

VALUABLE RESOURCES OF MALAYSIAN HOUSING DEVELOPERS : THE RESOURCE-BASED VIEW

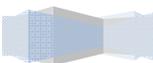
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Abstract

A study was conducted to look at the competitive resources of the private housing developers in Malaysia using the resource-based view (RBV) as the theoretical tool. Using a combination of research methods, starting with mailed survey questionnaires and then followed by in-depth face-to-face interviews, the study ranked fourteen resources according to their value, i.e. ability to exploit opportunities and/or neutralise threats. While some of the research findings conform to the observations of past studies on other industries, others interestingly do not, hence alluding to the unique characteristics of the private housing development sector in Malaysia. Practitioners can also take stock from the study to achieve high firm performance. The findings also provide a useful basis for future studies in this important economic activity.

Keywords: Malaysia, housing development, developer, resource-based view, valuable resources



**AN EMPIRICAL EXAMINATION ON THE USE OF ASSET-BACKED
SECURITIES AS AN ALTERNATIVE DEBT FINANCING: A CASE STUDY OF
SUNWAY CITY BERHAD**

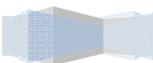
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Abstract

The objectives of the study are to evaluate the mechanism of Asset-Backed Securities (ABS) in Malaysia and examine the use of ABS by Sunway City Berhad as an alternative debt financing. The study examines only Sunway City Berhad as a case study because it is the first ABS in Malaysian capital market, and the launching of mortgage-backed securities since 1986 to asset-backed securities in 2001. The study covers a period of financial years of Sunway City Berhad from 1999 as pre-ABS to 2003 as post-ABS. The results of the study show that the use of ABS helps Sunway City to improve its financial performance gradually with the declining of its long term debt obligations and its ability to reduce its debt exposure as an effective risk management tool.

Keywords: Asset-Backed Securities, financial performance, financial years, debt obligations, risk management



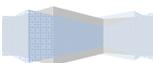
**SPECULATION OR RATIONAL BASES FOR REAL ESTATE PRICING:
UNDERSTANDING CONDOMINIUM VALUES IN PENANG BEFORE THE
FINANCIAL CRISIS USING A HEDONIC PRICE APPROACH**

Ching Tung Leong, Arthur Preston and John Rice

Abstract

This study investigated whether valuation of condominiums during the “value boom” prior to the Asian financial crisis was based absolutely on buyers’ speculation, or on the buyers’ evaluations of the housing attributes. To achieve this, the hedonic price model was used to investigate the effects of location, structural, and neighborhood attributes on the price of condominiums, and to examine whether buyers are willing or unwilling to pay for desired (or undesired) housing attributes. The sample comprised 177 actual condominium sales transacted in the year of 1996. The transaction records were randomly selected from six major estate development areas on Penang Island. Using the seminatural logarithmic functional form and the Ordinary Least Squares method, 10 independent variables were regressed onto the exchange price of the condominiums. Square terms were added for the continuous variables of distance to CBD, floor area and floor level to examine if the respective degree of change in these variables occur at an increasing or decreasing rate. The results revealed that buyers were rational and that the valuation of condominiums in Penang is attribute-driven. Cemetery view and distance to CBD registered negative coefficients, while all other attributes influenced the price positively. Proximity to shopping centres was statistically insignificant.

Keywords: Hedonic price model; Asian financial crisis; condominium valuation; Penang.



CORPORATE REAL ESTATE ACTIVITIES OF LISTED COMPANIES: THE PROCESS OF ANNOUNCEMENTS AND RELATED LISTING REQUIREMENTS

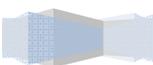
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Abstract

This paper examines the disclosure obligations, the requirements and procedures in making announcements made by listed companies as stipulated under the Listing Requirements of the Kuala Lumpur Stock Exchange. The focus will be on the disclosure requirements of corporate real estate proposals and transactions made by listed non-real estate companies of the stock exchange. Corporate real estate activities are found to be closely related to the economic conditions. During the buoyant phase of the economy (1992-1996), the total number of property acquisitions, disposals, joint ventures and property revaluations are higher compared to the Asian financial crisis/recession period (1997-2001). The Kuala Lumpur Composite Index (KLCI), barometer of the Kuala Lumpur Stock Exchange, is also higher during the buoyant economic period. A buoyant stock market is more conducive for undertaking the various corporate real estate activities and transactions. Due to the high number of corporate real estate announcements under the 1992-2001 periods, it might be useful to examine the wealth effects of these activities in future research.

Keywords: disclosures, announcements, listing requirements, corporate real estate



VALUERS' PERCEPTIONS ON THE VALUE OF THE PROPERTIES LOCATED PROXIMATE TO TRANSMISSION LINES

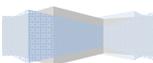
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Abstract

The perception regarding the value of property located proximate to transmission lines is believed to change dramatically due to public awareness and articles in daily press. It is agreed that transmission lines imposed a significant negative impact on the desirability, hence the value of the property adjacent to it. This paper highlights the results of a questionnaire surveys amongst valuers in Klang Valley. The survey was intended to explore the issues and attempts to prove it or otherwise. The types of properties covered in this paper are landed properties - commercial, industrial, and residential. The findings showed that features like visual unattractiveness, increases of public awareness, long-term health problem (stigma), unsafe, disturbing sound, and electrical equipment interference contribute to the loss of value. In-term of percentage, commercial properties are highly declined, while residential properties are the least. There is more awareness towards the relationship between transmission lines and property values, although there is not much local publication on the matter.

Keywords: Property, loss of value, transmission lines, proximate location



STRATA TITLES ACT 1985 - LEGAL NEEDS, IMPLICATIONS AND IMPACTS OF THE RECENT AMENDMENTS: PART II

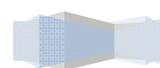
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Abstract

One of the present trends of the construction industry is on the construction of high-rise buildings which is to accommodate the growth in demand for property within the cities where land is a scarce resource. The requirement of ownership especially in the residential and commercial sub-sectors requires the subdivisions of buildings which will give rise to demands for strata titles. In comparison to properties issued with land titles, properties issued with strata titles have three main stages instead of one. There are the pre-issuance, the issuance and post issuance stages. During the pre-issuance stage there are issues on meeting the requirements of the law for application of titles and the issues on building management by the developers. During the issuance stage there are issues of owners who pass away and companies that have wound up or are declared bankrupt and at the post-issuance stage, there are issues again on building management, this time under the management corporations. These issues have given rise to problems over the implementation of the Act and hence the Act was recently amended to meet the needs. One of the major amendments under the Act is the establishment of the Strata Titles Board. These amendments are not conclusive and are subject to further amendments in future.

Keywords: strata titles, sub-divided buildings, management corporations, strata titles board



2005 BUDGET: TAX EXEMPT, INCENTIVE AND REITS

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Introduction

The 2005 Budget has announced a tax exempt incentive for the real estate investment trust (REIT)/ listed property trusts (LPT). Income distributed by REIT to its unit holders will now be exempted from company tax. For foreign investors, the 28% tax is still applicable and is withheld by the REIT.

Previously income distributions from the REITs are subjects to the imputations system. Under the imputation tax system, the tax paid by a company is taken as advance tax paid by the shareholders in respect of the dividends received and the income received by the unit holders will be taxed at their respective tax rates.

For sometime in the property trust circle there has been an issue that the tax exempt status and the tax imputation system yield different after tax income to the REITs/LPTs investors. Tax exempt was the preferred tax treatment. The following example will illustrate whether there are any difference between the two tax treatments and how it impact on individuals, pensioners and tax-exempt bodies.

