

An Outlook on Strategic Framework Development Needs of Roles and Involvement of Joint Property Management in High Rise Green Buildings in Malaysia

Darul Nafis Abas^a, Rozana Zakaria^{a,*}, Eeydzah Aminuddin^a, Redzuan Abdullah^a, Jam Shahzaib Khan^a, Shaza Rina Sahamir^b

^aFaculty of Civil Engineering, Universiti Teknologi Malaysia, Johor Bahru, Malaysia

^bFaculty of Architecture, Planning and Surveying, Universiti Teknologi Mara, UiTM, 40450 Shah Alam, Selangor, Malaysia
rozana@utm.my

In Malaysia, high-rise residential buildings either with green building design or conventional, is still facing challenges associated with the property management. Uncertainty measure the financial obligations allocated for managing the property are among the key challenges. The management of high rise building is a multitasking and multidiscipline function that integrates various stakeholders. Malaysia recently has introduced the new Strata Management Act 2013, with a lot of improvement for strategically enhancing the management of strata building for the benefit of all, especially the proprietor, management body, management agent and occupants. It is hypothesised that the sustainable practices and methods through integrated design and joint body to manage high rise buildings will significantly play a major role to resolve the arising issues of property management. This paper aims to highlight the ongoing research development on strategic framework of role and involvement of consulting property management during the early stage of project development phase of high rise residential green buildings. It emphasises the importance of facilities manager contributions at the development phase of high-rise residential buildings to minimise their maintainability and clashing problems faced during the phase of occupancy. This paper briefs the proposed research development that planned to employ mix methods of qualitative and quantitative survey. In this study, the preliminary literature review lead for better understanding of Joint Property Management (JPM). The future outcome of this research is very useful as a Term of Reference (TOR) to the project team in green building development process. It is important for facilities manager to get involved in the whole life cycle of high rise residential green buildings development.

1. Introduction

Land scarcity, the increase of price of landed properties, the trend of new lifestyles and escalating land prices particularly in urban areas makes high-rise residential building a more practical proposition from the economic point of view. Population growths coupled with dwindling land stock make high-rise living an alternative (Jamila, 1994). High-rise building residential apartment is a unique property and it differs from landed property, such as bungalows and terrace houses (Soebiyanto et al., 2017). Its uniqueness presents itself in the management after the properties have been occupied, where facilities management becomes an issue (Linariza and Ashok, 2003). Another reason people prefer to stay in a high-rise residential building is the facilities and amenities that are provided within the housing area. Most probably, facilities provided at the high-rise building apartment is more complete and more stylish compared to the low-rise building residential (Ahmad, 2003). The high-rise building apartment always being developed near the city and giving easier access to the public utilities and work. Most of the high-rise buildings apartments found were not effectively managed, thus, there is ignorance to the sustainable agenda in housing management (Yusuf et al., 2015). The main characteristic of living in high-rise building apartment is the individual ownership of a unit, shared ownership of common property and membership of a body corporate which is responsible for the development

and management (Christudason, 2004). Without a proper management to this property, there will be more complaints from unsatisfied homeowners. This makes the management such a complex and difficult task. A management body is needed to manage the building together with the public area (common property) such as parking area, lighting and other common facilities in the building that are shared together. Residents complained through the mass media and the issues were always about incompetent facility management such as dysfunctional lifts, rubbish not collected according to schedule, vandalism, misused of sinking funds; as well as disputes among resident (Liias, 1990). All the issues raised were centred on the three aspects in providing effective facility managements, namely financial, maintenance and people.

Property management needs a precise planning from the early stages of the design phase to ensure an efficient serviceability of the building and to ensure the satisfaction of all involved stakeholders through an integrated design that addresses the whole life-cycle of high rise building.

2. Background of Research Development

Although the growth of high-rise buildings residential apartment and property management industry Malaysia is very fast, various challenges that hinder in reaching to the holistic level of facility management. Property management problems arising during the operation phase due to the absence of efficient measures for effective management of property. Among the major challenges that are always being considered as a problematic phenomenon is the maintenance and the financial liabilities associated with the poor property management. High-rise building residential apartment involve various stakeholders with different expectations from different perspective such as objectives, cost, values and outcomes and ensuring win-win relationship among all stakeholders of shared property (Olubodun, 2000).

The distinct features of green high-rise building residential apartment can be efficiently maintained and significantly minimise the maintenance cost through implementation of proper planning, design, construction and preventive maintenance from the three dimensions of sustainability. In this paper, the idea is to address several critical questions need to be investigated:

- Why stakeholders are not satisfied with the current traditional practices of property management systems?
- What are the root causes and the remedies for poor property management and maintenance of high-rise building residential apartment?
- How to move towards to an excellent management of strata properties?
- What are the effective measures and strategies to be developed to overcome the challenges?

This paper aims to highlight the ongoing research development on strategic framework of role and involvement of consulting property management during the early stage of project development phase of high rise residential green buildings. To develop strategic framework and best practice work process through Term of Reference (TOR) and Design Standard as reference to Project Team, there is a need to investigate the root causes and the remedies for poor property management and maintenance of high-rise building apartment in Malaysia.

3. Literature Review

An 'apartment' or 'flat' is a dwelling that does not sit on its own parcel of land but is part of a larger building and typically has other dwellings above and or below it. An apartment building comprises several such dwellings (Ong, 2009). An apartment building can have other uses as well, such as retail or commercial premises, often on the ground floor. The owner of an apartment dwelling holds the title for that dwelling only (and potentially an ancillary area such as a car space) (Gibson and Orchard-Lisle 1994). The remaining areas such as the entrance foyer, lifts and communal gardens or open space are owned and managed by a Management Corporation (MC). An apartment building can be a low or mid-rise development and may contain only a handful of dwellings. An apartment building can also be a major, high-rise development with a large number of apartments (Allen and Falkenhagen, 2005).

Current Condition Property management and maintenance are part and parcel of high-rise living, but the standard of management service provided by most of the property managers and developers are questionable (Sherwin, 2000). Most are not professional, lacking in experience and expertise of profit orientated knowledgeable management of a residential complex. Property management was not taken into consideration during the early planning stages of development (Bebko, 2000); though Lilas (1990) has significantly considered property management as a critical factor. The property managers are not consulted in determining

the maintenance fee that should be collected, but it was solely determined by the developer themselves, some of which have no experience in property management (Caruana et al., 2000).

In recent developed world, owners are now knowledgeable in the proper property management practices for their unit and therefore good management is essential and will enhance the value of the property (Cui et al., 2003). This will significantly impact asset value and also it will enhance reputation of company (Dale, 2003). As compared to the past, owners might be satisfied with only the basic care-taking and cleaning service, but current owners demand that housing management should encompass a variety of services from cleaning and security services to comprehensive maintenance (Bloemer et al., 1999). Other than problems related to parcel owners, the weakness in the asset property management system is also related to the unprofessional practice of property managers in the country (Vanier, 2001).

The creation of more and more strata types of developments has resulted in the need of professional property management (Andrew, 2005). Property management entails multi discipline of social and science task. The task includes collecting and evaluating of rental, selecting of contractor and building maintaining in an organisation. However, property management profession has revolutionised in-line with new evolution in property investment. This has resulted to bring up many baffled people and the fog persists to know who belongs to the property management. Many professions from other fields are involved in this industry, such as engineer, architect, lawyer and even the normal businessman. Mohd Noor (2004) generalised that the person who is responsible to carry out property management task is the person who has specific education and training in property management field. Many property owners have no experience and knowledge in managing their property (Douglas, 1983). The owners are pursuing outsourcing as a means of disengaging from essential process to those that are not critical to the core business. Consequently, they opt for out-sourcing the property management activities to a managing agent (Gurjit, 1995). Gurjit (2005) added that outsourcing provides an option to manage estate agents for property management. This study reviews the efficient property management which is essentials in property development industry. Through the research studies the strategic framework and best practice working process modelling towards an efficient property management can be developed and demonstrated.

Managing the building facilities faces various challenges and obstacle in developing countries including Malaysia due to uncertainty measures and financial obligations allocated for managing the property (Suffian, 2013). The management of high-rise building apartment is the multitasking and multi discipline function that integrates various stakeholders whereby professionalism is needed to ensure an efficient property management through a joint body (Christudason, 2004). Property management needs a precise planning from the early stages of the design phase to ensure an efficient serviceability of the building (Tiun, 2009) and also resistibility to the earth quick (Wang, 2017). This ensures the satisfaction of all involved stakeholders through an integrated design that address the whole life cycle of high-rise building apartment (Abd. Latif Azmi, 2006). Implementation of sustainable design during construction phase and a preventive maintenance during the operation phase will significantly contribute to avoid major repair and maintenances which will reduce the financial resources required for property management in the result (Kothari, 2004); assertively this has also been endorsed by (Mohd-Noor, 2011).

Investigating the root causes and the remedies of the poor property management will create a good platform for developing guidelines and procedures (Ali et al., 2010). The created procedures can address the challenges and bring the property management stakeholders together to work in a collaborative working environment to achieve the optimised level of the investment objectives (Andrew, 2005). Balch (1994) idealised that stakeholders can suggest effective strategies for ensuring win-win relationship among all stakeholders of shared property facilities of the high-rise building apartment. It is hypothesised that the sustainable practices and methods through integrated design and joint body to manage high-rise building apartment will significantly play a major role to resolve the arising issues of property management (Bryman and Bell, 2007). It is expected that the outcomes of this research will contribute to step up the development of high-rise building apartment to be in line with Malaysian long-term goals of sustainable development (Cloete, 1994).

4. Research Outlook of Current Issues JPM and High Rise Building

Malaysia recently has introduced the new Strata Management Act 2013, Act 757 to replace the previous Building and Common Property (Management and Maintenance) Act 2007. The new Act was introduced with a lot of improvement strategically enhancing the management of strata building for the benefit of all especially proprietor, management body, management agent and occupants. The Joint Property Management (JPM) and High Rise Buildings have immense impact in the race of sustainable development. To specify the strategic property management framework and best practices work process for a joint property management, a Term of

Reference (TOR) which encourages the forward movement to reach higher performance levels for sustainable development in Malaysia is important.

The research essentially covers five key areas of development:

- Investigation of the issues and challenges related to property management of high-rise building apartment.
- Comparison and evaluation of weaknesses in existing property management traditional style in managing the high-rise building apartment.
- Determination of the requirement of new paradigm on roles and involvement of property management for green building
- Development of strategic framework and best practice work process through Term of Reference (TOR) and Design Standard as reference to Project Team towards an efficient property management.

5. The Methodology of Research Development

Over the years, the development of high-rise residential buildings had increased significantly. Living in high-rise building has become a trend in Malaysia today, especially among city dwellers in Klang Valley, Johor Bahru and Penang, which marks the start of the development of Strata Title Act that is applicable to stratify the subdivision building. In Malaysia, the recently introduced new Strata Management Act 2013, Act 757 replaced the previous Building and Common Property (Management and Maintenance) Act 2007. The new Act was introduced throughout the country with a lot of improvement in a hope to ease the management of strata building for the benefit of all especially proprietor, management body, management agent and occupants. In line with that, high-rise residential buildings in Malaysia become the scope of the study and the stakeholders of residential of the buildings are the target respondents. In this study, the target respondents are the stakeholders including (developers, owners, facility managers, architect, engineering consultants, contractors and end users). Figure 1 shows the detailed flow chart of study and methodology.

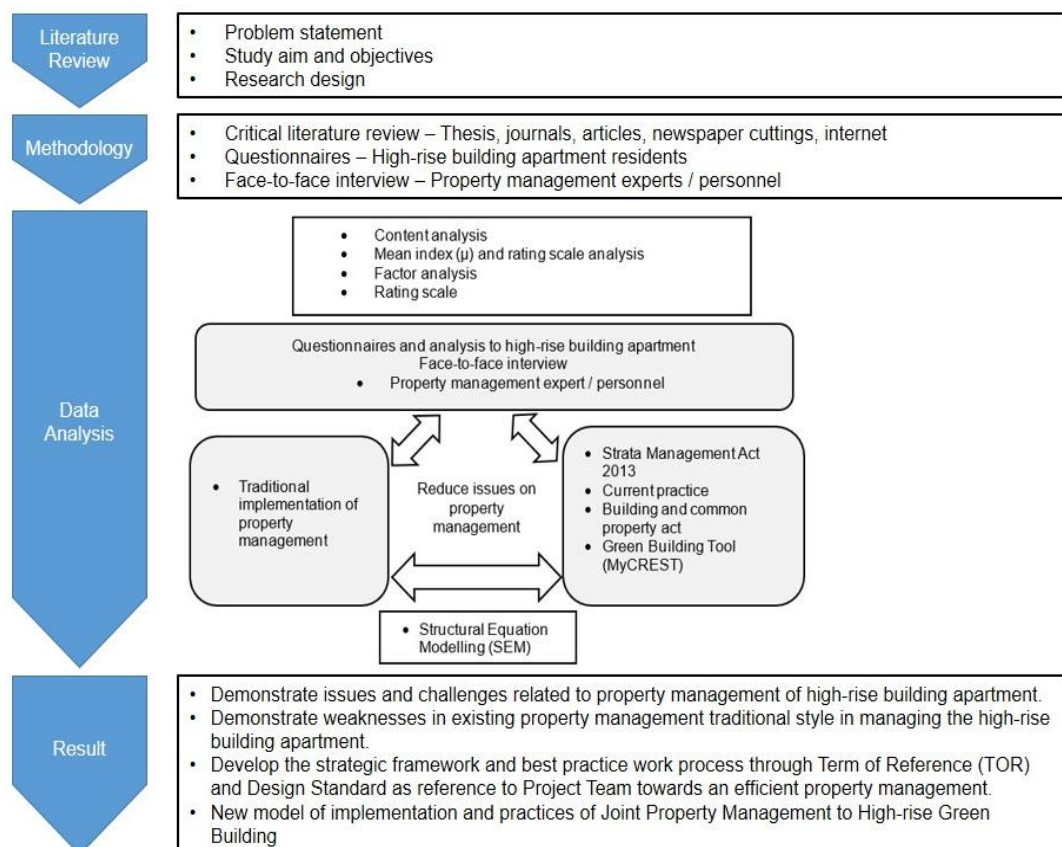


Figure 1: A simplified structure of research development process

Both quantitative and qualitative methods are the planned research methods used to achieve the objective of this research. The respondents will be professionals from multi-level stakeholders of property management industry in Malaysia. This mixed-method is concerned to identify, investigate and examine the issues and challenges related to property management of high-rise building apartment. For the qualitative methods, personal interview and on the other hand for quantitative method questionnaire survey will be used. The questionnaire is formulated based on the current issue and challenges faced by property management in Malaysia. The interview session will involve the property management personnel and questionnaires will be distributed to the residents of high-rise building apartment as the respondents. Structural Equation Modelling will be used to develop the significant criteria of the said strategic framework.

6. Conclusion

This research paper is an outlook of the development of strategic framework that has highlighted the roles and involvement of joint property management in high rise green buildings. The review findings, shows there is an urgency to design a strategic framework that designers can rely on for design evaluation and to eliminate operation and maintenance problems or issue from their design. There are vast issues or problem related to property management during the operation and maintenance which designers are unable to eliminate all of them effectively. Many problem or issue related to operation and maintenance is reoccur in many building whereas the designers are unsuccessful to obtain important feedback from property managers or facilities managers on these issues or problem. The future establishment of strategic framework of roles and involvement of joint property management in high rise green buildings is expected to assist the designer to improve overall building quality by consolidating efforts on a few major issues or problem arise during operation and maintenance stages and gathering existing knowledge from the property or facilities managers. By developing the Term of Reference (TOR) and design standard, it is hope that an efficient property management of high-rise residential building can be achieved in near future. This TOR and design standard has the potential to be adopted by governmental agency and be incorporated into their existing codes and standard.

Acknowledgments

This work was financially supported by Prototype Research Grant Scheme (PY/2017/01171), Research Management Centre, and research team members Green PROPMT. Thus, directly it is supported by Ministry of Education Malaysia.

References

- Abd. Latif Azmi N.A., 2006, The study of problems faced by property management in managing the high rise condominium in Malaysia, Master thesis, Universiti Teknologi Malaysia, Malaysia.
- Ahmad B.R., 2003, The effect of faulty design & maintenance works on sustainable housing environment, 1st APNHR, Conference on Housing & Sustainable Urban Development, 1st-4th July, Kuala Lumpur, Malaysia, 1-4.
- Ali A.S., Kamaruzzarnan S.N., Sulaiman R., Peng Y.C., 2010, Factors affecting housing maintenance cost in Malaysia, *Journal of Facilities Management*, 8, 285-298.
- Allen G., Falkenhagen L., 2005, Living with bad design : An owner's perspective, 10th Canadian Conference on Building Science and Technology, 12th-13th May, Ottawa, Canada, 256–267.
- Andrew M., 2005, That sinking feeling, *Malaysian Business-Housing & Property*, 131, 23-25.
- Balch W.F., 1994, An integrated approach to property and facilities management, *Journal of Facilities*, 12, 17-22.
- Bebko C.P., 2000, Service intangibility and its impact on consumer expectations of service quality, *Journal of Services Marketing*, 14, 9-26.
- Bloemer J., de Ruyter K., Wetzels, M., 1999, Linking perceived service quality and service loyalty: a multi-dimensional perspective, *Journal of Marketing*, 33, 1082- 1106.
- Bryman A., Bell E., 2007, *Business research methods* (2nd Ed.), Oxford University Press, UK.
- Caruana A., Money A.H., Berthon P.R., 2000, Service quality and satisfaction - the moderating role of value, *Journal of Marketing*, 34, 1338-1352.
- Christudason A., 2004, Common property in strata titled development in Singapore, *Journal of Property Management*, 22, 14-28.
- Cloete C.E., 1994, *Property management part I*, Property education series (1st Ed.), Technikon SA, Florida, USA.

- Cui C.C., Lewis B.R., Park W., 2003, Service quality measurement in the banking sector in South Korea, *Journal of Bank Marketing*, 21, 191-201.
- Dale B.G., 2003, *Managing Quality* (4th Ed.), Blackwell Publishing Ltd, Oxford, UK.
- Douglas S., 1983, *Property Management*, E. & F.N. Spon, UK.
- Gibson V., Orchard-Lisle A., 1994, Strategic property management, *Journal of Property Management*, 12, 9-14.
- Gurjit S., 1995, Professional property management is needed, *News Straits Times Press*, 31 March 1995, Malaysia.
- Gurjit S., 2005, Role of the property managers in REITs, *News Straits Times Press*, 20 August 2005, Malaysia.
- Jamila H., 1994, *Strata title in Malaysia*, Pelanduk Publications (M) Sdn. Bhd, Selangor, Malaysia.
- Kothari C.R., 2004, *Research methodology: methods and techniques*, New Age International Limited Publishers, New Delhi, India.
- Liias R., 1990, Housing affordability: Theoretical approaches and practical implementation, *The Finnish Journal of Urban Studies*, 28, 61-72.
- Linariza H., Ashok V, 2003, Facility management: An introduction, *Journal of The Malaysian Surveyor*, 38.1), 13-19.
- Mohd Noor A.R., 2004, *Commercial and public property management*, Leeds Publication, Malaysia (in Malay).
- Mohd-Noor N., Hamid M.Y., Abdul-Ghani A.A., Haron S.N., 2011, Building maintenance budget determination: An exploration study in the Malaysia government practice, *Procedia Engineering*, 20, 435-444.
- Olubodun F., 2000, A factor approach to the analysis of components' defects in housing stock, *Journal of Structural Survey*, 18, 46-48.
- Ong A., 2009, The production of possession: spirits and the multinational corporation in Malaysia, *American Ethnologist*, 15, 28-42.
- Sherwin D., 2000, A review of overall models for maintenance management, *Journal of Quality Maintenance Engineering*, 6, 138 – 164.
- Soebiyani V., Bobby Saragih J., Tedja M., 2017, Study on high-rise building using wind energy at humid tropical climate, *Chemical Engineering Transactions*, 56, 241-246.
- Suffian A., 2013, Some common maintenance problems and building defects: our experiences, *Procedia Engineering*, 54, 101-108.
- Tiun T.L., 2009, Managing high rise residential building in Malaysia: Where are we?, 2nd NAPREC Conference, 23rd April, National Institute of Valuation (INSPEN), Bangi, Malaysia, 1-25.
- Vanier D.J., 2001, Why industry need asset management tools, *Journal of Computing in the Civil Engineering*, 15, 35 - 43.
- Wang H., 2017, Research on design of high rise building based on seismic design theory, *Chemical Engineering Transactions*, 59, 511-516.
- Yusuf S.Z., Hussin K., Azali N.H., 2015, Child safety policy in high-rise building as preventive measures of child falls—A review, *Jurnal Teknologi*, 73, 79-84.