

Redundancy in Building Managers Act

FEATURE ARTICLE:
**Beyond the 10% Rule
on Sinking Funds**

- See page 34



MIPFM INTERNATIONAL PROPERTY MANAGEMENT CONFERENCE 2026

The Rise of Agentic Intelligence in Property Management



26 November 2026 (Thursday)



Wyndham Grand Bangsar, Kuala Lumpur



Topics Highlight:-

- Artificial Intelligence in Building Resilient and Sustainable Cities
- Agentic Intelligence in REIT Asset Management: Driving Operational Excellence and Sustainable Value Creation
- Environmental, Social, and Governance ("ESG") principles in the Edgenta Way
- Sustainable Property Management
- How is AI transforming property management?



- Early Bird: RM 650
- MIPFM Members: RM 650
- Supporting Partner: RM 680
- Non-Members: RM 750
- Student price: RM 400
- Group Discount:
- Group of 3: 5% discount
- Group of 5 and above: 10% discount
- ** Please scan the QR code to register

For further enquiries, partnership opportunities, sponsorships, or vendor participation, kindly contact the MIPFM Secretariat at 019-6008022 or email secretariat@mipfm.org.my

Sponsor by:



**NIPPON
PAINT**

TOTAL COATING &
CONSTRUCTION SOLUTIONS

Supported by:





Table of Contents

04

Editor's Note

06

President's Message

Press Release

ARTICLE 6A (REBUTTAL) Advancing Strata Governance: MIPFM Advocates Strengthening Existing Legal Frameworks Over Creating A Parallel Regulatory Board **09**

MIPFM Calls for Professionalization, Not Just Intervention, To Solve Low-Cost Flat Management Crisis **44**

Feature

ARTICLE 6B (REBUTTAL) Dasar Perumahan Negara 2026-2035: A Policy Worth Backing, With One Provision That Needs Rethinking **11**

ARTICLE 6C (REBUTTAL) A New Board Is Not The Answer **14**

ARTICLE 6D (REBUTTAL - PART 1) Another Property Management Law? Fix The Gaps, Don't Duplicate The Regulator **17**

ARTICLE 6D (REBUTTAL – PART 2) Building Managers Act? Don't Create New Board When Existing One Can Be Strengthened **21**

From Reactive to Responsive: A Practical Case for Explainable AI in Malaysian Strata Management **26**

Beyond the 10% Rule: What Malaysia Can Learn from Strata Sinking Funds in Singapore, Australia (New South Wales) and Hong Kong **34**

Identifying Textbooks Written by Artificial Intelligence **39**

New Property Management Standards Put Greater Focus on Ethics, Strata Management and Sustainability **42**

Membership **46**

MIPFM Events & Activities **47**

EDITORIAL BOARD (2025 - 2027)

Editor-In-Chief
Professor PMgr Dr Ting Kien Hwa

President / Advisor
PMgr Haji Ishak Bin Ismail

Past President
PMgr Datuk Haji Kamarulzaman Bin Mat Salleh

Deputy President
Professor PMgr Dr Ting Kien Hwa

Secretary General
PMgr Nageswaran Muniandy

Treasurer General
PMgr Matthias Loui Hoong Fei

Associate Editor
Assistant Professor Dr Alan Chong Kim Wing

Members
Assoc. Prof. Dr. Muhammad Najib Razali

INTERNATIONAL ADVISORY BOARD

Western Sydney University, Australia
Professor Dr Graeme Newell

University of New South Wales, Australia
Professor Dr Lee Chyi Lin

DESIGN & LAYOUT

Dimension Publishing Sdn Bhd [199701034233(449732-T)]
Level 18-01, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor.
Tel: +(603) 7493 1049 Fax: +(603) 7493 1047 Email: info@dimensionpublishing.com

PUBLICATION DISCLAIMER

The publication has been compiled by MIPFM with great care and they disclaim any duty to investigate any products, process, services, designs and the like which may be described in this publication. The appearance of any information in this publication does not necessarily constitute endorsement by MIPFM. There is no guarantee that the information in this publication is free from errors. MIPFM do not necessarily agree with the statement or the opinion expressed in this publication.

2025 © Copyright MIPFM. All rights reserved.

The Proposed Building Managers Act by MHLG is Redundant

Welcome to Volume 8, Number 3 of *The Property Manager* (TPM), the Official Journal of the Malaysian Institute of Property and Facility Managers (MIPFM).

In this edition, we bring to the forefront pivotal national debates surrounding the proposed Building Managers Act by the Minister of Ministry of Housing and Local Government (MHLG/KPKT). This issue published the ongoing discourse regarding proposed legislative changes to the property management profession in Malaysia.

Leading industry voices including official advocacy from MIPFM, insights by Sr Previndran on the *Dasar Perumahan Negara 2026–2035*, and critical viewpoints from the President of Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS) alongside a critical perspective by the National House Buyers Association (HBA) - collectively argue against the creation of a Building Managers Act that duplicate the functions of Registered Property Managers under Act 242. Suggestions for improvements include addressing existing legal gaps, strengthen current statutory frameworks, and refine provisions to better protect property owners and industry practitioners alike:

	Proposed Building Managers Act by KPKT Minister		Rebuttals Against the Building Managers Act
6	Speech by KPKT Minister (2026) Majlis Pelancaran Dasar Perumahan Negara 2026-2035 at KLGCC Convention Centre on 10th August 2026	6A	Press Release on 14 August 2026 by MIPFM Published in MIPFM Facebook on 14 August 2026.
		6B	Previndran Sathurgasinghe (2026) Dasar Perumahan Negara 2026-2035: A Policy Worth Backing, With One Provision That Needs Rethinking , My Space, City and Country, page 2, <i>The Edge Malaysia</i> , 22 August 2026
		6C	Subramaniam Arumugam (2026), A New Board is Not The Answer , <i>STARBIZ 7</i> , BIZProperty Section, 12th September 2026, page 27 https://www.starproperty.my/news/a-new-board-is-not-the-answer/136568
		6D	Part 1: Chang Kim Loong (2026) Another property management law? Fix the gaps, don't duplicate the regulator , <i>EdgeProp</i> , 11th September 2026 https://www.edgeprop.my/content/1917412/another-property-management-law-fix-gaps-dont-duplicate-regulator Part 2: Chang Kim Loong (2026) Building Managers Act? Don't create new board when existing one can be strengthened <i>EdgeProp</i> , 18th September 2026 https://www.edgeprop.my/content/1917475/building-managers-act-dont-create-new-board-when-existing-one-can-be-strengthened 18 September, 2026

As modern technology reshapes property operations, this issue highlights the practical application of Explainable AI (XAI) in transitioning Malaysian strata management from reactive maintenance to responsive, transparent operations. The article by Cheong et al proposes an Artificial Intelligence-Based Strata Management (AIBSM) approach supported by an AI Virtual Assistant (AIVA) to enhance selected operational processes while preserving professional judgement, regulatory compliance and stakeholder trust.

Dr. Alan Chong of TAR UMT provides a timely comparative analysis looking “beyond the 10% rule of thumb on maintenance charges” evaluating strata sinking fund practices across Singapore, Australia (New South Wales), and Hong Kong to draw practical lessons for improving the determination of sinking fund adequacy in Malaysia.

The rapid rise of generative artificial intelligence has led to an influx of machine-generated book titles. Fully AI-generated academic texts pose significant risks to scholarly integrity. A checklist has been developed by Prof. Dr. Ting to identify these textbooks and suggested ways to improve publishing safeguards.

We trust that the curated articles in this volume will offer valuable insights, provoke constructive discussions, and serve as a useful reference for property managers, policymakers, and industry stakeholders.

Thank you for your continued support of *The Property Manager*. ■

Professor PMgr Dr. Ting Kien Hwa

FMIPFM, FRICS, FRISM, MPEPS

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





From the
**Desk of the
President**

PMgr Sr Ishak Ismail
President, MIPFM

Preserving Professional Integrity: Why Malaysia Must Maintain a Unified Regulatory Framework for Property Management

Dear Esteemed Members, Industry Colleagues, and Readers,

Welcome to the latest edition of *The Property Manager*. In this issue, I wish to address a critical matter currently affecting the landscape of property and strata management in Malaysia - the proposal by the Ministry of Housing and Local Government (KPKT) to establish a new, separate regulatory board for Building Managers.

On behalf of the Institute of Malaysian Property and Facility Managers (MIPFM), I wish to make our position unequivocally clear: **MIPFM firmly stands against any proposal to introduce new laws or regulatory bodies that duplicate and overlap with Act 242.**

1. A Settled Consensus: Property Management Belongs Under MOF

It is important to recall the historical context and inter-ministerial agreement established in 2017. Both the Ministry of Finance (MOF) and KPKT agreed that the practice of property management shall be maintained under MOF through the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP).

To support this consensus, Act 242 was specifically amended in 2017 to create a dedicated 4th Register for Property Managers, legally distinguishing them from valuers and estate agents.

Reopening this issue now directly undermines this established policy and threatens to fragment a system that has served our nation effectively for over four decades.

2. Profession vs. Position: Understanding the Structural Distinction

A fundamental misunderstanding lies at the heart of the proposal to create a separate "Board of Building Managers".

- **Property Manager is a Profession:** Property Management is an internationally recognized academic discipline requiring accredited university degrees, years of practical training, and rigorous evaluation via the Test of Professional Competence (TPC) under BOVAEP.
- **Building Manager is a Position:** A Building Manager is an operational job function—acting as an executive or assistant to the Registered Property Manager.

As explicitly detailed in the Malaysian Property Management Standards (MPMS 3rd edition), property management companies licensed by BOVAEP deploy site-based Building Managers as part of their operational team. Many qualified Property Managers also serve as Building Managers within these structures. Creating a dedicated regulatory board for an operational job role - which lacks a distinct, standalone university degree program - is conceptually flawed and threatens the professional standing of the entire industry.

3. Key Reasons to Reject the Proposed Board

Drawing from our comprehensive analysis, introducing a second regulatory body under KPKT poses severe risks to the industry, property owners, and the public:

A. Redundancy and Waste of Public Funds

Under the MADANI government's commitment to fiscal discipline and austerity, creating a parallel regulatory board is fiscally irresponsible and redundant. BOVAEP already provides full regulatory oversight nationwide - including Sabah and Sarawak - enforcing Continuing Professional Development (CPD), annual licensing renewals, code of ethics, and professional disciplinary mechanisms.

B. Disregarding Our Higher Education System

Since 1973, Malaysian public and private universities (UTM, UiTM, UM, UTHM, TAR UMT, UTAR, University Malaya-Wales and INSPEN) have produced over 31,000 property management graduates. Creating a "backdoor" licensing pathway through a new board bypasses established academic and professional benchmarks, rendering formal degree programs redundant and diminishing the value of tertiary qualifications.

C. Conflict of Interest and Developer Influence

Advocacy for this proposal has been heavily driven by developer-aligned groups such as the Building Management Association of Malaysia (BMAM). Developers possess inherent commercial interests during the Defects Liability Period (DLP) and initial management periods. Allowing developer-influenced groups to shape property management regulation compromises public interest, impartiality, and consumer protection for homeowners and Joint Management Bodies (JMBs) and Management Corporations (MCs).

D. Increased Operational Costs Passed to Homeowners

According to NAPIC data, property management accounts for 10 - 15% of a building's operating expenses. Adding a secondary regulatory body will introduce dual-compliance burdens, increasing compliance costs by 5 - 10%. Research by the Malaysia Productivity Corporation (MPC) demonstrates that regulatory duplication can increase compliance costs by up to 30% - costs that will ultimately be passed down to parcel owners, occupiers and tenants.

E. Misaligned Focus on Industry Issues

The primary challenges in strata living today stem from unregistered property managers and administrative issues within Joint Management Committees (JMCs) and Management Corporations (MCs). Creating a new board does not solve these problems; it only weakens enforcement capabilities. As highlighted by the Prime Minister during the Mid-Term Review of the 12th Malaysia Plan, the true solution is to amend Act 757 to close legal loopholes and enforce the exclusive role of Registered Property Managers under Act 242.

The Way Forward: Strengthening Existing Frameworks

Instead of diverting valuable public resources into duplicative bureaucracy, our collective focus should be on:

1. **Strengthening BOVAEP's Enforcement:** Enhancing monitoring and legal enforcement against illegal, unregistered operators.
2. **Deepening COB-BOVAEP Collaboration:** Enhancing joint initiatives between Commissioners of Building (COB) and BOVAEP to improve local strata governance without fragmenting nationwide regulatory standards.
3. **Amending Act 757:** Enforcing strict legal requirements so JMBs and MCs only engage registered property management firms.

MIPFM remains steadfast in protecting the public interest, upholding high professional standards, and advancing the practice of property and facility management in Malaysia. We urge all stakeholders to preserve the centralized, independent, and proven regulatory structure under Act 242.

Thank you for your continued dedication and support. ■

PRESS RELEASE

14 AUGUST 2026

BY MIPFM

ARTICLE 6A (REBUTTAL)

Advancing Strata Governance: MIPFM Advocates Strengthening Existing Legal Frameworks Over Creating A Parallel Regulatory Board

The Malaysian Institute of Property and Facility Managers (MIPFM) calls for collaborative enhancement of Act 242 and Act 757 to safeguard public funds, leverage accessible professional training pathways, and protect strata homeowners.

KUALA LUMPUR — The Malaysian Institute of Property and Facility Managers (MIPFM) is proposing to review the proposed Building Managers Act by the Ministry of Housing and Local Government (KPKT). While acknowledging KPKT's commitment to addressing operational challenges within strata communities, MIPFM highlights that establishing a parallel regulatory board i.e. Board of Building Managers risks duplicating existing legal frameworks, resulting in a waste of public funds and fragmenting industry oversight.

Rather than introducing redundant legislation, MIPFM proposes optimizing the robust regulatory framework that has successfully governed property management under the Board of Valuers, Appraisers, Estate Agents and Property Managers (LPEPH / BOVAEP) via Act 242 since 1981.

MIPFM highlights six key areas where strengthening current frameworks yields greater long-term stability for the industry:

- **Preventing the Waste of Public Funds:** Re-creating a separate administrative board—complete with duplicate registries, enforcement personnels, and operational machinery—wastes taxpayer money and public resources when a fully functional regulatory body, BOVAEP, already exists.
- **Flexible Pathways for Non-Real Estate Professionals:** Two new qualification pathways are now available for individuals without formal real estate or property management qualifications to obtain a recognised Professional Diploma in Property Management. BOVAEP has introduced Professional Qualifying Examination (PQE) for Property Managers whilst the National Institute of Valuation (INSPEN) has launched the Certified Property Management Program (CPMP). The PQE and CPMP is officially recognized as a qualification equivalent to a degree, enabling candidates to register as Probationary Property Managers with BOVAEP and build a professional career in property management.

- **Maximizing Federal Investment in Tertiary Education:** Local public and private universities (including UiTM, UTM, UM, UTHM, UTAR, and INSPEN) have offered accredited property management degree programs since 1973, producing over 31,700 qualified graduates and 2,290 registered property managers. Integrating these trained professionals within the existing framework protects national educational investments and ensures high standards of care for complex building services, structure and infrastructure.
- **Ensuring Independent Fiduciary Oversight:** Strata management requires strict, independent oversight—particularly during developer handovers, defect liability periods, and initial sinking fund transfers. Maintaining regulation under an independent framework avoids potential structural conflicts of interest and ensures property managers serve parcel owners impartially.
- **Addressing Root Issues Through Enforcement:** A critical analysis of strata complaints shows that challenges primarily stem from unregistered operators and governance disputes within JMBs/MCs, rather than a gap in primary legislation. Enhancing enforcement against illegal entities under existing laws directly resolves these issues without introducing new administrative complexity.
- **Aligning with National Policy Objectives:** Reaffirming the existing framework directly supports the Mid-Term Review of the 12th Malaysia Plan, which recognizes registered property managers as key contributors to sustainable urban living and guardians of strata properties.

“Our shared goal with KPKT is to ensure strata property owners enjoy secure, well-managed, and economically viable communities,” stated MIPFM leadership. “By leveraging established training avenues like PQE, CPMP and enforcing existing legislation, we can expand the workforce and achieve robust industry oversight without wasting public funds.”

MIPFM’s Strategic Recommendations for Collaborative Reform

MIPFM encourages KPKT to adopt a streamlined policy pathway centered on two strategic actions:

1. **Enhance Statutory Provisions in Act 757 (Strata Management Act 2013):** Amend the Act to explicitly require Joint Management Bodies (JMBs) and Management Corporations (MCs) to appoint BOVAEP-registered property management firms, eliminating unregistered operators.
2. **Empower Existing Enforcement Mechanisms:** Expand BOVAEP’s enforcement capacity under Act 242 to curb illegal operators while expanding continuous professional development and industry training initiatives for upskilling site managers and building executives.

MIPFM remains committed to engaging in constructive dialogue with KPKT, higher education institutions, and industry stakeholders to build a sustainable and unified future for Malaysia’s strata communities and highrise properties. ■

ARTICLE 6B (REBUTTAL)

Dasar Perumahan Negara 2026-2035: A Policy Worth Backing, With One Provision That Needs Rethinking

PREVINDRAN SATHURGASINGHE
ZERIN PROPERTIES

The National Housing Policy (DRN) 2026-2035, anchored on the vision of “Humanising Housing,” deserves genuine credit. It is one of the most structurally ambitious housing frameworks Malaysia has produced in years, built on six focus areas, seventeen strategies and fifty-nine action plans, each carrying an identified lead agency, support agency and delivery timeline. That level of specificity sets it apart from earlier housing policy documents that too often stopped at aspiration.



The substantive direction across most of the policy is sound. Aligning local plans with transit-oriented development, embedding a dilapidation and cost benefit framework for urban renewal, expanding inclusive housing for the elderly and OKU, formalising rental protection through a Residential Tenancy Act, introducing Rent to Own and Shared Ownership pathways, and moving the industry from Sell Then Build toward Build Then Sell are all overdue reforms that the market has been asking for. The affordability strategy under Focus 5, with its stepped financing, fixed rate mortgage products and localised affordability benchmarking, reflects a policy that treats affordability as a financing and delivery problem rather than a slogan. On these fronts, the policy merits strong support.

There is one provision, however, that deserves closer scrutiny before it is locked into the final framework: the plan under Focus 6 to grow and formalise a new cadre of building managers and strengthen strata governance through a body positioned under KPKT.

Malaysia already has an established statutory and professional regulatory framework relevant to this function. Property managers are regulated under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Act 242), through the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP), which sits under the Ministry of Finance. Strata specific matters, including JMB and MC formation and maintenance fund management, are separately covered under the Strata Management Act 2013 (Act 757), administered through the Commissioner of Buildings at local authority level. Taken together, these frameworks already provide a substantial foundation covering professional competency and licensing alongside the governance obligations of bodies that run strata schemes.

That separation between housing policy and professional regulation also provides an important institutional distinction: the body responsible for professional standards, competency and disciplinary oversight is separate from the ministry responsible for housing supply and development policy. Any new governance structure should therefore be assessed carefully against the value of maintaining clear regulatory roles and avoiding overlapping mandates.

The case for a new board should also be tested against the evidence on capacity and enforcement. The often cited figure that 594 licensed firms serve more than 26,000 strata schemes nationwide has been disputed by industry players, who point to tender exercises drawing multiple registered firms for individual appointments. Local institutions including UiTM, UTM, UM, UTHM and INSPEN have also produced substantial numbers of graduates in property management and related fields, while BOVAEP has 2,290 registered Property Managers on its rolls. BOVAEP also ran a special registration window in 2018 to bring experienced but formally unqualified building managers into the fold, demonstrating that the existing system has previously been able to accommodate experienced practitioners through targeted registration. These figures do not, by themselves, establish that there is no capacity constraint. They do, however, suggest that the case for a new board should be distinguished from the separate question of whether existing requirements are being effectively enforced. The reported practice of JMBs and MCs appointing unregistered individuals, whether because of cost or unfamiliarity with the law, points to an enforcement and compliance issue that deserves attention in its own right.

The proposal has also attracted concerns from several professional bodies. A 2024 joint memorandum involving MIPFM, RISM, PEPS and other professional bodies reportedly raised objections, while PEPS has publicly questioned the need for a new board. These concerns include the practical interface between BOVAEP registration and any new building manager regime, including potential duplication in licensing, training, reporting and disciplinary responsibilities, as well as the implications for implementation in Sabah and Sarawak. These issues merit resolution before any parallel governance structure is established, particularly if the objective is to improve outcomes for JMBs and MCs rather than add another layer of administration.



Carried to its logical conclusion, creating parallel professional regulatory structures within the housing ministry could raise broader questions about institutional boundaries across the property sector. Lawyers, architects, engineers, quantity surveyors and accountants all work throughout the property industry, yet their professional regulation remains with their respective established bodies. Building and property management should be considered within the same institutional logic, unless there is clear evidence that the existing regulatory framework cannot achieve the intended outcomes. The priority should therefore be to strengthen and reform the existing system where necessary, rather than duplicate functions without first establishing a demonstrable regulatory gap.

Placing a parallel building manager governance structure under KPKT could blur the separation between housing policy and professional regulation, while potentially addressing a problem that may be more about enforcement and compliance than the absence of legislation. A more targeted approach would be to examine whether Act 757 can be strengthened to require the appointment of appropriately registered professionals, alongside stronger enforcement powers, additional investigation and audit capacity, and a digital compliance system linking licensing, appointments and complaints at COB level. These measures could strengthen accountability within the existing institutional framework without necessarily creating an additional regulatory structure.

Everything else in the DRN 2026-2035 reads as a policy that takes housing delivery seriously. This one provision deserves a closer look before implementation begins, because getting institutional architecture right at the outset is far harder than unwinding overlapping mandates later. ■

Source

Previndran Sathurgasinghe (2026) **Dasar Perumahan Negara 2026-2035: A Policy Worth Backing, With One Provision That Needs Rethinking**, My Space, City and Country, page 2, *The Edge Malaysia*, 22 August 2026

Sr Previndran Sathurgasinghe is Chief Executive Officer, Zerin Properties. He is Registered Valuer, Estate Agents and Property Managers of Board of Valuers, appraisers, Estate Agents and Property Managers.

ARTICLE 6C (REBUTTAL)

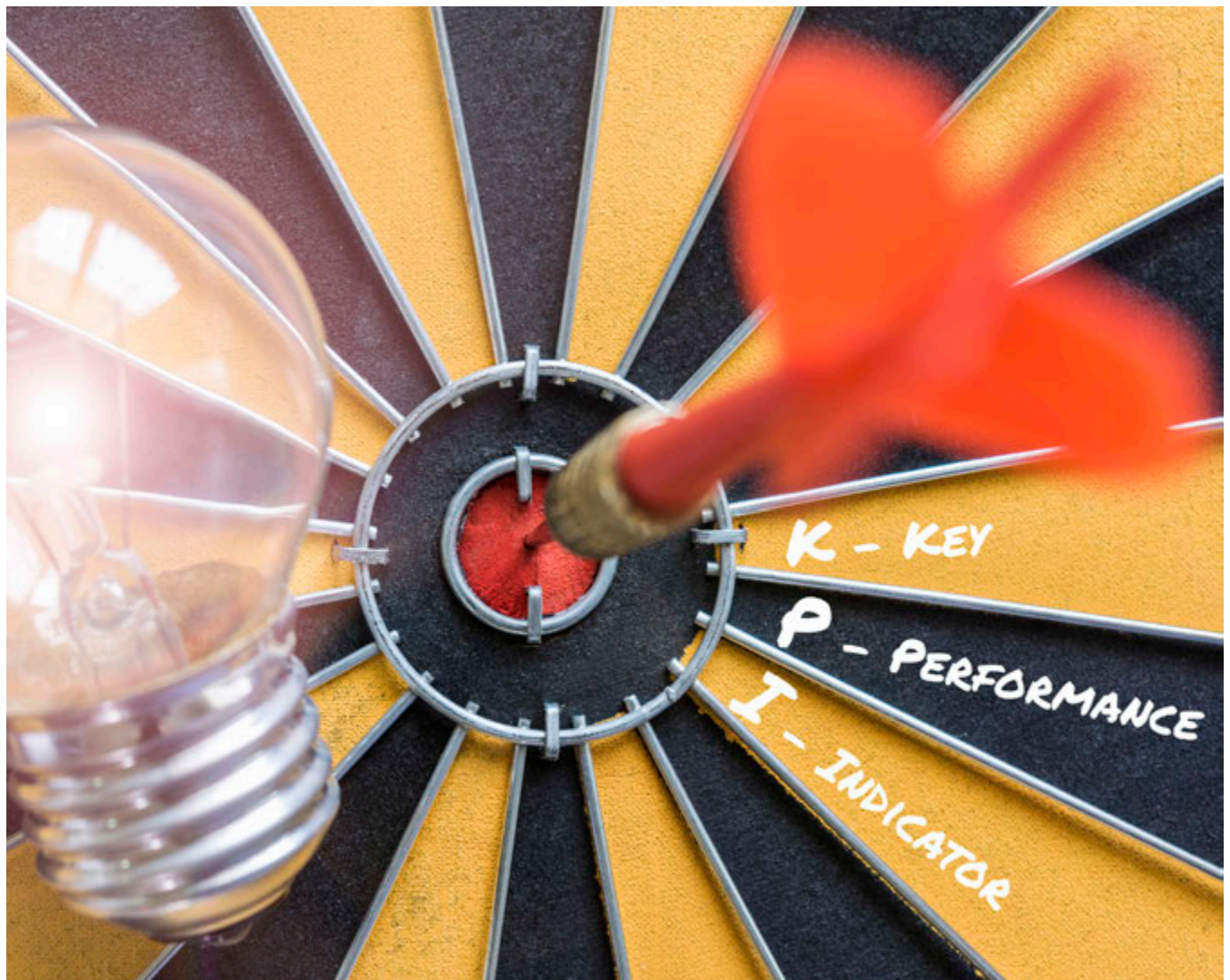
A New Board Is Not The Answer

SUBRAMANIAM ARUMUGAM**President**

Association of Valuers, Property Managers,
Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS)

I noted the recent public statement by Housing and Local Government Minister Nga Kor Ming reiterating the government's intention to introduce a Building Managers Act and establish a separate regulatory framework for building managers. Let me state at the outset that PEPS fully supports the government's objective of improving strata property management standards in Malaysia.

We do not dispute that poorly managed strata developments exist, that some owners face challenges with their Joint Management Bodies (JMBs) and Management Corporations (MCs) or that unregistered persons operate in the market. The core issue is whether the government has correctly identified the cause of these problems and whether creating another regulatory board is the right solution. We respectfully believe it is not.



Argument is Flawed

The minister has cited the figure of 640 licensed property management firms against more than 27,000 strata schemes, calculating that an average firm would have to manage roughly 42 schemes or nearly 5,000 units. While this ratio appears alarming, it does not establish a genuine shortage of property managers.

The total number of strata schemes cannot simply be divided by the number of licensed firms to determine industry capacity:

- **Self-management and existing contracts:** Many strata schemes are self-managed by JMBs or MCs while numerous developments already have established management arrangements.
- **Firm personnel structure:** A property management firm is not a single person managing dozens of properties. Firms employ registered property managers, building managers, technical supervisors and administrative personnel to handle portfolios.
- **Actual market demand:** The estimation does not reveal how many strata schemes are actively seeking professional management services and cannot obtain them due to a lack of available firms.

In actual market practice, qualified firms and professionals competing for management contracts frequently outnumber available tenders and new calls for proposals are often oversubscribed. Without specific data on property management tenders or unserved schemes, the conclusion that Malaysia lacks property management capacity remains an unverified assumption.

New Board Does Not Create More Professionals

This fundamental point appears to have been overlooked: creating another regulatory board does not solve a manpower problem. A board regulates but does not produce human capital.

Malaysia has invested heavily in developing property management as an established academic and professional discipline over four decades. Our universities have produced over 31,700 graduates in property management-related programmes, supported by an established professional pipeline under the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP).

Furthermore, property management is already regulated under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Act 242). The 2018 legislative amendments explicitly provided a route for experienced building managers without formal qualifications to regularise their standing under BOVAEP. The existing system has already demonstrated flexibility in accommodating experienced industry practitioners. Creating a parallel regulatory structure duplicates infrastructure without generating a single additional qualified professional.

Blurring the Lines

Attempting to draw an artificial line between a building manager and a property manager creates operational ambiguity. Managing a strata building involves far more than physical upkeep like cleaning, security and lift maintenance.

A strata development requires interconnected financial management, budgeting, maintenance planning, statutory compliance, insurance oversight, sinking fund administration and risk management to protect long-term property values. Building management is an operational component within property management, not a separate profession.

Establishing two distinct regulatory bodies creates overlapping jurisdictions and confuses property owners. The practical approach is to clearly define operational roles within the established Act 242 framework, ensuring the public retains one clear line of professional accountability.

Enforce Existing Laws

The minister linked the alleged shortage of licensed firms to the proliferation of unlicensed property managers. If unregistered operators are carrying out regulated functions, the solution is direct legal enforcement under existing legislation.

Our joint submission to the Ministry of Housing and Local Government (KPKT) in September 2024 highlighted that many strata management failures stem from unregistered managers and governance weaknesses within JMBs and MCs. The Mid-Term Review of the 12th Malaysia Plan recognised the need to reinstate the role of Registered Property Managers under Act 242 through amendments to the Strata Management Act 2013 (Act 757), specifically to prevent JMBs and MCs from appointing unlicensed actors. The government already possesses the identified solution: enforce existing laws rather than create a new regulatory board.

Root Causes of Poor Strata Management

Attributing every strata management failure to property managers overlooks fundamental structural challenges. A professional manager cannot resolve operational failures when:

- Property owners fail or refuse to pay maintenance charges.
- Sinking funds are severely depleted or non-existent.
- JMBs or MCs refuse to approve critical maintenance expenditures.
- Internal owner disputes stall decision-making.
- Management bodies lack basic administrative governance.

These are financial sustainability and governance problems. A new regulatory board for building managers cannot force owners to pay fees or compel JMBs to exercise proper oversight. The government should instead focus on strengthening the capacity of Commissioners of Buildings (COBs) and local authorities to address governance deadlocks.

PEPS does not argue that the current system is perfect. Meaningful reform involves fixing operational weaknesses rather than adding administrative complexity.

Creating a second regulatory board risks creating conflicting professional standards, regulatory confusion and uncertainty for thousands of property management graduates trained under Act 242.

Protecting Public Interest

Before introducing major legislative changes, the government should publish empirical data verifying the alleged professional deficit, including:

1. The exact number of strata schemes actively seeking professional property management.
2. The number of management contracts that went unfilled due to an absence of registered firms.
3. The breakdown of formal public complaints lodged against Registered Property Managers versus unregistered operators and JMBs/MCs.

PEPS opposes a separate regulatory structure to prevent market fragmentation and protect strata property owners. Owners who invest their life savings in residential and commercial properties deserve clear accountability, proper maintenance and transparent financial stewardship.

Malaysia does not need duplicate regulatory boards. What the sector requires is consistent enforcement, improved governance within management bodies, better-trained professionals and a clear regulatory system. After four decades of professional development under Act 242, we should strengthen the system we have built rather than fragment it. ■

Source

Subramaniam Arumugam (2026), *A New Board is Not The Answer*, STARBIZ 7, BIZProperty Section, 12th September 2026, page 27

ARTICLE 6D (REBUTTAL - PART 1)

Another Property Management Law?

Fix The Gaps, Don't Duplicate The Regulator

DATUK CHANG KIM LOONG

National House Buyers Association

The Housing and Local Government Ministry (KPKT) recently mooted a Building Managers Act to introduce dedicated legislation on property or building management.

Nobody would dispute that good property management is essential. Poorly managed buildings deteriorate, property values suffer, maintenance is neglected and owners ultimately bear the cost. However, the answer to poor management should not automatically be another Act or another registration regime.

Before creating a new regulatory framework, the government should first ask a fundamental question:

- 1. Do we actually have a regulatory vacuum, or are there gaps, weaknesses or enforcement deficiencies within the regulatory frameworks that already exist?***

This distinction is critical.

The Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP), under the Ministry of Finance, already regulates the professional practice of property management within the statutory framework of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Act 242).



Concerns have also been raised that separate regulatory structures could result in duplication, jurisdictional conflict and uncertainty for stakeholders.

2. *Why create another register for building managers without first defining the regulatory gap it is intended to fill?*

A shortage is not the same thing as a regulatory vacuum.

At the International Strata Symposium on April 8, 2025, KPKT Minister Nga Kor Ming said there were 594 firms licensed to practise property management serving 26,334 strata schemes involving about 2.91 million strata units nationwide.

He cited these figures as evidence of an insufficient supply of licensed firms and linked the shortage to poor service and the proliferation of unlicensed and unqualified property managers.

At the launch of the *National Housing Policy 2026–2035* on Aug 10, 2026, KPKT said it planned to draft and amend four housing laws. One of it is the Building Managers Act.

If the proposed Building Managers Act were to proceed, its precise scope, functions and relationship with the existing regulatory regimes under Act 242 and the Strata Management Act 2013 (Act 757) should first be made clear.

The figures certainly deserve attention. But they do not necessarily justify creating a new regulatory regime. If there are insufficient licensed property managers, the government should first investigate why there is a shortage:

- a. Are there insufficient training opportunities?
- b. Are the qualification requirements too restrictive or insufficiently flexible to recognise appropriate alternative pathways without compromising professional standards?
- c. Is registration too cumbersome?
- d. Are remuneration levels unattractive?
- e. Are young professionals reluctant to enter the profession?
- f. Is enforcement against unlicensed practice sufficiently effective?
- g. Or has demand for professional management grown faster than the supply of qualified practitioners?

These are manpower, training, market and enforcement questions. They are not necessarily problems requiring a new Act.

More fundamentally, creating a second register does not itself increase the number of competent practitioners. If the same pool of people is merely transferred, duplicated or reclassified under another register, the numerical shortage remains.

If a new pathway were created for people who do not currently meet the registration requirements applicable to property managers under Act 242, it would also be necessary to ensure that competency and professional standards were not weakened.

3. *Does creating a new register actually creates more qualified property managers?*

Why duplicate a function already entrusted to BOVAEP?

Parliament has already provided under Act 242 for the statutory regulation of the professional practice of property management.

Act 242 provides statutory machinery for the registration and regulation of property managers and property-management practice, including professional and disciplinary requirements.

Following the 2017 amendments, the Board opened a 12-month transitional registration exercise from Jan 2, 2018 for existing practitioners, subject to the qualifications, experience and other requirements prescribed by the Board.

The government should therefore explain precisely what is missing from the existing framework:

- a. If there are deficiencies, amend Act 242.
- b. If enforcement is inadequate, strengthen enforcement.
- c. If registration pathways are unnecessarily restrictive, reform them without compromising competency and professional standards.
- d. If there are insufficient professionals, expand training and recruitment.
- e. Where people are carrying out activities that fall within regulated property management practice without the registration or authority required by law, enforce the applicable law.
- f. If there are genuine building-management functions falling outside Act 242, identify and define those functions before legislating.

That last distinction is particularly important. A genuine regulatory gap should be filled. But filling a demonstrable gap is fundamentally different from establishing a parallel registration regime covering functions already regulated under Act 242.

Creating an entirely new statutory regime without clearly delineating its functions could result in two authorities regulating substantially similar professional activities. Rather than resolving regulatory problems, it risks creating duplication.

Two registers could create two classes of managers. Suppose KPKT establishes a register of building managers while BOVAEP continues maintaining its existing register of property managers. What will be the precise distinction? In particular:

- i. Will a building manager be allowed to perform the same functions as a registered property manager?
- ii. Will both be permitted to manage strata developments?
- iii. Will a management corporation (MC) be able to appoint either one?
- iv. Will there be different qualification requirements?
- v. Will there be different fees?
- vi. Will there be different disciplinary procedures?
- vii. Will one regulator recognise the other's qualifications?
- viii. Will a person or firm registered under Act 242 also have to obtain a second registration under the proposed legislation?
- ix. Will professional indemnity insurance, competency requirements and professional standards be equivalent under both regimes?

How would overlapping functions and responsibilities under the two regimes be reconciled?

And most importantly:

4. Who will have regulatory jurisdiction when the functions governed by the two regimes overlap?

These questions cannot be brushed aside.



A property owner should not have to understand the bureaucratic architecture of the government merely to determine whether the person managing his or her building is properly qualified. Regulation should make matters clearer, not more complicated.

Nor should a competent practitioner already regulated under one Federal statute be subjected unnecessarily to overlapping licensing, registration, disciplinary or compliance regimes administered under separate regulatory frameworks.

Strata Management is Already Governed by Legislation

The issue becomes even more complicated when dealing with strata properties.

Act 757 already establishes a substantial statutory framework for the management of strata developments.

It provides for joint management bodies (JMBs), MCs, subsidiary MCs, the Commissioner of Buildings (COBs), maintenance accounts and sinking fund accounts, collection of charges and contributions to the sinking fund, committee meetings, general meetings, additional by-laws and dispute resolution.

Act 757 broadly regulates the governance and administration of strata schemes, whereas Act 242 regulates the professional practice of property management. These statutory functions are related but conceptually distinct. Any new legislation must first identify what is not adequately covered by either framework.

When a strata building experiences management problems, we must identify the precise failure:

- a. Is the problem within the JMB or MC?
- b. Is it the COB?
- c. Is it a person carrying out property-management functions without the registration required under the applicable law?
- d. Is it poor enforcement?
- e. Is it non-payment of maintenance charges?
- f. Is it inadequate participation by parcel owners or proprietors?
- g. Is it a shortage of professional property managers?
- h. Is it inadequate competency or training among those involved in day-to-day building operations?
- i. Or is it a weakness or ambiguity in Act 757 itself?

Different Problems Require Different Solutions

A new Building Managers Act could add another layer to an already complicated statutory landscape unless its functions and jurisdiction address clearly identified gaps that cannot adequately be dealt with under existing legislation.

The case for reform may well exist. But the government should first identify the regulatory failure it is seeking to address, determine whether it can be dealt with by strengthening the existing framework, and clearly define any functions that genuinely fall outside Acts 242 and 757.

New legislation should fill an identified gap, rather than create a parallel regime covering functions already regulated under existing law. ■

Source

<https://www.edgeprop.my/content/1917412/another-property-management-law-fix-gaps-dont-duplicate-regulator>
11 September, 2026

Datuk Chang Kim Loong, honorary Secretary-general of the National House Buyers Association (HBA). HBA is a voluntary non-governmental and not-for-profit organisation manned wholly by volunteers.

ARTICLE 6D (REBUTTAL – PART 2)

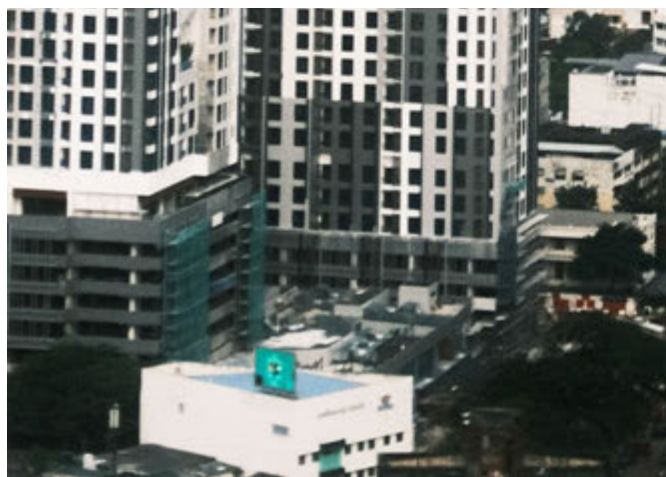
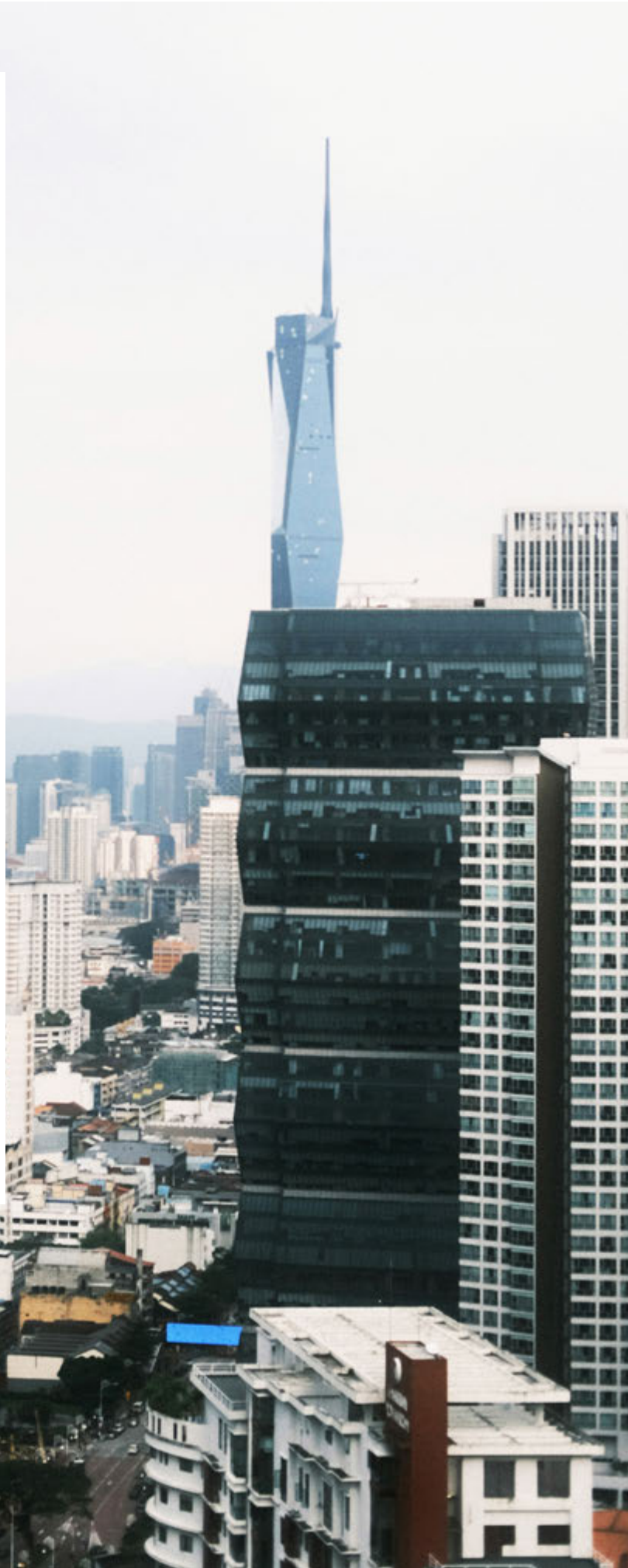
Building Managers Act? Don't Create New Board When Existing One Can Be Strengthened

DATUK CHANG KIM LOONG

National House Buyers Association

In Part 1, “Another property management law? Fix the gaps, don’t duplicate the regulator”, the National House Buyers Association (HBA) examined whether the Housing and Local Government Ministry (KPKT)’s recent proposed new legislation for a Building Managers Act would address a genuine regulatory gap or risk duplicating existing frameworks under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Act 242) and the Strata Management Act 2013 (Act 757).

In Part 2, it looks at possible alternatives to another regulatory regime.



There is a fundamental principle of good governance, which is:

1. Before creating a new agency or duplicating a regulatory function, determine whether an existing agency can perform that function effectively, with appropriate legislative and institutional strengthening where necessary.

In terms of property management, the Board of Valuers, Appraisers, Estate Agents, and Property Managers (BOVAEP) has existed for decades, and it already:

- a) has institutional knowledge,
- b) has regulatory infrastructure,
- c) maintains registers,
- d) has disciplinary mechanisms, and
- e) regulates property managers.

If the proposed legislation were to establish another statutory authority or parallel regulatory structure, this could involve additional expenditure on personnel, offices, information systems, administration, enforcement and governance.

At a time when the government is emphasising fiscal discipline and better utilisation of public resources, potential duplication deserves particularly careful consideration.

The relevant question is not which ministry should control property management. It is which regulatory structure will produce the clearest accountability, highest professional standards and best protection for property owners without unnecessary administrative cost.

Regulate Unlicensed Practitioners or Create 'Back Door' Registration?

Perhaps the strongest argument for a new law is the minister's concern over unlicensed property-management practice.

If that is the real problem, one of the immediate responses must be effective enforcement of the existing law. Malaysia already has legislation governing the professional practice of property management. Hence:

- i. Where people are carrying out activities that fall within regulated property-management practice without the registration or authority required by law, the relevant authorities should investigate and enforce the applicable law.
- ii. If existing penalties are insufficient, increase them.
- iii. If enforcement resources are inadequate, allocate more resources.
- iv. If there are loopholes, close them.
- v. If legitimate categories of building-management personnel presently fall outside the professional property-management regime, define their functions and create appropriate competency pathways without allowing those pathways to become a substitute route into regulated property-management practice.

There is little point in creating a new register if the government does not adequately enforce the existing framework. Otherwise, we could simply have another register while people operating outside the applicable regulatory requirements continue doing so.

Worse, if substantially the same professional functions could be undertaken under a new regime with materially lower entry requirements, the new regime could risk becoming a "back door" into property-management practice.

Whether that risk arises will ultimately depend on the definitions, entry requirements and allocation of functions under any eventual legislation.

There is little point in creating a new register if the government does not adequately enforce the existing framework. Otherwise, we could simply have another register while people operating outside the applicable regulatory requirements continue doing so.

Address the Real Shortage

If there genuinely are insufficient property managers, KPKT and BOVAEP should work together on a national manpower strategy.

The government could:

1. Expand recognised property-management education and training,
2. Create structured pathways for graduates to enter the profession,
3. Facilitate practical training and apprenticeships,
4. Recognise relevant professional qualifications,
5. Streamline registration without compromising standards,
6. Encourage continuing professional development,
7. Improve public awareness of the importance of appointing registered professionals,
8. Strengthen enforcement against unlicensed practice, and
9. Examine whether the remuneration and career prospects of property managers are sufficiently attractive to retain talent.

The government should also examine whether the reported shortage is uniform across the country and across all categories of properties.

A meaningful manpower study should distinguish between the number of registered individual property managers and registered firms, as well as strata schemes, non-strata properties, geographical distribution, scheme size and complexity, and the supporting professional and technical personnel employed by each firm.

The simple ratio of licensed firms to strata schemes, although useful as an indicator, does not by itself establish how many additional property managers are actually required.

One property-management firm may employ multiple qualified personnel and manage multiple schemes with supporting site teams. Conversely, some large or complex integrated developments may require substantially greater professional resources than numerous small schemes combined.

Such measures would address the causes of the shortage rather than merely creating another administrative structure.

Strengthen Cooperation Instead of Creating Competition

There is nothing wrong with KPKT wanting to improve property management. In fact, it should.

But a better approach would be to establish a formal inter-agency mechanism involving KPKT, BOVAEP, Commissioner of Buildings (COB), local authorities and relevant professional bodies. Such a mechanism could identify regulatory gaps, develop common standards and coordinate enforcement.

The objective should be one coherent regulatory framework, not competing jurisdictions.

The government should also undertake a comprehensive audit of existing laws affecting building and property management before introducing another Act.

Such a review should identify:

- a. Who regulates whom?
- b. What activities are regulated?
- c. What qualifications are required?
- d. Which authority investigates complaints?
- e. Which authority takes disciplinary action?
- f. Which authority prosecutes offences?
- g. Where do jurisdictions overlap?
- h. Where are the genuine gaps?
- i. Which functions are already regulated under Act 242?
- j. Which functions arise from the statutory duties of developers, joint management bodies, management corporations (MCs) and sub-MCs under Act 757?
- k. Which functions are technical or facilities management activities already subject to other legislation and competent authorities?
- l. What specific activity remains unregulated after this mapping exercise?

Only after answering these questions should Parliament be asked to legislate to address any genuine deficiency identified.

Don't Mistake Institutional Expansion for Reform

There is an unfortunate tendency in public administration to respond to problems by creating a new unit, department, board or law. But bigger government does not necessarily mean better governance.

Sometimes the better reform is not to create something new, but to make an existing institution work better.

Malaysia already has multiple layers of regulation governing property, strata and building management. Adding another regulatory layer may increase bureaucracy without necessarily improving service quality.

The minister should therefore be asked a simple question:

2. What regulatory gap would a proposed Building Managers Act fill that cannot be addressed by strengthening Act 242, amending Act 757, improving the COB structure and enforcement, or better coordinating the existing regulatory authorities?

If there is a compelling answer, let the government explain it publicly. If there is no compelling answer, the proposal should be reconsidered.

This is not an argument against reform. It is an argument that reform should follow diagnosis. The government should first identify the defect and then prescribe the remedy, rather than create a new regime first and define its necessity afterwards.

The Interests of Property Owners Must Remain Paramount

Ultimately, this debate should not be about which ministry controls a register. It should be about property owners. Owners want competent managers:

- a. They want their maintenance payments properly accounted for.
- b. They want lifts, pumps, fire systems and common facilities maintained.
- c. They want transparent procurement.
- d. They want proper accounts.
- e. They want prompt enforcement against defaulters.
- f. They want professional property managers to be properly registered and professionally accountable, with adequate insurance protection where required or appropriate.
- g. They want someone clearly accountable when things go wrong.
- h. They want a clear avenue for complaints and effective enforcement against incompetence, misconduct and unlicensed practice.
- i. They want COBs to be properly structured and adequately staffed, with officers who understand the applicable laws and discharge their statutory functions proactively, efficiently, consistently and reliably.

Another regulatory structure will not automatically deliver these outcomes. Effective enforcement, professional competence, transparency and accountability will.

3. The test for any proposed new legislation should therefore be straightforward: Will it materially improve these outcomes for property owners, or will it principally create another overlapping registration and administrative structure?

One profession, one coherent regulatory framework. The government's concern about poor property management is legitimate. Its intention to improve standards should therefore be supported. But good intentions should not lead to regulatory duplication.

4. If BOVAEP already regulates property managers under Act 242, the first responsibility of the government should be to determine whether that system can be made to work better before creating a parallel system under another ministry. There is no need to reinvent the wheel.

- i. If there are shortcomings, amend the law.
- ii. If there are shortages, train more professionals.
- iii. If there are unlicensed practitioners, enforce the applicable law.
- iv. If there are jurisdictional conflicts, resolve them.
- v. If there are weaknesses in Act 757, amend it.
- vi. If the COB system lacks sufficient structure, expertise or manpower, strengthen it.
- vii. If genuinely distinct building-management functions are presently unregulated, define and regulate those functions without duplicating property-management practice under Act 242.

Do not create another register simply because the existing system has not yet achieved its full potential. Malaysia needs better regulation, not more regulations. It needs clearer accountability, not overlapping accountability.

The government should therefore carefully reconsider the need and scope of any proposed Building Managers Act before proceeding with a parallel regulatory regime. Let us first fix what already exists.

5. If a genuine gap remains after that exercise, legislate specifically for that gap.

That is the essence of good governance: before asking Parliament for another law, identify what the existing laws cannot do, determine whether they can be amended to do it, and demonstrate why an additional statutory regime is necessary.

For property owners and house buyers, the desired outcome is simple: competent management, transparent administration, proper maintenance and accountability.

They do not care which ministry owns the register. They care that their homes and investments are properly managed. That should be the starting point - and the finishing point - of any housing reform. ■

Source

<https://www.edgeprop.my/content/1917475/building-managers-act-dont-create-new-board-when-existing-one-can-be-strengthened> 18 September, 2026

Additional Reading

Chang Kim Loong (2025) **Misguided push for Property Management Bill**, *The Edge Property* 24th November 2025

Source: <https://www.edgeprop.my/content/1914546/misguided-push-property-management-bill> November 24, 2025

Datuk Chang Kim Loong, honorary Secretary-general of the National House Buyers Association (HBA). HBA is a voluntary non-governmental and not-for-profit organisation manned wholly by volunteers.

From Reactive to Responsive: A Practical Case for Explainable AI in Malaysian Strata Management

**CHEONG MEE YOKE,
MUHAMMAD NAJIB RAZALI**
UNIVERSITI TEKNOLOGI MALAYSIA

KHADIJAH MD. ARIFFIN
UNIVERSITI TUN HUSSEIN ONN MALAYSIA

Abstract

Artificial intelligence (AI) is increasingly being considered as a means of improving the efficiency, responsiveness and transparency of building and strata management. This article proposes an Artificial Intelligence-Based Strata Management (AIBSM) approach supported by an AI Virtual Assistant (AIVA) to enhance selected operational processes while preserving professional judgement, regulatory compliance and stakeholder trust. The proposed framework focuses on priority applications including resident request intake and triage, maintenance coordination, information and notice support, and multilingual resident communication. A structured workflow is introduced in which resident requests are classified, routed, prioritised, reviewed by authorised personnel, and subsequently tracked to closure. The framework emphasises that AI should function as a decision-support mechanism rather than an autonomous decision-maker, particularly where notices, expenditure, enforcement, contractor appointments, liability or dispute resolution are involved. Key governance principles include reliance on approved records and statutory materials, source traceability, deterministic rules for

safety and escalation, named human approval, comprehensive audit logs, privacy safeguards, version control and authoritative master records. To support responsible implementation, a four-stage adoption roadmap comprising diagnosis, prototyping, validation, and pilot-and-gate assessment is proposed. Each stage incorporates oversight from business, data, compliance and user representatives before wider deployment. The article argues that successful AIBSM/AIVA adoption should be evaluated not merely through chatbot usage, but through measurable improvements in resolution quality, cycle time, transparency, compliance and stakeholder trust. The proposed approach provides a practical governance-oriented pathway for integrating AI into strata management while maintaining accountability, explainability and human control.

Introduction

Malaysia's strata managers are being asked to do more with operating models that were never designed for today's volume, speed and governance burden. Complaints arrive through several channels; maintenance decisions pass between residents, managers, committees and contractors; evidence is scattered; and every delay can weaken trust. Digital tools help record the work, but many do not coordinate it.

This study proposes an Artificial Intelligence-Based Solution Model (AIBSM), demonstrated through a bounded AI Virtual Assistant (AIVA). Its industry value is not "automation for automation's sake". The proposition is a governed coordination layer that can interpret a request, retrieve approved information, route work, explain the next step and maintain an auditable record while reserving approvals, exceptions and liability-bearing decisions for people.

The Operational Case for Change

The source manuscript describes a sector caught between formal obligations and fragmented delivery. Under the Strata Management Act 2013, MCs, JMBs and appointed managers carry reporting, accountability and coordination responsibilities. Yet everyday work can still

depend on email, spreadsheets, messaging apps and isolated ticketing tools. The result is not merely inconvenience: duplicated reports, unclear ownership, weak auditability and slow escalation can turn routine defects into resident disputes, cost overruns and compliance exposure.

The evidence presented in Table 1 is derived from a synthesis of the existing literature rather than primary empirical findings. It nevertheless provides a practical baseline for identifying priority areas in which an AI-enabled workflow could be initially tested and evaluated.

What This Means for Asset and Service Performance

A delayed response is rarely caused by one person alone. It is often the outcome of ambiguous intake, missing information, unclear authority, vendor hand-offs and inconsistent updates. A well-designed AIVA workflow could reduce “work about work” by standardising intake, identifying missing details early and giving every participant the same status trail.

The opportunity is especially relevant in multilingual, high-density urban schemes. Penang and Kuala Lumpur were identified as the primary case settings that combine high service intensity, varied building ages and typologies, and uneven digital readiness. Those conditions make them credible test beds, but they also demand conservative controls: verified knowledge sources, role-based access, explicit escalation and human review of decisions with financial, statutory or safety consequences.

What AIBSM/AIVA Changes

AIBSM is best understood as a socio-technical operating model rather than a stand-alone chatbot. The model combines approved property information, explainable rules and agent-oriented workflow logic. AIVA is the proof-of-concept interface through which residents, managers and service teams can interact with that model. The proposed technology stack may use large language models for conversation, retrieval-augmented generation for grounded information access and optical character recognition for document handling, but those components serve a governed process which is not the reverse.

Table 1: Evidence of operational pressure in Malaysian property management

Pressure Point	Evidence Reported	Operational Consequence	Source in Manuscript
Service response	>60% dissatisfied with management response time	Slow maintenance resolution and unclear communication	Rabe et al. (2021)
Maintenance model	65–75% of activity reported as corrective	Preventive and predictive practices remain limited	Kamaruzzaman & Zawawi (2010); Bakar & Kamaruzzaman (2023)
Workflow integration	Fewer than half achieve effective integration	Limited real-time visibility across residents, management and maintenance	Kiu et al. (2021)
Channel fragmentation	A majority use email, spreadsheets, WhatsApp and stand-alone tools	Duplication, inconsistent priority and poor auditability	Ali et al. (2023)
Sector scale	22,898 schemes; about 1.95 million parcel units in Peninsular Malaysia	Small workflow inefficiencies can compound across a large installed base	Department of Director General of Lands and Mines Malaysia, as reported in the manuscript

In a bounded request-and-maintenance workflow, the assistant would collect the right facts, classify the case, retrieve the relevant property or statutory information, suggest routing and priorities, and produce consistent updates. Managers and authorised committees would retain control over approvals, expenditure, exceptions, enforcement and any action affecting rights or liability. The figure illustrates a five-stage workflow for managing resident requests, supported by governance and control mechanisms. It begins when a resident submits a request through text, an application, email, or scanned form. The request is then classified and matched with relevant historical and Strata Management Act (SMA)-aligned knowledge. Next, the case is routed and prioritised by assigning responsibility, urgency, deadlines, and escalation requirements. Importantly, consequential actions remain subject to human decision-making, particularly for approvals involving notices, costs, exceptions, and remedies. Finally, the case is tracked through closure, with status updates, supporting evidence, feedback, and an audit trail recorded.

Across all five stages, the workflow is governed by enabling controls, including role-based access, explainable rules, multilingual templates, privacy safeguards, and immutable logs. These controls promote accountability, transparency, regulatory compliance, and data security, while the human-decision stage ensures that automation supports rather than replaces professional judgement (see Figure 1).

The design of an AI-assisted property management system should prioritise trust, accountability, transparency and professional oversight. Every response generated by the system should be grounded in approved building records, management policies and relevant statutory materials, with the underlying source clearly identified for verification. For matters involving safety, statutory deadlines or prescribed service levels, deterministic rules should govern prioritisation, routing and escalation rather than relying solely on probabilistic AI recommendations. Consequential decisions, including the issuance of notices, approval of expenditure, enforcement actions, contractor appointments and exception handling, should require explicit approval from a named and authorised human decision-maker.

Accountability should also be embedded throughout the workflow through comprehensive auditability. Inputs, system recommendations, subsequent edits, approvals and evidence of case closure should be systematically logged so that Management Corporation (MC) or Joint Management Body (JMB) members, property managers and auditors can reconstruct how individual decisions were reached. Multilingual access may be provided to improve accessibility among residents, but translated interfaces should not create

Advertorial

Route to
RPM & PMgr

**COURSE PREVIEW &
PRE-REGISTRATION FOR
BOVAEP PROFESSIONAL DIPLOMA IN
PROPERTY MANAGEMENT COURSE**

Are you considering a career change or an upgrade from your current position to professional status?

We provide an **Intensive Course over 8 months** to prepare candidates taking Professional Property Management Graduate Entry Examination by BOVAEP leading to Property Management license and Registered Property Manager registration with BOVAEP.

It is the shortest pathway to become a Registered Property Manager !!! Welcome to attend a **FREE Online Course Preview** on:

10 Oct 2026 (Sat)	31 Oct 2026 (Sat) (repeat)	14 Nov 2026 (Sat) (repeat)
5pm to 6pm	4pm to 5pm	4pm to 5pm
Google meet	Google meet	Google meet

Contact to reserve your seat with:
Professor PMgr Sr Ts Dr. Ting Kien Hwa
 FMIPFM, FRISM, FRICS, MPEPS
 Registered Property Manager, Estate Agent & Valuer
 Whatsapp message to : 012-666 1630
 Email : tingkienhwa@gmail.com

Kuala Lumpur





Figure 1: Proposed AIBSM/AIVA workflow for an auditable service request

competing versions of governing information; the formally approved source document should remain authoritative. Similarly, the AI assistant should not independently determine legal liability, impose penalties or resolve disputes, as these decisions require professional judgement and appropriate procedural review.

Implementation should follow a controlled and incremental approach rather than attempting to integrate all legacy systems simultaneously. Initial deployment should focus on a clearly defined management process supported by a curated, quality-checked and regularly maintained knowledge base. This approach reduces implementation and integration risks while allowing governance mechanisms to be evaluated before broader deployment. Finally, system performance should not be assessed merely through chatbot adoption or interaction volumes. More meaningful indicators include resolution quality, case cycle time, procedural transparency, compliance, accuracy and stakeholder trust. Collectively, these principles position AI as a decision-support and service-enablement mechanism rather than an autonomous decision-maker, thereby preserving human accountability while improving the efficiency and consistency of property management operations.

Industry adoption should begin where the work is repetitive, information-heavy and easy to verify. The thesis deliberately focuses on tenant request handling, maintenance coordination and routine communication rather than billing, legal dispute resolution or strategic asset optimisation. That boundary creates a more credible starting point for responsible experimentation.

Table 2 summarises four priority AIBSM/AIVA use cases that can improve the efficiency and consistency of building and strata management operations. For request intake and triage, AIVA can collect relevant information, classify issues and assign urgency, thereby reducing incomplete requests and supporting more consistent prioritisation, subject to safety rules and human override. In maintenance coordination, the system can create tasks, notify contractors, monitor deadlines and escalate delays, improving workflow visibility and closure evidence while retaining controls over approved vendors, spending and managerial approval.

The table also highlights the role of AIVA in information and notice support by retrieving approved procedures, by-laws and records and assisting with routine notice preparation. This can reduce administrative search time and improve communication consistency, provided that source citation, version control and authorised review are maintained. For multilingual resident updates, AIVA can translate status information and explain subsequent steps in accessible language, improving inclusiveness and reducing repetitive enquiries. However, an authoritative master text, privacy safeguards and human escalation for sensitive matters remain necessary. Overall, the table demonstrates that operational value is maximised when automation is combined with clearly defined governance controls and human accountability.

Table 2: Priority AIBSM/AIVA use cases, value and governance controls

Use Case	What AIVA Would Do	Expected Operating Value	Minimum Control
Request intake and triage	Collect complete details; classify issue; identify urgency and owner	Faster acknowledgement; fewer incomplete tickets; consistent priorities	Rule-based safety flags; human override; visible reason for priority
Maintenance coordination	Create tasks; notify contractors; monitor deadlines; escalate overdue work	Fewer lost hand-offs; better status visibility; stronger closure evidence	Approved vendor lists; spending limits; manager approval; photo/service evidence
Information and notice support	Retrieve approved SOPs, by-laws and records; draft routine notices	Less search time; more consistent communication; improved traceability	Source citation; version control; authorised review before release
Multilingual resident updates	Translate status messages and explain next steps in accessible language	Wider access; fewer repeat enquiries; clearer expectations	Authoritative master text; privacy filters; escalation to a person for sensitive cases

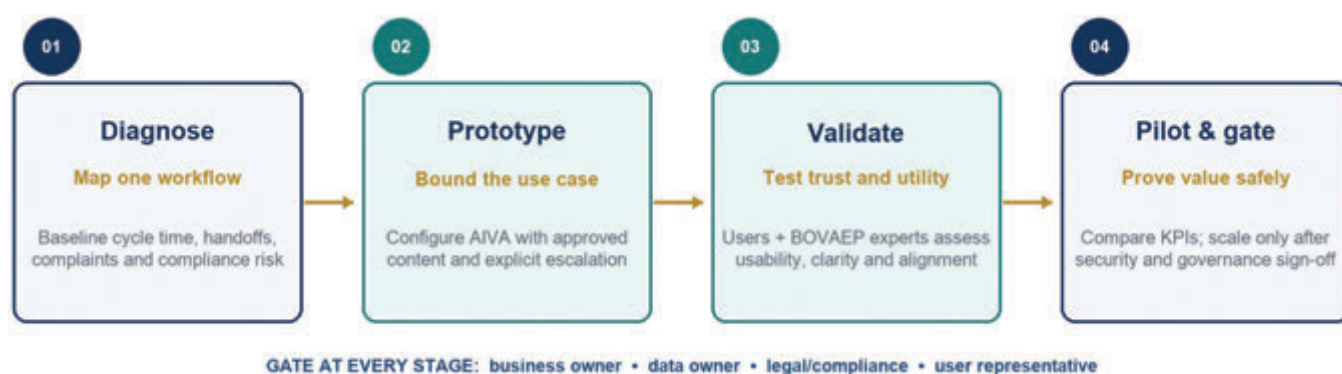


Figure 2: Four-stage roadmap for responsible AIBSM/AIVA adoption

Operating Ownership

A sustainable model needs named owners. Property managers own the workflow; MC/JMB representatives define governance thresholds; data owners maintain records and permissions; service providers supply closure evidence; residents test accessibility and clarity; and legal, privacy and cybersecurity specialists review the pilot boundaries. AI cannot compensate for unclear accountability, it makes that weakness more visible.

A Staged Route from Prototype to Responsible Adoption

Figure 2 presents a four-stage roadmap for the responsible adoption of AIBSM/AIVA in building and strata management. The process begins with the Diagnose stage, where a specific workflow is selected

and its existing performance is assessed using indicators such as cycle time, hand-offs, complaints and compliance risks. The Prototype stage then develops a bounded AIVA application using approved information, clearly defined functions and explicit escalation procedures. During the Validate stage, users and relevant BOVAEP experts assess the system's usability, clarity, trustworthiness and alignment with professional and regulatory requirements. Finally, the Pilot and Gate stage evaluates actual operational performance against predefined key performance indicators (KPIs), with wider implementation permitted only after satisfactory security, governance and compliance review.



Importantly, governance is not treated as a final-stage activity but as a continuous requirement throughout the adoption process. Each stage should involve appropriate oversight from the business owner, data owner, legal or compliance representatives and users. This staged approach reduces implementation risk by requiring AIBSM/AIVA to demonstrate operational value, regulatory alignment and adequate safeguards before progressing from experimentation to wider organisational deployment.

The evaluation framework goes beyond conventional ease-of-use measures. It proposes assessing perceived usefulness, ease of use, transparency, trustworthiness, confidence in regulatory alignment, behavioural intention to use and perceived service improvement. Expert review adds four practical lenses: regulatory alignment, implementation feasibility, scalability, and ethics/privacy.

KPIs to Baseline Before Any Pilot

- i. Median time to acknowledge, assign and resolve a request, segmented by issue type and urgency.
- ii. Share of requests reopened, overdue, duplicated or escalated because information was missing.
- iii. Resident clarity and trust scores, including whether users understood the status and next action.
- iv. Human override rate, reason for override and any recurring rule or knowledge-base failure.
- v. Compliance exceptions, privacy incidents and cases where an audit trail could not reconstruct the decision.

Practical Recommendations for Industry Leaders

- i. **Choose one painful workflow.** Select a high-volume process with clear boundaries, such as maintenance-request triage. Document its current cycle time, owners, exceptions and escalation rules before introducing AI.
- ii. **Build the information foundation first.** Consolidate the approved SOPs, by-laws, asset records, vendor information and notice templates that the assistant may use. Assign a person to version and retire content.
- iii. **Design for explanation and override.** Every recommendation should expose its source and routing logic. Users need a simple way to correct errors, escalate sensitive cases and record why they overrode the system.
- iv. **Validate with the full service chain.** Include residents, managers, MC/JMB members, maintenance personnel and service providers—not only technology staff. Add BOVAEP, legal, privacy and cybersecurity review before live use.

- v. **Scale by evidence, not enthusiasm.** Expand only when the pilot improves response and resolution without worsening reopen rates, overrides, unresolved complaints, data incidents or compliance exceptions.

Conclusion

The case for AI in Malaysian strata management is not a case for replacing property professionals. It is a case for giving them a coordinated, explainable operating layer in an environment where fragmented communication and reactive maintenance already strain service quality and trust. AIBSM/AIVA offers a useful proposition because it starts with workflows, stakeholders and governance—not with a promise of autonomous intelligence.

The next step is disciplined validation. If the planned research confirms that stakeholders find the model useful, transparent, trustworthy and aligned with regulatory practice, the industry will have a stronger basis for targeted pilots. Until then, the responsible position is clear: treat the model as a testable design, preserve human judgement and measure what changes. ■



Reference

- Abu Bakar, Z., & Kamaruzzaman, S. N. (2023). Assessing key technology for facilities management in Malaysia. *Journal of Surveying, Construction and Property*, 14(1), 40–54. <https://doi.org/10.22452/jscp.vol14no1.4> jupidi.um.edu.my
- Ariffin, A. S. M., Razali, F., Razali, M. N., & Lokman, M. A. A. (2025). Adoption of artificial intelligence and technology in customer relationship management for property management: A systematic literature review. *International Journal of Research and Innovation in Social Science*, 9(1), 3312–3320.
- Hyder Ali, S. F., Omar, A. J., Md Ariffin, K., Masram, H., Wan Yusoff, W. Z., Eni, S., & Azizan, A. Z. (2023). Trust building in managing strata residence in Kuala Lumpur. *Research in Management of Technology and Business*, 4(2).
- Jabatan Ketua Pengarah Tanah dan Galian Persekutuan. (2023). *Infografik statistik hakmilik strata Malaysia*. Kementerian Sumber Asli, Alam Sekitar dan Perubahan Iklim.
- Kamaruzzaman, S., & Zawawi, E. (2010). Development of facilities management in Malaysia. *Journal of Facilities Management*, 8(3), 203–214.
- Kiu, M. S., Chin, Y. J., Chia, F. C., & Wong, P. F. (2021). The readiness of IoT enabled smart buildings in Malaysia. *Journal of Physics: Conference Series*, 2053(1), 012001. <https://doi.org/10.1088/1742-6596/2053/1/012001>
- Na, S., Heo, S., Han, S., Shin, Y., & Roh, Y. (2022). Acceptance model of AI-based technologies in construction firms. *Buildings*, 12(2), 90.
- Naz, F., Kumar, A., Upadhyay, A., Chokshi, H., Trinkūnas, V., & Magda, R. (2022). Property management enabled by artificial intelligence post Covid-19: An exploratory review and future propositions. *International Journal of Strategic Property Management*, 26(2), 156–171.
- Rabe, N. S., Mohamed Osman, M., Abdullah, M. F., Ponrahono, Z., & Abdul Aziz, I. F. (2021). Issues faced by tenants in high-rise strata residential: Case study of Klang Valley. *Planning Malaysia*, 19(5), 180–191. <https://doi.org/10.21837/pm.v19i19.1070> Planning Malaysia
- Razali, M. N., & Juanil, D. M. (2011). Knowledge management implementation in property management companies in Malaysia. *Facilities*, 29(9/10), 368–390.
- Strata Management Act 2013 (Act 757)*. Laws of Malaysia.
- Teo, J. S., Mohd Aini, A., & Zyed, Z. A. S. (2025). Exploring performance measurement practices in public housing tenancy management in Malaysia. *Property Management*.

PROPERTY MANAGEMENT INDUCTION COURSE

PMIC 2026

2 DAYS INDUCTION COURSE PROGRAMME



DATES:

- 14 & 15 Oct 2026
- 2 & 3 Dec 2026

8.30AM - 4.30PM

HOTEL OLYMPIC MALAYSIA,
WISMA OCM, JALAN HANG JEBAT,
CITY CENTRE, 50150 KUALA LUMPUR



**SPECIAL PROGRAM DESIGNED FOR
BUILDING MANAGERS (BM) &
BUILDING EXECUTIVES (BE)**

RM 700 FOR 2 DAYS

Scan the QR Code to register



• HANDING OVER

- PRE-TAKING OVER & DURING TAKING OVER
- CHECKLIST ON TAKING OVER
- POST-TAKING OVER FOLLOW-UP MISSING/ INCOMPLETE ITEMS

• ADMINISTRATIVE MANAGEMENT

- RENEWAL OF LICENSES, PERMITS, STATUTORY PAYMENTS, UTILITY & OUTGOINGS EXPENSES.
- CUSTOMER RELATION MANAGEMENT - HANDLING COMPLAINTS, DISPUTES, TROUBLESHOOTING & PROBLEM-SOLVING.
- FACILITATE COMMITTEE MEETINGS, AGENDA & MINUTES OF THE MEETING.

• ETHICS AND CODE OF CONDUCT

- ACT 242
- MALAYSIAN PROPERTY MANAGEMENT STANDARDS (MPMS)
- ETHICS, INTEGRITY & ACCOUNTABILITY
- INTEGRITY IN PROCUREMENT

• BUILDING MANAGEMENT & MAINTENANCE

- SUPERVISION ON SERVICE PROVIDERS & CONTRACTORS FOR REPAIR WORKS ETC.
- OBTAINING QUOTATIONS, TABULATE & ANALYSIS
- CARRY OUT PROCEDURES ON REPAIRS AND MAINTENANCE / PURCHASING/ PROCUREMENT PROCEDURE
- CALCULATION & COLLECTION OF SERVICE CHARGE AND SHARE UNITS

• STRATA MANAGEMENT ACT 2013 (ACT 757) & REGULATIONS

- SUMMARY OF ACTS & REGULATIONS
- MANAGEMENT PERIOD, AGM/ECM & PROXY
- FIRST/SECOND/THIRD SCHEDULE
- PROCUREMENT METHODS, OTHERS RELATED GUIDELINES & SOPS
- INTERFLOOR LEAKAGE PROCEDURE
- MAINTENANCE CHARGE - SEIZED/AUCTION/TRIBUNAL/COURT CLAIMS
- OFFENSES UNDER THE ACT

• FINANCIAL MANAGEMENT

- CHECK DAILY CREDITS/ PAYMENTS, IDENTIFY PAYEES & STEPS TO IDENTIFY PAYEES
- ASSIST IN PREPARATION OF MONTHLY, ANNUAL ACCOUNTS & ANNUAL BUDGET
- HANDLE DEFAULTERS & SMA PROCEDURES
- PROCESS & PROCEDURES OF STRATA MANAGEMENT TRIBUNAL

• HEALTH, SAFETY & EMERGENCY MANAGEMENT

- FILING AND MONITOR RENEWAL OF ALL ANNUAL CERTIFICATES & PERMITS A
- ENFORCING FIRE SAFETY RULES & THE EXPIRY OF FIRE EXTINGUISHERS
- REPORTING PEST INCIDENTS & PEST PREVENTION

• INSURANCE MANAGEMENT

- TYPES OF INSURANCE & THE INSURANCE COVERAGE
- OBTAIN INSURANCE COVER QUOTATIONS
- SOP POST-INCIDENTS
- SOP FOR INSURANCE CLAIMS SUBMISSION
- SUM INSURED / VALUE OF THE PROPERTY
- THE IMPACT ON MC/JMB IF NOT GETTING INSURANCE (BASED ON ACT 757)
- SOP TO APPOINT THE COMPANY'S INSURANCE

• TENANCY MANAGEMENT AND SUSTAINABLE PROPERTY MANAGEMENT

- CONCEPT OF TENANCY MANAGEMENT AND SUSTAINABLE PM UNDER THE BOVEAP PM STANDARD
- LIST OF ITEMS UNDER TENANCY MAINTENANCE.
- INTRODUCTION TO SUSTAINABLE PROPERTY MANAGEMENT

• ASSESSMENT

TOPICS

Beyond the 10% Rule: What Malaysia Can Learn from Strata Sinking Funds in Singapore, Australia (New South Wales) and Hong Kong

DR ALAN CHONG KIM WING

Assistant Professor
Department of Real Estate,
Faculty of Built Environment,
TAR UMT, Kuala Lumpur

Strata management is no longer a niche concern in Malaysia. In April 2025, the Ministry of Housing and Local Government reported 26,334 strata schemes comprising approximately 2.91 million strata units. With more Malaysians living and working in stratified developments, the condition of common property now has a direct bearing on safety, accessibility, household finances and property values (The Edge Malaysia, 2025).

The challenge becomes more pressing as these buildings age. Lifts, pumps, roofs, facades, waterproofing systems, electrical switchgear and fire-protection equipment all have finite service lives. Routine maintenance can keep them operating for longer, but major repair, modernisation or replacement will eventually be unavoidable. Such costs are usually too large to absorb through an ordinary monthly maintenance budget. The sinking fund therefore serves a basic asset-management purpose: it turns a large and irregular future liability into manageable contributions collected over time.

Recent cases illustrate what can happen when that system falls short. At 1Razak Mansion, the management corporation reportedly collected only RM14 per unit each month for the sinking fund, despite facing major work involving lifts, pumps, fire systems and waterproofing. At the same time, the management was dealing with an unpaid electricity bill reported at RM1.4 million and an estimated refurbishment cost of RM1.5 million (Bavani, 2025). At Apartment Permata Fadason in Kepong, intermittent lift failures continued for about two years. Although residents were charged RM65 per month in maintenance fees, poor collection left the JMB unable to meet the lift contractor's RM30,000 down-payment requirement. Only RM19,000 had reportedly been collected. For elderly residents and wheelchair users, the consequences went well beyond inconvenience; one resident reportedly had to cancel hospital appointments (Chan, 2025).

These cases do not point to a single problem. Contribution rates that are too low, weak collection and persistent arrears, and incomplete governance arrangements are more common in Malaysian strata management. Raising the statutory percentage would not resolve all of them. Even so, a better approach to reserve funding would help well-managed schemes build up money in line with the actual capital needs of their buildings. The following section discusses the sinking fund models adopted by Malaysia, Singapore, Australia and Hong Kong.

Sinking Fund in Malaysia

Malaysia's framework is governed principally by the Strata Management Act 2013 (Act 757), supported by the Strata Management (Maintenance and Management) Regulations 2015. The Strata Titles Act 1985 (Act 318) also remains important because it deals with the subdivision and registration of parcels, share units, common property and the establishment of the management corporation. For the purposes of this article, the Malaysian discussion focuses on Peninsular Malaysia and the Federal Territory of Labuan, where the Strata Management Act 2013 applies.

Act 757 draws a clear line between day-to-day maintenance and longer-term capital spending. The maintenance account covers recurring costs such as cleaning, security, common-area utilities, insurance, administration, inspections and minor repairs. The sinking-fund account is reserved for actual or expected capital expenditure. This includes painting or repainting common property, acquiring movable property, replacing common-property fixtures and fittings, upgrading or refurbishing common property, and meeting other necessary capital costs.

During the developer's management period, the sinking-fund contribution is fixed at 10% of the Charges. Once the JMB or MC is in place, a different rate may be approved at a general meeting, although it cannot fall below 10%. Contributions are generally apportioned according to the allocated or registered share units of each parcel. A parcel with a monthly maintenance charge of RM500 would therefore pay at least RM50 into the sinking fund.

The legislation also includes several safeguards. A dedicated sinking-fund account must be opened, and contributions collected by the developer must generally be deposited within three working days. The money is held for the purchasers and does not form part of the developer's assets. When management responsibility changes hands, the balance and supporting records must be transferred to the succeeding management body. The JMB and MC must maintain proper accounts, arrange annual audits and use the money only for authorised capital purposes.

The benefit of this model is in its clarity. Owners can understand the minimum contribution, and the management body receives a predictable monthly inflow. However, it is tied to the operating charge and thus does not directly reflect the cost or timing of future capital works. Two buildings with identical maintenance charges may face very different liabilities because of their age, design, number of lifts, facade system, mechanical installations and maintenance history. The 10% rate should therefore be treated as a statutory floor, not proof that the scheme is adequately funded.

Sinking Fund in Singapore

Singapore's private strata sector takes a more flexible, needs-based approach. Its principal legislation is the Building (Strata Management) Act 2004, renamed from the Building Maintenance and Strata Management Act with effect from 1 October 2025. The Act is supported by subsidiary regulations and practical guidance from the Building and Construction Authority. The Land Titles (Strata) Act 1967 separately governs matters such as strata lots, share value and common property.

A Management Corporation Strata Title (MCST) maintains a management fund for recurring expenses and a separate sinking fund for major or long-term work. The sinking fund may be used for painting, major repairs and improvements, replacing common-property fixtures, acquiring or replacing movable property, and meeting other future liabilities considered appropriate by the MCST. In practical terms, this can include lift modernisation, roof and facade work, waterproofing, fire-protection systems and major mechanical and electrical installations.

Unlike Malaysia, Singapore does not prescribe a universal percentage for the sinking fund. Under section 39, the MCST decides by ordinary resolution what contribution is reasonable and necessary to meet its actual or expected liabilities. Subsidiary proprietors approve the budget, and each lot's contribution is generally apportioned by share value. If an MCST needs to raise SGD700,000 and the development has an aggregate share value of 1,000, the levy would be SGD700 per share-value unit. A lot with a share value of five would contribute SGD3,500 per annum.

Before the MCST takes over, the developer is responsible for the relevant maintenance funds and must also contribute for unsold lots. At the first annual general meeting, the developer presents a proposed 12-month budget and hands over plans, contracts, warranties, operating manuals and maintenance records. Far from being a routine administrative exercise, this handover gives the incoming MCST the information needed to estimate asset life and future capital expenditure.

Approved contributions to the management and sinking funds are collected through written notices and regular instalments, usually monthly or quarterly. The two funds must be accounted for separately, and restrictions apply to the deposit or investment of unspent money. If the original contribution is not enough, the MCST may raise an additional amount. That flexibility is useful, but it does not remove the need for forward planning. A special levy may be legally available and still place considerable financial pressure on owners.

The most prominent feature of the Singapore model is the expectation that contributions should reflect actual and anticipated liabilities, supported by owner approval and reliable handover information. The outcome, however, still depends on the MCST's ability to forecast costs and its willingness to set contributions at a realistic level.

Capital Works Fund in New South Wales, Australia

Australia has no single national strata law. Each state and territory regulates strata property separately, and the terminology differs across jurisdictions. This discussion focuses on New South Wales (NSW), where the former sinking fund is now known as the capital works fund. The main legislation is the Strata Schemes Management Act 2015, supported by the Strata Schemes Management Regulation 2016.

An NSW owners corporation maintains an administrative fund for recurring expenses and a capital works fund for major, less frequent expenditure. The capital works fund may pay for painting, repairing or replacing common property, renewing fixtures and fittings, acquiring or replacing property belonging to the owners corporation, project management and supervision, and approved sustainability infrastructure. Roofs, lifts, facades, waterproofing, plumbing, fire-safety systems and major plant are among the assets commonly covered.

What sets NSW apart is its compulsory 10-year capital works fund plan. The plan identifies the major expenditure likely to arise over the next decade and explains how it will be funded. The first plan is prepared for the scheme's first annual general meeting and must take account of the initial maintenance schedule supplied by the developer. It must be reviewed at least once every five years and considered at each AGM. An annual review is better practice because asset condition, project priorities and construction costs can change quickly.

New and revised plans must now follow a prescribed standard form, while the NSW Government provides a digital Capital Works Fund Planner through Strata Hub. Standardisation does not mean that every scheme collects the same amount. Instead, it creates a common planning process: identify the assets, estimate when work will be needed and what it will cost, record the existing balance, and set levies accordingly.

Contributions are apportioned according to unit entitlement. If an owners corporation needs to collect AUD300,000 and the scheme has an aggregate unit entitlement of 1,000, a lot with an entitlement of 12 would contribute AUD3,600. The administrative and capital works budgets are approved at the AGM, and owners normally receive at least 30 days' notice of the levies. If the fund is insufficient, the owners corporation may impose a special levy; a shorter notice period may apply when urgent work is needed to address a health or safety risk.

NSW model is long-term maintenance planning with a reserve account and then it is linked to an asset register, a condition-based forecast of future expenditure and a documented funding plan. A statutory planning requirement also helps current and prospective owners judge whether existing levies are sustainable or simply postponing a large bill.

Flexible Fund in Hong Kong

Hong Kong also avoids a universal fixed percentage for long-term building reserves. Funding arrangements are shaped by the Building Management Ordinance (Cap. 344), the building's Deed of Mutual Covenant (DMC), and decisions made by the owners, the Owners' Corporation (OC) or the building manager. The Property Management Services Ordinance (Cap. 626) separately regulates and licenses property management companies and practitioners.

The Building Management (Amendment) Ordinance 2024, which took effect on 13 July 2025, strengthened the rules on procurement, financial statements, document retention and accountability. These changes matter for major maintenance projects. Even a well-funded reserve can be undermined by weak tendering practices or financial arrangements that owners cannot readily scrutinise.

Hong Kong’s framework provides for several related funds. An OC must maintain a general fund for ordinary building-management expenses. It may also establish a contingency fund under section 20(2) to meet urgent or unexpected costs, or to cover a temporary shortfall in the general fund. Under Schedule 7, a building manager must maintain a special fund for expenditure that is not expected to arise every year. This special fund is the closest equivalent to a long-term sinking fund.

The special fund may be used for external-wall repairs, major repainting, lift modernisation, replacement of pumps and switchgear, fire-safety upgrades, drainage and plumbing replacement, roof and waterproofing work, structural repairs and related professional fees. Unless there is an emergency, withdrawals should follow the approval arrangements set out in the DMC and applicable legislation. The fund should not become a convenient way to cover a recurring shortfall in the ordinary operating budget.

Contributions are based on the building’s budget, anticipated liabilities and the terms of the DMC. If lift modernisation and facade repairs are expected to cost HKD12 million in six years, the building would need to set aside about HKD2 million a year, assuming there is no existing balance or investment income. Each owner’s share is calculated using the management shares, undivided shares or other allocation schedule stated in the DMC. If the DMC is silent, the BMO generally provides for contributions to be apportioned according to the owners’ respective shares.

Statutory controls also apply to budgeting and the handling of contributions. Money collected for building management must generally be deposited without delay into an interest-bearing account used exclusively for the building. Money in the special fund must be kept separate from the manager’s corporate assets. Proper accounts and supporting documents must be retained, while the financial-reporting framework introduced in 2025 strengthens periodic reporting and audit requirements for buildings that meet the relevant thresholds.

Hong Kong’s strength is its flexibility. The funding arrangement can be tailored to the physical condition and ownership structure of each building. That flexibility can also produce uneven outcomes. Where the DMC is outdated, owners postpone difficult decisions or no credible long-term plan exists, major projects may still depend on large one-off contributions.

Table 1: Comparative approaches to strata reserve funding

Country	Funding Basis	Planning Mechanism
Malaysia	At least 10% of maintenance Charges; the JMB or MC may approve a higher rate.	No general statutory long-term capital plan linked to the 10% minimum.
Singapore	Reasonable and necessary contributions based on actual and expected liabilities, apportioned by share value.	Budget and owner resolution, supported by information handed over by the developer.
Australia (New South Wales)	Capital works levies based on forecast expenditure and allocated by unit entitlement.	Mandatory 10-year plan, prescribed standard form and review at least once every five years.
Hong Kong	Budget- and DMC-based contributions, with no universal fixed percentage.	General, contingency and special funds governed by the BMO, DMC and owner decisions.

Conclusion

Viewed together, the four systems reflect two broad philosophies. Malaysia links the minimum contribution to a percentage of the operating charge. Singapore, NSW and Hong Kong rely more heavily on budgets, expected liabilities and owner-approved forecasts (refer Table 1). The distinction is not absolute. All four systems allow additional contributions when reserves fall short, and every model ultimately depends on sound collection, governance and technical judgment.

A sinking fund is more than a bank account, and its adequacy cannot be judged from a single percentage. It is the financial expression of a building's long-term asset-management strategy. Malaysia's 10% minimum is a useful starting point, but it is not directly connected to the age, condition or replacement cost of the assets that the fund will eventually have to finance. The international comparison points to several useful practices. Singapore ties contributions to actual and expected liabilities. New South Wales uses a compulsory and standardised capital works plan to bring discipline to long-term decision-making. Hong Kong shows both the flexibility of building-specific arrangements and the importance of strong financial, procurement and reporting controls.

For Malaysia, the most practical direction would be a hybrid model of retaining the statutory minimum, requiring long-term capital planning, linking that plan to periodic condition assessments, and raising contributions when forecast liabilities justify doing so. For property and facility managers, the message is simple. Low monthly charges are not necessarily a sign of good management. The better test is whether the development is collecting enough, and doing so early enough, to protect safety, serviceability and property value throughout the building's life cycle. ■

Dr Alan Chong Kim Wing is currently Associate Dean of the Faculty of Built Environment, Tunku Abdul Rahman University of Management and Technology (TAR UMT), Kuala Lumpur.

Reference

- Bavani, M. (2025, October 6). 'Keep elderly folk in mind for urban renewal plans'. The Star. <https://www.thestar.com.my/metro/metro-news/2025/10/06/keep-elderly-folk-in-mind-for-urban-renewal-plans>
- Building and Construction Authority. (2026, January 26). *Strata management guides*. <https://www1.bca.gov.sg/home-and-building-owners/condo-strata/mcst-strata-management/strata-management-guides/>
- Building (Strata Management) Act 2004 (Singapore)*. <https://sso.agc.gov.sg/Act/BSMA2004>
- Building Management Ordinance (Cap. 344) (H.K.)*. <https://www.elegislation.gov.hk/hk/cap344>
- Chan, J. (2025, January 15). *Wheelchair user forced to shuffle down stairs due to faulty lifts in Kepong*. The Star. <https://www.thestar.com.my/metro/metro-news/2025/01/15/wheelchair-user-forced-to-shuffle-down-stairs-due-to-faulty-lifts-in-kepong>
- Land Titles (Strata) Act 1967 (Singapore)*. <https://sso.agc.gov.sg/Act/LTSA1967>
- NSW Government. (n.d.). *Capital works fund planner*. Retrieved August 30, 2026, from <https://www.nsw.gov.au/housing-and-construction/strata/strata-hub/capital-works-fund-planner>
- NSW Government. (2026, June 22). *Your strata levies, finances and insurance*. <https://www.nsw.gov.au/housing-and-construction/strata/living/levies-finances-insurance>
- Property Management Services Authority. (2025, July 3). Property Management Services Authority's "Obligations of property management company under the Building Management Ordinance" (revised), "Carrying out procurement for clients and prevention of bid-rigging" (revised), and "Handling instrument of appointing a proxy" (revised) codes of conduct to take effect on 13 July 2025 [Press release]. <https://www.pmsa.org.hk/en/press-release/20250703>
- Property Management Services Ordinance (Cap. 626) (H.K.)*. <https://www.elegislation.gov.hk/hk/cap626>
- Strata Management Act 2013 (Act 757) (Malaysia)*. <https://www.ppj.gov.my/en/second-page/akta-pengurusan-strata-2013-akta-757>
- Strata Management (Maintenance and Management) Regulations 2015*, P.U. (A) 107/2015 (Malaysia). <https://www.ppj.gov.my/en/second-page/akta-pengurusan-strata-2013-akta-757>
- Strata Schemes Management Act 2015 No. 50 (NSW)*. <https://legislation.nsw.gov.au/view/html/inforce/current/act-2015-050>
- Strata Schemes Management Regulation 2016 (NSW)*. <https://legislation.nsw.gov.au/view/html/inforce/current/si-2016-0501>
- Strata Titles Act 1985 (Act 318) (Malaysia)*. <https://www.jkptg.gov.my/en/panduan/senarai-undang-undang/akta-enakmen/akta-hakmilik-strata-1985>
- The Edge Malaysia. (2025, April 28). *Proposed law to regulate property management services could lead to redundancy, say experts*. <https://theedgemalaysia.com/node/751957>

Identifying Textbooks Written by Artificial Intelligence

TING KIEN HWA

Department of Real Estate
Faculty of Built Environment
Tunku Abdul Rahman University of
Management and Technology (TAR UMT)

The rapid rise of generative artificial intelligence has fundamentally altered the publishing landscape, leading to an influx of machine-generated titles across online marketplaces and academic indexing platforms. While AI can streamline literature reviews and structural summaries, fully AI-generated academic texts pose significant risks to scholarly integrity. Identifying these texts and mitigating their impact requires recognizing specific book characteristics and implementing clear publishing safeguards.

Characteristics of AI-Generated Academic Books

Machine-generated academic texts often lack the formal key elements of a traditional textbook:

- **No Author:** The book may list a pseudonym, a generic collective entity, or omit an individual author's name entirely without detailing academic credentials or institutional affiliations.
- **Unknown Publisher:** Many of these volumes are self-published via print-on-demand platforms, bypassing standard academic presses, editorial boards, and peer-review systems.
- **No References:** The text generally lacks standard academic citations, footnotes, or a comprehensive bibliography, rendering assertions unverifiable.
- **No Index:** The volume typically omits a detailed subject or author index at the back of the book, which is standard in professional academic publishing to aid targeted search.



Checklist and Application

Based on the above identified book characteristics, a comprehensive list of criteria is developed and a checklist is created and shown in Table 1. The criteria are grouped into three major categories i.e. Metadata and publishing details, Writing style and Scholarly sources.

Table 1: Checklist to identify potentially AI generated textbook

A.	Metadata and publishing details	Yes (✓)
1	Author credentials • A pseudonym • A generic name without any web presence • Omits biography details • No institutional affiliation • No author name	✓
2	Publisher • Cannot be found in internet search • Published independently via print-on-demand services • Unknown publisher	✓ ✓
3	Book cover • Generic book cover using stock images or AI-generated images with unnatural textures, asymmetrical features and inconsistent typography	✓
4	Missing book elements • Lack of formal acknowledgements • Lack of copyright registration details • Lack of an index	✓ ✓ ✓
B.	Writing style	Yes (✓)
1	• Surface level generalities, lack of depth • Overly neutral tone with balance stance and lack of original critical arguments • Monotonous rhythm : uniformity in sentence and structure • Heavy use of summaries and lists: plenty of bullet-point lists, summary blocks and overviews	✓ ✓ ✓
C.	Scholarly sources	Yes (✓)
1	• List of references not provided • No references are provided in the text • Fabricated sources • Misattributed research findings	✓ ✓

The checklist is applied to evaluate whether a book titled “*Real Estate Asset Management for Beginners – Understanding the Basics*” (2024) is an AI generated textbook. The right-hand side column of Table 1 shows the criteria that has been met by the selected book which are ticked.

Based on the evaluation using the checklist, all three categories on Metadata and publishing details, Writing style and Scholarly sources are being met by the selected book. In conclusion the selected book is highly likely to be an AI generated textbook.

Key Issues with AI Generated Textbooks

- **Wrong or Inaccurate Facts:** Generative AI models frequently hallucinate plausible-sounding but entirely fabricated data, quotes, historical dates, and scientific assertions.

The following two sentences are found in the selected textbook titled “*Real Estate Asset Management for Beginners – Understanding the Basics*” (2024) page 11:

*“Real estate asset management is a practice that has been around for centuries, **dating back to the time of ancient civilizations.**”*

*“**During the industrial revolution, real estate investment trusts (REITs) were introduced and played a crucial role in the development of modern real estate asset management.**”*

(Note: Author’s own bold highlight to emphasise on the wrong facts.)

- **Lack of Content Depth:** AI outputs often recycle surface-level generalizations, relying on repetitive phrasing without offering original insights, field research, or deep critical analysis.
- **Fabricated Citations:** When citations are present, AI often creates non-existent journal titles, invalid DOIs, or attributes real papers to incorrect authors.
- **Outdated Context:** Models trained on static datasets fail to capture the most recent literature, ongoing scientific developments, or real-time academic debates.
- **Circular Referencing:** Machine models trained on internet data risk ingesting existing AI-generated material, compounding error loops and diluting scholarly rigour.

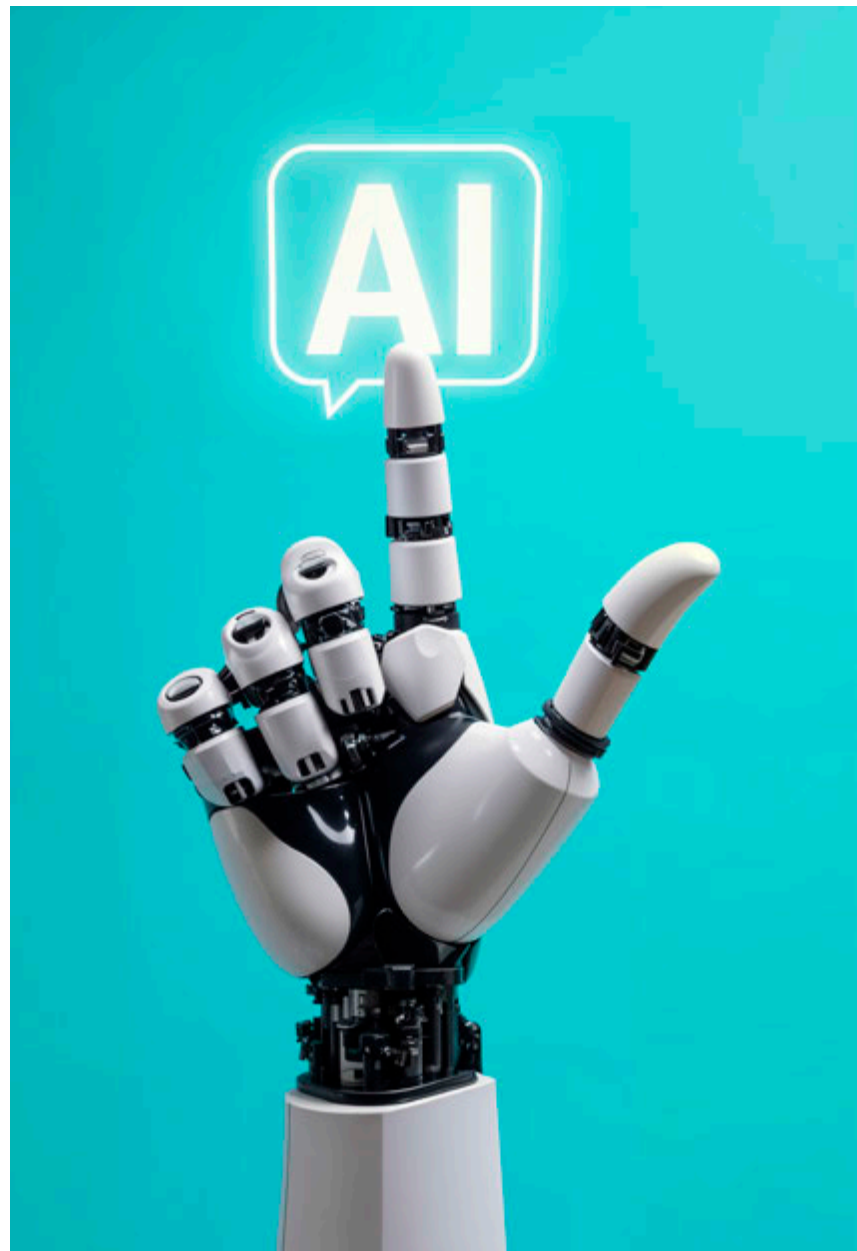
Proposals for Accountability and Transparency

- Standardized Logo for AI-generated books:** Establish an international, universally recognized symbol to be displayed prominently on the book cover and copyright page of any book whose primary content was generated by AI.
- Prominent Accuracy Warnings:** Mandate explicit disclaimers in the book giving warnings on potential factual errors and advising readers to independently verify claims.
- Mandatory AI Attribution Statements:** Enforce publisher guidelines requiring authors to include a dedicated section detailing the specific tools, prompts, and extent of AI utilization within the work.
- Rigorous Institutional Whitelisting:** Encourage university libraries and research institutions to restrict automated acquisitions to verified academic publishers with established peer-review protocols.

Conclusion

There is a need for book users especially students, parents and researchers to be able to identify whether a book is AI generated. A comprehensive list of criteria has been identified based on Metadata and publishing details, Writing style and Scholarly sources to form a Checklist to help book users to identify such AI generated books. The checklist will be useful to all book users before a global standardised logo/identification method is created and accepted worldwide. ■

Dr Ting Kien Hwa is Professor of Real Estate at Tunku Abdul Rahman University of Management and Technology (TAR UMT).



New Property Management Standards Put Greater Focus on Ethics, Strata Management and Sustainability

**YASMIN ROSLI
SHARIFAH SHAHIRAH**



KAJANG — Standards governing Malaysia's property management profession are being strengthened with the launch of the third edition of the Malaysian Property Management Standards (MPMS), which puts greater emphasis on ethics, strata management and sustainability.

The Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP) launched the latest edition at Dewan Jubli, Institut Penilaian Negara (INSPEN), here today, in conjunction with its 28th Professional Convocation.

BOVAEP president Datuk Abdul Razak Yusak officiated at the event. In his opening speech, Abdul Razak said the launch reflected BOVAEP's commitment to ensuring that professional standards continued to evolve alongside developments in the property industry.



"Today, we are not only celebrating the achievements of professionals who will take on responsibilities in the industry, but also strengthening the Standards that guide professional practice," he said.

He said the 28th Professional Convocation reflected the growing maturity and professionalism of the property management profession, but stressed that this progress should also be measured by its ability to continue evolving in line with changing industry needs.

Abdul Razak said property development was no longer limited to constructing new property projects, but also required greater emphasis on efficient, sustainable and effective property management upon completion.

He said the growth in strata residential projects and mixed developments had increased the need for professional property management to ensure the property assets are properly maintained, effectively managed and able to retain their value over the long term.

"This shows that the property market is not only about development and transactions, but also includes property management and property asset management after properties have been developed and occupied," he said.

Abdul Razak said professional property management was becoming increasingly important in ensuring properties continued to provide value to owners, occupants and the wider community.

He said the MPMS 3rd Edition would provide practitioners with a clearer and more relevant framework to guide their work, support informed professional decision-making and uphold the responsibilities entrusted to them.

BOVAEP Property Management Committee Chairman PMgr Ishak Ismail said the third edition introduced improvements across four key areas, including a new code of conduct and ethics for property managers.

"The code of conduct is very, very important. They are expected not only to be competent but also to uphold a high degree of integrity," he said.

Ishak, who is also President of the Malaysian Institute of Property and Facility Managers (MIPFM), said the new standards also introduced a dedicated standard for strata management in response to growing demand from Joint Management Bodies (JMBs) and Management Corporations (MCs). "The JMBs and MCs have been calling for a dedicated standard for strata management," he said.

He said sustainable property management was another key focus, covering areas such as energy efficiency, water management and environmental, social and governance (ESG) considerations.

"Sustainable property management is something new because everyone is looking at ways to protect the planet, such as saving energy, managing water and so on. So, ESG is included under the new standards," he said.

Ishak said the third edition also introduced limiting conditions and disclaimers for property management services to provide greater clarity and protection for practitioners.

He said the updated standards were intended to support property management practitioners across Malaysia, including Sabah and Sarawak, as regulations governing strata and building management continued to evolve. ■

Source

Abstract from <https://www.sinardaily.my/article/740528/focus/national/new-property-management-standards-put-greater-focus-on-ethics-strata-management>, 9 Sept 2026

PRESS RELEASE

21 JULY 2026

BY MIPFM

MIPFM Calls for Professionalization, Not Just Intervention, To Solve Low-Cost Flat Management Crisis

KUALA LUMPUR — The Malaysian Institute of Property and Facility Managers [MIPFM] acknowledges the concerns raised by residents and community leaders regarding the failure of management in low-cost strata schemes, as highlighted in “*Calls for COB to step in when low-cost flat management fails*” MetroNews, The Star on 21 July 2026. We share the view that urgent action is required to protect residents and preserve public housing assets. However, MIPFM believes that reliance on ad-hoc intervention by the Commissioner of Buildings [COB] alone is not a sustainable long-term solution.

The root of the problem lies in three systemic gaps. First, most JMB and MC committees in low-cost flats are made up of volunteer residents who lack training in strata law, financial management, and building maintenance. Second, low maintenance charges combined with high arrears leave these schemes with insufficient funds for even basic upkeep. Third, there is a lack of professional oversight. Many buildings attempt self-management without engaging a Registered Property Manager as provided for under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 [Act 242]. As a result, buildings deteriorate until COB is forced to intervene as regulator of last resort.

In view of this, MIPFM proposes a shift from reactive enforcement to proactive professionalization. COB, together with the Ministry of Housing and Local Government [KPKT], should combine several low-cost and PPR schemes to be tendered by property management companies to achieve economic of scale in terms of management and repair. Professional property managers are equipped to handle contract management, preventive maintenance, arrears collection, and compliance, thereby reducing the burden on volunteer committees and preventing buildings from reaching a state of failure.

Published in:

The Star

30 July 2026

<https://www.thestar.com.my/metro/views/2026/07/30/low-cost-housing-schemes-need-professional-property-management-to-address-issues>

The Edge Malaysia

23 July 2026

<https://theedgemalaysia.com/node/811757>

PRESS RELEASE

21 JULY 2026

BY MIPFM

To support this, MIPFM is prepared to collaborate with COB to roll out a “*Property Management Panel for low cost housing schemes*”, where pre-qualified Property Management companies offer services at subsidized rates, and to provide free capacity-building workshops for JMB and MC members.

In addition, MIPFM proposes the establishment of a National Housing Management Body to oversee Federal and State low-cost housing schemes. This body would act as a central authority responsible for setting minimum standards for maintenance, financial governance, and professional engagement across all public housing. It would also manage a revolving “Strata Rehabilitation Fund” in partnership with GLICs and SEDCs to finance critical repairs, and coordinate training and audits to ensure consistent management quality nationwide. Such a body would bridge the current gap between Federal, State and Local authorities, and provide clear accountability for the long-term sustainability of low-cost housing. The national body could capitalize on the expertise of Valuation and Property Services Department (Jabatan Penilaian dan Penilaian Harta) to help achieve these objectives.

MIPFM is of the view that COB should continue to function as a regulator and enabler, not as a permanent property manager. By professionalizing management, ensuring adequate funding, and creating a dedicated national body to govern public housing, we can protect residents, reduce the fiscal burden on government, and uphold the integrity of Malaysia’s strata housing system. MIPFM stands ready to work with KPKT, COB, and local authorities to pilot these recommendations in selected low-cost schemes in 2026. ■

Ordinary Members

NO.	MEMBERSHIP NO.	FULL NAME
1	PFM No. M1524	PMgr Soo Wan Yin
2	PFM No. M1525	Too Meng Yong
3	PFM No. M1526	PMgr Zuhairy Bin Md Isa
4	PFM No. M1527	Lay Chee Meng
5	PFM No. M1528	Sr Ts Mohd Kamal Arifin Bin Abdul Rahman
6	PFM No. M1529	Azman Bin Abdul Rahman
7	PFM No. M1530	Muhammad Fazroy Reezal Bin Rahmat Dullah
8	PFM No. M1531	PMgr Baharuddin Bin Ahmad
9	PFM No. M1532	Shamugam A/L Arumugam
10	PFM No. M1533	PMgr Chong Chen Tyng
11	PFM No. M1534	PMgr Norhaslinashida Binti A Hamid
12	PFM No. M1535	Chin Mun Keit
13	PFM No. M1536	Nur Amira Fadzlin Binti Naim
14	PFM No. M1537	Ritha Mary A/P Krishnan
15	PFM No. M1538	Suhaida Binti Mohd Amran
16	PFM No. M1539	Tan Beng Hwa
17	PFM No. M1540	Kat Yok Ming
18	PFM No. M1541	Roseli Bin Ghazali
19	PFM No. M1542	Sugasni A/P Gunasaigaran
20	PFM No. M1543	Ahmad Rasydan Bin Ahmad Asri
21	PFM No. M1544	Nor Syafiqah Razak

Associate Members

NO.	MEMBERSHIP NO.	FULL NAME
1	PFM No. A0169	Balaguruparan A/L S. Ganesamoorthy
2	PFM No. A0170	Letchumi Prabha A/P Manivel
3	PFM No. A0171	Wah Sze Siang

MIPFM & Nippon Paint Practical Waterproofing Workshop & On-Site Study for Property Managers 2.0

Residensi Kepong Mas, Kuala Lumpur
11 June 2026



Majlis Makan Malam Program Tauliah Industri dan Profesional Kementerian Pendidikan Tinggi (KPTIP)

Universiti Utara Malaysia (UUM) Sintok, Kedah
19 June 2026



RISM 65th Anniversary Dinner

Manhattan Ballroom, Berjaya Times Square Hotel

27 June 2026



MIPFM Retreat

Kota Kinabalu, Sabah
11 - 13 July 2026



MIPFM CPD Seminar Series 2026

Sky Hotel, Kota Kinabalu, Sabah
14 July 2026



Property Management Induction Course (PMIC)

Hotel Olympic Malaysia, Kuala Lumpur
22 & 23 July 2026



MOU Signing Ceremony Between MIPFM & Universiti Malaya (UM)

Universiti Malaya, Kuala Lumpur
14 August 2026



MIPFM CPD Seminar Series 2026

Mercure Beach Hotel, Penang
27 August 2026



MIPFM Glampfest Property Managers 2026

Dusun Bonda, Batang Kali, Selangor
5 & 6 September 2026





Malaysian Institute of Property and Facility Managers (MIPFM)
Plaza 138, Unit 7-4, Jalan Ampang, 50450, Kuala Lumpur

Mobile : +6019-600 8022
Tel : +603-79601261
Email : secretariat@mipfm.org.my
Website : www.mipfm.org.my