



The National Real Estate Research Coordinator (NAPREC)

GUIDELINE FOR PROSPECTIVE APPLICANTS AND RECEIPIENTS OF NAPREC GRANT

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1. INTRODUCTION

The Government of Malaysia has taken a proactive approach to support research in the real estate sector since the 8th Malaysia Plan. This represents a shift from focusing mainly on scientific research, creating more opportunities for real estate studies. Playing a crucial role in managing these funds is the National Institute of Valuation (INSPEN), the training and research arm of the Valuation and Property Services Department (JPPH) under the Ministry of Finance. To oversee the funding allocation and ensure its effective use, INSPEN has established the National Real Estate Research Coordinator (NAPREC).

The allocated funds primarily target research and development (R&D) initiatives that align with national priorities within the real estate industry. NAPREC has several key objectives for distributing these funds. It prioritizes research projects of significant national importance, thereby advancing the real estate sector. Additionally, NAPREC supports research endeavours that cater specifically to the needs of the Malaysian real estate industry, ensuring that studies address industry requirements and challenges.

The funding mainly focuses on R&D activities in real estate areas deemed of national importance. NAPREC aims to achieve the following goals through the allocation of these funds:

- Promoting research projects that hold high national priority in the real estate domain.
- Supporting research that addresses the unique needs of the Malaysian real estate industry.
- Encouraging collaborative efforts among real estate research institutions.
- Facilitating R&D collaborations between the public and private sectors.
- Enhancing the nation's global competitiveness by internationalizing real estate research.

Recognizing that real estate research primarily revolves around socio-economic aspects, NAPREC acknowledges the relevance of activities aimed at gaining deeper insights and advancing knowledge, even if the proposed research projects may not have immediate commercial significance. Such activities contribute to a better understanding of socio-economic phenomena and ultimately lead to informed decisions for improved management of the nation's resources.

This guideline is prepared with the purpose of providing clarification on the requirements, processes, and matters pertaining to the NAPREC fund for grant applicants and recipients.

2. CLASSIFICATION OF REAL ESTATE RESEARCH

The NAPREC Grant supports research projects spanning various categories. The Frascati Manual, an internationally recognized standard for classifying research and development (R&D) activities, identifies three main types of research in the real estate sector:

- 1. Basic Research:** Basic research in real estate focuses on gaining a deeper understanding of fundamental principles and underlying phenomena without immediate application. An example of basic research in real estate could be a study exploring the impact of demographic shifts on housing preferences over the past century. Researchers might analyse historical data and trends to uncover insights into changing residential preferences.

- 2. Applied Research:** Applied research in real estate aims to use the knowledge from basic research to address practical challenges and develop specific solutions. For instance, an applied research project might investigate the use of sustainable building materials and construction techniques to design energy-efficient and environmentally friendly residential buildings.

- 3. Experimental Development:** Experimental development in real estate involves utilizing existing knowledge from basic and applied research to create innovative products or processes. For example, researchers might experiment with new smart home technologies and assess their effectiveness in enhancing energy efficiency, security, and convenience in residential properties.

These categories of research in real estate are interconnected, with basic research providing the foundation for applied research, which in turn leads to experimental development and practical applications. By adhering to the Frascati Manual's definitions, the research efforts in the real estate sector can be standardized, allowing for meaningful comparisons and analyses across different studies and regions.

3. RESEARCH PRIORITY AREAS

The NAPREC research areas are classified into five main fields, comprising priority areas and sub-fields as follows:

1. Real Estate Management and Services (REMS):

Real Estate Management and Services (REMS) is a crucial field within the real estate sector that encompasses a wide range of activities aimed at optimizing the value, performance, and sustainability of real estate assets. It focuses on the effective management of properties and the provision of various services related to property ownership and utilization. Key components of REMS include real estate marketing, business development, facilities management, real estate investment, and the strategic implementation of information technology (IT) to enhance efficiency and competitiveness.

2. Real Estate Industry Analysis Studies (REIAS)

Real Estate Industry Analysis Studies (REIAS) is a vital area of research that delves into the thorough examination and evaluation of various aspects related to the real estate market. This field involves analyzing market trends, economic indicators, and forecasting techniques to gain valuable insights into the industry's current state and anticipate future trends. By understanding the market's dynamics and potential challenges, stakeholders can make well-informed decisions and formulate effective strategies for sustainable growth and success in the real estate sector.

3. Real Estate Development and Finance (REDF)

Real Estate Development and Finance (REDF) plays a critical role in the planning, implementation, and financing of real estate development projects. It encompasses diverse activities such as land use studies, property management, property taxation, real estate investment, and securing the necessary funds through different financing options. This field also explores the unique perspective of Islamic financing, adhering to Sharia principles, to support real estate development projects while ensuring compliance with ethical and legal standards.

4. Real Estate Laws and Policies (RELP)

Real Estate Laws and Policies (RELP) is a significant research area that delves into the legal framework and regulatory aspects governing the real estate industry. It involves studying various laws, regulations, and policies that impact real estate transactions, property rights, land use planning, and compensation for acquisitions.

Understanding and adhering to real estate laws and policies are essential for conducting transparent and compliant transactions, protecting the rights of property owners, and fostering a stable and sustainable real estate market.

5. Real Estate Valuation (REV)

Real Estate Valuation (REV) is a fundamental field that aims to determine the monetary value of real property. This involves studying different valuation methods and approaches, such as the market approach, income approach, and cost approach, to assess property values accurately. REV also extends to statutory valuations, plant and machinery valuations, and considerations of risk management in property valuation. By comprehensively evaluating property values, stakeholders can make informed decisions regarding property transactions, investments, and financial reporting.

Each of these research areas plays a vital role in understanding and optimizing the real estate industry. Their collective insights and contributions empower stakeholders to make well-informed decisions, develop effective strategies, and foster sustainable growth and development in the dynamic world of real estate.

Please note that these research fields are subject to potential changes. Any updates or modifications will be officially announced on the INSPEN website at <http://www.inspen.gov.my>

4. FUNDING SCHEME

NAPREC funding scheme is in the form of a Grant. The fund is available to all public and private sector real estate research organizations and institutions of higher learning with sufficient research facilities and trained full-time staff. Joint or collaborative research projects will also be eligible for funding. Funding eligibility will be evaluated based on the specific merits of each case, considering the nature of the organizations involved in the collaboration and their pre-identification as meeting the criteria of a real estate research organization. Other organizations may also apply for consideration to be included in the funding scheme.

5. QUALIFYING FOR THE FUND

Applicants seeking funding for real estate research projects must align their proposals with NAPREC Research Priority Areas to be eligible for consideration. Additionally, projects conducted in collaboration with overseas real estate research organizations related to the research topic will also be deemed eligible for funding. This promotes internationalization and encourages the exchange of knowledge and expertise across borders.

5.1 COSTS THAT QUALIFY

When evaluating funding applications, all cost items will be carefully assessed on a case-by-case basis. Generally, the following expenses are considered eligible for funding:

1. Emoluments for contract personnel: Salaries and compensation for individuals hired on a contractual basis to work on the research project.
2. Honorariums for personnel involved in research activities: Payments made as a token of appreciation or recognition for the contributions of individuals engaged in the research work.
3. Travel and transportation costs: Expenses related to travel for research purposes, including airfare, local transportation, and accommodation.
4. Stationery items: The cost of materials such as notebooks, pens, and other stationery required for the research project.
5. Day living allowances: Daily allowances provided to researchers for subsistence during fieldwork or travel.
6. Rental of equipment: Expenses incurred in renting specialized equipment or machinery necessary for conducting the research.
7. Postages and packaging: The cost of postage and packaging required for sending or receiving research-related materials.

5.2 COSTS THAT DO NOT QUALIFY

There are specific items that the funding does not cover, and these are as follows:

1. Purchase of equipment or gadgets likely to become personal items: The funds cannot be used to purchase equipment or gadgets that are likely to be used for personal purposes unless they are recommended for approval by the Panel of Experts.
2. Emoluments for full-time staff (project teams): The funding does not include salaries or emoluments for regular full-time staff members who are part of the project team. These expenses are expected to be covered by the organization's regular budget.
3. Cost of construction, purchase, or rental of premises for research purposes: The funding does not extend to cover expenses related to the construction, purchase, or rental of premises intended solely for research purposes.

By clearly defining the costs that qualify and those that do not, NAPREC ensures transparency and accountability in the allocation of funds, promoting efficient use of resources for meaningful and impactful real estate research projects.

6. GENERAL GUIDELINE ON UTILISATION OF ALLOCATION

The fund must be strictly used for the designated project for which a specific allocation has been made, and it cannot be diverted for other purposes. All procurement and expenses arising from the allocated funds need to receive prior clearances from the head of the research management centre (RMC) and should comply with the existing Treasury of Malaysia procurement procedures and current accounting practices.

Overseas travels for activities such as visits, meetings, discussions, attendance at seminars, conferences, etc., will require appropriate justifications. Approval from both the RMC and NAPREC is necessary for each trip. Team members who wish to participate in paid seminars or conferences must obtain prior approval from NAPREC.

7. ACTIVITIES EXCLUDED FROM RESEARCH FUNDING

Certain activities are excluded from the definition of research and, therefore, do not qualify for research funding under NAPREC. These excluded activities are as follows:

1. Real estate information services: Activities related to collecting, coding, recording, classifying, disseminating, translating, analysing, and evaluating data for the purpose of providing real estate information services are not eligible for research funding unless they are conducted solely or primarily for the specific purpose of the real estate research project at hand.
2. General purpose data collection: Data collection undertaken generally to record real estate phenomena that are of public interest or that only the government has the resources to record is not considered research. However, data collection conducted solely or primarily as part of the research process is included. The same applies to the processing and interpretation of data. If data is collected or processed specifically for the purpose of real estate research, the cost can be attributed to research. Data already available from government sources, such as census and NAPIC property stock reports, should be excluded from research funding even if used for real estate research purposes.
3. Feasibility studies: Investigations, such as those for proposed housing projects, conducted to provide additional information before deciding on their implementation, are not considered research and do not qualify for funding. However, feasibility studies related to the research projects themselves are considered part of the research and may be eligible for funding.

In all other cases not explicitly mentioned above, NAPREC will consider the eligibility for funding on a case-by-case basis, based on the merit of the project and its alignment with the research objectives and priorities.

8. APPLICATION FOR GRANT

NAPREC funding is provided to organizations rather than individuals; therefore, all funding applications must be supported and endorsed by the respective organizations from which they originate. Before submitting their applications to NAPREC, applicants must obtain written approval and endorsement from the relevant organizations.

Applicants are required to use the provided application forms to submit their proposals. The application form is comprehensive, requiring applicants to provide detailed information about their research proposal. There is no specified limit on the amount of grant that can be requested. The standard application form can be obtained from the NAPREC Secretariat or downloaded from INSPEN's website. Interested applicants can access the form from the INSPEN Website.

Organizations can submit endorsed applications to NAPREC before the closing date. All applications for the research grant be submitted using the standard application form. A separate form is necessary for each project. Organisation/Teams/individuals may submit more than one proposal, but a separate entry form is required for each area of research. All applications should be forwarded to the Secretariat of the National Real Estate Research Coordinator (NAPREC), which is located at the National Institute of Valuation (INSPEN).

The address for submission is as follows:

Secretariat of National Real Estate Research Coordinator (NAPREC)
National Institute of Valuation (INSPEN)
Persiaran INSPEN, 43000 Kajang
Selangor DARUL EHSAN

There are no entry fees for submissions. Submissions should be made via email to naprec@inspen.gov.my.

For any further questions or inquiries regarding the NAPREC Grant and submissions, please feel free to contact us via the following contact details:

Head of NAPREC
Email: naprec@inspen.gov.my
Telephone: 03-8911 8000

9. THE EVALUATION PROCESS

The evaluation process for research proposals falls under the jurisdiction of the NAPREC. NAPREC Panel of Experts is responsible for evaluating the recommended proposal and financial proposal, and subsequently providing reports on the evaluation. The NAPREC Steering Committee is then tasked with considering the proposal.

The Panel of Experts conducts a technical evaluation of the proposal, considering several key aspects, including the research area, project objectives, project benefits, project structure, project schedule, and project cost. During the screening process, the Panel may request the project leader to provide clarifications on specific details.

10. ANNOUNCEMENT OF DECISIONS

After the evaluation and review of the research proposals submitted for funding, NAPREC will make decisions on which projects will be awarded funding. Once these decisions are finalized, NAPREC will communicate the outcomes to the respective applicants and the Research Management Centre (RMC).

11. MEMORANDUM OF AGREEMENT

Successful applicants selected to receive the NAPREC Grant are required to sign a Memorandum of Agreement (MoA). The MoA will be signed between the Government of Malaysia, represented by JPPH (Valuation and Property Services Department), and the applicant institution that has the authority to sign the agreement. The completed MoA, which must be stamped at the Inland Revenue Office, should be submitted in both softcopy and three hardcopies, bound using a comb binding, to the NAPREC secretariat.

12. CHANGE OF SCOPE OR OBJECTIVES

Applications for changes to the scope or objectives of the research must be submitted for consideration and approval by the Panels of Experts within the first six (6) months from the project's start date.

The Project Leader is required to submit a complete application through NAPREC in their respective Institution, including a strong justification and reasons for the proposed amendments, along with relevant supporting documents. The justification must be detailed, especially if it involves changes in costs (project cost amendments can only be made before the agreement is signed) or any other modifications.

13. PROJECT LEADER

The Project Leader is the researcher in charge of leading and executing the approved research project according to the research proposal. This role encompasses overseeing the project's scope, objectives, expected outcomes, milestone chart, budget, and other terms specified in the agreement. To qualify as a Project Leader, they must hold a Doctor of Philosophy (Ph.D.) qualification and have at least three (3) years of remaining service from the agreement's signing date.

If the Project Leader is relocated to another organization and cannot fulfil their role for more than three (3) months, they must relinquish their position. An application for a change in leadership should then be submitted to NAPREC through the Research Management Centre (RMC). The new Project Leader should ideally be the next appointed leader nominated in the original research proposal or an existing researcher from the same institution who has been a member of the research group for at least six (6) months. They should possess similar expertise as the previous Project Leader and be from the same institution.

The Project Leader is also allowed to be a member of other research projects simultaneously. Their main responsibilities include submitting the research application, managing the approved research, updating the milestone chart if necessary, ensuring the appointment of a Research Assistant (RA) at the project's outset, ensuring the research outcomes align with the approved proposal, and submitting required financial and project performance reports.

14. TEAM MEMBERS

The Project Leader must ensure that each member of the research project fulfils their respective roles and responsibilities to ensure the smooth progress and achievement of the proposed goals in the proposal.

The membership in a research group depends on the roles and requirements of each researcher. The co-researchers in a project, comprising academic staff, should not exceed five (5) individuals, excluding the RA. Any addition to the research group requires approval from the NAPREC's Panels of Experts.

If there is a need for the addition/removal of co-researchers, the Project Leader must apply with a strong justification and the role of the new member in the research group (for addition of members).

15. RESEARCH DURATION

The Project Leader is responsible for ensuring that the research project adheres to the approved plan and achieves the specified objectives outlined in the proposal. The execution of the research project must comply with the relevant circulars, procedures, and guidelines that have been established.

If the Project Leader requires more time to continue the project, they can apply for an extension for up to nine (9) months, with a maximum of three application submissions. The extension application must include a robust justification and the reasons for the extension, along with supporting documents. The Panels of Experts at NAPREC will review and approve the extension request.

Each extension period is limited to a maximum of 3 months. To be considered, extension applications must be submitted by the Project Leader at least one month before the project's end date. Late applications submitted near or after the end date will not be accepted by NAPREC.

16. IMPLEMENTATION AND MONITORING OF PROJECTS

All projects funded by this grant must be carried out in adherence to the project approach and within the allocated budget as specified in the approved proposal.

A significant focus will be placed on monitoring the outcomes of the projects. This monitoring process entails evaluating the outputs of the projects, the organizational outcomes they achieve, as well as their broader impacts on the sector and the nation. During the Monitoring Meeting, project leaders are obligated to submit specific reports for each project, including the milestone achievement report, end-of-project report, and benefits report. These reports must be submitted no later than eighteen (18) months after the completion of the projects, through the head of the organization, to the NAPREC Secretariat.

The coordinator of each research organization is required to submit a summary financial report for each approved project.

If a project fails to comply with the terms stated in the memorandum of agreement, NAPREC reserves the right to terminate the contract.

17. TERMINATION

If the project fails to comply with the terms stipulated in the Memorandum of Agreement, the National Project Review Committee (NAPREC) reserves the absolute right to terminate the contract, subject to the decision of the Panels of Experts and approved by the NAPREC Steering Committee.

The Organization shall be deemed in default if it:

- a) Fails to submit a timely and complete report or provide access as required pursuant to this Agreement; or
- b) Fails to diligently execute the Project from its commencement until completion, strictly adhering to the specified Milestones, without having obtained prior approval from the Panel of Experts to make any variations to the Milestones, as agreed upon.

Upon default, the Government shall be entitled to:

- a) Demand the Organization to reimburse the entire amount of the grant, or any portion thereof as indicated in the notice, along with interest compounded at a rate of ten percent (10%) per annum, starting from the date of receipt of the payment made. The reimbursement shall be made within the timeframe specified in the notice, and the Government reserves the right to recover such sum as a debt owed to the Government; and/or
- b) Obtain an assignment and transfer of all rights, titles, and interests in the Project to the Government, for the exclusive use and enjoyment thereof, effective immediately upon receipt of the notice; and/or
- c) Demand the Organization to surrender to the Government all documents, equipment, items, tools, parts, software, firmware, data, drawings, and any other materials related to the Project; and/or
- d) License or transfer the Project to any other person or entity as nominated by the Government; and/or
- e) Impose a suspension on the Organization's eligibility to apply for future grants or projects for a period of two consecutive application cycles.

This termination clause forms an integral part of the Agreement and shall be enforceable in accordance with the applicable laws and regulations governing the Agreement.

18. FINANCIAL MANAGEMENT

The organization or the Research Management Centre (RMC) holds the responsibility to provide a summary financial report for each approved project under its oversight. This report must be submitted to NAPREC.

To maintain transparency, the organization must report the remaining allocations for all approved projects, regardless of whether they have been completed, are inactive, or are still active. This comprehensive allocation report should be submitted to NAPREC twice yearly, in June and December.

To facilitate effective financial management, it is incumbent upon the organization to promptly notify the NAPREC Secretariat about the remaining allocation of each research project.

In cases where a research project has already concluded or is inactive, the remaining allocation must be kept in a separate account. Utilization of this remaining allocation is only permissible if explicitly instructed by the NAPREC Secretariat.

In situations where research accounts have become inactive, researchers may reestablish their accounts' active status by making an application to the NAPREC Secretariat. The reactivation process aims to facilitate the dissemination of research results through various means, such as publication or presentation at conferences.

19. FINAL REPORT

The Project Leader is responsible for sending a detailed final report to the NAPREC Secretariat. The report must have:

- Up to 10 'Hardbound' copies of the final report, bound according to a specific format.
- A short summary of the report (called Executive Summary) in 25 pages or less.
- A digital copy (in PDF) of the final report, summary, and the Project Leader's CV.
- An End of Project Report Form.
- A final financial statement that shows all the expenses spent on the research.
- An Infographic.

The Project Leader must submit the hardbound copies within 3 months after the research project is finished.

20. PRESENTATION AND PUBLICATIONS

The Project Leader or members of the research team are required to present their research findings, whether preliminary or final, at any seminars, conferences, or symposiums organized by JPPH (Valuation and Property Services Department) before sharing the findings on any other platforms. If the research findings are to be published elsewhere, the NAPREC secretariat must be informed about the publication.

Additionally, the Project Leader or members of the research team are expected to publish at least one article based on the research findings, whether complete or partial, in any of the following publications published by JPPH:

- Journal of Valuation and Property Services (JVPS)
- International Real Estate Research Symposium (IRERS) Conference Proceedings
- Occasional Papers, or
- Any other publications published by JPPH.

If researchers opt to publish their research findings in publications other than those mentioned above, they must submit the published paper to NAPREC and provide proper credit to NAPREC within the publications.

21. INTELLECTUAL PROPERTY RIGHTS

Any intellectual property rights that emerge from or are developed during the execution of the Project, as well as other matters related to the Project's conduct and the commercial utilization of the Product, will be granted to the Government.