

THE PROPERTY MANAGER

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Tenant-Focused Property Management



FEATURE

Tenant-Focused Property Management: A Pro-active Approach

FEATURE

Best Practice in Dewan Bandaraya Kuala Lumpur Tenancy Management

KNOWLEDGE CORNER

Impact of Rising Interest Rates on The Property Market

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NEW MEMBERSHIP LISTING

Welcome to the 4th Quarter 2022 issue of *The Property Manager*!

Ethics and integrity are the foundations of the property management industry. The Keynote Speech by Dr Kassim Ahmad highlighted the significance and roles of ethics and integrity for property managers to carry out their functions with full confidence and trusts from all stakeholders.

The focus of this quarterly issue is on tenants and property management. Tenant-focused property management is an effective approach to ensure satisfaction of all occupiers and users of properties. Another focus article is on the best practice of tenancy management by the City Hall of Kuala Lumpur (DBKL).

Good tenancy management will help to achieve better occupancy rate and stable rental income which are among the main elements of key performance index (KPI) for property managers. The important metrics in KPI for property management are discussed in this issue.

A recent condominium incident in October 2022 that involved a lift that fell nine floors to the ground level injuring 6 persons reflect poor emergency and safety aspects of lift maintenance. The article on lift maintenance provides a guide on matters to look for in general routine inspection.

Another *Quick Guide* has been compiled on Strata Management Regulations (Tribunal) 2015 to ease the use and referencing to the regulations.

In the *Knowledge Corner*, we have a well written article that explained in detail the impact of rising interest rates on the residential property market.

TPM is now accepting advertisements for Property Management firms and I am glad to have two advertisements in this issue. All MIPFM member firms are welcome to advertise in future issues of TPM.

Merry Christmas and Happy New Year!! ■



Professor Sr Ts Dr. Ting Kien Hwa

FMIPFM, FRICS, FRISM, MPEPS

*Founding Editor & Editor-in-Chief
The Property Manager*



ETHICS AND THE INTEGRITY OF PROPERTY AND FACILITY MANAGERS

Keynote Speech on 6th MIPFM Annual Conference 2022



Yang Berbahagia - Datuk Sr Haji Kamarulzaman bin Mat Salleh - President of the Malaysian Institute of Planners and Estate Managers, Sr David Looi Siew Fatt – Organising Chairman of the Conference, Sr Haji Adzman Shah bin Mohd Ariffin - Immediate past President of MIPFM, Sr Haji Ishak bin Ismail - Deputy President of MIPFM, Chief Senior Assistant Commissioner Mr Nurahim bin Hj Abdul Rahim – Deputy Director of Malaysia Anti-Corruption Academy representing the MACC, The Organising Committee and to all MIPFM Exco members. Last but not least – Mrs Alin and the Secretariat of the Conference.

Assalamualaikum and a very good morning.

Firstly, I would like to convey the sincerest apologies from Tan Sri Dato Sri Hj Azam bin Baki, the Chief Commissioner

of MACC, for not being able to attend this auspicious occasion. This is due to an engagement that Tan Sri has committed to earlier. Tan Sri has sent his best wishes to everyone here in the conference.

The theme of ethics and integrity is central in every aspect of our lives – be it personal or professional. Integrity can be described as *“the quality of being honest and having*



I would like to refer to two quotes here. First by **C.S. Lewis** - **"Integrity is doing the right thing, even when no one is watching."** And the second by Harvey Mackay - **"If you have integrity, nothing else matters. If you don't have integrity, nothing else matters."**

Let me relate to you one personal experience I had when I was an officer in the Royal Malaysia Customs Department many, many decades ago. Some may recollect that government officers are required to undergo annual appraisals. One of the criteria assessed is the level of integrity of a serving government officer. In the exercise, my superior officer scored a very high 97.3% on my integrity criteria. I was then asked to comment on the overall assessment of my performance.

strong moral principles, or moral uprightness." It is the inner sense of being complete that comes from attributes like honesty and consistency of character. When one has integrity, their actions are in sync with the values, beliefs and principles they claim to hold.

Although integrity is a vital aspect of societies and cultures, it is also one of the most misunderstood and misused words. We hear the word "integrity" almost daily but not many people take the time to think about it.

No one is born with integrity – or without it. It is a behaviour-based virtue that anyone can develop over time. You can choose to show more integrity in your life by following your moral or ethical convictions and doing the right thing in all circumstances.





What struck me most was the integrity score given to me. It was not that I was not impressed with the 97.3% I scored but the missing 2.7% that could have given me a 100% score. My argument was that this assessment is flawed.

When it comes to integrity scores, according to my opinion, it should be 100% or Zero. It is either you have integrity or you don't. There are no two ways about it.

Integrity lies at the heart of any dealings. The trust that we inspire is the key to our success as an organization and as individuals. Maintaining professional integrity in any dealings with clients, colleagues, suppliers and in the communities where business is conducted is the only way to protect organisational reputation in the marketplace. This should be the shared responsibility of each, and every MIPFM members.

For facilities management and property managers, claiming to be a profession thus implies that ethical issues have been considered in relation to the way professionals conduct themselves (Grimshaw, 2001). One question concerning property and facility management (P&FM) ethics, however, is whether such ethics should be developed by business or by professional bodies?

That P&FM ethics cannot be viewed in isolation from the development of business ethics indicates the possibility of conflicts between business codes and a professional code of conduct for P&FM. The conduct of the property and facilities managers is thus based on the body of knowledge and control of his or her own practices, which should be supported by a specific code of conduct, including ethical codes.

As members of MIPFM, it is extremely pertinent that you hold yourselves to the highest standard of professional behaviour. There should be a definitive Code of Integrity that defines the main principles of professional integrity and is an expression of the values that are shared throughout your organization, your businesses and your affiliates.

There must be a strong commitment to a culture in which issues of integrity and professional ethics can be raised and discussed openly. Guidance and support should be available to assist members and other stakeholders acting on behalf of, or representing your organization to understand the Code and to help them make the right decision when faced with an ethical dilemma.

The provision under Section 17A MACC Act 2009 is a provision that stipulates a corporate liability principle where a commercial organisation can be considered guilty if any of its employees and/or associates commit corruption for the benefit of the organisation. The commercial organisation is also considered guilty in the event whether or not, the upper management or its representatives know about the corruption acts committed by its employees or associates.



Here, while there are basic rules to knowing what is right and wrong, peer-to-peer dilemmas are ripe with grey areas that require closer examination and a lot of well-tuned gut instinct. Law is the bare minimum, designed to level the playing field. From there, you should always analyse the whole situation, discover the facts, understand the consequences of your actions, and know who the decision will impact. In the final analysis, your integrity, moral values, and your professional ethics is the final frontier in gauging your professionalism in this noble profession.

Your Code of Integrity, exists to ensure that the highest standards of integrity are applied to all your business dealings and activities, in accordance with best practices.

If you have not done so, some form of annual integrity training program acts as a periodic refresher of the principles of the Code and is conducted for members of MIPFM. Here the MACC and MACA have introduced many training courses that can support the above. A record of participation should be kept to ensure that all members complete the training each year. Specific bespoke integrity training sessions should also be conducted. The annual integrity training can be supplemented by an interactive e-Learning program, which integrates the general principles of ethics and integrity that can assist members.



One important matter that we may not realise is that in your profession, you are open to dealing with many stakeholders, service providers and clients. This in the pursuit of garnering business, be it for yourselves or for your organisation, there may be exposures to illegal dealings in securing business from your clients. I would like to point out that, MACC Act 2009, specifically Section 17 (A), which came into force in July 2020 is a wide-ranging provision that MIPFM members need to be very aware of.

Finally, I would again like to convey my personal and that of the Chief Commissioner's gratitude for inviting me to this prestigious Conference. We both wish everyone a successful conference.

Assalamualaikum Warahmatullah and thank you. ■

Dr Kassim Noor Mohamed
Academic Advisor to SPRM & MACA

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TENANT-FOCUSED PROPERTY MANAGEMENT: A PRO-ACTIVE APPROACH

DR. ZARITA AHMAD BAHARUM

Property management is a demanding profession that operates 24 hours a day, 365 days a year. Dealing with owners and tenants make the property management job even more difficult because a property manager must meet both parties' expectations. Tenant-focused property management is a proactive approach in providing quality services that value and recognises tenants/users. Tenants/users are, indeed, the lifeblood of property management. As a result, the value contribution of property assets can be maximised only when the property/facilities professional accepts the responsibility of continuously providing appropriate facility solutions that meet business needs and requirements (Then, 2004). This means that a property manager must anticipate the tenants'/users' needs and challenges so that the team is prepared to meet the the expectations. Today's property manager is responsible for more than just the four walls of a building.

WHAT IS TENANT-FOCUSED

Tenants/users are the customers in the property industry. Thus, tenant-focused property management is an approach that demonstrates responsiveness to the needs of tenants and users while ensuring that properties are in good working order (Sanderson and Read, 2020; Chin and Poh, 1999).

From the perspective of tenants/users, there are three important elements: needs, wants, and requirements. Needs are the necessities that are provided in any structure. Wants are additional items that tenants/

users are willing to pay for in exchange for such services. Requirements are extra services that are tailored to a specific tenant/user.

WHY TENANT-FOCUSED IS IMPORTANT

Among the reasons are:

1) Engaging with the tenants:

All tenants want to be heard. According to Salesforce Research, 62% of customers expect businesses to adapt to their actions, feedback, and behaviours. If property managers are not paying attention, customers will find someone who will or relocate to other buildings.

2) Good for business development:

A property manager will be more successful overall because of the numerous benefits that customer focus brings to a property management business. Customer-centric businesses are 60% more profitable than those that do not make decisions with the customer in mind.

3) To have better tenant retention in a competitive leasing and oversupply market

It cost a lot more to find new tenants compared to retaining existing tenants. A good tenant relationship helps in tenant retention. A tenant-focus management approach will help in retaining tenants to maintain high occupancy rate of buildings.

PROACTIVE PROPERTY MANAGEMENT

According to Merriam-Webster Dictionary, being "proactive" means acting in anticipation of future problems, needs, or changes. Being proactive entails making plans and concentrating on what can be controlled rather than everything else. Accepting responsibility is also required. Listening and acting are essential components of proactive management.

SKILLS NEEDED FOR A PROPERTY MANAGER TO BE TENANT FOCUSED

Among the important skills are:

1) Excellent Communication Skills

Communication skills are at the top of the list of "must-have" property management skills. This ability has the potential to make or break the property management career. A property manager must effectively communicate with individuals at all levels, including property owners/landlords, current and prospective tenants, various contractors, the entire property management team and other professionals. The role is all about coordination, which necessitates listening, communicating, and ensuring that everyone is on the same page.

2) Organizational abilities

A property manager's job often entails several concurrent tasks, which necessitates good organisational skills. These are some of the most important property management abilities. It is essential to be able to set up procedures that help to streamline the workload and keep several balls in the air at the same time. To avoid missing anything, well-organized property managers define their duties and create organised checklists and deadlines.

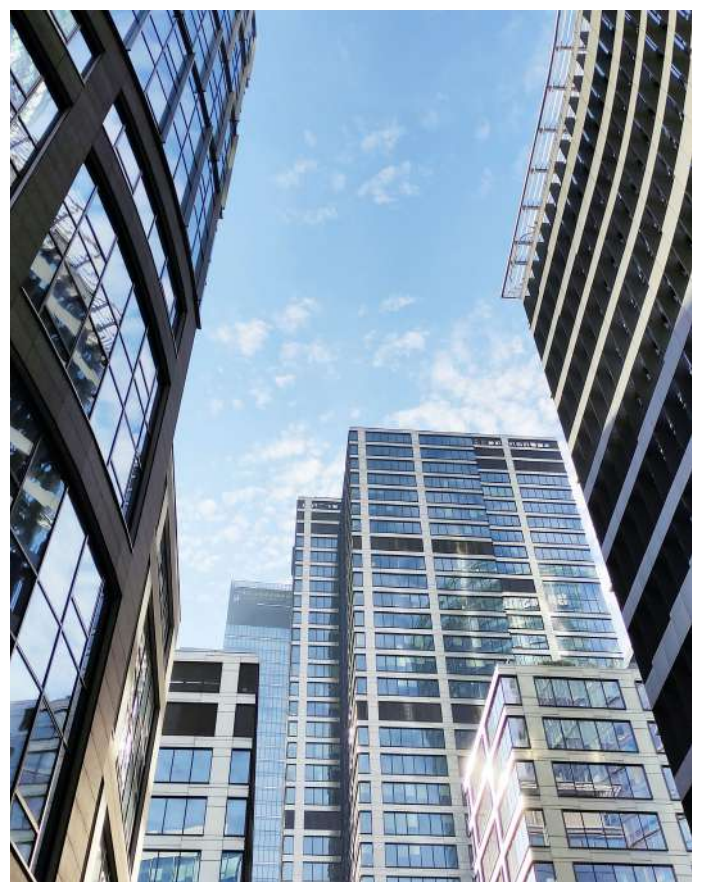
3) Understanding of rules and legislation

Guess who both tenants and property owners frequently contact with property-related

questions? The property managers! These property management knowledge are essential because a property manager must be well-versed in property and landlord-tenant legislations. These laws are subject to change, so it is the responsibility of property managers to stay current on all legal and regulatory aspects of property management. Keep in mind that it is sometimes acceptable to admit that one does not know the answer to a particular question on the spot. A good property manager will look for the answer/information/solution and respond accordingly.

4) Tenant-focused services

One of the most important property management skills is customer service orientation. In essence, property managers serve their clients (i.e. tenants and property owners). Being present and handling your tenants' enquiries is what customer service is all about. A good property manager is accessible to tenants, for example, through a web portal where tenants can ask questions and find relevant supporting information/resources. Questions about the rental property should be answered as soon as possible by the property manager or the property owner. In the event of a complaint, property managers must act quickly to resolve the issue.





A pool of trustworthy contractors will come in handy for unexpected repair and maintenance work. Good property managers do not hide behind property management organisational processes; instead, they prioritise people over other responsibilities. In the long run it helps in reaping the benefits of higher tenant retention.

5) Marketing Knowledge & Skills

Marketing skills are frequently overlooked when it comes to property management skills. Why does a property manager require marketing knowledge? Property managers must advertise vacant units and write compellingly about them. They must also know where to list them to reach the targeted groups of prospective tenants. Marketing using new medias is a skill that can be learned.

6) Technical Know-How

The common denominator for all is a basic level of technical understanding of how buildings work. There is a requirement to know the A to Z of building services. Breakdowns can be mitigated proactively through planned maintenance and urgent maintenance and repair works to be prioritised based on their severity. As a result, technical expertise is one of the essential property

management skills that owners and tenants expect managers to have.

7) Taking on the Role of a Property Manager

Being a property manager necessitates certain personality and character traits in various situations. Property managers must be patient and flexible on the one hand, and assertive on the other. Working with multiple stakeholders with varying expectations can put their patience to the test. What would you do if your contractors were late, your tenants stopped paying their rent, or the property owner demanded immediate reporting? These are the times when you must be patient and adaptable.

On the other hand, the role of a property manager requires one to be tough on occasions. Property managers must keep track of late rent payments and handle tenant evictions. To put it mildly, this is a balancing act that necessitates a high level of professionalism and tact. Cultivating social and emotional intelligence can also assist property managers in adapting their behaviour to any given situation and the people with whom they are dealing.

8) Taking the owner-investor perspective

Property managers should keep in mind that often they are managing the properties of investors. This entails managing the property as if they were real estate investors. The purpose of investors owning investment properties is to receive a stable, increasing rental income and capital value appreciation in the long run.

Developing an investor mindset will help in understanding what investors wanted from their investment properties. Having an investor-friendly mindset helps in making important decisions that are aligned to the owner-investor interests. Understanding this fundamental approach is essential in carrying out a property management job.

9) Tech-Savviness

This skill may not be obvious, but anyone working in property management is aware that the industry is rapidly becoming digital with the rise of proptech. New proptech softwares and hardwares are constantly being introduced that can help manage properties in more efficient and productive ways. These can improve and add value to tenants' experiences. With proptech becoming common these days, it is a fundamental responsibility for property managers to necessitate the use and adoption of digital channels, tools and solutions. Today's tenants and occupiers expectations are getting higher as they are already exposed to a variety of digital conveniences and solutions. So keep up-to-date on the digital property management solutions that are available and new emerging proptech trends.

10) Upskilling and Continuous Professional Development

A good property manager is committed to acquiring new knowledge, upskilling and relearning, which supports and develops the aforementioned skills. Attending most recent professional development seminars and conferences will keep up with industry development and trends.

A good property manager requires a diverse set of skills. It may appear impossible to find all of them in a single person. A person dedicated to becoming a successful property manager, on the other hand,

cultivates and develops these ten core skills, and it often shows. A tenant-focus property management approach will improve tenant experience and will help in gaining a competitive advantage in the long term.

CONCLUSION

Tenant-focused property management is a way forward. Being proactive is a good practice and will create sustainable property management. The challenge is to encourage and practice the management concept by emphasizing the awareness and appreciation of tenant-focused property management through successive applications and embed the approach in daily operations. ■

AUTHOR

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BEST PRACTICE IN DEWAN BANDARAYA KUALA LUMPUR TENANCY MANAGEMENT

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ABSTRACT

Guidelines for tenancy management in Malaysia have been set out in the *Malaysian Property Management Standards* and several property-related Acts in Malaysia. However, the implementation approach of property tenancy management used by public and private practices differ according to the organization's functions and objectives. Efficient management methods are significant in overcoming financial problems due to rent arrears, poor management and administration system, tenant-relationship issues, and enforcement. Therefore, this study aims to develop the Best Practice Model in Tenancy Management for Property of Mayor of Kuala Lumpur, Kuala Lumpur City Hall (DBKL). Qualitative data collection through three series of structured focus group discussions (FGDs) consisting of 15 panels of property industry experts and 15 DBKL's executive staff involved in tenancy management are conducted in developing the best practice model for tenancy management. The first and second series FGDs were held to develop the framework of the model, while the third FGD was conducted to validate the model. As a result, the Best Practice Model in Tenancy Management for Property of Mayor of Kuala Lumpur, DBKL has been developed consisting of 3 tenancy phases, namely, (i) Pre-Tenancy Phase, (ii) Tenancy Execution Phase, and (iii) Post-Tenancy Phase. There are 10 criteria and 29 attributes under the said phases. The 10 criteria of the model have been identified as 1) determination

at the departmental level; 2) selection of tenants; 3) pre-tenancy training; 4) handover of keys; 5) owner responsibilities; 6) tenant responsibilities; 7) enforcement; 8) tenancy renewal; 9) termination of tenancy contract; and 10) tenancy review. The case study is limited to the property of Kuala Lumpur Mayor, managed by the Department of Valuation and Property Management, DBKL. Despite the said limitation, the study has successfully developed the first best practice model of tenancy management in Malaysia and will assist tenancy management practice in the public and private sectors.

Keywords: tenancy, management; best practice, Dewan Bandaraya Kuala Lumpur.

INTRODUCTION

Tenancy management is one of the major scope of property management and is generally handled by a registered property manager. The Board of Valuers, Appraisers, Estate Agents and Property Managers has issued *Malaysian Property Management Standards* to be used by property management sector in both public and private practices. However the implementation of tenancy management differs from organisation to organisation according to their organisational objectives and functions. Therefore, best practices in tenancy management implementation need to be studied to benefit property managers in managing rental properties and to identify tenancy management best practice

criteria. This study was conducted using Tenancy Management for Property of Mayor of Kuala Lumpur, Kuala Lumpur City Hall to develop a Tenancy Management Best Practice Model.

As of 2019, the Mayor of Kuala Lumpur, DBKL has a property portfolio that can generate approximately RM16.8 million per year; if 592 property units can be rented as non-tax income revenue. Even though DBKL's property rental revenue showed an increasing trend, the issue of accumulated and current rental arrears disrupted the rental collection performance every year. Rent arrears are the primary challenge property managers face in managing a rented property portfolio. Several actions were taken by DBKL, such as the issuance of rent arrears claim notices, default notices, termination notices, letters of demand, the appointment of a panel of lawyers, and court actions, but the arrears issues remain. It was identified that the tenancy execution system, in terms of existing documentation, legislation, manual work processes contributed to bureaucracy, implementation constraints, and staff limitations on control, all contribute to rent arrears. The current manual working system also makes it challenging to integrate rent arrear data.

These issues are critically examined in this study, with inputs from other organisations and points of view from departments involved in managing the said property portfolios. The restructuring of tenancy management implementation work needs to be studied carefully. This study on best practices hope to improve significantly DBKL tenancy management with a more systematic, prudent, proactive, efficient, and orderly approach within existing legal provisions towards an overall reduction in future rental arrears. The said model is expected to be a benchmark for other organisations undertaking tenancy management in Malaysia.

LITERATURE REVIEW

Tenancy management in Malaysia does not have a specific Act, but its importance has been emphasised in several Acts and guidelines related

to real estate. It is complicated to take action if a tenant violates their tenancy agreement, such as rent arrears or leaving the rented property without settling the tenancy, other than through court action. The absence of a specific tenancy management act in Malaysia raises various issues between owners and tenants. Abllah et al. (2018) reported that developed countries, such as the United Kingdom (UK) have their own tenancy Act (Landlord and Tenants Act 1985), and both landlord and tenant can take action if issues related to the rental arise. In 2018, the Malaysian government began creating a specific rental Act and is still in progress. Problems between tenants and landlords can be reduced or resolved if a specific tenancy management Act is enacted (Abllah et al., 2018).

Internal and external factors, which lead to issues in Malaysian tenancy management, include (internal) financial problems (Kwok et al., 2008; Salleh, 2011; Akanvose, 2018), administrative issues (Salleh, 2011; Omar et al., 2015), services provided (Omar et al., 2015) and issues in the enforcement of laws (Seman, 2007) and (external) tenant's level of satisfaction (Salleh, 2011) and attitudes (Mat Isa, 2018). These factors have become key elements considered in the development of the theoretical framework of this study, which will be the basis for developing the model framework during data collection through focus group discussions (FGD).

Pre-Tenancy Phase

The pre-tenancy phase is the planning and rental management process that occurs before the tenancy period begins. At this phase, the selection of tenants is significant to avoid future tenancy problems. MyMetro (2016) reported that careful selection of tenants could reduce almost 90 per cent of the issues in managing rental properties. A desktop comparative study, through websites of several organisations and telephone inquiries by researchers in 2020, found that organisations who own rented buildings will make this initial screening an essential preliminary process in selecting tenants.

Before the Tenancy Execution Phase (Transition 1), the tenant must attend pre-tenancy course to understand the legal aspects of the tenancy particularly the clauses of the tenancy agreement or contract (Adewusi and Oguntokun, 2021). The tenant's understanding of the tenancy agreement is crucial to avoid misunderstandings and breaches of the tenancy agreement. In addition, financial management awareness campaigns, and rent payments organized, can foster and provide awareness to tenants on the importance of financial management to avoid the problem of late rental payments.

Tenancy Execution Phase

The aspects emphasized in this phase are the tenants' and landlords' responsibilities. A tenant is a person or business with the legal right to occupy a particular property under a signed and agreed-upon tenancy agreement with the landlord (Hayward, 2017). The right to occupy a property as a tenant is accompanied by responsibilities to be borne, including rental payments and other obligations specified in the tenancy agreement clauses. A comprehensive system, such as online payment records, is strongly encouraged in monitoring rent payments by tenants (Fitzhugh et al., 2018) to overcome rent arrears problems. An unavoidable responsibility of the owner is the maintenance activities to keep the building, its services, fittings, and appearance in its original state; so that they may continue to provide effective use of the amenities while ensuring the property owner receives the best possible returns (Adesanya and Musibau, 2022).

Post-Tenancy Phase

Tenancy termination is either voluntary or through breach of contract. A review is performed to improve

rental procedures. Upon termination of the tenancy contract, an inventory review and condition report preparation are conducted. The landlord will make a claim for compensation from the tenant if the damage exceeds the collateral. If there are no problems with the tenant's file, the tenancy will be closed (Klang Municipal Council, 2013). In the event of non-payments of rental by the tenants, property owners have the right to claim rental arrears.

RESEARCH METHODOLOGY

This study was conducted in six stages, namely (i) identification of research problems, (ii) literature review, (iii) content analysis, (iv) development of the theoretical framework, (v) development of the model framework, and (vi) validation of the model. The Research Methodology Framework is shown in Figure 1.

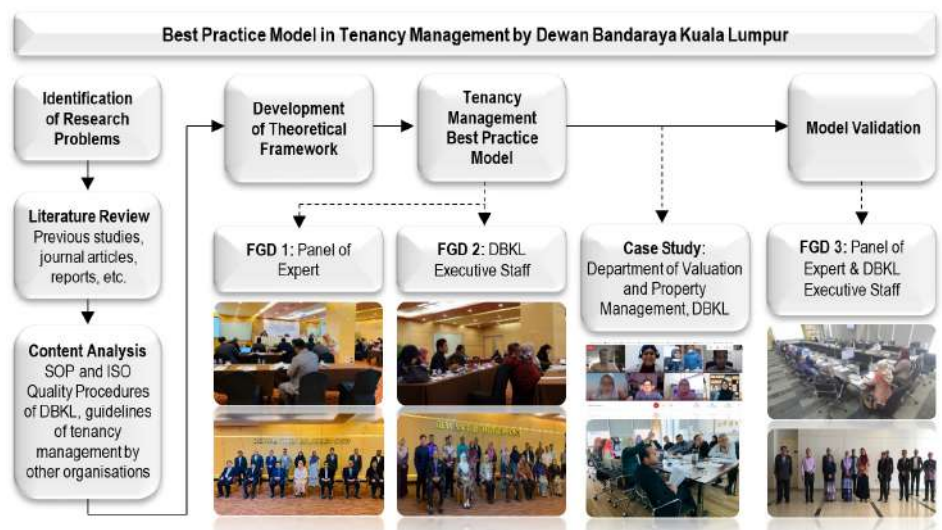


Figure 1: Research Methodology Framework (Source: Authors, 2022)

Development of Theoretical Framework

Researchers and practitioners can use a theoretical framework developed as part of a literature review as a base or lens in their research studies, whether quantitative or qualitative methods (Paul and Criado, 2020). To create a theoretical framework, the researcher must define any concepts and theories that will provide the grounding of the research, unite them through logical connections

and relate these concepts to the study that is being carried out (Varpio et al., 2020). Therefore, during the initial stage, a literature review is carried out to develop the study's theoretical framework. The literature review analysis consists of a summary of readings from journals, books, and other sources relating to tenancy management. A comprehensive review of Standard Operating Procedures (SOP) and International Organisation for Standardisation (ISO) Quality Procedure, used by DBKL in contrast with other similar guidelines, was made to identify the preliminary criteria and attributes of the tenancy management practice.

Development of Model Framework

Models provide a scope specification and are usually prescriptive, including depicting a series of steps (Moulin et al., 2020), which is applicable in this study. Two series of focus group discussions (FGDs) were conducted in Q4 2020 to develop the best practice model framework. For FGD 1, fifteen expert panellists were selected from real estate professionals with a minimum of ten (10) years of industry experience in tenancy management. Judgmental sampling was used in the invitation of selected directors of valuation and property management departments of the local authority, professors, chief executive officers, directors, and top management at property-related departments. The purpose of FGD 1 is to gain a consensus on the best practice criteria of tenancy management in Malaysia.

FGD2 involved 21 panellists of DBKL executing staff from related departments, i.e., the Valuation and Property Management Department, Legal and Prosecution Department, Enforcement Department and the DBKL Training Institute. FGD 2 panel selection was made based on the executive staff currently involved in tenancy management with a minimum of five (5) years of working experience. The purpose of FGD 2 is to identify the issues related to the tenancy management of DBKL properties and to review the current practice criteria of DBKL tenancy management.

Validation of the Model

The model framework that was developed during FGD meetings required a validation process to verify the model (Mik-Meyer, 2020). Validation of the model under this study was carried out using two processes, namely (i) model application to the case study and (ii) FGD 3. A series of meetings were held with the departments responsible for applying the model framework to ensure it was in line with DBKL needs.

After applying the best practice model to the case study, the researchers conducted the FGD 3 in Q2 2021 to gain consensus to refine the model. Twenty-eight (28) invited panellists were involved, from a combination of the same panellists in FGD1 and FGD2.

FINDINGS & DISCUSSION

No specific tenancy management process is available to any organisation. The literature review highlighted the limitations in obtaining a comprehensive tenancy management process. Therefore, for this study, the researchers adopted a basic management process to ensure the procedures involved in the best practice model of tenancy management were more explicit and more systematic. The Best Practice Model of Tenancy Management, depicted in Figure 2, was developed based on three (3) different tenancy phases, with overlapping procedures and practices between each phase. These overlaps are called Transition 1 and Transition 2. The explanations on the criteria and their attributes are in the following sections from 4.1 to 4.10.

Criteria A: Tenancy Policy Settings at Departmental Level

DBKL is to determine the eligibility criteria for tenant applicants and to decide on properties owned by DBKL to be classified for business purposes or to meet corporate social responsibility. DBKL must also set the rental value according to the type of premises, determine the business category, and conditions

before the vacancy advertisement is made. Vacant property offers are made through advertisements, and compulsory items to be advertised include tenant's selection criteria, property details, monthly rental, duration, method of application and contact details.

Criteria B: Tenants' Selection Criteria

This section explains the criteria and process for selecting qualified tenants to rent DBKL properties. Careful tenant selection can reduce tenancy management problems. After receiving the tenancy application, preliminary screening is critical to review the applicant's essential eligibility criteria (i.e. financial aspects, income etc.) and previous tenancy records. Shortlisted applicants must submit detailed documents, such as personal information to verify supporting documents before being called for an interview. This interview is to assess the social and individual aspects of the applicant that cannot be assessed during the initial screening session. There is also a suggestion to include a psychometric test during the interview. In terms of the authority on tenancy application approval, a special committee and the parameters of the power of the party approving the rental must be set to facilitate the approval process. After reviewing the documents submitted by the prospective tenants, DBKL will give an offer letter to the successful tenants.

Criteria C: Pre-Tenancy Training

Successful applicants who have received an offer letter are compulsorily called to attend pre-tenancy training during their active tenancy duration as part of DBKL's CSR in educating tenants. Modules cover both parties' legal and social aspects, safety and responsibilities. Basic understanding of the tenancy agreement, financial management awareness campaign, rental payment, health and safety, harmony and well-being, and house rules for stratified properties are also covered. A mock pre-tenancy training at DBKL was successfully conducted on October 8, 2020.

Criteria D: Handover of Keys

Handover of keys are made after the tenancy agreements have been completed. This process involves: (i) an inventory checklist, (ii) the condition of the building being verified by a Professional Engineer providing a Building Condition Report at least once every ten (10) years, and (iii) record keeping. The information required for record-keeping includes tenant information, details of the responsible party, date and time of key-handover, and signatures of the tenant and officer in charge.

Criteria E: Tenant Responsibilities

As stipulated in the tenancy agreement, the tenants must perform their responsibilities throughout the tenancy period. Various options for efficient rental payment methods are available to them. The tenant is responsible for maintaining the inventory and the rented premises as stipulated in the tenancy agreement. Tenants must also use and take good care of the common property. In the event of damage, the tenant must make a complaint through the various channels provided by DBKL e.g. the Damage Complaint Form.

Criteria F: Landlord's Responsibilities

As stipulated in the tenancy agreement, the landlord must also perform their responsibilities during the tenancy period. DBKL should develop a comprehensive digitalisation system for monitoring rental payments. The said system includes automatic reminder notices (generated by the system) to notify tenants (DBKL will give a reminder notice after seven days the rent is not paid). DBKL also need to refine their rental collection strategies. Effective maintenance requires efficient management; therefore, DBKL as a property owner must appoint qualified and experienced property managers to manage properties which are outsourced. DBKL as owner of certain public housing schemes are responsible for providing adequate facilities and amenities for the benefits of the tenants.

Criteria G: Enforcement

This section explains the procedures that deal with problems in the event of rent arrears and other charges. It clarifies the methods of reminders/notices, time allocation for the payment of arrears, and additional procedures as required. Gentle reminders are followed by warning notices and other notices that clearly state the type of arrears to be paid and any other charges. If the tenant violates the conditions stated in the tenancy agreement, DBKL can take action to evict the tenant. DBKL can also take action and claims against tenants who breach the contract, such as application for action under the Specific Relief Act 1950, delivery of notice of court action for vacancy or seizure of permit, and seizure of movable goods in premises and auctions.

Criteria H: Tenancy Renewal

The tenancy agreement provide an option to renew the tenancy. Tenancy renewal requests must be made three months before the tenancy period ends. Before a contract renewal is signed, DBKL must verify tenants' track record of reasonable rental payments. Renewal applications are only approved for tenants with arrears not exceeding two months. Successful applications must enter into a new tenancy agreement. The tenancy renewal procedure is not permitted for tenants with a bad track record who are also not eligible to rent other premises owned by DBKL.

Criteria I: Termination of Tenancy Contract

Tenancy contracts can be terminated either voluntarily or due to a breach of contract. Upon expiration of a tenancy agreement, DBKL will conduct an inventory review. An inventory replacement clause should be included in all tenancy agreements. DBKL is entitled to claim from tenants any rental arrears and other charges. Claims for total rent arrears and additional charges (if any) will be sent to tenants and guarantors.

Criteria J: Tenancy Review

After a tenancy agreement has expired, DBKL should review its process and actions to ensure that management can improve the existing procedures. Among the key matters to be reviewed by DBKL include tenancy policy setting, tenancy selection criteria, pre-tenancy training, building condition report and procedure updates.

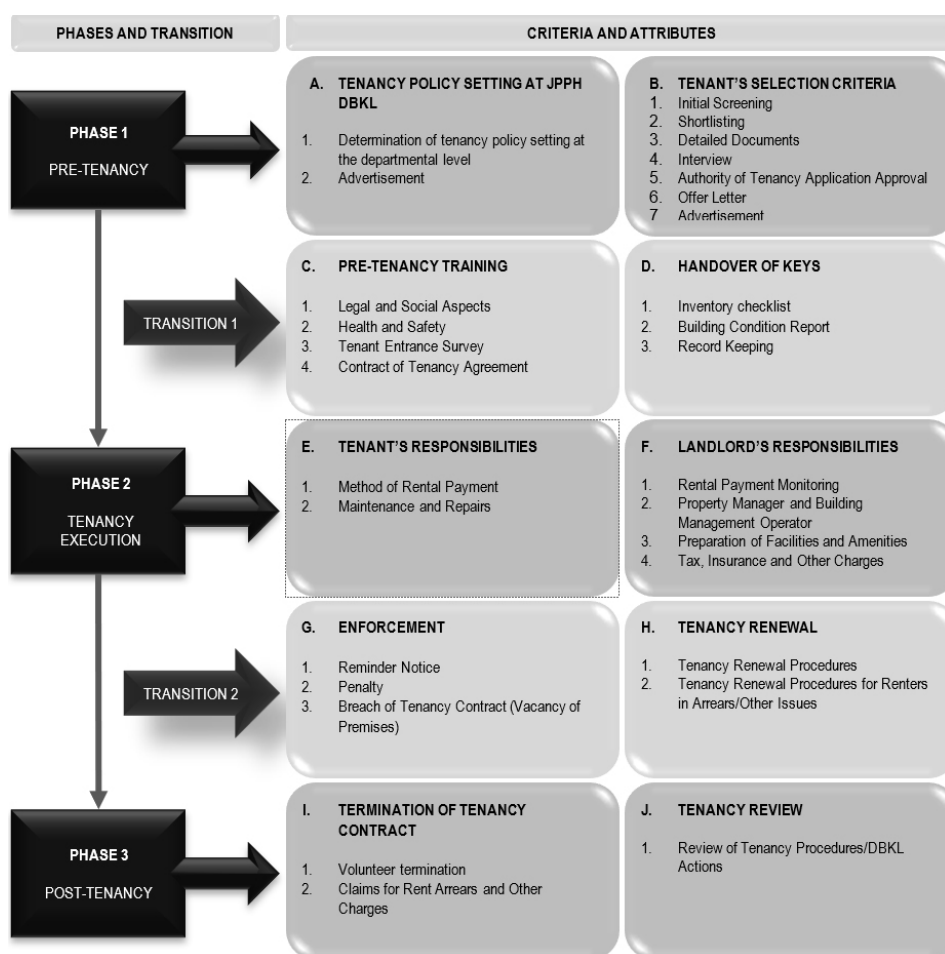


Figure 2: Best Practice Model of Tenancy Management by DBKL
(Source: Authors, 2022)

CONCLUSION & RECOMMENDATION

This study evaluates the current tenancy management practices for the properties under the management of Kuala Lumpur Mayor. In conclusion, the tenancy management approach for each organisation differs according to its functions and purposes. Different management styles are seen in various types of properties managed. A property rental management best practice model was developed in this study to be used as a benchmark for government administration at federal, state, or local levels. The developed model is suited to most property types, i.e. business-oriented or corporate social responsibility rented buildings.

This study contributes towards property management research and opens opportunities for other researchers to research on the criteria and attributes of tenancy management in more depth. ■

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KEY PERFORMANCE INDICATORS FOR PROPERTY MANAGEMENT



Key Performance Indicators (KPIs) are metrics that help to measure, manage and monitor a company's operations and performance. They are important because they show whether or not a property management company is projected to meet its goals.

Among the important KPIs that have proven to be effective for property managers and their businesses are:

CLIENTS WON VS. CLIENTS LOST

This is the first and most important KPI for any property management company to keep track of. That is because every property manager should be monitoring their business development efforts to remain effective and profitable.

Although losing rental property owners can be tough on business, the only thing that is worse is not keeping track of them. Not knowing the number of clients means that there could be overspending on operations without even knowing it.

By monitoring this KPI, a business thrive by:

- Having a more accurate budget for operations and client acquisition.
- Being more strategic and proactive when looking for new clients.
- Collecting relevant information about why a client has decided to terminate their contract. (Their reasons could offer insights into what could be wrong and how to fix it before losing more clients.)

Monitoring this KPI is easy by creating an Excel spreadsheet with a list of clients and some brief information about their profile like:

- When they started doing business with your property management company.
- What were they looking to gain by hiring your services?
- How much you charge them for your services.
- What caused them to stop doing business with your company? Were their original expectations met?

TENANT TURNOVER/RETENTION

Tracking tenant turnover/retention is recommended because it will help to notice if certain management changes are needed.

Advertisement



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The most significant reason why tenant turnover is bad for business is its related costs. That is because the process consume time and resources on expenses like:

- Processing the turnover.
- Preparing the unit for new occupants.
- Managing the vacant unit.
- Advertising.
- Screening and performing background checks of potential tenants.

Most turnover is a result of poor management due to:

- Late/overdue repairs.
- Unresponsive property managers.
- Poor maintenance.
- Badly selected tenant in the first place.

If any of these points ring true, try speaking to your team to brainstorm solutions. Find ways to make your employees more accessible to existing tenants while refining your screening process when looking for new tenants.

AVERAGE DAYS-TO-LEASE

Speaking of tenants, how long does it usually take your property management company to fill a vacancy? If you don't know this important KPI about your business, then it is crucial that you start keeping track of this right away.

With each day that passes by, a vacant unit costs your business money. That's because, for most companies, you won't be able to collect your management fee while the property remains vacant.

Once you start tracking your average days-to-lease, you will then be able to minimize that average and its related costs more effectively.



If you notice that some of your units have been vacant for longer than normal, then you should consider changing your approach of acquiring tenants. This means you can switch-up your marketing strategy, rent price, or you could also try making some aesthetic changes to the property itself.

TOTAL REVENUE METRICS

How much is your property management company making each month?

Naturally, it's always smart to monitor your company's revenue. That's because revenue drives your business. Without a consistent revenue stream, your property management company is bound to run into financial difficulty.

Generally, an increasing revenue stream indicates growth and success. And if it doesn't, this KPI acts as a great wakeup call for you to make some changes in your company's operations. The changes can include an increase in your marketing budget or refocusing your efforts on building new business relationships that will lead to additional revenue.

COSTS INCURRED TO ACQUIRE NEW CLIENTS

How much do you spend to acquire new clients?

This KPI is important because keeping track of this metric will make it easy for you to scale your business. It does so by helping you to know whether your client acquisition efforts are cost-effective. It also helps you to determine how much money you should set aside to reach your desired growth goals.

PROPERTY MANAGEMENT FEES

As a property manager, you want to make sure your rates are in line with the industry average. Finding out what other property managers charge for their services and comparing it to your fees can be beneficial.

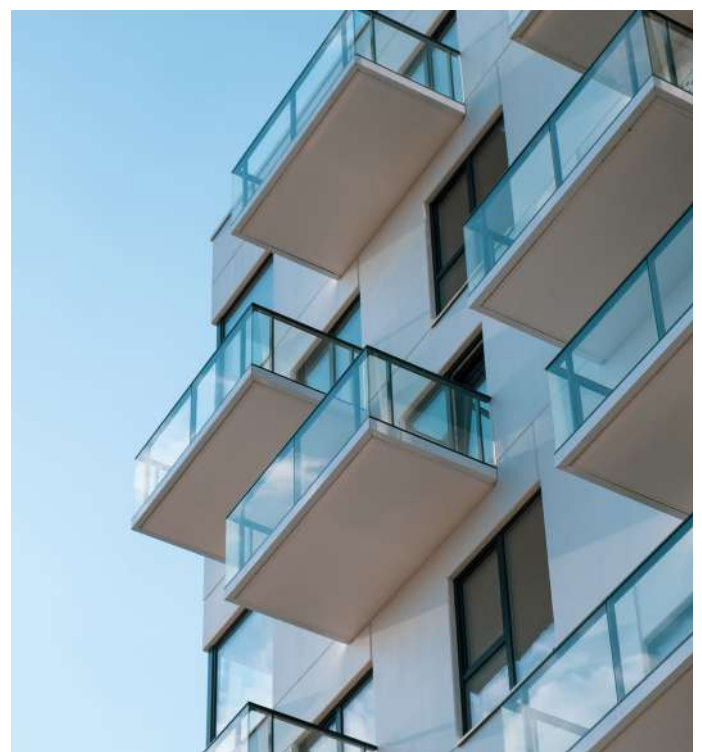
It helps you to know if your fees are affordable or scaring away potential clients. You may also discover that you have been charging your clients well-below what you should.

Offering discounted services to your clients isn't always a bad thing. However, you shouldn't do it at the expense of your business and its operational needs. Improving the services you offer by adopting new technologies is more than enough reason to raise your fees.

Managing, monitoring, and measuring your company's performance metrics can seem like a complicated task. However, without tracking key performance indicators it's very difficult to monitor the health of your business. Take advantage of KPI metrics to improve and better streamline your company's operations and growth. After all, you can't manage what you can't measure. ■

Source:

<https://www.upkeepmedia.com/property-management-kpi/>



ELEVATOR MAINTENANCE – THE NEED, INSPECTION CHECKLIST AND BEST PRACTICE



Elevator-related incidents are fatal. Repairing elevators are costly. A comprehensive elevator inspection checklist can help ensure the safety of users and cut costs on lift repairs.

WHY THE NEED FOR AN ELEVATOR MAINTENANCE PLAN?

Elevator maintenance is the inspection process of finding, diagnosing, and fixing issues that may cause elevator malfunction or breakdown. Elevator service technicians perform elevator maintenance to keep lift systems safe and operating efficiently.

Without a maintenance plan, a malfunctioning elevator part can go unnoticed until a major repair is necessary. This major repair can be very costly and

creates inconvenient usage downtime — especially in buildings where elderly or ailing residents need to travel to their homes above the first floor.

The value of an elevator is related to how well it is maintained throughout its lifecycle. A comprehensive elevator maintenance plan minimizes potential risks elevator/building owners and users face.

If an elevator isn't maintained properly, the building owner could face **financial exposure, liability issues and angry tenants.**

Tenants, on the other hand, risk the unpleasant experience of **getting stuck in an elevator, along with additional safety hazards and having to climb by foot to higher floors.**



The elevator maintenance checklist should contain the following items, categorized based on where they are located in the lift:

A. Inside The Car

1. Make sure the door can open and close properly and without obstructions
2. Check for damage on walls, ceiling and handrails
3. Check and replace any broken lights including those in the control panel
4. Make sure the emergency phone can connect the elevator user quickly with the local fire department or 911

B. Outside The Car

1. Inspect the door panels
2. Replace any broken lights on the door of the elevator on each floor
3. Test the fire alarm systems

C. Top Of The Car

1. Check cables for any signs of damage
2. Inspect the brake mechanism and test the brakes
3. Make sure an emergency exit is possible
4. Check the hoistway for signs of vandalism

D. Machine Room

1. Check oil levels and ensure systems are lubricated
2. Remove objects that may block access to the equipment
3. Check electrical wiring for any signs of defect
4. Ensure there is enough headroom for technicians

A comprehensive elevator maintenance plan should:

- Prevent expensive repairs and part replacements by catching issues early on
- Make sure elevators operate according to applicable codes
- Ensure elevators pass the required inspections
- Keep elevator users safe

Creating an elevator maintenance plan helps the entire building operate smoothly and keeps tenants satisfied with the quality of life in their building.

ITEMS TO INCLUDE IN THE ELEVATOR INSPECTION CHECKLIST

An elevator inspection checklist prioritizes safety, ensures compliance with building regulations and helps mitigate risks to both tenants and building owners.

E. The Pit

1. Make sure the pit area can be properly accessed
2. Check for necessary clearance
3. Check for debris, dirt or water
4. Locate signs of damage on the car frame

WHAT ARE THE KEY ELEVATOR SERVICING REQUIREMENTS & PREPARATION STEPS?

The elevator maintenance requirements that all relevant parties – elevator owners and service technicians – must adhere to include:

- Inspection of elevators on a periodic basis and monthly preventive maintenance.
- Cleaning, lubricating, and adjusting all elevator components that control the mechanical operation of the elevator.
- Executing electrical equipment tests such as control boxes, electrical circuits, and electrical wings is also a part of preparing for preventive elevator maintenance.
- Maintenance of safety equipment, its acceleration, and deceleration is a high priority to prevent any incidents.

Before performing the actual elevator maintenance, there are several steps a technician should take to prepare for servicing. These preparation steps include:

- **Communicate with building tenants:** Tenants should know when scheduled maintenance is going to take place. An elevator maintenance specialist should inform tenants of this via notices and signs in the building. Elevator maintenance should not be performed at high traffic periods. Alternative elevators and stairs should be available during maintenance hours.
- **Perform a tool audit:** A technician should perform an audit of their service equipment to determine

the condition and make sure everything is working properly before servicing the elevator.

- **Put workplace protective practices in place:** In particular, a lift maintenance specialist should shut down and lock electrical circuits when the elevator is being serviced. He or she should also have fall protection equipment during service, especially near elevator shafts.
- **Prepare a report template:** After finishing the elevator inspection, a technician must send a comprehensive report that includes photos of any unit defects and a description of operational issues. It is important to prepare a report form in advance because it is necessary for regulatory compliance and maintenance logs.

BEST PRACTICE FOR LIFT MAINTENANCE

Lift inspection and maintenance are extremely important to ensure the safety of elevator users. The following are best practices to make sure elevator maintenance are properly carried out:

- **Perform regular maintenance:** Use preventive methodology when approaching elevator maintenance by scheduling regular monthly services to identify possible issues before they occur.
- **Identify problem spots early:** Preventing serious malfunctions by identifying issues in time not only stops these malfunctions from happening but also reduced the costs of future repairs.
- **Make sure the elevator machine room works properly:** The machine room is what keeps an elevator running smoothly. Make sure the machine room self-closes and that no one can open it or have access without authorization. The room should also have good lighting and be free of any fire hazards.
- **Keep elevator units in working order by adhering to the checklist:** An elevator is a sum of many smaller parts, so consult the elevator maintenance checklist to make sure none of the checklist are missed. ■

**CHECKLIST FOR INSPECTION OF ELECTRIC PASSENGER AND GOODS LIFT
DEPARTMENT OF OCCUPATIONAL SAFETY AND HEALTH, MALAYSIA**

Owner name and address:

Location of Equipment:

Name of competent person:

Rated Load : _____
No. of Passengers : _____
Rated Speed : _____
Motor Horse Power : _____
Type of Control : _____

Types of Inspection

- Routine inspection and test
- Periodic inspection and test (Annual)
- Periodic inspection and test (Every 5 yrs)
- Acceptance inspection and test

G = Good
 NG = No Good (repair)
 NA = Not Applicable

Approved Firm

Lift PMA No.:

Serial Number

Lift No. : _____
Floor Served : _____
No. of Opening : _____
Type of Lift : (Passenger / Goods / Hydraulic / MRL)
Type of Drive : (Traction Geared / Traction Gearless)

(1) MACHINE ROOM / SPACE

	G	NG	NA
1.1 Safe access to LMR or machine space	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2 Door securely locked with signages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3 Housekeeping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.4 Adequate Lighting and receptacle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.5 Adequate and effective ventilation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.6 Emergency Power Unit (EBOPS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.7 Fire extinguisher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.8 Conduits, Trunking and earthing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.9 Machine sheave and floor opening guarding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.10 M/c securely supported & fixed in position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.11 Safe means of access to all lift equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.12 All equipment are correctly identify and label	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.13 Machine brake operation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.14 Motor gears and bearings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.15 Handwinding device / Brake releaser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.16 Traction sheave and grooves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.17 Secondary & deflector sheaves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.18 Rope fastening at terminations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.19 Governor overspeed device and switch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(2) INSIDE OF CAR

	G	NG	NA
2.1 Door reopening device	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Car operating panel and buttons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3 Car lighting & ventilation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4 Car emergency alarm bell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.5 Intercom System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.6 Car door or gate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.7 Load capacity data plate, PMA and signages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.8 Car door locking device	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.9 Car floor, ceiling and sill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(3) TOP OF CAR

	G	NG	NA
3.1 Car top emergency stop switch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2 Car top lighting and 3-pin power socket	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.3 Car top inspection panel and buttons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.4 Car overhead, pulley/sheaves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.5 Car shoes or roller guides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.6 Emergency terminal stopping devices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.7 Up final limit switch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.8 Emergency exit hatch and switch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.9 Car top railing and guarding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(4) INSIDE HOISTWAY

	G	NG	NA
4.1 Hoistway construction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2 Pipes, wiring and ducts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3 Travelling cables, junction boxes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4 Guide rails securely fastened	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5 Governor rope	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.6 Suspension ropes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7 Compensating ropes or chains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.8 Rope guards correctly fitted on cwt. sheave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.9 Filler weight securely fastened	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.10 Counterweight sheave shaft and bearing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.11 Counterweight shoes or roller guides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(5) LANDING FLOOR

	G	NG	NA
5.1 Approved firm and emergency contact no.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2 Hall panel buttons and Indicator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3 Landing door operation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.4 Landing door & gap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.5 Landing door contact switches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.6 Effective mechanically door locking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.7 Landing door unlocking device	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(6) PIT

	G	NG	NA
6.1 Access and lighting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2 Emergency stop switches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3 Pit clean and dry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4 Bottom clearance and refuge space	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.5 Down final limit switch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.6 Governor rope tension device and switch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.7 Safety operating switch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.8 Car frame and platform	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.9 Car safeties & cwt safeties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.10 Compensating chains, ropes & sheave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.11 Car and counterweight buffers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.12 Car and counterweight buffer switches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.13 Car and counterweight buffer bottom runby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.14 Sufficient car top clearance for overtravel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.15 Cwt. and common lift shaft guarding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(7) RIDE OPERATION

	G	NG	NA
7.1 No unusual noise or vibration during running	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2 Leveling accuracy acceptable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

TEST REQUIREMENT

	Is test satisfactory ?	Date Tested
a) Car buffer test		
i) at no load inspection speed (every 5 years)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
b) Conterweight buffer test		
i) at no load inspection speed (every 5 years)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
c) Car safety gear test		
i) at no load inspection speed (every 5 years)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
d) Counterweight safety gear test		
i) at no load inspection speed (every 5 years)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
e) Governor tripping speed test (every 5 years)		
i) Electrical tripping speed _____ mpm	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
ii) Mechanical tripping speed _____ mpm	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
f) Car door locking device		
i) Prevent trapped passenger from self rescue	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
g) EBOPS (Emergency Battery Operated Power Supply)		
i) Car lighting _____ hr(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
ii) Car ventilation fan _____ hr(s)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
h) Fire operation (TNB Power)		
i) Lift homing to fire service access level;	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
ii) Firefighting lift operation or;	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
iii) Document certified by fire Department	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
i) Load weighing calibration		
i) test manually at no load	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
ii) test with rated load (every 45 months)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____
j) Brake Test		
i) test with 125% rated load (every 5 years)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____

Comment :

Inspector Signature

Competent Person Signature

Name :

Name :

Jabatan Keselamatan Dan Kesihatan Perkejaan

Date of Inspection : _____

QUICK GUIDE TO STRATA MANAGEMENT (TRIBUNAL) REGULATIONS 2015 (01-07-2015)

COMPILED BY : LOW KON SIN (AS AT 15 NOV 2022)

PART	Description	REG	Topic
I	Preliminary.	1 2 3 4 5	Citation and Commencement. Interpretation. Jurisdiction. Prescribed Fee. FORMS.
II	Commencement of Proceedings.	6 7 8 9 10 11 12 13 14	Statement of Claim. Filing of Statement of Claim. Statement of Claim to be Sealed, etc, and entered in the Register. Service of Statement of Claim. Defence and Counterclaim. Filing of Statement of Defence. Statement of Defence to be Sealed, etc., and entered in the Register. Service of Statement of Defence. Defence to Counterclaim.
III	Service.	15 16 17	Address of Service. Manner of Service. Date of Service.
IV	Classification of Claims.	18 19 20 21 22	Secretary to Classify Claims. Negotiation Process. Settlement during Negotiation. Notice of Hearing when there is No Settlement. Non-Appearance of Parties during Negotiation.
V	Procedure.	23 24 25 26 27	Award when Statement of Defence not Filed. Admission of Claim. Non-Appearance of Parties. Hearing. Service of an Award.
VI	Summons to Appear.	28 29 30 31	Application for Summons to Appear. Service of Summons to Appear. Payment to Person Summoned. Failure to Appear.

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PART	Description	REG	Topic
VII	Interlocutory Order.	32 33 34 35	Application for Interlocutory Order. Application to be Sealed, etc., and entered in the Register. Service of Injterlocutory Application. Hearing of Application for Interlocutory Order.
VIII	Security for Costs.	36 37 38	Security for Costs of Action. Manner of Giving Security. Saving for Written Law.
IX	Discovery & Production of Documents or Materials.	39 40	Order of Discovery. Failure to Comply Order.
X	Interrogatories.	41	Interrogatories to be Answered.
XI	Tribunal Expert.	42 43 44 45 46 47	Appointment of Expect to report on Certain Question. Report of Tribunal Expert. Experiments and Tests. Cross-Examination of Tribunal Expert. Remuneration of Tribunal Expert. Calling of Expert Witnesses.
XII	Miscellaneous.	48 49 50 51 52 53 54 55 56	Setting Aside Award. Rectification of Award. Adjournments. Costs. Notes of Evidence. Records of Proceedings to be Kept. Documents from Government Department or Local Authority. Electronic Filing of Application or Document. Evidentiary Value of Copies of Electronically filed Application or Document certified by the Secretary.
FIRST SCHEDULE (Sch 1).		4	Prescribed Fee for FORMs : 1, 2, 3, 12, 14 & 15.
SECOND SCHEDULE.		5	Total of 16 Forms.

IMPACT OF RISING INTEREST RATES ON THE PROPERTY MARKET



The property market influences economic conditions and so indirectly affects interest rates. Housing constitutes around half of households' wealth. With increased housing prices people feel richer and so spend more. The increase in housing equity means home owners can refinance their loan or borrow more to finance consumption. Also, higher housing turnover – which tends to go hand in hand with rising prices – results in increased spending on real estate services, durable household goods and so forth. And a property upturn increases investment; owners spend more on renovations and buyers are more willing to put down a deposit, which means developers find it easier to get finance to commence a project. When prices are falling the opposite of these effects occur.

Interest rates affect all asset prices, including housing prices. Assets are valued for what they provide investors in the future, be it dividends, coupon

payments, rent as well as potential capital gains. Because the value of assets depends on future cash flow, a crucial element of asset pricing models is an interest rate used to discount, or value, future streams of income (or capital gains). An increase in interest rates means that a given amount of income (or benefit) at a future date is worth less today, and so an asset with a fixed future stream of payments will be worth less today. Of course the future cash flow may also change with interest rates, amplifying or moderating the impact on prices.

IMPACT OF INTEREST RATES ON BORROWING

Property purchases are typically financed with debt. Increases in interest rates reduce the maximum amount that can be borrowed and increase existing borrowers' repayments. In this way higher interest rates also affect property markets by tightening the financing constraint for prospective property buyers.

THE PROPERTY MANAGER

A lot of media attention is placed on the increase in existing borrowers' repayments when interest rates increase. But higher interest rates also reduce the maximum loan size for prospective borrowers looking to purchase housing. A lender works out the maximum loan size for a prospective borrower by ensuring that the sum of repayments on that loan and the borrower's expenses do not exceed their income.

A change in mortgage interest rates has a greater impact on new borrowing than a change in the serviceability assessment rate because it affects not only a borrower's maximum loan size, but even more importantly their actual repayments. For example, with the 225 basis point increase in the mortgage interest rate, monthly payments on a new (principal and interest 25-year) loan will be around 25 per cent larger. This increase in mortgage payments can influence how much people want to borrow.

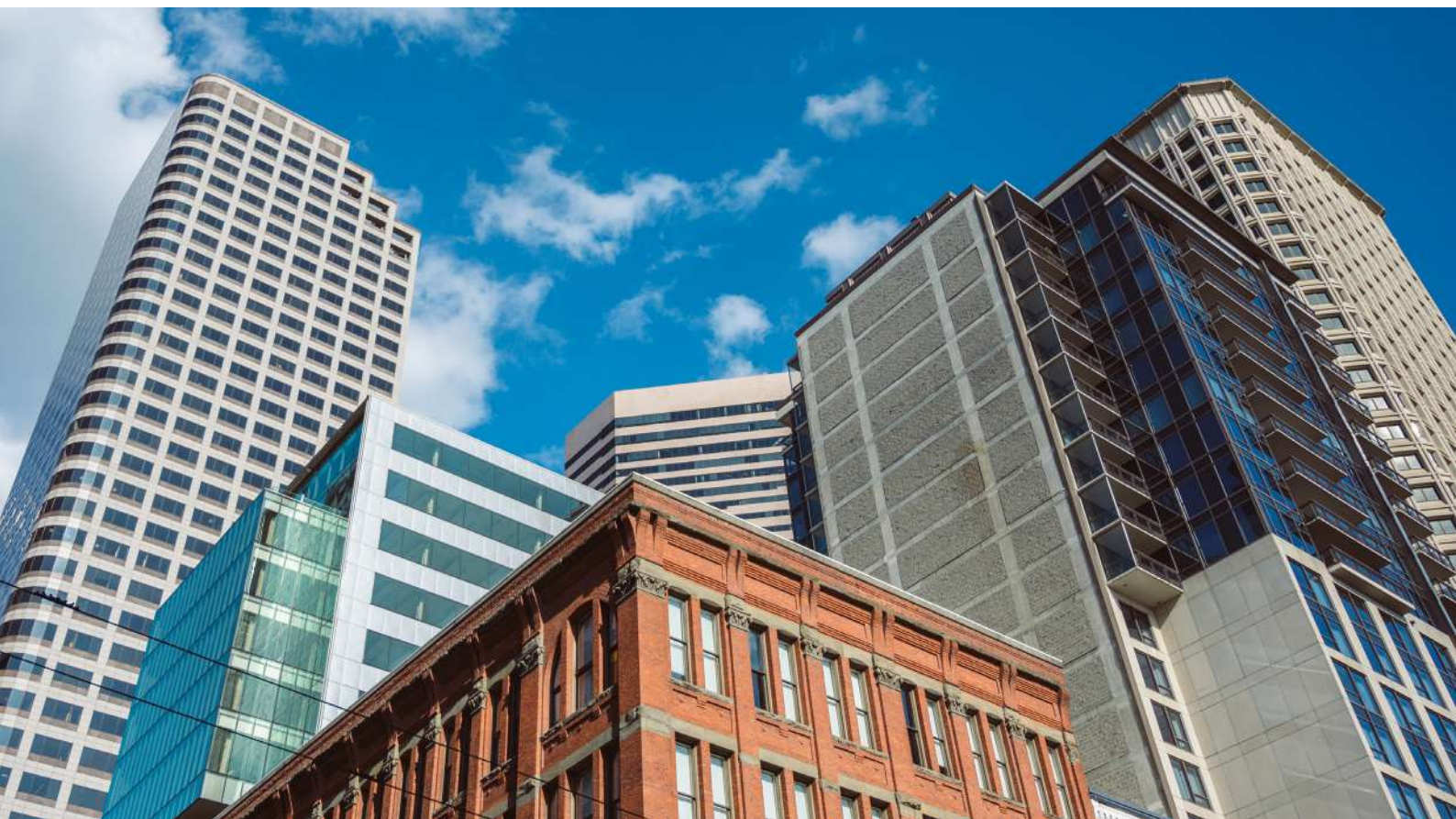
It is important to note that this does not mean that all existing borrowers' actual loan payments have increased by one-quarter. Currently around 35 per cent of housing credit is fixed-rate debt, higher than the one-fifth that is more usual historically. These borrowers won't face an increase in their interest expenses and loan payments until their fixed rate

expires. And a large share of variable rate borrowers have been making excess mortgage payments into offset and redraw accounts. For many borrowers, these larger payments will mean that actual payments need not increase by the full amount of the change in required payments that result from the higher interest rate.

Unsurprisingly, because higher interest rates reduce borrowing capacity and increase loan repayments, they typically result in a decline in new housing borrowing. The timing and strength of the relationship between interest rates and housing borrowing can vary, not least because the factors driving interest rates, such as income growth, can also directly affect housing demand, but there is no doubt that interest rates are an important determinant of housing finance.

IMPACT OF INTEREST RATES ON HOUSING PRICES

Sometimes, this impact of interest rates on borrowing capacity or the size of repayments on a new loan is used as a proxy for what effect changes in rates have on housing prices. But there are a number of reasons why such a rule of thumb can be misleading.



On borrowing capacity, most home buyers do not take out the maximum size loan that their bank will give them. In fact, in recent times, banks have reported that only around 10 per cent of borrowers take out a loan close to their maximum possible size. As a result, even if all borrowers' maximum loan size is reduced by 20 per cent in response to higher interest rates, not all new borrowers will have to take out a loan that is 20 per cent smaller. For many borrowers, the amount they spend on a new home would decline only slightly or not at all (including because their savings to be used as a deposit need not decline with higher interest rates).

Loan repayments typically represent a large share of the costs involved in home ownership, but there are other important costs. For this reason, a 'user-cost' model provides a more complete framework for assessing the cost of home ownership.

A user-cost model values housing based on how much it costs a 'user' of housing, equating the full cost of owning or renting a given house. To assess the cost of owning a house we need to take into account:

- purchase and sale costs, ongoing costs (such as repairs, rates and insurance), physical depreciation, and the cost of borrowing
- the expected capital gain from increases in housing prices.

While a user cost framework provides advantages for assessing the impact of interest rates on housing prices, it still has limitations. In particular, the simple framework imposes the change from interest rates on housing prices, when adjustment could also come through rents.

Using a user-cost model to estimate that a 200 basis point increase in interest rates – which increases mortgage payments and so the cost of owning – would lower real housing prices by around 15 per cent over a two-year period. While this 15 per cent decline was commonly reported as being a forecast for housing prices, it was not actually a prediction of how much housing prices would change. Rather it

was an estimate of how sensitive housing prices are to interest rates, assuming that all the other costs and benefits to housing don't change with interest rates.

Many factors other than interest rates also influence housing prices. For example, the demand for housing would be greater with stronger household income growth, increased population through immigration, or a preference for fewer people living in each household. Conversely, the supply of housing would be lower than expected if construction turns out to be constrained in some way. These factors would all lead to stronger demand, or weaker supply, for housing and so housing prices (and rents) would not fall as much as implied by interest rates acting in isolation.

The impact of interest rates on housing prices importantly depends not only by how much they change, but for how long. If interest rates were assumed to be 200 basis points higher forever then this model suggests that housing prices would end up being around 30 per cent lower than if interest rates had not changed. It is notable that these estimates based on historical data show that the change in housing prices occurs relatively slowly, certainly more slowly than for the prices of financial assets. The model also suggests that if interest rates reverted to their initial level after that two-year period, the interest rate effect on prices would be expected to eventually unwind.

OFFSET TO HIGHER MORTGAGE INTEREST CHARGES FROM LOWER HOUSING PRICES

An increase in interest rates increases the required repayments on a mortgage. In other words, rising interest rates increase the cost of owning a home. This effect is more or less immediate – for borrowers on variable rate loans it likely occurs within one or maybe out to three months. Over time, however, the increase in interest rates works to reduce the demand for housing and so housing prices decline. This means that a household would need a smaller mortgage to purchase a first home or if they were upgrading.

Estimates suggest the net effect is that mortgage payments for new buyers would be higher for about two years as a result of higher interest rates. But after that, the declines in housing prices and mortgage size begin to dominate. This exercise obviously abstracts from the many other factors influencing interest rates and housing prices, but it suggests that because higher interest rates reduce housing prices and so mortgage sizes, mortgage payments for new borrowers could ultimately be lower than if interest rates had not increased.

A REGIONAL LOOK AT HOUSING INTEREST SENSITIVITY

The sensitivity of housing prices to interest rates could also differ regionally or for different types of housing. The prices of different types of housing could have different responses to changes in interest rates.

Controlling for other factors, interest rates can have larger effects on housing prices in locations where the supply of housing is less flexible, mortgage debt is higher, there are more investors and incomes are higher. These estimates do not indicate that these factors cause housing prices to be more responsive to changes in interest rates, but they do highlight that the sensitivity of housing prices to interest rates is not going to be uniform across the country.

Housing prices in the most expensive areas are the most sensitive to interest rate changes. This matches the observation that housing prices in more expensive locations are more cyclical. Similarly, there is some evidence that detached houses are more sensitive to changes in interest rates than apartments. It appears that the limited supply of available zoned land partly explains this result. Overall this indicates that an increase in interest rates narrows the distribution of housing wealth since more expensive properties experience a larger fall in prices. But this distributional effect is temporary as the effects of interest rates on more expensive and cheaper properties converge over time.

INTEREST RATES AND COMMERCIAL PROPERTY

Turning now to commercial property, there have been many factors influencing prices over recent years, with differences across retail, office and industrial properties. Retail property has faced headwinds from the shift to online retailing, which picked up with the pandemic, and compression of retail margins as the entry of international retailers has increased competition. Office property faces uncertainty about future demand given increased hybrid and remote working. In contrast, industrial property has experienced strong demand, in part as a result of the shift to e-commerce. But prices of properties in all three segments will tend to be lower than otherwise as a result of higher interest rates.

Just like other assets, commercial property can be valued using the discounted future income stream, net of expenses, from the property. The pass-through of changes in risk-free interest rates to the discount rate used to value commercial property has historically been drawn out. In part this could reflect that, given high transaction costs, there tends to be relatively few commercial property transactions and lead times for these transactions can be quite long. Discount rates follow broad trends in the risk-free (sovereign) interest rate but reflect that the gradual pass-through is much smoother.

Discount rates used to value commercial property exceed risk-free rates as they include a risk premium to compensate for the risk involved in owning commercial property. The level of commercial property risk premiums can also change over time, and, as with those in financial markets, they could move with risk-free interest rates. In particular, an increase in interest rates that leads to a reduction in investors' risk appetite typically tightens financial conditions. This results in a higher risk premium and so puts additional downward pressure on commercial property valuations. Alternatively, if, for example, commercial property was seen as a hedge against inflation (because future rents were expected to

increase with inflation) then an increase in interest rates because of higher inflation could reduce risk spreads and so result in less downward pressure than otherwise on commercial property prices from higher interest rates. All up, simple estimates suggest the fall in commercial property prices in response to higher interest rates appears to be slower, and slightly smaller in magnitude, than for residential property (although this could reflect the greater difficulty in measuring timely commercial property prices).

CONCLUSION

Summing up, interest rates both affect, and are influenced by the economic effects from, both residential and commercial property prices. We can be confident about some aspects of the impact of interest rates on property prices, but there is considerable uncertainty about other aspects:

- Increases in interest rates reduce the current value of future income and tighten borrowing conditions, and so higher interest rates reduce the value of residential and commercial property, just as they do for other assets that have future income streams.
- The response of property prices tends to be drawn out, occurring over years rather than months, and so given other drivers of prices also change in the interim, we can't really disentangle the final impact on prices of changes in interest rates.
- Property prices are influenced by many other factors – such as future rents and buyers' risk aversion – that can also be affected by interest rates.

So overall we know that higher interest rates will tend to depress residential and commercial property prices but there is considerable uncertainty about the magnitude and even the timing. Not only can declining property prices have implications for economic activity, but also for financial stability. As noted, those financial stability risks appear to be contained given the low leverage for residential and commercial property. ■

Source: Jonathan Kearns, Speech to AFR Property Summit 2022, Sydney 19 September 2022

<https://www.rba.gov.au/speeches/2022/sp-so-2022-09-19.html>



MIPFM EVENTS & ACTIVITIES



21 SEPTEMBER 2022

Collaboration discussion meeting with TAR UC



26 SEPTEMBER 2022

Award of MIPFM fellow membership to President of BoVAEP



26 SEPTEMBER 2022

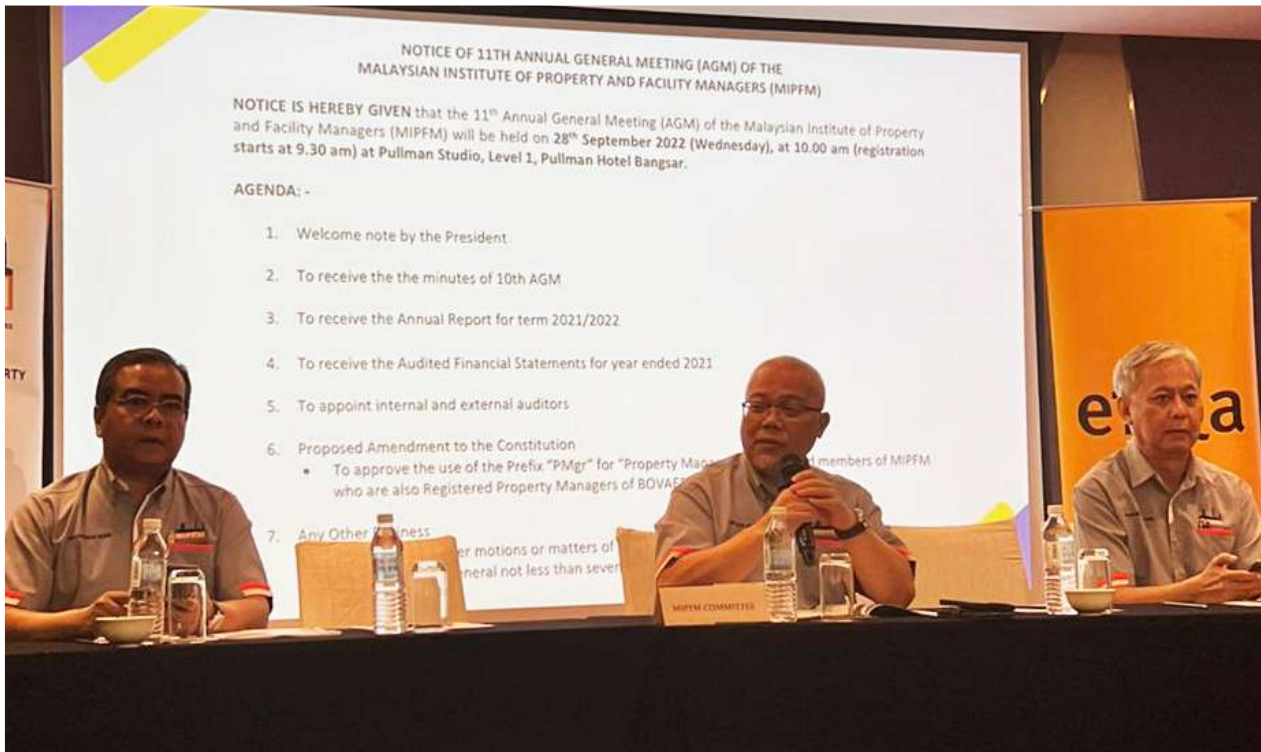
Courtesy Meeting with President of BoVAEP at BoVAEP Meeting Room



19 OCTOBER 2022

Courtesy visit for collaboration by UUM

THE PROPERTY MANAGER



28 SEPTEMBER 2022

11th AGM at Pullman Hotel Bangsar



28 SEPTEMBER 2022

Signing of MoU between Etiqa and MIPFM

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28 SEPTEMBER 2022

Press Conference after MoU Signing Ceremony between Etiqa and MIPFM



2 NOVEMBER 2022

Courtesy visit to CIBB



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• PROPERTY MANAGEMENT

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• RESEARCH AND CONSULTANCY

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3	PFM No. M1207	Koay Chin Kean
4	PFM No. M1208	Chong Chun Shang
5	PFM No. M1209	Siti Norasyikin Binti Abd Rahman
6	PFM No. M1210	Ir. Rajasegaran A/L P. Thevaraj
7	PFM No. M1211	U Chin Ong
8	PFM No. M1212	Patrick Anthony Honan
9	PFM No. M1213	Syed Faizal Shah Bin Syed Gulzar Ali Shah
10	PFM No. M1214	Tey Voon Wei
11	PFM No. M1215	Mohd Suhaimi Bin Abdul Kudus
12	PFM No. M1216	Sr Irhamy Bin Ahmad
13	PFM No. M1217	Susie Tiong Siu Ling
14	PFM No. M1218	Lum Youk Lee
15	PFM No. M1219	Sr Ishak Bin Jahari
16	PFM No. M1220	Melanie Teo Zhia Yii
17	PFM No. M1221	Ir. Ts. Yahaya Bin Hassan
18	PFM No. M1222	Puspamala A/P Raju
19	PFM No. M1223	Ir. Jason Yam Huang Meng

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