

11th November 2018

AN OPEN EXPLANATION TO ALL MEMBERS REGARDING THE ALLEGATIONS CONTAINED IN THE REQUISITION DATED 9TH NOVEMBER 2018 TO CALL FOR AN EGM

Dear Members,

Attached with this open explanation, you will find Notices for an EGM to be held on 1st December 2018. After reading this explanation to the allegations contained in the requisition dated 9th November 2018 to call for an EGM, I urge members to attend the EGM as it involves the future direction of the Property and Facility Management profession.

Your presence and vote is important for the current committee to continue our struggle to improve the profession.

In the rationale of the requisitioners, they refer to statements attributed to me in the recent conference specifically on my 'calling for a separate Board apart from the current Board of Valuers, Appraisers, Estate Agents and Property Managers to register Property and Facility Managers'. The main qualm is that there was no communication or mandate from the general Membership of MIPFM before such statement was made.

The requisitioners also refer to a newspaper article in The Star dated 29th October 2018 which they attribute to a purported statement by me that there is biasness in favour of registered Property Managers who are also Registered Valuers and claimed that the article seem to imply that they are less competent.

1) My purported call for a separate Board for Property, Facility and Strata Managers was actually a call for one unified Board for Property, Facility and Strata Managers. Currently our Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVEAP) is registering Property Managers, CIDB is registering Facility Managers and Ministry of Housing and Local Government (MOH) is intending to form a Strata Managers Board. So therefore I called for efficiency and to have an unified Board. In my speech, I actually requested the Ministry of Housing and Local Government not to set-up another Board for Strata Managers when BOVEAP are registering Property Managers. I asked them not to reinvent the wheel.

Yes, towards the end of my speech I did say, 'perhaps what is needed is not more Boards to manage Property, Facility and Strata Managers but a separate Board for Property Management (Facility and Strata included)'.

This was said in the context of avoiding duplicity and the profession having its own identity. I quoted our new AG Tommy Thomas who had suggested that the model of an independent Act, like for lawyers without influence or role of state functionary should be replicated by other great professions.

I had highlighted that Act 242 in Section 9 gave the Director General of the Government Valuation Department the absolute prerogative to nominate members of the BOVEAP Board and that this must change to be a more democratic election system.

- 2) With regards to the obtaining mandate before I make my speech or statement, I believe that my mandate to act in the best interest of the Property Management industry is obtained at the point I am voted in as President of MIPFM. It would be impractical for me to call for an EGM every time I intend to make a statement. The membership voted me in as President to carry out my duties in the best interest of the Property Management practitioners, not any other profession including Valuation or Estate Agency even though we may be governed by the one Act.

Clause 3(1) of our Constitution mentions that we recognise the governing body being BOVEAP. I believe to recognise BOVEAP does not mean that we cannot suggest any changes to the current legislation for improvement. Furthermore, Clause 3(2) mentions representation in BOVEAP which sadly we do not have. Both these clauses must be read together.

The irony to this notion that the President must get mandate from members to make a statement is the fact that the Board without calling MIPFM to a dialogue to understand the context of my speech, immediately issued a press statement and later called a press conference that 'Separate Boards are Unnecessary'. The RISM President then made a statement supporting the Board's stand, did he call for an EGM to get mandate of its members?

- 3) The second rationale of the requisitioners is based on a newspaper article that they claim implies that Registered Valuers who are also Registered Property Managers are less than competent. A copy of this article is attached. By their own admission they say that it is the article that implies above and not my speech. I cannot be held accountable to a newspaper report that '*imply*' matters. In my speech I never said that registered Valuers make incompetent registered Property Managers. My statement was simply that passing the Valuer's TPC should not give the person an automatic license as Property Manager. I mentioned that the supervised training and the TPC for Property Management should also be passed, if anyone including Valuers who want to be a Registered Property Manager.

I in fact said that the Valuers degree qualifies academically for Property Management but Valuers too should sit for the Property Management TPC and supervised training before they be given a Property Manager license.

I believe what I suggested is for the betterment of the profession. In order for the Property Management profession to grow we need to be recognised as one.

My stand on the 3 resolutions proposed is as follows:-

Resolution 1

Resolution 1 calls to oppose the setting up of a separate Board to register Property, Facility and Strata Managers and to fully support BOVEAP.

First of all, I wish to reiterate that MIPFM has no representation in the BOVEAP. We were instrumental in the changes to the Act 242 to form the Property Managers register but were never asked to nominate anyone to the Board. A member of MIPFM was chosen by the President of the Board without any consultation with MIPFM and announced during the launch ceremony as a representative of MIPFM. How can anyone not nominated by the Committee be made a representative of us?

Over the years we have requested for meetings and made many suggestions to the Board including the Diploma issue, the TPC issue but they do not hear us and discard our recommendations. How do you support a Board that is deaf to your elected committee?

Even though we had no representation in the Board, we carried on soldering but what really broke the camel's back was when BOVEAP's registrar issued the Circular 8/2018 dated 20th September 2018. The circular called for all those now registering with BOVEAP to also register with CIDB as Facility Managers under FM1 code. It was clear that the members of BOVEAP Board did not understand that Property and Facility Management are interrelated and intertwined it cannot be separated. Why did we struggle to form a register under BOVEAP when they ask us to now also register with CIDB? BOVEAP should have instead written to CIDB to seek exemption for its registrants.

Our committee's idea to have the conference themed '*Bridging PM and FM*' was a strategic move to bring this point out. We have now tried to correct this blunder by BOVEAP by writing to CIDB and to BOVEAP. Copies of these letters are attached.

As to the setting up of a separate Board, you will note that we are actually trying to unify the Property, Facility and Strata Managers to one Board. Currently there exist already two Boards, one for Property Managers and another for Facility Managers. We are further aware that the Ministry of Housing and Local Government wants to form a Board of Strata Managers.

We need an unified Board for Property, Facility and Strata Managers. Since there are 3 Ministries trying to control the same profession, the one idea could be to form a separate Board which is not under any Ministry but self-governed where its President and Board are elected. This was only but an idea to explore. If we cannot even explore possibilities and are tied back by those who cannot think beyond then how can we improve? What has worked in the past cannot hold us back from what we can be in the future.

Therefore I urge members not to vote for this blind call to support the BOVEAP but instead be open to new possibilities as long as it is in the best interest of Property, Facility and Strata Managers.

Resolution 2

This resolution request me and my committee to not issue any statement in conflict of Resolution 1 but to issue a press statement to rectify my earlier purported statement.

I must say that me or my committee have not made any press statement on the matter but the context of what was quoted was from my speech. After my speech, I have not made any press statement.

The only parties who jumped in to issue press statement were the BOVEAP, PEPs, RISM, and MIEA. In fact I found the press release by PEPs to be immature questioning my mandate as President of MIPFM. Professional organisation must respect other professional associations even if they disagree with them.

Since we did not make any press statements, I urge members to vote against this call to issue a regressive press statement.

Resolution 3

The third resolution is a vote of no confidence in me.

My fellow members, I have nothing but worked hard over the last 3 terms to build MIPFM to what it is today. When I started in November 2015, I was left with RM107,000.00 in the kitty and today we have built it up to RM322,000.00. The profile of MIPFM is today so widely recognise compared to when it was before. Our membership grew from 625 to 934. We became inclusive rather than exclusive.

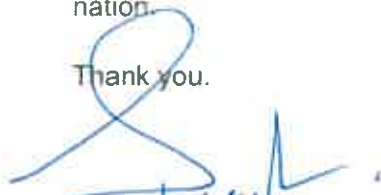
The call for a vote of no confidence for making a statement suggesting a need for a unified Board which may be out of the purview of the MOF and the Director General of Valuation for the betterment of the Property Management industry is in my opinion is not justified. It is made to silence me and others who think openly and progressively.

This vote will silence not only me but anyone in the future who attempts change and restraint change in the old way of the former Government. So I urge each of you to make it a point to **come to this EGM** and **vote for the future**.

Way Forward

We are always open to the Board to have a dialogue to discuss the Property Management issues however we cannot ignore the Ministry of Works and the Ministry of Housing and Local Government. The matter is now bigger than BOVEAP and as such the correct move would be to engage all three Ministries and the various stakeholders, other associations and find a common solution that all can agree upon without any bias but for the better of the nation.

Thank you.



Sarkunan Subramaniam
President 2018/2019



Separate role for property managers

PROPERTY

Monday, 29 Oct 2018

Thean Lee Cheng

KUALA LUMPUR: Malaysian Institute of Professional Property Managers and Facility Managers (MIPFM) is suggesting property and facility management to be treated independently from valuation.

President Sarkunan Subramaniam said the bias towards valuers had to stop if property management is to progress in today's fast-changing digital and technology capabilities.

"I urge the Board of Valuers, Appraisers, Estate Agents and Property Managers to reconsider its decision and listen to the professional bodies.

"Giving a property management licence to one who has no or little experience in property management is dangerous," he said.

Sarkunan was speaking at the MIPFM Conference 2018 on Bridging Property Management and Facility Management.

He said the current real estate degrees are skewed towards valuation subjects. Those who trained in predominantly valuation-based companies have little to no experience in managing properties.

Government valuers, having passed valuers test, are automatically handed the property management licence.

Sarkunan, himself a valuer, is calling for objectivity. He said the diverse range of office buildings, mixed integrated projects and stratified residential projects must be matched with parallel top grade maintenance. Or their value may suffer.

"I will get a lot of opposition for my views but this is for the good of the real estate sector," he said.

Sarkunan also highlighted the rife corruption in this field. "Corruption in procurement, kickbacks and side money is so prevalent that it has rusted performance, bringing many buildings to a grinding halt," he said.

Sarkunan related the tale of two office blocks in Bangsar where seven out of its nine management committee (MC) members have resigned, the chairman among them.

Those who resigned were from Tower A, which the developer had earlier sold to private individual owners. Tower B belonged to the developer who had put the building under a real estate investment trust.

There was a cash surplus in the accounts. It seems that during the period when the developer was managing the property, the developer apportioned all surplus monies collected to the tower they retained. When the MC took over, it faced a defiant developer.

The Commissioner of Buildings has directed an extraordinary general meeting to be held.

In another case, a developer refused to pave the way for a joint management body (JMB) to be formed because it wanted to control the money collected, Sarkunan said. COB stepped in to resolve the issue.

Transparency International Malaysia president Datuk Seri Akhbar Satar said fraud and corruption is common due to the variety of goods and services involved.

Satar said that in 2010, Palm Court Condominium residents alleged that about RM144,000 was misappropriated. The committee agreed to take "appropriate measures" but refused an independent audit.

On Jan 31, 2017, members of a JMB were arrested by the Malaysian Anti-Corruption Commission for allegedly misappropriating RM1.5ml.

Satar said cases like these highlighted the need for a culture of integrity and transparency.

TAGS / KEYWORDS
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7th November 2018

The President
Board of Valuers, Appraisers and Estate Agents and Property Managers
(BOVEAP)
A-19-13A, Level 19, Tower A,
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
Bangsar, 59000 Kuala Lumpur

Dear Tuan Haji Nordin,

RE: CIRCULAR NO: 8/2018 DATED 20 SEPTEMBER 2018
REGISTRATION WITH CIDB UNDER F.M (FM01) CODE

We refer to the above circular (copy attached) and our Committee noted its contents in shock.

MIPFM has worked had with others to change Act 242 to include the Property Managers register and we cannot understand how BOVEAP can now issue this circular requesting those registered with them to also register with CIDB instead of seeking exemptions for those registered under Act 242.

It was clear from the outcome of our recent conference on 25 October 2018 titled 'Bridging PM and FM' that Facility Management (FM) and Property Management (PM) are interrelated and intertwine and is essentially the same practice. As such MIPFM representing 900 odd practitioners are engaging with CIDB to seek exemption for those registered under Act 242. We attach herewith our letter to CIDB that calls on CIDB to exempt Property Managers registered with the BOVEAP to have to register again with CIDB.

We urge the BOVEAP to follow suit from our letter and seek exemption from CIDB for BOVEAP's PM registrants.

We also urge the BOVEAP to retract the said circular immediately. We must take a stand that the and state clearly that registration with BOVEAP is a mark adequate for all Facility/Property Management assignments including Government tenders.

Thank you.

Yours faithfully,

MALAYSIAN INSTITUTE OF PROPERTY AND FACILITY MANAGERS (MIPFM)

Sr Sarkunan Subramaniam
President 2018/2019

Yang Di-Pertuan
Sr Haji Nordin bin Daharom

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CIRCULAR 8/2018

To : TO ALL REGISTERED VALUERS/PROPERTY MANAGERS

Date : 20 September 2018

Dear Sir/Madam


REGISTRATION WITH CIDB UNDER FACILITY MANAGEMENT (FM 01) CODE

Please be informed that all registered valuers/property managers are advised to register your firms with CIDB under the Facility Management (FM 01) Code as registrants who fail to adhere to this requirement will be penalised by CIDB if same is brought to their knowledge.

As time is of the essence, all registered valuation/property management firms are requested to register before 31 December 2018 whereupon you would be given a conditional approval initially and once you have fulfilled all their requirements, you shall be accorded a full approval.

Kindly be guided accordingly.

Yours faithfully


R. MAHALECHUMI
Registrar
LEMBAGA PENILAI PENTAKSIR, EJEN HARTA TANAH
DAN PENGURUS HARTA
RM/ad



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5th November 2018

Chief Executive
Construction Industry Development Board (CIDB)
Tingkat 10, Menara Dato' Onn,
Pusat Dagangan Dunia Putra, No. 45, Jalan Tun Ismail,
50480 Kuala Lumpur.

Dear Dato IR Ahmad Asri Abdul Hamid.

RE: REGISTRATION OF FACILITY MANAGERS UNDER FM01 CODE

We refer to the above exercise by CIDB to register facility managers under FM Code 01 as per your guideline dated 17 January 2017.

MIPFM is a professional organisation of Property and Facility Managers with over 900 members. At our recent conference on 25th October 2018 titled Bridging PM and FM, it was clear during deliberations that the practice of property and facility management is so interrelated and intertwined it cannot be split. Therefore, as the job scope of a Facility Manager and a Property Manager is practically the same, it would be a duplication for property managers registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP) to also register with CIDB.

In your guideline dated 17 January 2017, in page 21, it is stated that MIPFM (our former name) was involved in the dialogue for the registration of facility managers under CIDB. I had attended the one dialogue meeting as President and had raised concern that most Property Managers who also carry our FM were already registered with BOVAEP. It was agreed by the Chairman of the dialogue that there will be no requirement or compulsion for any property managers who is registered with the BOVAEP to also register with CIDB.

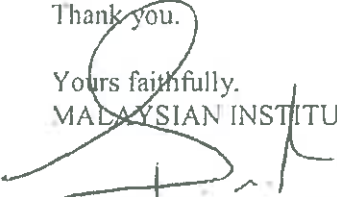
Therefore, we call upon CIDB to clarify and reiterate this agreement. If they are registered with BOVAEP, an exception to register with CIDB is to be granted in accordance to the promise made during the said dialogue and they be allowed to carry out Facility Management. Therefore the registration with BOVAEP must be acknowledged as one of the accepted qualifications for registration with CIDB and included in page 7 of your Guideline.

We look forward to your confirmation of the above and are prepared to meet you in the event you want to further discuss the matter.

Thank you.

Yours faithfully,

MALAYSIAN INSTITUTE OF PROPERTY AND FACILITY MANAGERS (MIPFM)


Sr Sarkunan Subramaniam
President 2018/2019
CC: Registrar BOVAEP