it could create awareness among the construction and real estate players on the concept and could be the future guideline and potential application for Green Building in Malaysia.

Keywords: *green building, holistic concept*

INSTITUTIONAL SUPPORT TO FINANCE AFFORDABLE HOUSING

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ABSTRACT

Malaysia is experiencing a major housing affordability problem due to its continuing price increase on houses. Broad financial sector reform and favourable economic development supported the introduction of mortgage products, the development of keen competition and the emergence of various instruments or models to fund the increasing demand for home purchase finance. It responded to this challenge by sticking to different financing mechanisms such as the covered mortgage bond, contractual savings schemes or the securitisation of the mortgages. This paper aims at asking whether there is institutional support in Malaysia to finance affordable housing and if yes what models, techniques and mechanisms used and whether they have proven to be effective. The research will involve literature review and critical evaluation of recent research and policy documentations. Following on, the outcomes will be combined with primary data collection which comprises of surveys and interviews to relevant bodies. In the survey, the income spendable for house purchase is posed. An average of hundred respondents from each city under study namely; Kuala Lumpur, Penang, Kangar, Alor Setar, Malacca, Johor Bahru, Kuantan, Kota Bharu, Kuching and Kota Kinabalu helped in facilitating the study. Finally the paper renders some recommendations on how financial institution can better support affordable housing. Learning from other countries in managing funds for housing development, particularly their effort in financing housing for the middle income group (much has been said about the low income), this paper argues that a National Housing Fund (NHF) and the other institutions, as the precondition for the well run of the NHF, have to be developed to manage the available funds.

CLASSIFICATION OF PURPOSE BUILT OFFICE BUILDINGS IN MALAYSIA – A REVIEW OF METHODOLOGIES

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ABSTRACT

Research is on-going to develop an office building grading system that is appropriate and practical for its implementation in Malaysia. Office building classification is required to improve commercial market transparency by providing greater quality indicator for investors. This would assist them in assessing property investment within their property portfolio and in optimising its performance. This paper reports on the findings so far of the investigation conducted to identify the criteria for classifying office buildings. In identifying the said criteria, the methodologies adopted in various contexts locally and internationally were reviewed. The investigation found, among other things, that there were differences in the methods used and that there was no clarity in the framework of the factors taken into account, or of mode of assessment or of analysis of the best approach. Against this scenario, work must continue to formulate the model that will align with the objectives of the classification in this country.

Keywords: *Office building, classification, methodologies*

KEY ELEMENTS IN STRATEGIC MAINTENANCE MANAGEMENT PROGRAMME FOR PUBLIC BUILDINGS IN MALAYSIA

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ABSTRACT

This study revolves around with problems happened to the public buildings in Malaysia due to poor maintenance practices from previous years. The situations become worse as most of the buildings serve for important government agencies such as High Courts Complex, Immigration Department Headquarters as well as The Parliament House. There are also the contractors for the respective construction or renovation works were newly handed over their projects.

Study made on the key elements for strategic maintenance management which successfully improve the building managements abroad. This system is ideal to be implement into the public buildings in Malaysia as they share many common elements on physical and implementation areas. This paper would emphasis on five characteristics of sustainable strategic facilities management. They are comprehensive, continuous, consistent, creative and committed.

By implementing this plan, we envision to see that public buildings in positive state of maintenance management aspects, getting enough supports and reliable in the future as important government assets. There will also a departmental operation that is responsive, efficient and effective in providing quality physical facilities to support the mission.

Keywords: *Public buildings, government agencies, strategic planning, maintenance management , facilities and sustainable.*

MANAGING INDEBTEDNESS MAINTENANCE CHARGES IN HIGH RISE RESIDENTIAL BY LUMPSUM DEPOSIT MANAGEMENT FUND

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ABSTRACT

In this paper, we discussed the result of a study on high-rise residential complexes, with particular reference to the financial management aspect. The research focuses on service charges, looking at the amount owners pay and the level of satisfactory of the services the management provides. Literature and field surveys indicate that this issue follows a circular argument to which both the property owners and the management corporation are contributory. The root cause seems to be financial. Owners' failure to keep up payment leads to shortage of fund which affects the corporation's capacity to provide quality services, which in turn causes dissatisfactions among residents who consequently are reluctant to pay the prescribed charges. A survey on 750 high-rise residential from 150 complexes in Selangor and Kuala Lumpur shows that they are willing to pay a lump sum amount of service charge for a management fund deposit if the amount is small and include in the house price. It also been done to get the level of satisfactory on paying the service charge for whole life. The analysis was done using the fuzzy conjoint model to get the fuzzy linguistic from the fuzzy value. This study also comes across into the relation between the house price and the service charge payable per year. From the relation ship of the house price and the service charge payable per year author create Fund formula for management fund deposit amount to resolve the financial problem's that occur everywhere in high rise living. So that parties, the owner and the management will not face problem anymore in managing high rise residential.

Keywords: *housing management, high-rise residential complexes, service charge, continues annuity, fuzzy conjoint*

**KNOWLEDGE MANAGEMENT STRATEGY: A PRELIMINARY SURVEY
AMONG PROPERTY MANAGEMENT COMPANIES IN MALAYSIA.**

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ABSTRACT

Knowledge management strategy is an important part of the knowledge management process as a whole. It encompasses actions that are intended to result in anticipated business outcomes and complex activities. The subject of this research is on property management companies which are closely related to the business world. Knowledge management, being one of the disciplines in an organisation, has become more important. Thus, this paper tries to explore the potential implementation of knowledge management strategy in property management companies in Malaysia. A preliminary survey as part of the pilot test for this research has been done among several companies registered under the Board of Valuers, Appraisers and Estate Agents Malaysia. The result will give a significant contribution to the final output of this research.

Keywords: *Knowledge Management, Property Management, Preliminary.*

THE NEIGHBOURHOOD FACILITIES AND THE SUSTAINABLE COMMUNITIES AGENDA: AN OVERVIEW

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ABSTRACT

Neighbourhood may influence the community sustainability in many ways. Investing in housing alone without providing for the quality of the neighbourhood facilities would waste money and potentially lead to social problem. Agenda 21 recognises that communities were at the core of the sustainability. The Malaysian government also recognises the importance of the sustainability as part of its agenda in improving the well being of all Malaysians. The 9MP and the 2008 budget reports strongly emphasise on the improvement of the standard and sustainability of quality of life for the communities. This evidence puts the communities at a centre of the programme. However, the reports do not specifically address who are the stakeholders that are involved in the delivery process and how the community sustainability should be delivered. This paper focuses on the role of the neighbourhood facilities within the context of supporting and sustaining the existing communities. It discusses the present understandings of the sustainable communities' practices and how far these fit within the neighbourhood facilities thinking in housing developments. The most likely outcome of this approach is the deprofessionalisation of skills towards community-based approach in meeting those objectives. The paper builds on established literature and generates debate on the role of the neighbourhood facilities in creating sustainable communities within the Malaysia context.

Keywords: *Neighbourhood facilities, Housing, Skills, Sustainable communities*