

PMgr THE PROPERTY MANAGER

VOL. 6 NO. 4

e-ISSN : 2710-7396

DECEMBER 2024



Dispute Resolution

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Level 18-01, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor
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MIPFM EVENTS & ACTIVITIES

Welcome to the 4th Quarter 2024 Issue of *The Property Manager*!



This issue of *The Property Manager* delves into a range of crucial topics that are shaping the future of property management.

Our first article, "Dispute Resolution in Stratified Living", examines the complexities of resolving conflicts within strata-titled properties. It highlights the importance of effective communication, mediation, and relying on statutes, case laws, contracts and duty of care in maintaining harmonious living environments.

In "Advocacy in Tribunals", the article explore how the property managers can be better advocates for their clients in tribunal proceedings by applying Evidence Law to achieve favorable outcomes. The steps in the proceedings and the stages of hearing in the Strata Management Tribunal are explained.

"Collective Action: Success Factors in Low-Cost Housing Self-Organization, Malaysia: Challenges and Solutions" explores the critical factors influencing the success of collective action in low-cost housing self-organization, addressing both challenges and solutions.

Finally, "Innovations in Property Management: Embracing Digital Transformation" explores the property management (PM) scope of work that requires digital transformation and the perception of the effectiveness of using digital applications among property managers in the Klang Valley. Although the real estate industry has advanced in digitalization, the PM sector has gradually embraced these changes, primarily concentrating on digital marketing and tenancy arrangements. The research results indicate that digital applications are only partially implemented among PM's scope of work and the main impact of the digital transformation is the significant capital investment incurred.

As property managers navigate an increasingly complex built environment, it is essential to stay informed and adapt to emerging trends. We hope that this issue of *The Property Manager* provides valuable insights and practical guidance to help you excel in your profession.

We welcome your feedback and contributions to future issues. Please feel free to share your thoughts, experiences, and ideas with us.

Merry Christmas and Happy New Year !!! ■

Professor PMgr Dr. Ting Kien Hwa
FMIPFM, FRICS, FRISM, MPEPS
Founding Editor & Editor-in-Chief
The Property Manager

From the Desk of The President

Dear Property Managers and
Community Members,

As we step into the promising realm of 2025, it is only fitting that we take a moment to pause and reflect on the past year. This reflection allows us to truly appreciate the hard work, dedication, and community spirit that have not only defined our journey together but have also laid the foundation for the growth we have experienced as a group.

The year 2024 has been nothing short of remarkable, marked by growth, resilience, and connection among us all. It is with immense gratitude that we acknowledge the unwavering commitment of our property managers, whose tireless efforts and heartfelt dedication have been instrumental in cultivating a thriving community. Thanks to your initiatives, we have fostered an environment that cherishes collaboration and support, where neighbors come together to create a warm and inviting atmosphere. Your diligence has ensured that our shared spaces are not merely well-maintained but are also places where everyone feels welcome and valued.

As we embrace the dawn of this new year, let us look ahead with a renewed sense of optimism and ambition. The coming year presents us with a myriad of opportunities to enhance our community further, to innovate our services, and to cultivate an environment where every individual feels not just a sense of belonging but also a sense of home. Together, we have the immense potential to make 2025 a year filled with positive changes, unforgettable experiences, and strengthened relationships amongst all community members.

Let us strive to continue our tradition of open and honest communication, supporting one another through challenges and triumphs alike. It is crucial that we celebrate the rich diversity and vibrancy of our community, recognizing that our differences only serve to enhance our unique tapestry. May this new year usher in not only health and happiness but also success for each of you and your families.

Thank you for being such an integral part of our community tapestry, for your contributions, and for your unwavering support. Here's to a prosperous and fulfilling 2025, filled with promise and potential! ■

Warmest wishes,

PMgr Sr Hj Ishak Ismail
President of MIPFM



DISPUTE RESOLUTION IN STRATIFIED LIVING

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1.0 INTRODUCTION

One ancient Chinese proverb said, "One type of rice feeds a hundred kinds of people". The saying is apt in describing living in stratified buildings in Malaysia where a multi-racial population with diverse religions and cultures share common facilities and utilities. What may seem acceptable to one may be unacceptable to the others. Hence, laws are needed to minimize conflicts and ensure proper management of the buildings.

Strata Management Act 2013 (Act 757) is important in this aspect. It outlines the roles and responsibilities of everyone involved in managing the buildings. Strata Management (Maintenance and Management) Rules 2015 (SMR) provides guidelines for implementing Act 757. However, neither the Act 757 nor the SMR address several situations that need regulation.

For example, when one's neighbour makes noise, the corresponding section is under subparagraph 10(3) Third Schedule SMR which states the sound emanating from electronic or electrical equipment, apparatus or appliance or any musical instrument shall be kept at a low volume after 11.00 p.m. There are no specific decibel levels defined for noise pollution in Act 757 or the SMR. To establish a case of noise pollution, one must refer to other laws and court rulings, like the Local Government Act 1976, the Environmental Quality Act 1974, and the case of **Ong Kok Hou v Perbadanan Bandar & YBR Management [2009] 1 MLJ 616**.

Another good instance to illustrate this point was the incident of playing firecrackers in the compound of a stratified building. What laws are relevant to address such offences when they cause fire? When faced with unclear provisions in the SMA or unresolved complaints, how should property managers and joint management committees react?



Figure 1: Firecrackers in condominium caused fire

Source: <https://worldofbuzz.com/msian-calls-out-reckless-person-for-setting-off-fireworks-outside-apartment-as-sparks-enter-units/>

2.0 REFERENCES OF LAW

Property managers are generally not legally trained personnel. However, ignorance of laws is not an excuse and one will usually have to pay the price. Understanding and adhering to such laws is compulsory for any professional property manager.

Beyond Act 757, property managers and joint management committees can seek assistance from authorities like the Commissioner of Buildings (COB), the Tribunal of Strata Management, and the mediation centre at Dewan Bandaraya Kuala Lumpur to resolve disputes. There are also mediation options available in the Tribunals and Courts for friendly negotiations and amicable solutions.

At a macro level, the legal references for resolving disputes include:

- Statutes
- Contract
- Case Laws or Judicial Precedents
- Duty of Care

The law of evidence applies to all dispute resolution platforms, including COBs and Tribunals. Thus, having solid background knowledge is crucial for effective dispute resolution. The main concepts of Evidence Law are relevancy, admissibility and weightage. Evidence Act 1950 [Act 56] forms the backbone in this area. Property managers play a major role

in dispute resolution by gathering crucial and relevant evidence that can explain the dispute in question. The evidence may include written documents, images, computerized data, video and, photographs. Only relevant evidence is admissible evidence. Irrelevant explanations like personal opinion and hearsay evidence which do not explain the case will be rejected. In complex and technical cases, evidence can be in the form of an expert opinion. A person especially skilled in these areas should give relevant facts in the case as an expert witness- section 45 of Act 56.

Once evidence is accepted, its importance depends on how believable and convincing it is. This is influenced by factors like the quality of the evidence, how clearly it is explained, how well the witness can handle cross-examination, the witness's credibility, and the use of accepted scientific methods by qualified experts to produce scientific evidence.

2.1 Statutes

Statutes are laws passed by the Parliament. Generally federal laws enacted in Malaysia are applicable throughout the Country whereas state laws enacted by the State Legislative Assemblies apply in the particular state only. Subsidiary legislation, on the other hand, is enacted by lawmakers other than the Parliament under powers granted by the parent or primary legislation i.e. the relevant Acts of Parliament. Such authorities regulate the relevant sectors or industries via administrative control by imposing terms and conditions. They normally have designated disciplinary bodies to address issues raised by the general public.

Interpretation of the statutes is subjected to the definitions of typical words used in the Acts outlined in the Interpretation Act 1948 & 1967. The laws are written broadly to cover many situations, but this can sometimes cause confusion. There are two main sets of rules for interpreting these laws: primary regulations and secondary regulations.

Primary rules:

- Literal rule- use of the ordinary meaning of the words used in the legislation
- Golden rule- the words in the legislation are modified to give the words a narrow meaning or broader meaning to avoid absurdity.
- Mischief rule- interpretation with consideration to suppress the perceived mischief and advance the remedy according to the true intent of the makers of the statute
- Purposive rule- interpretation in favour of the spirit and intent of the legislation

Secondary rules:

- Noscitur a sociis- when a word is ambiguous, its meaning may be determined by reference to the rest of the statute.
- Eiusdem generis- when a list of two or more specific descriptors is followed by more general descriptors, the otherwise wide meaning of the general descriptors must be restricted to the same class, if any, of the specific words that precede them.
- Reddendo singula singulis- when a list of words has a modifying phrase at the end, the phrase refers only to the last word.

Act 757 replaced the Building and Common Property (Maintenance and Management) Act 2007 [Act 663]. It has been enforced since the 1st day of June 2015 to regulate the management of common properties. It defines the roles and responsibilities of developers, managing agents, joint management bodies, management corporations and owners/proprietors. Besides, it also has provisions in the jurisdiction and duties of the Commissioner of Buildings in Section 125 and the Tribunal of Strata Management in Section 102 of the Act (Strata Management Tribunal: Jurisdiction and Procedures. The Property Manager (TPM)_ [published by Malaysian Institute of Property and Facilities Managers (MIPFM)], Vol 5, No 1 & 2, June 2023).

Specific rules for common issues, such as by-laws, insurance, managing agents, defects in shared areas, and inter-floor leakage, are also provided. (Defect Management in Stratified Buildings in Malaysia, TPM, Vol 3, No 4, Dec 2021) and inter-floor leakage (Inter-floor leakage: TPM, Vol 2, No 1, March 2020).

Strata Management (Strata Management Tribunal) Regulations 2015 (SMTR) and SMR were launched by the Ministry of Housing and Local Government (KPKT) as subsidiary legislations to give further elaboration to Act 757. Additionally, Strata Management (Compounding and Offenses) Regulations 2019 (SMCOR) was launched on the 2nd day of May 2019 to elaborate on Part X: Enforcement in the Act.

COB is the first line of defence for dispute resolution in stratified living. They play an important role in administering Act 757 as follows:

- Monitor the establishment of a Joint Management Body (JMB) and Management Corporation (MC);
- Appoint an agent to manage, exercise the power and discharge the duties and functions of the developer, JMB or MC after proving that they do not function satisfactorily and do not meet the interest of the owner of the parcel;
- Advises and resolves any dispute between the developer, JMB or MC, and proprietor parcel owner relating to any issues within the jurisdiction of Act 757;
- Provide periodic learning about administrative management, audited accounts, financial provisions and other various topics related to the management of JMB/MC;
- Order the JMB/MC to hold an extraordinary general meeting (COB may also appoint any owner to call an extraordinary general meeting if the JMB/MC was not properly represented); and
- Enforce the law stipulated in the Strata Management Act (Act 757)

Part X of Act 757: Enforcement of Act 757 gives discretionary power to COB to investigate any offence - Section 125. Sections 126 and Section 127 empower the search and seizure of documents and other related evidence with a warrant and without a warrant respectively during the investigation. Additionally, Section 128 gives access to COB to computerized data while searching as stated above. COB may also order the attendance of a person failing which, a Magistrate, upon the report from COB, shall issue a summons to secure the attendance of such person aforementioned-Section 131. It is an offence for any party who refuses, assaults, obstructs, hinders or delays the COB in accessing any premises or information and shall on conviction, be liable to a fine not exceeding RM100,000.00 or imprisonment for a term not exceeding 3 years or both –Section 133.

Under Section 136 of the Act, no one can be prosecuted for offences under this Act or its related laws without written approval from the Public Prosecutor. If the Public Prosecutor permits such an application, the COB shall serve Form 2 to the parties who committed the offence with validity for 14 days only. No prosecution shall be instituted if full payment is made according to section 5 of SMCOR.

Appended hereunder is a summary of offences related to Act 757 and the relevant subsidiary legislations enforced by the COBs:

Act 757	
Section	Description
6 (6)	Filing of the schedule of parcels with the COB before sale of any parcel
9 (5)	Duties and powers of developer during developer's management period
10 (7)	Duties of developer to establish maintenance account
11 (7)	Duties of developer to establish sinking fund account
12 (9)	Duties of purchaser and developer to pay charges, and contribution to sinking fund
14 (5)	Duties of developer in relation to accounts
15 (4)	Handing over by developer to JMB
18 (2)	Duties of developer to convene First Annual General Meeting (AGM) of JMB
26 (5)	Duties of JMB in relation to accounts
27 (4)	Handing over by JMB to MC – Dissolution of JMB
29 (3)	Duty of developer to submit audited account to COB for building or land intended for subdivision into parcels completed before the commencement of Act 757
30 (2) & (3)	Duties of developer and JMB to prepare register of parcel owners
30 (2) & (3)	Duties of developer and JMB to prepare register of parcel owners
34 (3)	Failure to comply with the notice by the purchaser or parcel owner from developer or JMB
48 (4)	Duties and powers of the developer to maintain and manage after formation of MC
49 (3)	Restrictions during preliminary management period - MC
50 (4)	Duties of developer to establish a maintenance account in the name of MC
51 (3)	Duties of developer to establish sinking fund account in the name of MC
54 (5)	Duties of developer in relation to accounts during preliminary management period - MC

Act 757	
Section	Description
55 (4)	Handing over by developer to MC
57 (2)	Duty of developer to convene First AGM MC
62 (5)	Duty of MC in relation to accounts
72 (2) & (3)	Duties of developer and MC in preparing and maintaining a strata roll
78 (3)	Failure of the proprietor to comply with a notice issued by MC
89 (5)	Powers and duties of COB's appointed managing agent
91 (2)	Powers and duties of COB's appointed managing agent after the termination of the management agreement
92 (6)	Duty of developer to pay deposit to rectify defects on common property
151 (2)	Failure to comply to any Order published in the Gazette by the Minister

Strata Management (Maintenance and Management) Regulations 2015	
Regulation	Description
32 (5)	Duties of MC & sub-MC to file bond/agreement to COB
34 (2)	Failure to convene annual AGM by JMB or MC or sub-MC
43 (5)	Duties of COB's appointed managing agent to sign agreement with developer, JMB, MC, or sub-MC
44 (3)	Duties of COB's appointed managing agent to file bond in Form 24 to COB
63 (2)	Failure of any purchaser, parcel owner or proprietor to give access to inter-floor leakages
70	Any person who aiding and abetting for any offences under Strata Management (Maintenance and Management) Regulations 2015

Strata Management (Maintenance and Management) Regulations 2015	
Regulation	Description
6 (5)	Filing of schedule of parcels by developer
7 (4)	Filing of amended schedule of parcels by developer
9 (7) & (8)	Allocate share units according to First Schedule Act 757 formula through Form 3
19 (2)	Duties of developer/JMB to issue a certificate of amount payable by the parcel owner or purchaser under Section 31 Act 757 through Form 10
21 (5)	Duties of JMB to file bond/agreement to COB
25 (3)	Failure to convene First AGM of Sub-Management Corporation (sub-MC)
30 (2)	Duties of MC/sub-MC in the issuance of a certificate of amount payable by proprietor under Section 73 Act 757 in Form 19

Complainants with grievances for matters stated above can visit the COB for advice and assistance. Other grievance under the jurisdiction of Act 757 includes Section 92 of the Act whereby the COB serves as a trustee to manage the Common Property Defect Account (CPDA). The COB may use the CPDA to rectify the defects in common areas during the Defect Liability Period. Furthermore, COB may appoint a registered architect, a registered engineer or a registered building surveyor in the event of inter-floor leakage according to Regulation 64 (2) SMR. An alternative dispute resolution platform, Strata Community Mediation Centre was launched by Dewan Bandaraya Kuala Lumpur (DBKL) on the 1st of October, 2018. In an interview on 26th September 26, 2018, the Minister of Federal Territories YAB Khalid Samad said that the mediation centre was set up to handle about 60% of complaints received by DBKL that are not covered by Act 757. This service is free of charge and includes issues like noise, odour, parking, rubbish disposal, and boundary disputes. It is the first of its kind, with six community mediators appointed to resolve the disputes in high-rise communities in a friendly and professional manner.



Figure 3: Strata Community Mediation Centre of Dewan Bandaraya Kuala Lumpur

Source: <https://www.thestar.com.my/metro/metro-news/2022/10/17/helping-neighbours-find-common-ground>

This year, the mediation centre has been upgraded and renamed as “Strata Community Madani Sejahtera Mediation Centre” to include mediation in areas like planning, licensing, hawkers, and enforcement and prayer rooms.

If negotiation, mediation, and assistance from the COB don't resolve the dispute, complainants can go to the Tribunal of Strata Management or the Court for resolution so long as it fits within the limits of their jurisdiction.

Engaging in litigation involves many concerns. Some of these concerns include:

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- **Legality:** the claimant bears the burden of proof in his case. Furthermore, since no lawyer is allowed in the Tribunals except for issues in the complicated areas of law and one party may suffer from a major financial burden, he needs to possess sufficient background knowledge of the legal issues in hand to file his case and to present and explain his evidence in the tribunals. Although the Evidence Act 1950 is not strictly enforced in the tribunals, the tribunals are guided by the Evidence Laws, too.
- **Finance:** the claimant needs to pay the lawyer, expert witness and other miscellaneous costs in the litigation. In some instances, legal fees exceed RM100, 000.00. Although the claimant may claim back these costs if he wins the case, the quantum of the award will often be less than the actual amount spent.
- **Stress:** the claimant may face intense stress in the tribunals and court. The stress is particularly severe when no lawyer is allowed in the

tribunal. The claimants and defendants have to present their case, examine the witnesses and cross-examine the witnesses with the likeness of lawyers under the assistance and guidance of the Presidents in the hearing.

Additionally, the intensity of cross-examination in court can cause a lot of anxiety and stress for claimants and defendants who lack legal knowledge and preparation.

Although lawyers are usually not allowed in the tribunals, they can be permitted for complex cases or those with significant financial stakes. In these situations, both sides must have lawyers. If the losing party requests a judicial review, both parties will also need to engage lawyers.

The Tribunal of Strata Management handles disputes related to strata management under Act 757. Claims can be up to RM250,000. Since the strata management is perpetual, the Limitation Act 1953 is not applicable in the tribunal.

The scope of jurisdiction of the tribunal has been enumerated in Part 1 of the Fourth Schedule of the Act as follows:

1. A dispute or complaint concerning an exercise or the performance of, or the failure to exercise or perform, a function, duty or power conferred or imposed by this Act or the subsidiary legislation made under this Act, except for those specifically provided in this Part.
2. A dispute on cost or repairs in respect of a defect in a parcel, building or land intended for subdivision into parcels, or subdivided building or land, and its common property or limited common property subject to subsection 16(N) of the Housing Development (Control and Licensing) Act 1966.
3. A claim for the recovery of Charges or contribution to the sinking fund, or any amount which is declared by the provision of this Act as a debt.
4. A claim for an order to convene a general meeting.
5. A claim to invalidate the proceedings of a meeting where any part of the Act has been contravened.
6. A claim for an order to nullify a resolution where voting rights have been denied or when due notice has not been given.
7. A claim for an order to nullify a resolution passed at a general meeting.
8. A claim for an order to revoke the amendment of by-laws in the interest of all the parcel owners or proprietors.
9. A claim for an order to vary the rate of interest fixed by the JMB, MC or Sub-MC for late payment of Charges, or contribution to the sinking fund.
10. A claim for an order to vary the amount of insurance to be provided.
11. A claim for an order to pursue an insurance claim.
12. A claim for compelling a developer, joint management body, management corporation or subsidiary management corporation to supply information or documents.
13. A claim for an order to give consent to effect alterations to any common property or limited common property.
14. A claim for an order to affirm, vary or revoke the COB's decision.

THE PROPERTY MANAGER

S19 of the Strata Management (Strata Management Tribunal) Regulations 2015 (SMTR) offers a discretionary negotiation process. Nevertheless, such a negotiation process is hardly practised nowadays due to time constraints. The claimant and defendant may request to negotiate amicably.

For further information about tribunal procedures, please refer to Strata Management Tribunal: Jurisdiction and Procedures. TPM, Vol 5, No 1 & 2, June 2023.

Operationally, property managers need to know about laws related to strata titles, data protection, building maintenance, the calibration of electrical equipment and plant and machinery.

Appended hereunder are some statutes related to property management of stratified buildings:

Statue	Description	Enforcement Agency
Local Government Act 1976	Authority of the local government	COBs
Housing Development (Licensing and Control) Act 1966	Scheduled Purchase and Sale Agreement	Housing Tribunal, KPKT
Limitation (Amendment) Act 2018	Latent defects	Court
Water Services Industry Act 2006	Migration of individual water meters	Suruhanjaya Perkhidmatan Air Negara
Electricity Supply Act 1990	Renewal of licenses and maintenance of electrical plants	Suruhanjaya Tenaga
Strata Title (Amendment) Act 2013	Issuance of strata titles	Local Council
Street, Drainage and Building Act 1974	S85 Periodic Inspection and application for construction permit for the alteration to the buildings	Building Control Division of Local Council
Penal Code	Criminal conducts like theft, robbery, assault, abetment, organized crime, illegal possession of arm, CBT, etc.	Police
Contract Act 1950	Service contracts with vendors and service providers	Court
Employment Act 1955	Employment of workers and staffs	Industrial Court
Occupational Safety and Health (Amendment) Act 2022	Occupation safety and health of workers and staffs	DOSH and court

Property managers can contact the right agencies for help with complaints, finding solutions, and any follow-up work.

2.2 Contract

Contract law is a private law that allows parties to negotiate and establish the terms of their agreement without government interference. They are legitimate documents that outline the offer, acceptance, promises, responsibilities, benefits (consideration), and prohibition and exit clauses.

They also specify when the contract can be void and how it will be enforced.

For properties sold by the developers in Malaysia, the statutory sale and purchase agreement is found in Schedules G, H, I or J of Housing Development (Licensing and Control) Act 1966 [Act 118] (HDA). These contracts regulate the relationship between the developers and the house buyers. For buildings meant for sub-division and to be sold before the completion of the building, Schedule H will be applicable whereas for sub-divided buildings under a "build-then-sell" concept, Schedule J will be applicable. In a nutshell, Schedule H and J stipulate the list of jointly owned common facilities and services and the requirement of payment of service charges and contribution to sinking funds. HDA has been enacted to protect home buyers lacking financial strength and competency. Act 757 on the other hand, is legislation enacted to safeguard the harmonious strata living and building safety, especially in the management of common facilities and utilities.

Although JMB or MC manage the said common facilities and services, the mandate from the rest of the owners/proprietors of the properties is still needed for any major decisions related to the maintenance of these facilities and services.

Additionally, contracts are part and parcel of strata management when service providers, vendors and contractors are engaged to perform their respective duties or supply, too.

2.3 Judicial Precedents/ Case Laws

Judicial precedent is defined as a judgment or decision of a court cited as an authority for the legal principle in making the decision. It is known as *stare decisis* which denotes "stand by the decision and do not disturb what is settled". Precedents in courts are judicial decision which serves as a rule that a court and other judicial bodies adopt when deciding in subsequent cases with similar issues or facts.

Principles set by a higher court must be followed in future cases, ensuring consistent decisions across all courts. Some of the prominent judicial precedents in strata management include:-

Yii Sing Chiu v Pearl Suria Management Corporation & 2 Ors

An MC may determine different rates of Charges under Section 60(3) (b) of the Strata Management Act 2013 where exclusive use of common facilities and common property can be shown.

Innab Salil & Ors v Verve Suites Management Corporation (2020) CLJ 480

MC can prohibit the usage of residential units in buildings for business or short-term rentals through own house rules or by-laws.

Ang Ming Lee & Ors v Menteri Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan & Anor and other appeals (2020) 1 CLJ 162

The Federal Court stated that the Minister, being empowered by Parliament to establish the scheduled agreements under the Housing and Development (Control and Licensing) Act 1966, cannot delegate the authority to modify or waive these agreements to the Housing Controller.

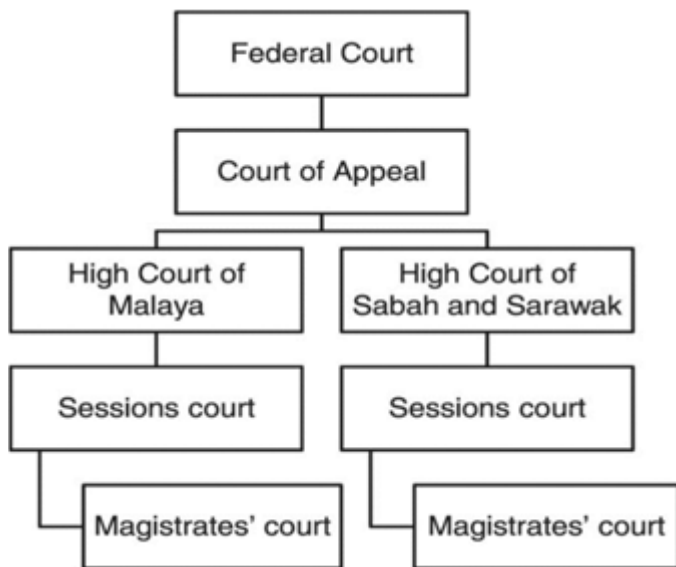


Figure 4: The Malaysian Court System

Source: *Asian Courts in Context*, Cambridge University Press 2012

The doctrine of Judicial Precedents works in two ways: vertical and horizontal. The vertical way works when a Magistrate court is bound to follow the decisions made by the Session Court which is higher in the hierarchy than the Magistrate Court. Similarly, the horizontal way works where a court is bound by its previous decisions.

Thus, the courts play important roles in administering justice and interpreting laws. There are also special courts and tribunals for specific purposes under different ministries for example, the Industrial Court, the Court of Children, the Native Court, the Environmental Court, the Syariah Court and the Courts Martial.

2.4 Duty of Care

Neighbours in stratified buildings live near each other. They share common facilities and services, as well as their walls, ceilings and floors with their immediate neighbours. They may not have contractual relationships, but their excessive actions can still disturb their neighbors.

The neighborhood principle and laws of tort apply in strata living, with close relationships among residents, the Management Agent, and the JMB/MC. While

noise is not a crime, excessive noise can disrupt neighbors' peaceful enjoyment.

Act 757 prohibits excessive noise after 11.00 p.m. Section 81 of the Local Government Act 1976 (Act 171) regulates noise emission. However, what is the tolerable and reasonable threshold of noise? In a landmark court precedent in tort, namely ***Au Kean Hoe v Persatuan Penduduk D'villa Equestrian [2015] 4 MLJ 204*** FC on the law of private nuisance. The learnt judge ruled that "generally, the interference must result from a continuing state of affairs rather than a one-off incident". In ***Projek Lebuh Raya Utara-Selatan Sdn Bhd v Kim Seng Enterprise (Kedah) Sdn Bhd [2013] 5 MLJ 360***; and, ***Chin Lih & Ors v Sunrise Alliance Sdn Bhd & Anor [2011] MLJU 1437***, the learned judge rules that "private nuisance depends on the circumstances of the particularly case such as the time of the commission of the act complained of; the place of its commission; the manner of committing it, that is, whether it is done wantonly or in the reasonable exercise of rights; and the effect of its commission, that is, whether those effects are transitory or permanent, occasional or continuous".

Despite the guidelines in Act 757, Act 171, and court rulings, there are no clear standards for measuring noise levels. This lack of clarity, along with the duty of care, can confuse strata management and complicate dispute resolution.

3.0 CONCLUSION AND RECOMMENDATION

After reviewing the jurisdiction and authority of the COB and the tribunal, the authors find that neither address issues such as theft, fighting, criminal breach of trust, or latent defects in strata management. Although the procedure for inter-floor leakage has clear provisions in Act 757, it does not clearly address the parties who bear the consequential damage of the leakage. Instead, the remedy for damages caused by inter-floor leakage can be found in Laws of Tort whereby the neighbour owes a duty of care to rectify the damage and restore the affected building component to a state as if like no damage has taken place. Nevertheless, the claimant must

file a claim in Court for consequential damage. On the other hand, in the defect management in the common areas, any dispute in common areas discovered during the Defect Liability Period (DLP) can be addressed by the COBs and Tribunal of Strata Management. However, the Act did not provide for Latent Defects after DLP. Claimants can only address latent defects in court. In summary, there are still many unclear areas and loopholes in the legal framework for strata management, leading to confusion due to overlapping laws.

The recent trend in scientific evidence may shed some light on such chaos. Recent development in scientific evidence may help clarify this confusion.

Order 40A, Rules 3, Rules of Court 2012 has a mechanism to address chaos in dispute resolution in the presence of scientific evidence. Let us revisit the instance of excessive noise. The World Health Organization has a guideline for the noise threshold not to exceed 30 decibels (dB) for the sake of mental health. On the other hand, the Department of Occupational Safety and Health specifies a noise threshold of 85 dB for occupational health. If an expert in noise assessment is appointed to inspect the buildings and the surrounding condition, he may measure the intensity and the frequency of the noise with a calibrated noise sensor with a data logger. According to the requirement of an expert report in the Rules of Court 2012, the expert with the relevant expertise shall consider the condition of the buildings and the residents. Besides, he shall also look into different literature and guidelines to determine a reasonable noise threshold given the building conditions and the residents. A reasonable threshold may be within the range of 50 dB to 60 dB due to

the proximity of the parcels in the stratified buildings and the adjacent infrastructure. The complainant who cannot tolerate such noise level may move to a more silent place that suits him better or control the noise by installing noise seals and sound insulation. This solution can be used in different dispute areas, provided an expert with the relevant knowledge and experience is involved.

In conclusion, harmonious stratified living requires higher tolerance and willingness to accept differences. Sound background knowledge in multi-disciplines and amicable dispute resolution with open communication is a preferred way to deal with various disputes arising from such differences. Many disputes involve numerous references to laws. Property managers are encouraged to read widely and equip themselves with sound background knowledge to protect the rights of the JMB/ MC, and to achieve amicable win-win dispute resolution and harmony in stratified living. Lastly, managers should always gather as much evidence as possible when disputes arise. ■

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The article summarised the presentation of a seminar on “Dispute Resolution in Strata Living” jointly organized by PKN Building Solutions Sdn Bhd and Fifth Academy on 11/5/2024. It has been reviewed by Tuan Roshan K., Tuan Palaniappan A/L S. Murugani, Ms Ho Suet Jing and PMgr BH Tan of Transpacc Property Management Sdn Bhd.

ADVOCACY IN TRIBUNALS

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INTRODUCTION

The authors often meet property managers and other parties claiming or defending a claim at the tribunals in Kementerian Perumahan dan Kerajaan Tempatan (KPKT). Property managers typically represent their Joint Management Bodies (JMBs) or Management Corporations (MCs) and the others will represent the developers or in their own capacities. Although it is a common belief that winning a debate or argument in the tribunal means the case will be won, the authors have observed that besides lacking strong advocacy skills, the related parties do not know the Law of Evidence, which is crucial to influence decision-making in these tribunals.

These weaknesses have hurt the efficiency of the adjudication process. Sometimes, the parties involved are so stressed and uninformed that they struggle to express themselves clearly. As a result, they often lose their claims and trust in the tribunal and the concept of justice.

The authors aim to explain advocacy in the Strata Management Tribunal based on the Strata Management (Strata Management Tribunal) Regulations 2015 and Malaysia's Evidence Law. While it's essential for everyone to understand the law, this responsibility is significant for property managers representing their JMBs or MCs in the tribunal. A strong grasp of Evidence Law can streamline the grievance process, creating a fairer environment for all parties and increasing the likelihood of achieving justice.

For more detailed information about the Strata Management Tribunal, please refer to the previous publication titled "Strata Management Tribunal: Jurisdiction and Procedures," found in The Property Manager, Vol 5, No 1 & 2, June 2023 published by Malaysian Institute of Property and Facilities Manager.

ADVOCACY

The Act 757 recognizes the varying financial resources and levels of knowledge among developers, JMBs, MCs, and parcel owners. To ensure fairness, lawyers are generally not allowed to be present in the tribunal, assuming that all parties have equal knowledge and understanding. However, in situations involving complex legal issues or significant financial hardship, lawyers may be allowed to participate upon the tribunal’s consent. In practice, parties may employ legally trained staff not registered with the BAR Council of Malaysia or seek legal advice before the trials. The authors have also seen lawyers advising parties outside the tribunal. In some cases, a claimant or defendant may even be a lawyer.

Legally speaking, advocacy involves using legitimate methods to persuade a President to decide a case. Therefore, understanding the Law of Evidence is critical to smoothen the process and increase the chances of winning the claim.

UNDERSTANDING EVIDENCE LAWS

It is the responsibility of all citizens to understand the law. For property managers in the Tribunal, a lack of legal knowledge can be detrimental. However, the general public does not understand complex legal terms and the procedure in the tribunal which is guided by Malaysia’s Evidence Laws. Therefore, parties are encouraged to bring Act 757 as a reference when filling out forms and attending hearings in the tribunal.

Although the Tribunal does not strictly adhere to the protocols of the courts or the Evidence Act 1950, it is still guided by Malaysia’s Evidence Laws. After all, the Presidents are trained lawyers. Recently, there has been a trend toward increasing complexity in cases and technicality in the advocacy in the Tribunal.

The authors have observed that parties with limited knowledge often lose their cases due to difficulties in advocating for themselves. Ironically, one President in the Northern region required parties to submit written submissions, which put a property manager in a challenging position, as preparing such documents requires a high level of legal knowledge. In contrast, the defendant, represented by legally trained staff, had no trouble in submitting their written submission.

When an aggrieved claimant seeks damages, they carry the burden of proof to prove their claim. They must also help the President to understand their grievances. Creating a clear chronology of events can greatly assist the President in understanding the case.

Parties in the proceedings must present evidence clearly and logically to support their case. In civil claims before the Tribunal, the standard of proof for the party asserting a fact is on a "balance of probabilities". This means the President must be at least 51% convinced in the evidence presented. Not all proof is accepted in court; certain criteria must be met for the Tribunal to recognize it as judicial evidence. Relevant evidence that helps the President understand the case will be admitted, but not all evidence carries the same weight. It depends heavily on its probative value, i.e. the weight in proving or disproving a key issue or fact in a case, and the importance of the evidence. Additionally, admissible evidence must be non-prejudicial and not subject to exclusionary rules.

According to the Evidence Laws of Malaysia, there are different types of witnesses as follows:



Factual witnesses in the tribunal are questioned about their direct observations—what they see, hear, smell, feel, and taste. Generally, their opinions are considered irrelevant and are not admissible in the Tribunal.



Source: <https://www.vectorstock.com/royalty-free-vector/five-senses-concept-with-human-organs-vector-32449778>

Part XI Strata Management (Strata Management Tribunal Regulations) 2015: Tribunal Expert outlines the provisions for appointing experts in the Tribunal. Two divisions provide expert witness testimony: the Technical Section and the Strata Fiscal Audit Unit. The Technical Section includes experts in building-related fields, such as architects, engineers, and surveyors, while the Strata Fiscal Audit Unit comprises accounting auditors.

Regulation 47 allows any party to bring their expert witnesses for independent assessments. However, no party may call more than one expert without the Tribunal's permission, which will only be granted if the Tribunal deems it reasonable based on the circumstances of the case.

On the other hand, Regulation 44 emphasizes the importance of conducting experiments and tests which enables the experts to produce satisfactory reports. This aligns with judicial precedents indicating that non-scientific expert opinions, lacking supporting experiments, are not necessarily accepted by judges. The probative value of scientific evidence backed by experiments and tests is significantly higher, especially when the court lacks expertise in specialized areas. In such cases, the court is obligated to accept scientific evidence if the judge is satisfied with the expert's qualifications and expertise.

Additionally, there are various types of evidence, each with different implications for relevance, admissibility, and weight:

- **Direct Evidence:** Establishes the fact in question.
- **Circumstantial Evidence:** Infers the existence of a fact.
- **Oral Evidence:** Verbal statements from a witness based on their five senses, typically given under oath.
- **Documentary Evidence:** Written materials, including correspondence, computer-generated statements, discs, tapes, films, and soundtracks.
- **Primary Evidence:** Provides the highest certainty regarding the facts.
- **Secondary Evidence:** Accepted when primary evidence cannot be produced, such as certified copies.
- **Real Evidence:** Physical objects used to prove a fact based on their observable characteristics.
- **Hearsay Evidence:** A witness recounting what another person said on a prior occasion.
- **Opinion Evidence:** Generally not admissible from factual witnesses but acceptable from expert witnesses.
- **Similar Fact Evidence:** Demonstrates that a party (especially the wrongdoer) has previously behaved similarly to the alleged misconduct in the current proceedings.
- **Conclusive Evidence:** Irrebuttable evidence that cannot be contradicted by any other evidence.

The Best Evidence Rule requires parties to present the best proof available regarding the nature of the evidence. This means they must provide the highest quality evidence they have, which should be in the form of real, primary, and direct evidence only.

Documentary evidence, including written correspondence, emails, electronic messages, and computer-generated documents (such as account statements and CCTV footage), is preferred. However, the claimant must obtain a certificate or letter confirming that the computer system used for these documents was functioning normally, to the best of their knowledge, at the time of the incident.

COMMENCEMENT OF PROCEEDINGS: WRITTEN SUBMISSION

The proceedings begin with the following forms:

- **Form 1:** Statement of Claim
- **Form 2:** Defence and Counterclaim
- **Form 3:** Defence to Counterclaim

These forms are official and should not be altered. Parties are advised to read the instructions on the back of each form for additional information.

KEY PRINCIPLES FOR FILLING OUT THE FORMS:

- The written submission must address all items in the claim, as the hearing and adjudication will rely solely on its contents.
- Prioritize items in the claim based on their importance and amount.
- Use clear and concise language that is easy to read and understand.
- Structure your arguments logically and coherently.
- Maintain honesty and integrity throughout.
- Attach a chronology of events, evidence, and any visual aids to help the President understand the claim, counterclaim, and/or defence.

- Refer to relevant provisions in Act 757 and any applicable judicial precedents to support your argument.
- Include expert witness reports if available.

After submission, the Secretary of the Tribunal may arrange for mediation, or the parties may request a settlement through negotiation. Alternatively, the Secretary may set a date for the hearing.

HEARING IN THE TRIBUNAL

The hearing progresses through several stages:

- Introduction
- Examination in Chief
- Cross Examination (if applicable)
- Re-examination (if applicable)
- Submission

During the hearing, the claimant must introduce and explain their claim to the President, emphasizing key points, relevant facts, applicable laws, and the damages suffered. Engaging the President's interest with a strong introduction before diving into the details is beneficial.

Several factors can influence how evidence is perceived and evaluated in the Tribunal:

- **Appearance:** Well-groomed individuals are often viewed more positively in terms of credibility and character.
- **Preparation:** Refresh your memory of the facts before the hearing. Keeping a chronology and a list of questions handy ensures you don't miss any important points.
- **Structured Arguments:** Start with a summary of your main proposition, followed by supporting facts and legal reasoning.
- **Clarity:** Use short sentences and focus on one point at a time.

- **Signposting:** Alert the President when transitioning to a new point.
- **Visual Evidence:** Refer to visual proofs at appropriate moments, as they can convey information more effectively than words.
- **Estoppel:** The Tribunal can prevent a person from contradicting their prior statements or conduct.
- **Engagement:** Welcome the President's questions, listen carefully, and respond thoughtfully.

- **Concessions:** Be willing to concede obvious facts, even if they seems disadvantageous. This demonstrates your reasonableness and credibility and shows respect for the Tribunal's time.
- **Non-abusive approach:** "Manners maketh man" meaning it is crucial to be polite, civil and respectful to the President and the opponent at all times, refraining the use of using coarse and abusive language in the proceedings.

Advertorial



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SOP of inter-floor leakage in Act 757, leakage detection, rectification and prevention.

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- ❖ To perform visual inspection and perform non-destructive tests with simple tools.
- ❖ Non-destructive tests for demonstration:
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 - Pressure gauge testing for water-tightness of domestic pipes.
 - Flood testing for waterproof integrity
 - Identification of leakage from hidden waste pipe(s) in pipe risers.
 - External wall leaking.

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[f](#) Uy Kuan [i](#) Kuan You Wai

These principles apply throughout the entire hearing, including examination-in-chief, cross-examination, and re-examination.

EXAMINATION-IN-CHIEF (EIC)

During the examination-in-chief, witnesses present their National Identity Cards (NRIC) for recording and take an oath at the witness stand. EIC begins when the counsel starts asking questions.

Goals of EIC:

- To gather oral evidence or have witnesses produce documentary evidence that supports your case.
- To allow witnesses to address any grey area or weak points in the case.

It's essential to ask questions that help witnesses articulate the claim from one's perspective. For example, in a case involving inter-floor leakage, rather than just confirming its presence, one may want an expert to identify the root cause, suggest remedial actions, and determine responsibility for fixing the issue.

10 Principles for a Successful EIC:

1. **No Leading Questions:** Avoid leading questions, as they can undermine credibility. Let witnesses answer in their own words.
2. **One Question at a Time:** This helps reduce ambiguity.
3. **Keep Questions Short and Simple:** Clarity minimizes confusion.
4. **Avoid Open-Ended Questions:** Be specific about what you want the witness to focus on.
5. **Piggyback Your Questions:** Prepare thoroughly to know what to ask.
6. **Maintain Chronology:** Keep systematic notes to explain facts in the order they occurred.
7. **Redirect When Necessary:** If a witness strays off-topic, guide them back.
8. **Address Weak Points:** Don't leave vulnerabilities open to exploitation by the defendant.
9. **Use Visual Aids:** Visuals can convey information more effectively than words alone.
10. **Focus on Facts:** Ask for factual observations based on the five senses. Opinions or speculation from factual witnesses are not admissible.

CROSS-EXAMINATION (XE)

Cross-examination is optional and depends on the outcomes from the examination-in-chief (EIC). If the evidence presented is sufficient to support your case, XE may not be necessary. During XE, the opponent has the opportunity to challenge the logic of the facts and the credibility of the opposing witness.

Goals of XE:

- Undermine the other side's evidence or the credibility of their witnesses.
- Obtain favourable facts from the opposing witness.

Strong background knowledge is critical for effective XE, as it helps uncover inconsistencies, contradictions, and/or errors of the claim. During XE, you can also ask questions beyond those posed in the EIC.

Key Principles for Successful XE:

1. **Lead, Lead, Lead:** Use leading questions to highlight inconsistencies, contradictions and/or errors in the other side's case.
2. **Skip the Preliminaries:** Avoid repetitive phrases like "I put it to you..." as they can lead to boredom.
3. **Never Ask Why:** Asking "why" can give witnesses a chance to explain away their previous errors.
4. **Keep Questions Short and Simple:** Clarity is crucial.
5. **Block Escape Routes:** Get the witness to agree on uncontroversial facts while building towards your main point.
6. **Don't Repeat EIC:** Avoid rehashing points you've already conceded.
7. **Know When to Stop:** Cease questioning once you've established your main points.
8. **Obtain Favourable Evidence:** Favourable information from an opposing witness is highly valuable.

9. **Stay Indifferent to Unfavourable Answers:** Maintain a neutral demeanour, even when faced with unfavourable responses.
10. **Be Open to Opportunities and Threats:** Be prepared for the unexpected, as circumstances can change rapidly in the Tribunal. Stay calm and adaptable to turn challenges into opportunities.

RE-EXAMINATION (RE)

After cross-examination (XE), the claimant has the opportunity to question the witness again during re-examination (RE). Like XE, RE is optional and should only be conducted if it can clarify or strengthen your case. If the evidence already presented is sufficient to support your position, RE may not be necessary.

In RE, you can only ask questions related to topics covered during XE. New issues cannot be introduced without the Tribunal's consent, so keep your questions straightforward and focused.

Since RE is intended to clarify or reinforce your case, it should be brief. A lengthy RE may suggest that your case was significantly weakened during XE, which could lead the President to believe that further repairs are needed.

SUBMISSION

The hearing concludes with oral submissions, where you summarize why the President should favour your position. It's important to highlight supporting facts and relevant laws and precedents related to your case. Additionally, you should explain why the other side should not be favoured and outline the potential adverse consequences if you lose. To recap, the final submission serves to reinforce your arguments and persuade the President in your favour.

Objection During Hearing

Objections are permitted during the hearing but should be made reasonably based on the following grounds:

- Leading questions during examination-in-chief (EIC)
- Presumptions of fact without supporting evidence
- Introduction of new matters during re-examination (RE)

Objections should be raised immediately after a question is asked, but before it is answered, so it's important to stay vigilant and respond quickly. However, frequent objections can disrupt the flow of the hearing, so it's crucial to object wisely and only on strong grounds.

How Presidents Decide on Awards

When a President decides on an award, the main factors considered include:

- Witness behaviour: How a witness acts during questioning.
- Story Consistency: Whether the witness's account is steady and holds up when challenged.
- Evidence Fit: How well the testimony matches other evidence and the case details.
- Motives: Any reasons the witness might have to lie or hide the truth.
- Source of Knowledge: Where the witness got their information.
- Memory Reliability: How clear and trustworthy the witness's memories are.
- Credibility: Overall trustworthiness of what the witness says.

Understanding these factors can keep us on track in the hearing and help the President to decide correctly..

CONCLUSION

This article aims to highlight the importance of understanding Evidence Law, not to turn the layman tribunal into a court. Knowing this law helps create a fair environment for everyone involved. Indeed, Evidence Law is essential in all types of dispute resolution, especially in property management.

Advocacy is a skill that can be improved with sound preparation and adequate practice. A clear, organized presentation—supported by solid research—can make the hearing process smoother and increase the chances of a positive result. ■

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COLLECTIVE ACTION SUCCESS FACTORS IN LOW-COST HOUSING SELF-ORGANIZATION, MALAYSIA: CHALLENGES AND SOLUTIONS

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ABSTRACT

This study explores the critical factors influencing the success of collective action in low-cost housing self-organization, addressing both challenges and solutions. Collective action in this study refers to community-driven initiatives to maintain and manage the common properties within a low-cost housing scheme such as car parks, landscape, compound lighting, corridors, corridor lighting, lift systems, roofs, external façade of buildings, and rubbish bin centers. Collective action success factors refer to the six factors/dimensions/variables identified in the augmented Institutional Analysis and Development framework (augmented IAD framework) that either singly or collectively influence the outcome of maintenance and management of common properties. The six factors are attributes of the physical environment, social capital, rules-in-use, stakeholders' interest,

adaptation, and racial relationship. Key challenges involved overcoming the limited financial resources due to poor collection of maintenance fees payable to the local management, the nature of the shared resources that discouraged collective action, and the lack of training for the local management. The solutions proposed include promoting social capital within the community and fostering a relationship between the local management and the authorities (the Commissioner of Buildings, officers from the Selangor Housing and Property Board, and the local politicians). Finally, the study emphasizes the importance of understanding various dynamic forces associated with the success of managing a shared resource.

Keywords: Collective Action Success Factors, Low-Cost Housing, Malaysia, Self-Organization.

1.0 PROBLEM BACKGROUND

The lower-income group in Malaysia is fortunate to own a low-cost housing unit, thanks to the past efforts of both private and public sectors which incentivized the provision of highly subsidized low-cost housing in many parts of urban centers (Shuid, 2016). By the 2010s, squatter colonies almost disappeared from the urban landscapes as eager homeless squatters were relocated and resettled in formal high-rise buildings (Suffian & Mohamad, 2009). To the new homeowners of high-rise low-cost housing, instead of looking forward to a more comfortable life, the surrounding conditions in the common properties quickly deteriorated due to a shortage of funds to maintain and manage them (Hamzah & Abdullah, 2018). Many homeowners failed to pay the maintenance fees prescribed under the law. As a result, the local management (the developer in the initial period, the Joint Management Body, or the Management Corporation as the case may be) has insufficient funds to carry out routine maintenance (floor-sweeping) or for an emergency for example the breakdown of a lift.

However, managing a low-cost housing scheme is similar to managing a “complex system” that puts a heavy demand on the skill sets of the local management. Many decision-makers fail to appreciate it. The attributes of a complex system have been classified in the literature as physical, social, and managerial (Vergara, Gruis, & Flier, 2019). Physical characteristics typically include the presence or absence of common facilities, amenities, housing unit size, and the appearance and standard of the building (Tan, 2012). Social attributes are social relations cultivated by the local management and homeowners (Tan, 2016). The most common management attributes are rules and regulations, maintenance, management policies, and participation (Amole, 2009).

According to a report from the Office of the Commissioner of Buildings, the maintenance and management of low-cost housing schemes is sub-

optimal with most scoring a two-star rating when the best is four-star (COB, 2019). Many of these schemes deteriorate into urban slums (Chong, 2020; Tiun, 2009). In a recent development, fuelled by frustration over persistent issues surrounding the maintenance and management of low-cost housing, the Sultan of Malaysia's Johore state directed the current Minister of Housing and Local Government to explore comprehensive solutions for revamping the maintenance of common properties, which has left residents in dire circumstances (Benjamin, 2023).

2.0 DEFINITION OF COLLECTIVE ACTION SUCCESS FACTORS, LOW-COST HOUSING SCHEMES, SELF-ORGANIZATION, CHALLENGES AND SOLUTIONS

Collective action success factors (CASF) are factors/dimensions/variables identified empirically as influencing the maintenance and management of shared resources (common properties for example). The six CASFs have been identified in the augmented IAD framework as attributes of the physical environment, social capital, rules-in-use, stakeholders' interest, adaptation, and racial relationship.

Low-cost housing schemes are a specific category of high-rise multi-owned residential buildings priced at RM25,000 to RM42,000 (650 in the built-up area), built under the planning direction of the State, and owned by society's most vulnerable and disadvantaged group (Shuid, 2016; Wang & Tan, 2024). While homeowners own individual units, the common properties/common areas are jointly owned by every parcel holder. They are to self-organize the functioning of common properties with little interference from the State.

The term self-organization refers to the process of maintenance and management of common properties by the developer in the initial period, or the Joint Management Body, or the Management Corporation as the case may be stipulated under the law (see the Strata Management Act 2013 (Act 757) and its Regulations).

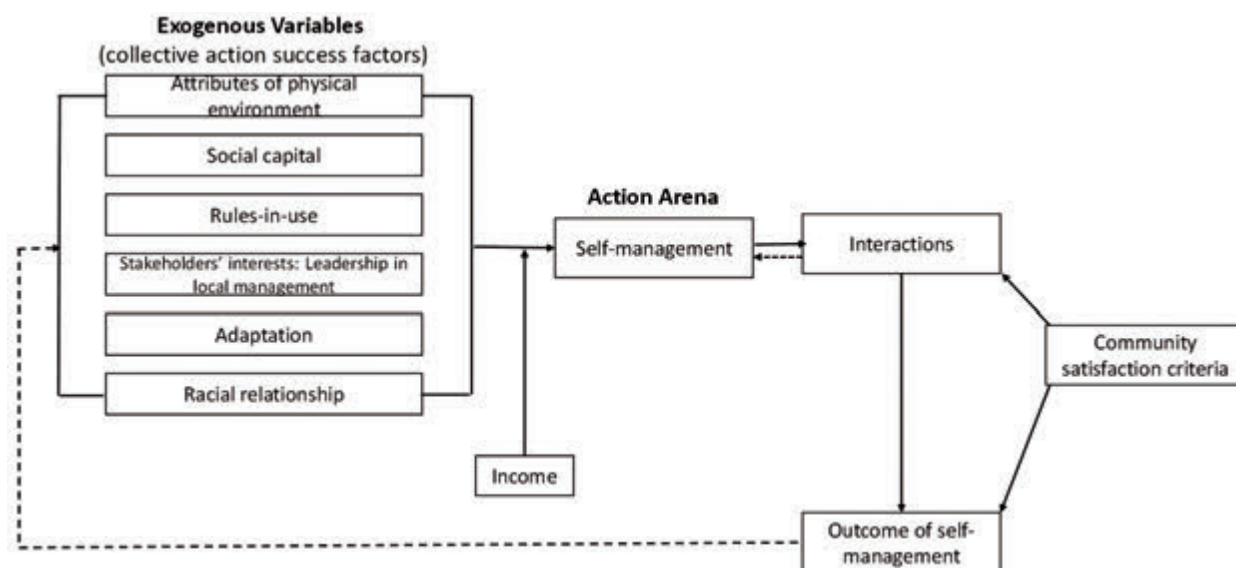


Figure 1. The augmented IAD framework

Source: Wang & Tan (2024)

Key challenges involved overcoming the limited financial resources due to poor collection of maintenance fees payable to the local management (an example of lacking collective action), the nature of the shared resources (physical resource attributes to be discussed) that discouraged collective action, the community attributes (weak social capital for example), and the poor enforcement of rules by local management (collection of maintenance fees).

The solutions proposed include promoting social capital within the community, fostering a relationship between the local management and the authorities, and providing suitable training for local management.

3.0 THE AUGMENTED IAD FRAMEWORK: HISTORY AND DEVELOPMENTS

A serious researcher needs a framework. The framework when employed “discusses the inter-relationships among the concepts and variables that are deemed to be integral to the dynamics of the situation being investigated,” opined Cavana,

Delahaye & Sekaran (2000, p. 78). In this paper, we investigated which variables were deemed to play a role in the successful self-organization of low-cost housing (collective action). Ostrom (2005, p. 28) defined frameworks in the following manner:

Frameworks identify the elements that one needs to consider for institutional analysis. Frameworks organize diagnostic and prescriptive inquiry. They provide the most general set of variables that should be used to analyze all types of settings relevant to the framework.

The augmented IAD framework promoted by Wang & Tan (2024) was built on the foundation of Ostrom and her allied researchers (Ostrom, 2005, p. 15) by adding three more factors, namely, *stakeholders' interest, adaptation, and racial relationships* which were found to be relevant to the Malaysian context. Another factor income was added when empirically tested, it affected the collective action. More will be discussed in the next section. See Figure 1 The augmented IAD framework.

IAD framework can trace its roots to the pioneering works of Kiser & Ostrom (1982). The IAD framework has been used by natural common-pool-resources (CPR) (coastal fisheries, community glazing grounds, common forests, and shared irrigation systems) scholars since the 1990s. Specifically, Ostrom's (1990, p. 90) eight designed principles have been successfully used as diagnostic tools in assessing shared resources management outcomes. The demand for IAD frameworks for man-made resources such as low-cost housing only gained traction beginning in the 2000s (Adamu, 2012; Walters & Kent, 2000; Wang, 2013; Wang, Ling, & Shi, 2022). Figure 1 shows the six factors that impacted the performance of local management in self-organizing the common properties of low-cost housing (measuring the success of collective action). They are attributes of the physical environment, social capital, rules-in-use, stakeholders' interest, adaptation, and racial relationships.

4.0 THE CHALLENGES OF COLLECTIVE ACTION

Underpinning the augmented IAD framework are the theories of collective action. The Collective Action Theory (CAT) became the conventional *Theory of the Commons* (Combes, Combes-Motel, & Schwartz, 2016). "All individuals in a dilemma situation would maximize short-term returns to self," argued Poteete, Janssen & Ostrom (2010, p. 218). And most individuals opt to free-ride leading to inefficiencies in achieving the desired outcome that resulted in urban slums being formed in many cases. For example, users of shared resources, such as homeowners of low-cost housing, often face collective action dilemmas due to their inability to act as a cohesive community for the collective interest.

The six factors (Figure 1) will be discussed in the context of collective action theory. First, are attributes of the physical environment. In the theory of collective action, the denser a scheme the harder it is to manage (Olson, 1965). Therefore decision-makers must be aware of the challenges faced by local management if the number of units is high due to high transaction costs. Second, is social capital. To overcome individualistic behavior the group has to act for the collective interest, with the aspiration that the whole will surpass the sum of individual efforts (Yau, 2011). Easier said than putting into practice, the onus is on the local management to bring together the community to act as one when facing challenges.

The third is rules-in-use. As a means to overcome the free-riding behavior of delinquent parcel holders, the local management (for example HOA, JMB, or MC as the case may be) must put the house rules into practice, monitor compliance to the rules and, in the event of a default, enforce punishment (Ho & Gao, 2013). Fourth, is the stakeholders' interest. At least four groups of stakeholders can be identified, each contributing to the success of the collective action (the local management, the COB, officers from the Selangor Housing and Property Board (SHPB), and the local politicians). The quality of local management determines the outcome of collective action (Wang & Tan, 2024). As another example, it helps if officers of SHPB take an interest in the affairs of low-cost housing by providing training to the local management (linking social capital).

Fifth, is adaptation. Past researchers of low-cost housing have largely ignored this particular factor. Empirical findings show maladaptation by ex-squatters to live in formal housing can be serious (Lee, 2000). The founder of modern Singapore Mr Lee Kuan Yew lamented that three decades had passed, and those farmers who were relocated from farms and lived in Housing and Development Board flats refused to accept his well-intended policy. Sixth, is racial relationship. Malaysia is a multi-racial and multi-cultural society. Racial relation is a sensitive issue in a heterogeneous community (Cordell & Wolff, 2010). Household income moderates community satisfaction in collective action by shaping stakeholders' interests and influencing the physical environment. Higher-income households, with greater resources, are more likely to engage in community initiatives, collaborate with external groups, and invest time, effort, and finances in maintaining and improving shared spaces.

In summary, the influence of these six factors (plus income as a moderator) (see Figure 1) will determine the degree of collective action achieved. Conversely, the local management/community will face more social dilemmas (more collective action problems) if free-riding habits flourish and incidents of vandalism are rampant.

5.0 THE PROPOSED SOLUTIONS

Re-examining the first four collective action success factors (Figure 1) may provide a deeper understanding of the challenges at hand, and how solutions can be provided. Firstly, attributes of the physical environment are a thorny issue from day one. Much past research has documented the generally poor workmanship of high-rise low-cost housing. While we sympathize with the lost-making category of building such housing, the developers and the State can find a mutually acceptable solution so that the poor and the disadvantaged income earners are not provided with sub-standard products. Many homeowners when interviewed showed their frustrations by not acting cooperatively

after taking the keys (Wang, Au-Yong, Ling, & Law, 2023). Secondly, social capital is effective when cooperation and participation prevailed. But social capital takes time to build. Homeowners' civic participation in community activities only works if they are properly motivated as stipulated by the Rationality Theory (Coleman, 1990). Under the given social conditions, local management can spearhead a change in homeowners' behavior by being proactive and by maintaining a high degree of transparency in operation.

Thirdly, rules-in-use should not be confined to formal law/rules/house rules. They can include informal constraints or acceptable local culture (norms). Often the managers put in charge by developers in the initial period were underqualified, lacking the necessary skills to handle the complexity of housing management. Similarly, subsequent management teams elected by the parcel holders themselves also lacked the required expertise. As a result of the foregoing, conflicts within the commons became widespread and rules enforcement is not possible (Wahi et al, 2018). Fourthly, at least four groups of stakeholders can influence the collective action. Past research shows that any help from an external party such as the COB or officers of SHPB helps in the self-organization of the community affairs. These people provide the linking social capital that solves homeowners' problems. For example, through the contacts with SHPB, low-cost housing was given sufficient funds to replace the old lifts (Wang & Tan, 2024).

6.0 CONCLUSION: POLICY IMPLICATIONS

This study examines the critical factors influencing the success of collective action in low-cost housing self-organization, addressing both challenges and solutions. Six collective action success factors have been highlighted (see Figure 1) as the attributes of the physical environment, social capital rules-in-use, stakeholders' interest, adaptation, and racial relationship. Additionally, income is a moderator between collective action and the six factors.

The study delves deeper by examining the possible solutions to overcome some of the challenges in Figure 1. For example, the poor workmanship of low-cost housing has been identified as a source of anger towards the local management by homeowners. As another example, the role of social capital in overcoming the challenges of collective action/self-organization has largely been overlooked in past research. Social capital is a relational asset that can be promoted within society's most vulnerable and disadvantaged groups without incurring much cost. The clue lies in understanding the power of social capital. On rules-in-use, local management can explore the merits of local culture or norms as the basis of self-organization. Strict adherence to the rules does not produce the desired outcomes one expects. Local management needs to be reminded that homeowners who are defaulters are also their peers and fellow homeowners. Hence local management cannot act as if they are facing defaulters as if they are company staff working below them.

In summary, we have to reiterate that housing being a complex system requires many skill sets that ordinarily such skill sets do not possess by local management. The six collective action success factors are the initial list of factors that should be considered. They are not the complete list.

ACKNOWLEDGMENTS

The author wishes to thank the editor-in-chief of *The Property Manager* Prof Ting Kien Hwa for the invitation to write this article which is largely based on the paper published in August 2024 under Wang & Tan (2024). Collective action success factors and community satisfaction in Malaysia's urban commons, *Housing Studies*, 41. doi:10.1080/02673037.2024.2388187. ■

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INNOVATIONS IN PROPERTY MANAGEMENT: EMBRACING DIGITAL TRANSFORMATION

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ABSTRACT

This paper explores the property management (PM) scope of work that requires digital transformation and the perception of the effectiveness of using digital applications among property managers in the Klang Valley. Although the real estate industry has advanced in digitalization, the PM sector has gradually embraced these changes, primarily concentrating on digital marketing and tenancy arrangements. The study begins with a literature review to identify the relevant scope of work and digital elements in PM. A survey was conducted among Property Managers and executives across various types of properties in Klang Valley. The results

indicate that digital applications are only partially implemented in all PM's scope of work and the main impact of the digital transformation is transitioning from traditional methods to digital tools requires a significant investment. Organizations need a solid foundation in traditional building management to effectively adopt digital tools to prevent potential issues and challenges associated with digitalization. Ensuring this foundation will help mitigate problems and support a smoother transition to digital solutions.

Keywords: property management, digitalization, scope of work

1.0 INTRODUCTION

As new constructions develop rapidly, PM work becomes more challenging, where the scope of work not only focuses on the existing aging building but also the Property Manager must be well-versed in the management of a new building that may apply sophisticated technology. The outbreak of COVID-19 has forced the Government to initiate the Movement Control Order (MCO) which forces Property Managers to find effective management and apply digitalization to keep the property operating as usual and in a safe condition. Digital technology in property management (PM), for example, cloud-based management systems, sensors to detect damages, and damage reports through the online system, have the potential to reduce mundane tasks while focusing on strategic roles within organizations.

In Malaysia, the built environment is governed by the Construction Industry Development Board (CIDB), while transactional real estate and facilities management are regulated under the Board of Valuers, Appraisers, Estate Agents, and Property Managers (BOVAEAP). While the construction industry is seen to be successful in applying technology such as Building Information Modelling (BIM), the remainder of the real estate value chain, from sales to property management, cannot be said to be on the same level (Alan, 2021). Real estate has made some transition toward digitalization, but a stronger bridge is still required across the value chain (Bracken and Devi, 2021). Most property developers use smart digital marketing to increase brand image through attractive web pages and increased online presence to get strong interaction with clients, and client monitoring (Ullah et al., 2019; Low et al., 2020). Processes such as listing, searching, evaluation, and negotiations have also been digitalized (Barreca et al., 2018; Wang et al., 2018). However, when it comes to PM sectors, the adoption of digitalization is quite slow and it may take a certain period before this trend becomes popular (Low et al., 2020; Alias, 2012).

PM systems such as parking management, accounting, visitor management, facility booking, and access control are commonly scattered and isolated. Without communication between systems, no data flow between activities, and no data analytics available, the understanding of tenants or occupants remains fragmental. It leads to difficulties in establishing further engagement with them. Therefore, it is significant to integrate the scope of work of PM into a comprehensive digital system and management, especially in more complex properties such as large commercial properties (Muczyński, 2015), to ensure the property is operated following the owner's objectives without neglecting the interest of others (occupants or visitors). As the PM digitalization practice is not widely implemented, it is crucial to examine the extent to which digitalization elements are implemented in PM in Malaysia and the scope of work that has the potential to be integrated and digitalized.

Digital transformation is believed to help in achieving sustainability and operational performance on a property. For example, digital rent payment platforms have been introduced to provide convenience and avoid issues such as rent arrears and tenant turnover. With digital applications such as predictive analytics systems, Property Managers can identify groups at risk of rent arrears, encourage online payment, and provide automatic receipt eventually making the entire process easy for both sides of the transaction (Manzi and Bimpson, 2022; Edgar, 2018) and eventually improved customer service (McLaughlin, 2016). Adopting proper technology and platforms such as building monitoring, sensor technology, and online platforms to submit complaints of damage will save time and prompt quick actions instead of spending most time observing and checking the building security and facilities (Javaid et al., 2021; Mobaraki, 2021).

1.1 Challenges and Issues Within Property Management Industry

According to Gupta et al. (2020), organizations nowadays transform their organization from traditional methods to digital platforms to ensure their organization achieves balance in terms of environmental, social, and economic. Delaying digitalization will lead to less efficiency in management, waste valuable time on daily operations, and increase costs (Global Lancers, 2022). Failure to implement digital transformation in the PM industry can result in several challenges and missed opportunities for efficiency, effectiveness, and overall business success. The following are some of the challenges and issues within the PM industry, especially in the absence of digitalization:

- **Operational Inefficiency**
Property management processes may remain manual and time-consuming without digital tools and technologies. PM involves the performance of some repetitive tasks such as documentation, communication, and data analysis. These tasks may be prone to errors, inefficiencies, and loss of paper documents, leading to increased operational costs (Ombati, 2022; Collins, 2021)
- **Lack of Sustainability**
Digital transformation can contribute to sustainability by optimizing resource use, reducing paper consumption, and improving energy efficiency. Businesses' failure to embrace digital practices in this era may result in a missed opportunity to contribute to environmental sustainability goals and contribute to their demise (Issam et al., 2023).
- **Data Security Risks**
In property management, various types of data need to be recorded to ensure effective management, compliance with regulations, and optimal decision-making such as property information, tenant information, financial data, lease and contract data, maintenance and

repairs data, etc. Manual record-keeping and outdated systems may expose property management businesses to higher risks of data breaches and security threats (Amanamah, Morrison, and Asiedu, 2016). PM companies should use the digital method of property record-keeping rather than relying on the manual way as it has more advantages and helps create a smooth working process in PM/real estate companies (Peace and Yusuf, 2022).

- **Customer Dissatisfaction**
Modern tenants and property owners expect seamless and convenient services. Lack of digital tools may lead to slower response times, difficulty in accessing information, and overall dissatisfaction among customers who are accustomed to digital conveniences. Therefore, a productive digital transformation is required to enhance customer experience, customer satisfaction, and customer loyalty (Rawan and Sarah, 2023).

Several studies provide an overview of digital transformation in the PM industry, for example, a study about the digitalization of business processes of enterprises of the housing and communal complex by Bogataj et al. (2020); and smart silver villages supported by a digital platform by Battisti et al. (2020). However, there is no standardized framework or model to be applied to digital transformation in the PM industry (Prasetya and Arief, 2022). There is no specific research that shows the integration of PM's scope of work and how digital transformation in the scope of work may help in achieving the sustainability and operational performance of a property. Some organizations might hesitate to transform their management and operational processes because they are unsure of the benefits to their company's performance. Therefore, this research will highlight the scope of work in PM that requires digital transformation and the extent to which digitalization is implemented in PM in Malaysia.

2.0 LITERATURE REVIEW

Property management (PM) is a crucial real estate management component to guarantee value for money throughout a property's life cycle. Completed buildings will remain for years and PM is the foundation of the property industry. PM refers to administrative processes involving the supervision of residential, commercial, or industrial property. It usually includes the management of property owned by another party or entity (Omar and Waleed, 2019). In Malaysia, the Valuers, Appraisers, and Estate Agents Act 1981 (Act 242) defines PM as, "the management, maintenance, and control of any land, building and any interest therein, excluding the management and maintenance of property-based businesses, on behalf of the owner for a fee...". PM usually includes services that are related to maintenance of such common areas i.e., corridors, car parking, greeneries, lobby, lifts, etc. which are used by all (occupants or visitors) but generate little or no response from them as far as their maintenance is concerned. Good PM services not only keep the property in good condition but also minimize operating costs and provide a positive image of the property. In addition, it is a business that can create wealth by adding value to other related businesses (Eddie et al., 2011).

However, the absence of comprehensive PM will negatively affect the physical condition of the property due to poor maintenance, marketing, and follow-up. Inefficient and ineffective PM will lead to high costs and decreased service quality (Prasetya and Arief, 2022). A poorly managed and maintained building will deteriorate rapidly, destroying all the efforts put into the design and construction of the property (Raja, 2017). It is quite challenging to maintain the quality of property products, especially in the high population area and rented properties. If the properties are managed by non-specialized institutions or individually, this will contribute to a loss of market value over time (Omar and Waleed, 2019). In Malaysia, the BOVAEAP will ensure that property is managed by professional Property Managers according to the Malaysian Property Management

Standard (MPMS). There are nine (9) scope works of Property Managers as follows:

- **Handing/Taking over the property**
Using a detailed checklist, the Property Manager must ensure a smooth handover of all essential assets, documents, and records related to property care and management. Before taking over, they should inspect the building to assess its current condition and address any issues in the Building Condition Report. The deed of mutual covenants should be implemented, and all reports and records should be updated and reviewed before being handed over to the client or their representative when the management contract ends.
- **Building management**
A systematic approach to building management ensures that amenities and services run smoothly and cost-effectively. Key tasks include setting up a well-organized Management Office, recommending an appropriate organizational structure with adequate staff, designing and implementing relevant policies and procedures, preparing and reviewing Standard Operating Procedures (SOPs), managing maintenance and procurement processes, and providing regular management reports.
- **Maintenance management**
A comprehensive maintenance management program should ensure efficient and cost-effective building operations by covering key areas such as corrective maintenance, which includes adhering to client goals, effective oversight, and managing stock and inventory systems. Planned maintenance involves implementing a systematic schedule, supervising activities, maintaining records, and incorporating energy-saving measures. Additionally, only qualified and experienced service providers should be appointed, with clear contracts outlining the scope of work.

- **Financial management**
This scope of work involves the preparation and management of invoices and receipts, collection of rental income, service charges, sinking funds, and the control of expenses and payments. It also includes the preparation of budget, accounting records, and reports of the property.
- **Administrative management**
This scope of work includes monitoring general operations such as helpdesk and customer service, records of plans, drawings, service contracts, equipment maintenance, and contact details for tenants, contractors, and consultants. It also involves managing the application and renewal of licenses, permits, and certificates, and handling petty cash. In addition, it also includes human resource management tasks such as selection, recruitment, employment, record-keeping, training, payroll, and managing statutory contributions.
- **Insurance management**
Advising the Client on the various risks that may affect the property and recommending suitable insurance coverage is part of PM's scope of work. The Property Manager must be knowledgeable about different insurance policies, adequacy, premiums, and claims processes. They must ensure that insurance premiums are billed correctly and timely to all responsible owners, reporting damages and losses promptly, and assisting in making the appropriate claims to insurers.
- **Health, safety, and emergency management**
This scope of work involves creating a safety and security program according to what the client or building owner and occupants require. The Property Manager must ensure compliance with the related regulations. These guidelines promote a safe work culture and protect the workforce from risks associated with their activities.
- **Tenancy/Lease management**
Tenancy/ Lease Management involves collecting rents, service charges, and other fees while maintaining accurate records of all transactions. It includes keeping detailed documentation of the property and its inventories, understanding the terms and legal aspects of tenancy and lease agreements, and ensuring smooth execution of property handovers when tenants move in or out.
- **Facilities management**
Facilities Management (FM) involves integrating processes to maintain and enhance services that support the organization's main activities. This includes upkeep and cleaning, fire safety, health and safety, mechanical and electrical systems, maintenance and inspections, facility operations, security and surveillance, space management, the tender process, and tenancy and lease management.

With the abundance of technology tools in the market, the opportunity to automate these property management scopes of work is substantial and appealing to Property Managers who are still making do with the costly, outdated, and ineffective processes and methods to complete their jobs. Repetitive tasks such as collecting rent, lease renewals, reporting, and building data updates can be digitalized instead of doing it manually which might delay the process. Digitalization transformation reduces transaction costs by providing better and quicker access to information, and communication between staff, suppliers, and networks. It can help organizations integrate into global markets, and facilitates access to resources, including finance, training, and recruitment channels (OECD, 2021). In addition, according to Baharum (2022), today's tenants' and occupiers' expectations are getting higher as they are already exposed to a variety of digital conveniences and solutions. So, Property Managers must keep up-to-date on digital property management solutions that are available and new emerging prop-tech trends. However, some of the tasks, at the moment, cannot be automated

or digitalized such as repair work; supervision of building software; defining the strategy and selecting the appropriate contracts, and a few others. Therefore, it is significant to identify which scope of work can be digitalized to assist Property Managers in managing the property and to ensure the property is operating smoothly.

In Malaysia, the Ministry of Science, Technology, and Innovation (MOSTI) has launched Area 57, a drone development zone at Technology Park Malaysia (TPM) and this shows a significant milestone, thus being a catalyst to drive multiplier effects across industries, including the real estate market (Alan, 2021). In addition, other megatrends such as Big Data Analytics and Artificial Intelligence which give rise to rapid development in a wider range of industries lead to supporting the growth of businesses requiring industrial, commercial, and residential properties in the country (Alan, 2021).

Digital capabilities enable the integration of Business and IT and impact customer experience and operational processes. This results in increased productivity, higher revenues, and cost reductions. Based on findings by Chandola (2015), the implementation of digitalization elements results in sustainability and operational benefits such as waste reduction, better customer decisions, resource usage, cost reduction, workers' safety, productivity, and environmental protection. Unlike in the past, when an organization's major focus was financial benefits, organizations must now compete to strike a balance between the environmental, social, and economic dimensions of their business, and this is called sustainable performance (Gupta et al., 2020). Digital transformation changes traditional methods of communication and interactions into cross-border interactions between customers, competitors, and suppliers, which leads to drastic shifts in economic, social, and political perspectives (Nasiri, 2021;

Fischer et al., 2020; Hansen and Sia, 2015; Hess et al., 2016). The deep integration of AI, cloud computing, blockchain technology, and other technologies promotes the optimization of business processes, the reduction of operating costs, the improvement of production efficiency, and the establishment of an efficient and agile operating system and organizational management framework (Zhiying, Tingyu and Qian, 2023).

In the United States, the integration of property management software and smart building technologies in the U.S. has improved operational efficiency (U.S. Market Research Report, 2022), contributing to sustainability in resource utilization. The adoption of scalable cloud-based solutions allows property management practices to grow and adapt to changing needs. Meanwhile, in the United Kingdom, integrated property management platforms and smart building technologies contribute to operational effectiveness (Zaidi, 2023), supporting sustainability in resource management. Supportive regulations and initiatives, such as HMLand Registry Strategy 22, encourage the adoption of digital solutions, fostering sustainability at a systemic level. The increasing adoption of digitalization in New Zealand, including smart building technologies and specialized software, contributes to operational efficiency, and productivity and fosters innovation (Chowdhury et al., 2019). Utilizing digital marketing strategies aligns with sustainable practices in property showcasing and tenant attraction (Ali and Song, 2022). As for Singapore, the active promotion of smart building technologies and Internet of Things (IoT) devices supports sustainability through energy efficiency and improved building management (Ghassan and Kwok, 2022). The Smart Nation initiative by the Government of Singapore, for example, underscores the commitment to sustainable urban development and the integration of technology for long-term benefits.

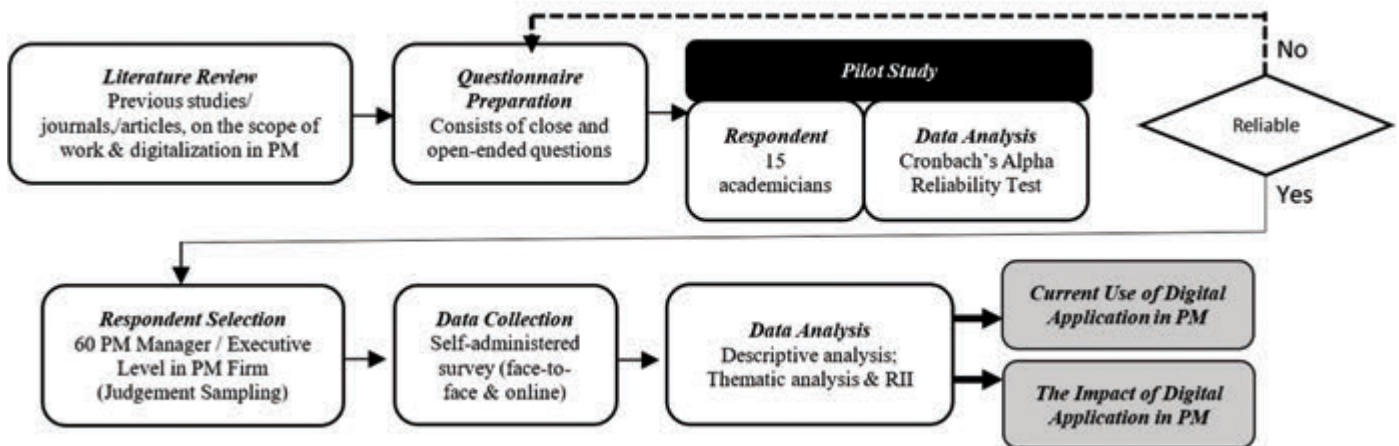


Figure 1: Research Methodology Flowchart

In Malaysia, the emergence of PropTech startups indicates a growing ecosystem that promotes innovation and sustainability in property management practices. The use of cloud-based and e-payment in property and tenancy management has shown that Malaysia is moving towards digitalization in the industry. Numerous studies provide insights into digital transformation within the Property Management (PM) industry. For instance, Bogataj et al. (2020) examine the digitalization of business processes in housing and communal complex enterprises, while Battisti et al. (2020) focus on smart silver villages supported by a digital platform. Despite these studies, there is currently no standardized framework or model for applying digital transformation in the industry, as highlighted by Prasetya and Arief (2022). This shows that there is a lack of specific research addressing the integration of PM's scope of work and how digital transformation within this scope contributes to the sustainability and operational performance of a property. This knowledge gap may contribute to organizational hesitancy in adopting digital transformations, as uncertainties surround the potential benefits for company performance in the

context of property management. Thus, as a starting point, this research will focus on the PM scope of work that has undergone digital transformation and might have the potential to be digitalized in Malaysia.

3.0 METHODOLOGY

The research design for this study employed a mixed approach i.e. qualitative and quantitative. The study thoroughly examined the PM scope of work and the extent of digital technology implementation in PM. Figure 1 shows the research methodology flowchart applied in this research.

3.1 Secondary Data

Secondary data refers to information that has already been gathered through primary sources and is readily accessible for researchers to utilize in their studies and this includes a literature review process. A literature review is an in-depth examination of existing research on a specific topic, involving the study of theses, books, journals, and other relevant sources. Researchers utilize it to gain insights into the scope of work and digitalization of property management, both within Malaysia and internationally.

3.2 Questionnaire Design

The scope of work and digitalization elements in property management identified from the literature review were then used to develop a questionnaire. The questionnaire was divided into three (3) sections i.e., Section A: Demographic Profile; Section B: Current Use of Digital Applications in Property Management; Section C: The Impact of Digital Application in Property Management. A closed-ended question (Yes or No) and an open-ended question were used to design the questions in Section B while a Likert scale was used to design questions in Section C.

3.3 Pilot Study

Before the main data collection, a pilot study was conducted among 15 academicians in the property management field. The pilot study is limited to questions from Section C. A Cronbach's alpha (α) reliability test, applicable only to closed-ended questions, was used to determine the reliability of the questionnaire, where an α of more than 0.7 is considered reliable. In this study, the Cronbach's result is 0.740, which can be considered acceptable.

3.4 Respondent Selection

This study employed non-probability sampling, specifically judgmental sampling. This sampling approach was widely used in qualitative or mixed approaches research and is ideal for exploratory research. Generally, respondents will be selected based on their knowledge and experience in the field (Berndt, 2020). In this study, the respondents are the ones who are responsible for building and property management such as property managers, building executives, operation managers, and other related positions. The respondents were selected from property management firms listed on the Board of Valuers, Appraisers, Estate Agents and Property Managers's (BOVAEAP) website.

3.5 Data Collection

A self-administered survey was conducted using two approaches: face-to-face and online. Potential respondents were contacted via phone and WhatsApp, and the questionnaire link was sent through WhatsApp or email, based on the respondent's preference. Some respondents requested to complete the survey in person.

3.6 Data Analysis

This study employed thematic analysis to analyze qualitative data. The main components of this analysis technique include data reduction, data display, and conclusion verification. Data reduction involves selecting, coding, and categorizing the data, which is necessary due to the complexity of transcribing. Coding is crucial in qualitative research as it helps to develop a theory for the study. Next, data is displayed using graphs or charts to illustrate patterns, aiding in better understanding. Finally, the conclusion should address the research questions by examining observed patterns, and relationships, and making comparisons or contrasts.

For the quantitative data, descriptive analysis is used to calculate the frequency of dichotomous questions (Yes or No questions) and the Relative Importance Index (RII) is employed to rank the level of importance of digital application impact in property management. The following is the formula of RII:

$$RII = (\sum W) / (A \times N)$$

Where:

W is the weighting given to each item by respondents (on a scale, e.g., 1 to 5),

A is the highest possible rating (e.g., 5 for a 5-point scale),

N is the total number of respondents.

The RII value has a range from 0 to 1 and has been categorized into five levels of importance as follows:

- RII value from 0.8 – 1.0: High Importance Level
- RII value from 0.6 – 0.8: High-Medium Importance Level
- RII value from 0.4 – 0.6: Medium Importance Level
- RII value from 0.2 – 0.4: Medium-Low Importance Level
- RII value from 0.0 – 0.2: Low Importance Level

4.0 RESULT AND DISCUSSION

The result and discussion are divided into three (3) sections as follows:

4.1 Section A: Demographic Profile

Table 1 shows the demographics of respondents. Based on the findings, the majority of the respondents are male (67%). Most respondents are relatively young, with 47% aged between 20 and 29 years and 33% aged between 30 and 39. The largest ethnic group in this study is Malay, comprising 73% of the respondents. The study sample is comprised of various job titles and levels of experience. Regarding job titles, 40% of the respondents hold manager-level positions, such as Property Managers and Operation Managers, while 60% are at the executive level, including Building and Property Executives. Regarding experience, 50% of the respondents have between 1 and 5 years of experience, 30% have 6 to 10 years of experience, and 20% have more than 10 years of experience.

4.2 Section B: Current Use of Digital Application in Property Management

The discussion of the results covers the scope of work in PM that requires digital transformation and the extent to which digitalization is implemented in PM in Malaysia. Table 2 presents the findings from Section 2 of the questionnaire, which includes both closed-ended and open-ended questions. Respondents were required to indicate whether the listed

Table 1: Demographics of Respondents

No.	Demographic	Percentage (%)
1	Gender	
	Male	67
	Female	33
2	Age (year)	
	20 – 29	47
	30 – 39	33
	40 – 49	13
	50 – 59	7
3	Ethnic Group	
	Malay	73
	Chinese	17
	Indian	10
4	Job Title	
	Manager Level (Property Manager, Operation Manager)	40
	Executive Level (Building/Property Executive)	60
5	Experience	
	1 – 5 years	50
	6 – 10 years	30
	More than 10 years	20

property management scope of works incorporates digital applications or elements. If digital elements are used, they were asked to specify the tools or applications employed in performing this scope of work. Additionally, respondents were to provide their perspective on whether this scope of work requires digital transformation or not.

Based on Table 2, the findings show that the implementation of digitalization in the Handing/Taking Over the Property scope is limited. While none of the respondents fully use digital tools, 27% have partially adopted them, but only for building inspections and condition assessments by using applications like Nimbly's Mobile App, SnagR, and M65.

Table 2: Current Use of Digital Applications in Property Management

No.	The Extent to Which Digitalization is Implemented		The Need for Digital Transformation in Property Management
	Implementation of Digitalization Element (Yes / Partially/ No)	Description / Current Tools or Applications	Require Digital Transformation (Yes / Partially / No)
1	Handing/Taking Over the Property		
	Yes (0%)	-	Yes (60%)
	Partially (27%)	Implemented for Building Inspection/ Condition Assessment only: • Nimbly's Mobile App • SnagR • M65	Partially (40%)
	No (73%)	Handover/taking over checklists are prepared manually.	No (0%)
2	Building Management		
	Yes (43%)	Building Management System	Yes (60%)
	Partially (4%)	-	Partially (0%)
	No (53%)	-	No (40%)
3	Maintenance Management		
	Yes (50%)	COBie, ONUMA System, Electronic Maintenance Module (EMM), Computerized Maintenance Management System (CMMS), and others like MES, CSS Property Management System, and Condo Master.	Yes (80%)
	Partially (0%)	-	Partially (20%)
	No (50%)	-	No (0%)
4	Financial Management		
	Yes (100%)	Payment option: Online Banking; Debit/Credit; Cheque; Mobile Payment; E-Wallet Digital Tools to Manage Financial Record: Accountant Software; CSS (Accounting System); Condo Master; Door Loop; Excel; Property Management System; SQL (Accounting Software); UBS; Wiz'Property Management System; Own System.	Yes (100%)
	Partially (0%)	-	Partially (0%)
	No (0%)	-	No (0%)
5	Administrative Management		
	Yes (40%)	Electronic Document Management System (Google Drive; Dropbox; OneDrive, Cloud, DocuWare)	Yes (95%)
	Partially (44%)	Using an Electronic Document Management System, however, some documents are kept using the manual filling system	Partially (5%)
	No (16%)	All documents are kept using the manual filling system.	No (0%)

No.	The Extent to Which Digitalization is Implemented		The Need for Digital Transformation in Property Management
	Implementation of Digitalization Element (Yes / Partially/ No)	Description / Current Tools or Applications	Require Digital Transformation (Yes / Partially / No)
Insurance Management			
6	Yes (6%)	These applications are not specifically or fully utilized for insurance management. The tools might be used for other purposes within the organization, such as general property management, financial tracking, or maintenance, but not yet integrated for managing insurance-related tasks like policy tracking, claims processing, or risk assessment.	Yes (50%)
	Partially (0%)	-	Partially (0%)
	No (94%)	-	No (50%)
Health, Safety and Emergency Management			
7	Yes (80%)	Indoor Emergency Spatial Models (IEMS), Confined Spaces Safety Monitoring Systems (COSMOS), and proprietary systems.	Yes (80%)
	Partially (16%)	Still rely on manual methods for some tasks.	Partially (20%)
	No (4%)	-	No (0%)
Tenancy/Lease Management			
8	Yes (0%)		Yes (20%)
	Partially (73%)	Digital Marketing to find new tenants (for example social media; PropertyGuru; iProperty; EdgeProp.com; LinkedIn; Mudah) Tenant application and screening: use the online platform for the application process, but still use a manual approach to screen and select the best tenant. Rent collection: Online payment system, but still accepts cash at the counter. Maintenance request: Tenants can submit requests through online portals/ mobile apps/ WhatsApp.	Partially (80%)
	No (27%)	All activities are carried out manually.	No (0%)
Facilities Management			
9	Yes (50%)	Computerized Maintenance Management System (CMMS); Computer-Aided Facility Management (CAFM); EcoDomus; ONUMA; QFM Facilities Management Software; IBM	Yes (90%)
	Partially (0%)	-	Partially (10%)
	No (50%)	-	No (0%)

However, a majority (73%) still rely on manual checklists for the handover process. However, despite the low adoption rate, 60% of respondents recognize the need for digital transformation in this area, and 40% believe it is partially needed. This suggests a growing awareness of the potential benefits of digitalization, even though currently they are still implementing a manual practice in this scope of work.

For Building Management, the findings show that digitalization is moderately implemented, where 43% of respondents use digital tools such as Building Management Systems (BMS).



However, over half (53%) of respondents still do not employ any digital elements, and only 4% have partially adopted digital elements. 60% believe that this scope of work requires digitalization, but 40% do not see it as necessary. This suggests that, although digital tools like BMS are being utilized by some, there is still resistance or lack of recognition of the benefits of full digital adoption in building management.

There is balanced implementation of digitalization in Maintenance Management, where 50% of respondents use various digital tools such as COBie, ONUMA System, Electronic Maintenance Module (EMM), Computerized Maintenance Management System (CMMS), and others like MES, CSS Property Management System, and Condo Master. However, the other 50% still manage maintenance tasks manually, without using any digital tools. Despite these differences in practice, there is a strong consensus among respondents regarding the need for digital transformation in this area, where 80% agreed that this scope of work requires digital transformation, and 20% believed it is partially needed. The results suggest that while digital tools are already in use by half of the respondents, there is a growing recognition of the importance of full digital adoption in maintenance management.

For Financial Management, the findings show that 100% of respondents fully utilize digital tools in their practice. Additionally, all respondents agree that digital transformation is essential in this area, with no opposition or partial considerations. This agreement indicates that financial management is already fully integrated with digital solutions, highlighting its critical role in ensuring efficiency, accuracy, and transparency in financial operations.

In Administrative Management, 40% of respondents fully utilize Electronic Document Management Systems (e.g., Google Drive, Dropbox, OneDrive, Cloud, DocuWare) for managing documents. However, 44% are only partially digitalized, as they still maintain some documents using manual filing systems. Meanwhile, 16% of respondents rely entirely on manual methods for document management. However, there is strong agreement on the need for digital transformation in this area, where 95% of respondents supporting full digital adoption and 5% considering partial digitalization sufficient. This indicates a clear recognition of the benefits of transitioning administrative tasks to digital platforms, though some resistance to fully abandoning manual processes remains.

Digitalization in Insurance Management within property management is minimal, with only 6% of respondents indicating that their companies have adopted digital tools for insurance management, though these tools are not specifically used for insurance purposes. They only use the tool for document storage, maintenance scheduling, or tenant communication, without tapping into its insurance management features. The vast majority, 94%, do not use any digital solutions in this scope of work. However, there is a clear split in the respondents' perspectives on the need for digital transformation: 50% believe full digitalization is necessary, while the other 50% see partial digitalization as sufficient. This suggests that while there is recognition of the potential benefits of digital tools in insurance management, the adoption remains extremely limited, and opinions on the extent of required digitalization vary.

For Health, Safety, and Emergency Management, 80% of respondents utilized digital tools such as Indoor Emergency Spatial Models (IEMS), Confined Spaces Safety Monitoring Systems (COSMos), and proprietary systems. However, 16% use digital tools but still rely on manual methods for some tasks, indicating a partial integration of digital solutions. Only 4% do not

use any digital tools in this area. 80% of respondents have agreed the adoption of digital elements is necessary for this scope of and 20% support partial digitalization. This suggests a broad recognition of the benefits of digital tools in enhancing health, safety, and emergency management practices, while also highlighting areas where further integration could improve efficiency and effectiveness.

In Tenancy/Lease Management, 73% of respondents use digital tools for specific functions such as digital marketing, tenant applications, and maintenance requests. Many still rely on manual methods especially for screening tenants, collecting rent, and handling certain aspects of maintenance requests, indicating a partial integration of digital solutions. Notably, 27% of respondents operate entirely manually. Regarding the need for digital transformation, opinions are divided: 20% view full digital transformation as necessary, while 80% consider partial digitalization. This shows that even though there is some recognition of the benefits of digital tools in tenancy management, some tasks still require manual practice especially when it comes to the human point of view.

The findings also show that 50% of respondents employ advanced digital tools in Facilities Management such as Computerized Maintenance Management Systems (CMMS), Computer-Aided Facility Management (CAFM), and other specialized software like EcoDomus and IBM for managing facilities. However, an equal percentage (50%) still relies on non-digital methods. 90% of respondents believe that digital transformation is essential in this scope of work, and only 10% see partial digitalization as adequate.

4.3 Section C: The Impact of Digital Application in Property Management

This section shows the impact from the respondent's perspective when digital applications are being used in property management.

Table 3: The Impact of Digital Application in Property Management

No.	Items	RII	Ranking	Level of Importance
1	Digital applications can efficiently meet client targets.	0.675	8	High-Medium
2	Digital tools facilitate smooth and effective management processes.	0.750	3	High-Medium
3	The digital approach simplifies handling and operation.	0.683	7	High-Medium
4	Digital systems make it easy to update and track management progress.	0.743	4	High-Medium
5	Employees are adept at using digital applications.	0.625	10	High-Medium
6	Updating new software presents an opportunity to enhance capabilities and improve efficiency.	0.625	9	High-Medium
7	Digital tools make it easier to onboard and train new employees.	0.600	11	High-Medium
8	Digital applications are cost-effective in the long run.	0.593	12	Medium
9	Many tasks are simplified with digital applications.	0.768	2	High-Medium
10	Digital tools help maintain properties in optimal condition.	0.658	6	High-Medium
11	Digital applications save both time and cost during inspections.	0.725	5	High-Medium
12	Transitioning from traditional methods to digital tools requires a significant investment.	0.818	1	High

The findings of this study highlight the critical importance of transitioning from traditional to digital methods in property management, with the highest RII value of 0.818. This value points to the substantial investment required for adopting digital applications, a key factor for property management companies. The ability to meet client targets efficiently and streamline management processes also stood out, with RII values of 0.675 and 0.750, respectively. These findings suggest that digital tools not only improve operational efficiency but also better meet client expectations, making them strategically valuable.

The ease of updating and tracking management progress (RII: 0.743), along with the time and cost savings achieved during inspections (RII: 0.725), were also considered important factors. These results emphasize how digital tools enhance operational effectiveness by improving monitoring and reducing resource costs. However, some challenges persist, particularly around employee onboarding and training (RII: 0.600) and the overall cost of digital applications (RII: 0.593), which could slow the adoption process.

While the advantages of digital applications in boosting property management outcomes are clear, the high investment needed and the difficulties of implementation make it essential for firms to plan carefully and make strategic decisions. Ultimately, the growing importance of digital tools in streamlining processes and maintaining properties is undeniable, though companies must navigate the complexities of digital transformation thoughtfully.

5.0 CONCLUSION

In summary, this study shows that although digital transformation is progressing in property management within the Klang Valley, its application is still uneven across key areas. The results suggest that while digital tools are becoming more common in areas like marketing and tenancy management, traditional methods remain heavily relied upon. To fully capitalize on digital innovations, property management organizations need to build a solid foundation in conventional practices, tackle current challenges, and ensure a smooth shift to digital solutions. This balanced strategy will not only improve operational efficiency but also promote a more seamless and effective integration of digital technologies in the future. ■

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SKILLS AND COMPETENCY IN THE MALAYSIAN PROPERTY MANAGEMENT INDUSTRY

ZARITA AHMAD, TING KIEN HWA AND SHARUZAMAN MOHD SALLEH

2024, Penerbit UTHM, 127 pages

ISBN 978-629-490-120-9

THE PROPERTY MANAGER

The skills and competencies for the hierarchy of personnels in the property management industry is prescribed in this book by researchers from Universiti Teknologi MARA who has completed their research on this research area under the National Real Property Research Coordinator (NAPREC), Valuation and Property Services Department, Ministry of Finance, Malaysia.

The book elucidates on the skills and competencies necessary for the personnels in the various job hierarchy in a property management service organization. The personnel in a property management team are categorised into Managerial, Executive and Support level.



Prof. Dr Ting Kien Hwa presented complimentary copies of books to PMgr Datuk Hj Kamarulzaman bin Mat Salleh, former Mayor of Kuala Lumpur

Following the common practice in Commonwealth countries, building managers and building executives are employed by Property Managers. Both personnel reports directly to the Property Manager. The Property Manager undertakes the management functions in terms of planning, organizing, coordinating, administering and reviewing all the operational procedures, policies and standards. He also exercises full supervisory and decision-making authority.



Prof. Dr Ting Kien Hwa presented complimentary copies of books to PMgr Haji Ishak bin Ismail, President of MIPFM (2023 - 2025)

In this book, the job descriptions for the building managers and building executives are defined and described in terms of responsibilities, knowledge, skills and abilities and reporting structure. It is common practice worldwide, the building managers and building executives are subordinates to the Property Manager and support the property managers' roles and responsibilities.

The knowledge base and technical skills required of today's property management professionals have changed significantly. The competency requirements for a professional property manager include advanced technical knowledge, a good grasp of business operations and a working knowledge of the real estate business environment. The ability to integrate different business concepts, apply sustainability principles, be cost effective and having solid ethical foundations are essential for a successful professional property manager. ■

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4	PFM No. M1367	Fatin Nurliyana Binti Azumi
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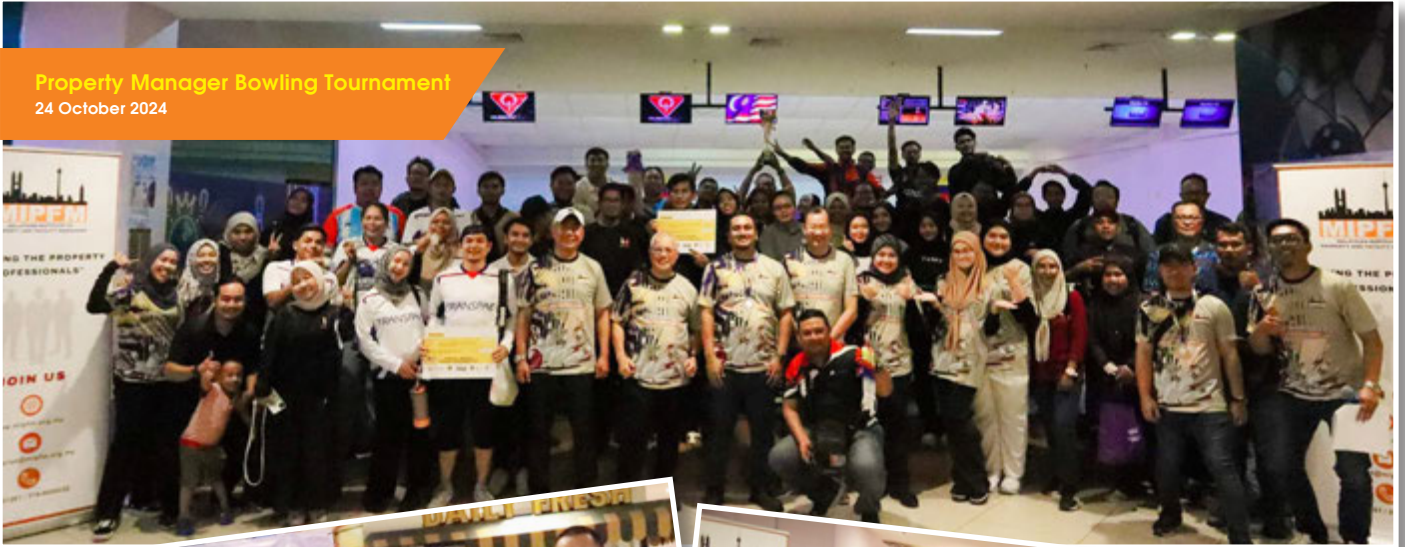


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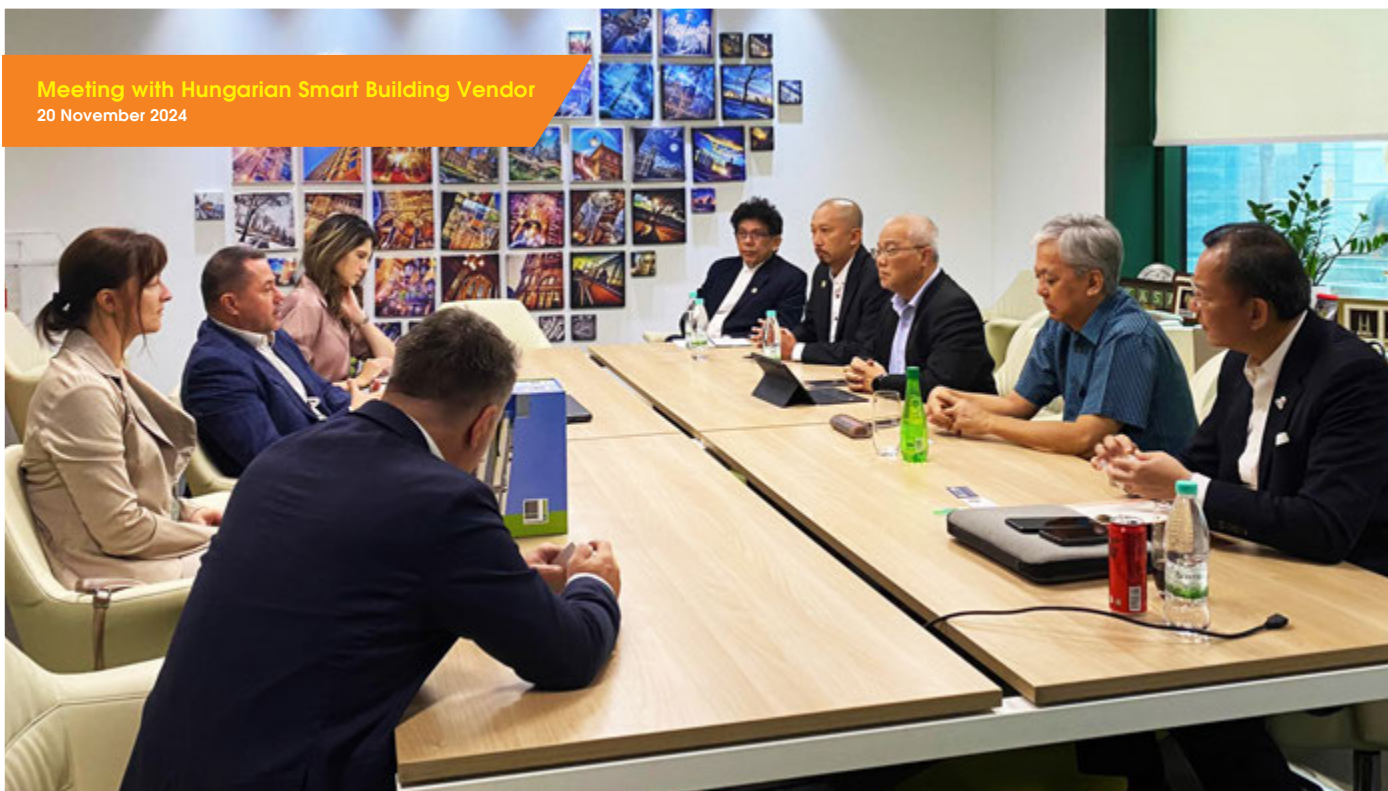
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