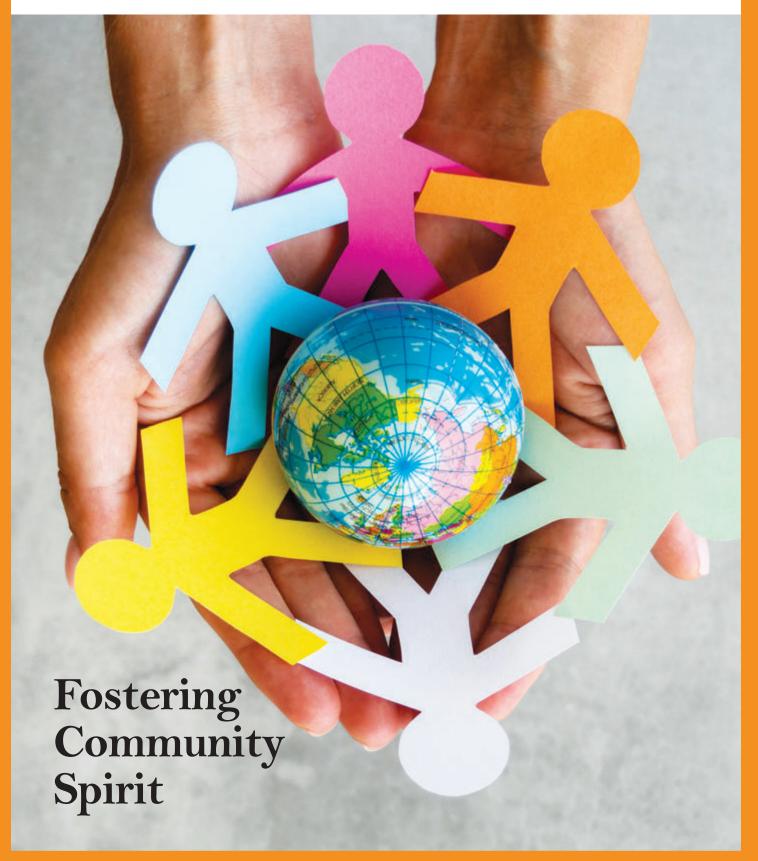
PNGT PROPERTY MANAGER

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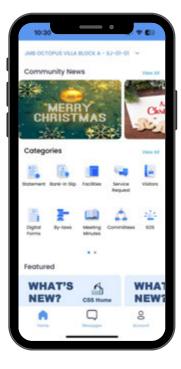
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CONTENTS (2023-2025)

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07

PRESIDENT

09 - 19

From the Desk of The President

FEATURE

Flat Roof Defects, Causes and Repair

29 - 31

32 - 35

Forms of Property Management

Company Structures

SERIES ON DIFFERENCES FEATURE

Understanding the Difference Between "Conversion of Land Use", "Change of Use in Local Plan" and "Material Change in The Use of Land and Building"

40 - 46

48 - 49

QUICK GUIDE

Strata Management (Maintenance And Management) Regulations 2015

KNOWLEDGE CORNER

The Strategic Advantages for **Employing Professional Property**

Managers:

An Examination of Value Creation in Real Estate Investment

FEATURE

Green Lease Benefits and Implementation Challenges

36 - 37

BOOK REVIEW

Retail Recovery

20 - 25 26 - 28

FEATURE

Fostering Community Spirit in **Residential Strata Schemes**

38 - 39

QUICK GUIDE

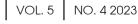
Malaysian Property Management Standards (MPMS)

50

NEW MEMBERSHIP LISTING

51 - 55

MIPFM EVENTS & ACTIVITIES



Welcome to the 4th Quarter 2023 issue of *The Property Manager*!

The focus of this quarterly issue is on community spirit in strata living. In this connection, empowering communities through sustainable urban farming is one key approach.

In today's challenging economic climate, high-rise residents are encouraged to embrace the opportunity of establishing a community garden. This initiative not only fosters a sense of community and connection with nature, but also presents a unique opportunity to generate sustainable income.

By prioritizing the cultivation of high-value crops, community gardens can become a self-sufficient and thriving enterprise. This shift requires a proactive and entrepreneurial mindset from all participants. Participants must be willing to embrace new skills, adapt to changes and make informed decisions to make the initiative a success.

By harnessing the combined effort and entrepreneurial spirit of community, community garden can become a beacon of self-sufficiency and prosperity for all ultimately empowering both the community and the Management Body.

Flat roofs offer modern aesthetic appearance and can provide usable space to place water tanks, maintenance equipment etc. on high-rise buildings. But flat roofs also present unique challenges compared to traditional pitched roofs. The most common issues with flat roof design are water ponding and leakage. The common causes and various solutions to flat roof problems are discussed in this year-end issue.

The retail sector has attracted two article contributions. One is on green lease and its implementation challenges in retail malls. The second is a book review on retail recovery from the aftermath of the Covid-19 pandemic.

The COVID-19 pandemic brought about a seismic shift in how we live, work, and shop. Retail malls, once bustling hubs of commerce and social activity, were particularly hard hit by the pandemic's forced closures and social distancing measures. Its immediate impact were closures and bankruptcies, shifts to online shopping, increased

safety and hygiene concerns and loss of shoppers traffic. The long-term effects include evolving consumer behavior expecting a seamless omnichannel experience and the rise of the "experience economy" offering entertainment options and interactive events. Malls are adopting various technologies and increased automation to improve health and safety, increase efficiency and reduce costs.

Two more Quick Guides have been compiled on Malaysian Property Management Standards 2016 (2nd edition) and Strata Management (Maintenance and Management) Regulations 2015. Hopefully readers will find it useful to assist locating the right Standards or Regulations in a quick manner.

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

Merry Christmas and Happy New Year!!





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From the Desk of The President

Dear Esteemed Members.

s we bid farewell to the year 2023 and embrace the upcoming new chapter, I am filled with optimism about the future of MIPFM. I am also teeming with gratitude for the journey we have embarked on together. The past year has brought challenges, but with the committee's collective resilience and determination and with the strong support of the MIPFM members, we are proud of what we have achieved together.

In the coming year, let us carry forward the vision of MIPFM and the determination to continue the promotion of the role of Property Managers, Asset Managers and Facility Managers in Malaysia as well as uphold the integrity of the profession of Property and Facilities Management. Let us set 2024 to be another exciting year for us. MIPFM looks forward to working further on the many initiatives to deliver the best for our members and the industry. Together, we have the power to shape the future of MIPFM and fuel our successes.

Let us also approach the coming year by fostering a positive spirit and intensifying environmental sustainability with innovation and technology as well as remain dedicated towards social responsibility and good governance practices. MIPFM aims to uphold the Property and Facility Managers profession globally in the near future. Our strength is working together to overcome any obstacles and challenges that may arise.

PMgr Haji Ishak bin Ismail
President 2023 / 2025

I would like to express my gratitude to the committee members for their dedication and hard work. I sincerely appreciate every member for your unwavering commitment and dedication. Your contributions have been the stepping stone for our achievements. I am passionate to witness the great milestones for MIPFM in the coming year.

May this New Year bring joy, prosperity, and a wealth of opportunities for us all. Thank you for your trust and support. Wishing you and your loved ones a happy and prosperous New Year!





Notice of Moving Office

Effective 1 Febuary 2024,
MIPFM will move to the following new office location:

Unit 7 - 4, 7th floor, Plaza 138, Jalan Ampang, 50450 Kuala Lumpur.

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FLAT ROOF DEFECTS, CAUSES AND REPAIR

YOU WAI KUAN

flat roof is a roof which is almost level compared to other types of sloped roofs. The slope of a flat roof i.e. the pitch is less than 10°. Flat roofs or "low slope/pitch roofs" are the most common type of roof in stratified buildings in Malaysia due to the need to provide spaces to place utilities such as water tanks, pumps, antennas and lift motor rooms. In many instances, recreation facilities, swimming pools and car parks are among the facilities found on the flat roofs on top of the buildings. However, water leakage from flat roofs have been nightmares in the stratified buildings in Malaysia (refer Figure 1 and 2).

PAST DEVELOPMENT ON WATERPROOFING MATERIALS AND TECHNIQUES FOR FLAT ROOFS

The rise of modern concrete high-rise buildings with concrete flat roofs has allowed additional spaces to keep the utilities and recreational uses. Consequentially, the demand for durable waterproofing materials and design rose in line with the rapid development of modern high-rise buildings in urban areas. The surge in oil price due to crises/wars, rise of environmental awareness and demand for more durable and economic products also caused development of new waterproofing products and techniques that cater for demands.

The first generation of waterproofing on the flat concrete roof was known as Built-up Roofs was invented in the 1840s (refer Figure 3). Tar was brought up to the concrete flat roof, boiled and applied layer after layer evenly on the roof. The major safety hazard of such approach is apparently the fire. Then, tar which does not require heating



Figure 1: Typical stagnant water and stains on flat roof



Figure 2: Dampness from water leakage caused spalling of concrete soffit

substituted it but the uniformity of thickness was also questionable. Moreover, tar was discovered to degrade rapidly when exposed to the ultraviolet and heat continuously. Also, degraded tar surfaces were not resistant to foot traffic. Consequentially, asphalt became an economic and more workable substitute to the tar. Organic felts with cellulose fibers and asbestos felt was adopted to improve the tensile strength of the membranes to counter for cracks and other stress induced by changes in temperature.

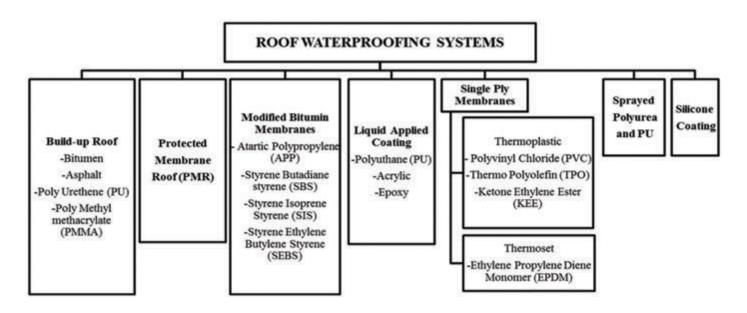


Figure 3: Roof waterproofing systems

Source: http://www.wbdg.org/design/env_roofing.phd

Thereafter, a new version of waterproofing systems was built on the basis of the knowledge in bituminous and asphalt waterproofing membranes by applying a protective cement screed with average thickness of 50 mm on the coating to protect them against the exposure to the harsh sunlight. Such protective screed also offers additional spaces for storing various utilities. Thus, such roofing system has been known as Protected Membrane Roofs (refer Figure 4).

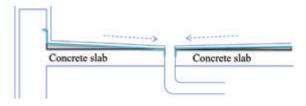


Figure 4: Typical protected membrane roof in Malaysia

The advent in applying tar on felts rolls with granules that overcame the deficiency in uniformity of thickness and poor durability due to the exposure to ultraviolet and heat in mid 1960s in Europe [1]. Such new generation of preformed waterproofing membranes were known as "Modified Bitumen Membranes" or "Torched Bitumen Membranes"

(refer Figure 5). Nevertheless, due to the inherent weakness of instability under heat and UV, the membranes encountered premature failure especially at the seams with detachment and wrinkling. Additionally, the surfaces of the membranes also crack and puncture especially when it is exposed to solar heat for long duration under the tropical climate [2].

Between 1945 and 1955, various resin technologies were developed by several different manufacturers to improve the performance characteristics of liquid roof coatings and it is not long before the beginnings of the liquid waterproofing industry started.



Figure 5: Modified Bitumen Membranes

Source: https://www.americanweatherstar.com/modified-bitumen-roofing-the-complete-guide/

In the 1960s and 70s, reactive acrylics, acrylic emulsions, styrene butadienes and unsaturated polyesters were developed and huge steps in improvements to the quality and durability of the liquid coating industry were seen (refer Figure 6).

In 1975 the first water based elastomeric roof coating was released into the UK market. The first BBA Certificate for the application of liquid systems on roofs was issued around 1975 demonstrating that liquid applied coatings provide durable, high quality roofing solutions. Two component acrylic roof coatings were first used in the UK from 1978 [3].



Figure 6: Polymeric coating on the flat roofs Source: https://www.ppcoatings.co.uk/liquid-waterproofing/

Single ply roofing in North America traces its origins back to the early 1960s when the first EPDM (ethylene propylene diene terpolymer) rubber roofs were installed. It is a thermoset system whereby the membranes wrapped the rooftop like "wrapping a gift with present papers". In search for improvement, new version of thermoplastic single ply membranes were invented and launched, namely TPO (Thermo Polyolefin), PVC (Poly Vinyl Chloride) and KEE (Ketone Ethylene Ester) (refer Figure 7). The membranes are heated by hot air welding at the seams and bonded to the subsequent seams when pressed firmly. It is notable to know that the first ever KEE installed in United States in 1979 has been still in service after 40 years [4]. White colour single ply membranes are known as cool roofing and the loose laid system without bonding to the subtract or concrete slab saves the waterproofing membranes against heat induced stress as well as vibration caused by seismic activities, settlement and other reasons.

A new breakthrough in waterproofing was made in 1990s when Polyurea waterproofing coating was introduced. Polyurea coating is well known for its high tensile strength (refer Figure 8). Nevertheless, it is rather new in Malaysia and its performance is still pending for industrial feedback.



Figure 7: KEE Single Ply Membranes in Cyberjaya



Figure 8: Polyurea waterproofing coating Source: https://www.corrosionpedia.com/2/4458/coatings -and-lining/the-history-and-industry-adoption-of-polyureacoating-systems

In short, new version or families of waterproofing products have been invented due to the failure of the earlier products. Products developed in the temperate zone may not be compatible in the Tropics due to the behavior of the materials to the weather and local construction practices. Thus, industrial feedback is critical to review the suitability

and compatibility of new waterproofing products before any large scale adoption.

FLAT ROOFS IN MALAYSIA

The most common type of flat roofs for new projects in Malaysia is known as Protected Membrane Roofs. Besides rooftops, swimming pool deck and other open decks also adopt such system. The main substrate or base of flat roofs is concrete slab. Waterproofing and heat insulation systems are installed on the concrete slab. Then, a layer of cement screed with thickness of 50mm is applied on the surfaces with contraction joint at interval 1.5m x 1.5m in all direction. Such cement screed protects the waterproofing against the harsh weather. Control joints are cut and sealed up with elastic bitumen or sealant on the cement screed for crack control (refer Figure 9).



Figure 9: Protected Membrane Roofs in Malaysia

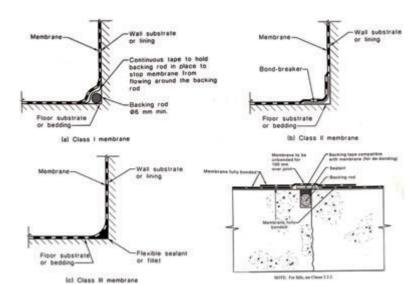
KEY PERFORMANCE INDICATORS OF DURABLE WATERPROOFING SYSTEMS

The durability and performance of waterproofing systems depends heavily on the quality of the subtract or concrete structures. For instance, liquid retaining structures shall be designed and constructed based on BS 8007 Design of Concrete Structures for Retaining Aqueous Liquids or Part 3 of EN1992 Liquid retaining and containment structures before the protection from the waterproofing can be realized. Cracks must be controlled because engineering flaws arising from poor design and construction may nullify the warranty of the

waterproofing systems. In other words, a non-liquid retaining structures can never be leak free even though it is waterproofed.

Sufficient gradient without standing water is the first line of defense against leaking, according to BS 6229:2018 Flat roofs with continuously supported flexible waterproof coverings Code of practice. Water management (drainage) must compliment good waterproofing system in order to realize the designed service lifespan of the latter. Ironically, standing water has been a common sign on the flat roofs in Malaysia. BS 6229:2018 specifies minimum finished fall at any point of 1:80 for concrete flat roof with liquid waterproofing systems. However, to ensure that the minimum finished falls is achieved, allowance should be made for deflection of structural members and decking under dead and imposed loads, and for construction tolerance thereof. Thus, the fall assumed for design should, therefore, be steeper than the recommended finished falls. Such fall is not limited to the surface of cement screed, but it must be extended to the surface where waterproofing coating/ membrane is installed. Should there be insufficient fall during the casting of concrete slab, a layer of cement screed must be applied for achieving the desired fall.

Flexural fatigue resistance, the ability a membrane returns to its original length without permanent elongation and damage after stretching, is the key factor in durable waterproofing system [5]. It plays a major role in catering for the movement suffered on the flat roofs, including fluctuation in temperature, moisture and transitional movement. Besides, angle fillets and bond breakers to prevent stress and breakage on waterproofing membrane on areas with anticipated cracks and dynamic crack must be installed according to Clause 2.7 in AS 4654.2: Waterproofing membranes for external above-ground use Design and installation (40mm X 40mm fillets for sheet membranes or 15mm X 15mm bond breaker for coating system at any horizontal to vertical transition, or vertical to vertical transition) (refer Figure 10).



Workmanship at areas with difficult access, penetration of utility pipings, upturn and downturn terminations are the typical areas with failures. Detailing in water-tight termination and transition which can counter for movements with design of angle fillets and bond breakers is critical to the durability and performance of waterproofing system (refer Figure 12). "The devil is in the details" is particularly true in the installation of waterproofing systems.

Figure 10: Bond breakers for cracks and dynamic joints

Source: AS 4654.1-2009 Waterproofing membrane systems for exterior use- Above ground level

Additionally, chemical resistance has been identified as another important trait of durable waterproofing system AS 4654.1-2009 Waterproofing membrane systems for exterior use-Above ground level due to the accelerated degradation caused by environment pollutants.

Besides, waterproofing products are known as construction chemicals which may interact with different materials on the existing subtract. Thus, selection of compatible materials is critical to the success of waterproofing system. For instance, asphalt and bitumen must not be mixed or in contact with each other. PVC is not compatible to bitumen, polyester etc. Thus, reference with Chemical Compatibility Chart or confirmation with the manufacturer's chemists is recommended when different chemicals are in contact with each other (refer Figure 11).

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PLASTICS

Figure 11: Chemical Compatibility Chart Source: https://www.terrauniversal.com/blog/chemicalcompatibility-chart-plastics

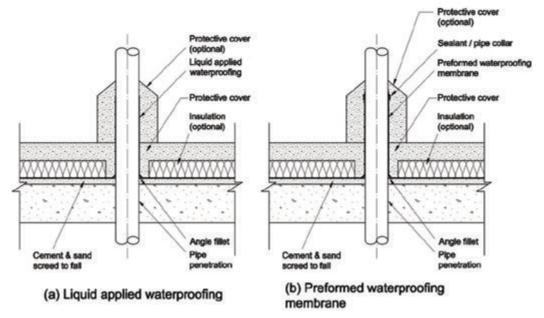


Figure 12: Typical detailing for pipe penetration of flat roofs Source: SS 637: 2018 Code of practice for waterproofing of reinforced concrete buildings

FAILURE FACTORS OF FLAT ROOFS

In Malaysia, concrete structures are designed based on BS 8110: Structural use of concrete. Code of practice for design and construction or EN 1992 Design of concrete structures. Such code of practice was developed based on the temperate climate and non-seismic zone in Britain. Nevertheless, a study done on a concrete slab with tile finishes in a high-rise condominium in Klang Valley by the author revealed that the average temperature on the flat roof was recorded at around 40°C at 2.00pm and around 25°C at 4.00am. Such daily temperature variation of 15°C is uncommon in UK. In the study of heat induced size change of concrete flat roofs, the author discovered a clear correlation between the changes in the temperature of the flat roofs and the crack movement with a record of 9 mm movement at location 2 of the wall with a diagonal crack right under the flat roof (refer Figure 13 and 14).

Such findings confirmed that the heat induced size change has been identified as the major reason for deformation outlined in the book "Cracking in Buildings" published by the Building Research Establishment in UK [6]. Besides, such finding also coincides to the studies done by Thomaz et al [7].



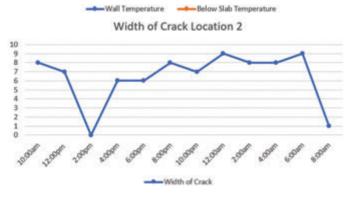


Figure 13: Correlation of the temperature on the pool deck and the crack width of the crack under the deck



Figure 14: Cracking in masonry due to thermal movements of roof slabs

Source: https://www.academia.edu/33589690/Defects_
in_Masonry_Walls_Guidance_on_Cracking_Identification_
Prevention_and_Repair

Although expansion and movement joints are not specified in *BS 8110 or EN 1992*, Barthelot has discovered flat roofs behave similarly like liquid retaining structures and expansion joints are crucial in countering such intense stress and movement induced by heat and other possible movement in the Tropics [8]. Sadly, the author has hardly seen stratified buildings which are built with suitable movement joint to-date.

Environmental pollution is also contributory to the rapid degradation of the flat roofs in Malaysia. Meteorological Department of Malaysia recorded pH of 2 during the first few minutes of rain in some heavy industrial areas with high vehicular traffic in Klang Valley. Besides, harsh solar energy, ultraviolet and environmental pollutants are the major degradation factors that influence the service lifespan of roofs under the equatorial climate.

Stagnant water has been proven to correlate to leakage. In a study done in Montreal showed that 67 buildings with roof slope of less than 2 percent (1/4 in./ft) had 58 percent leak rate [9]. If coupled by thin roof slab based on the mandatory minimum requirement, heavy precipitation and harsh environmental pollutants, leakage will become more prevalent.

Peninsular Malaysia is no longer an earthquake free zone since the Mega Earthquake in Aceh in the year 2004 (refer Figure 15). There were 13 earthquakes with Ritchey Scale from 2.5 to 3.5 from 2006 to 2007 in Bentong with epi-centers in the Titiwangsa Range. Centre Kuala Lumpur has been known to the area with second highest earthquake risk in Peninsular

Malaysia [10]. Such lateral vibration and the consequential cracks are detrimental to the durability of waterproofing too. Such situation will be worsened in the absence of expansion joints and earthquake retrofitting.

Workmanship is another major reason why waterproofing system failed in Malaysia. In general, poor attention to detailing have been witnessed frequently by the author. Besides, the author has witnessed poor surface preparation, dilution in waterproofing compound and unevenness / inadequate thickness of waterproofing coating in his forensic investigations.

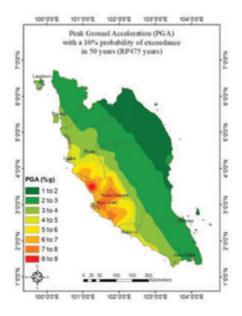


Figure 15: Areas with earthquake risks in Peninsular Malaysia Source: MS EN 1998 Design of structures for earthquake resistance

Lastly, waterproofing products are also known as construction chemicals. Different chemicals may interact with each other depending on the compatibility. The incompatibility of different waterproofing products accelerates the failure accordingly.

DIAGNOSIS OF WATERPROOFING FAILURE

ASTM D7052/D7052M-17: Standard guide for determining and evaluating causes of water leakage of low-slope roofs outlines the step-by-step approach for a holistic investigation of water leakage. It starts

with a review of design of the flat roofs, review of service history, detailed visual inspection of various roofing components, interview with the service crews, determine the extent of water damage and review of the weather records for the vicinity.

ASTM C1153-10: Standard practice for location of wet insulation in roofing systems using infrared imaging outlines the methodology of night inspection with infrared thermographic imager. Water pockets under the surface of concrete flat roof as a result of waterproofing failure can be easily identified at night due to the relatively higher thermal capacity of water (refer Figure 16 and 17).

Leakage from flat roofs and external wall can be easily misunderstood due to the proximity of these building components. Thus, diagnosis of water leakage from flat roofs must be extended to the external wall of the floor right below the flat roofs (refer Figure 18 and 19).

The failure mechanism and remedial actions for the leakage from the flat roofs is different with the cracked walls. An infrared thermographic drone may assist in the inspection of cracked high wall easily due to the difficulty in accessing these walls for close range inspection.

The quality of the waterproofing compound can be determined by subjecting the waterproofing samples extracted from the site to Fourier Transform Infrared Red Analysis according to "MS 2736: 2022 Coating fingerprinting overall procedure for paints using FTIR and other related methods". Besides, measurement of the thickness of waterproofing coating under a high precision microscope also can give an indication of the quality of workmanship and the profile thereof.

Should the stress induced by heat in the absence of construction movement joints is suspected, a Stress-Strain Analysis can be carried out using Fiber Bragg Grating (FBG)-based inclinometer to understand the behavior of the stress and strain and formulate the remedial action to counter and/or control the stress accordingly [11] (refer Figure 20).

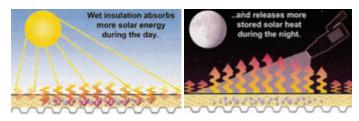


Figure 16: ASTM C1153 Thermal heat transmission during day and night time

Source: http://www.roof-assets.com/benefitsof-thermal-imaging-in-roofing/

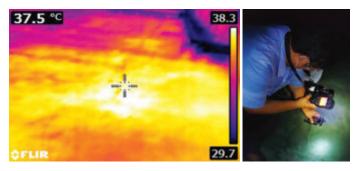


Figure 17: Hidden water pocket under the surface and verification with a moisture meter



Figure 18: Crack expanded by 0.5mm at noon

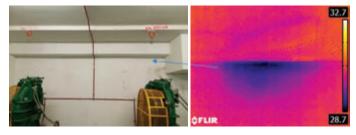


Figure 19: Leaking due to cracked external walls with dynamic cracks in a lift motor room

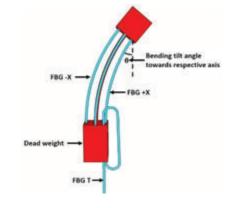


Figure 20: Fiber Bragg Grating (FBG)-based inclinometer

MAINTENANCE AND REPAIR

The service lifespan of roofing systems may be significantly extended by periodic maintenance. Periodic maintenance should be planned, ideally bi-yearly. A maintenance manual containing basic information and guidance for inspection and maintenance should be kept. Scope of inspection should include flashing, expansion joint covers, copings, edges, termination, membranes, choked rainwater downpipes, etc. Besides, soffit under the flat roofs must be checked to see the potential leakage and corrosion damage.

In the event of premature damage prior to the expiry of service lifespan, repairs should only be carried out after the type and extent of any defects have been determined and their underlying cause identified. Additionally, repairs should be carried out using compatible materials to the existing roofing system only.

In the event of stagnant water on the flat roofs due to poor gradient, thin topping with lightweight cement screed can reduce such risk. Nevertheless, coring new holes and installing additional rainwater downpipes to discharge the stagnant water can be more feasible for widespread and large areas with stagnant water.

Should concrete spalling and rusty reinforcement steel bars are located, diagnosis and repair with reference to EN1504 Products and systems for the protection and repair of concrete structures. Definitions, requirements, quality control and evaluation of conformity is recommended in order to mitigate and control the corrosion to the reinforcement steel bars. Also, restoration of the loading ability and rigidity of the affected structural components in order to realize the optimum performance of the remedial waterproofing system must be done.

Upon the expiry of the service lifespan, a renewal or refurbishment exercise is needed. Design procedures for renewal should be the same as for a new roof but the reason why the original roof system failed should be investigated and rectified [12]. Due to the noise and dust involved in removal of existing cement screed and other insulation and waterproofing components, overlays with coating or preformed membranes are preferred.

Waterproofing coating systems can be done with little expertise. Fiber reinforcement can improve the crack bridging property of the waterproofing coating. Nevertheless, such seamless coating system also suffer from the risk of failure when it is applied on the expansion joints. Bond breaker must be installed on these joints in order to mitigate such risk. Nevertheless, standing water is detrimental to this system. Increasing heat waves and the consequential expansive stress also reduces the performance and service lifespan of products when the elasticity of the coating diminishes upon exposure to ultraviolet and heat.



Figure 21: Premature failure of modified bitumen membranes Source: https://www.acrl.com/roofing/modified-bitumen/

Modified bitumen membranes or bitumen torched membranes has been widely used in overlaying refurbishment projects. Nevertheless, Zainuddin S. [13] has observed premature failures of this systems in her study covering selected government buildings in Putrajaya revealed that such membranes cracked, punctured, stretched with detached edges (refer Figure 21).

Single ply membranes include EPDM (ethylene propylene diene monomer rubber), PVC (Polyvinyl Chloride), TPO (Thermal Polyolefin) and KEE (Ketone Ethylene Ester). EPDM membranes are too rigid. TPO membranes on the other hand, are combustible and

not allowed on the flat roofs according to Uniform Building By-Laws 1984. PVC membranes leach platicizer when the temperature reaches 60°C and they lack the elasticity for catering the movement on the flat roofs in the equator. KEE membrane is by far the most suitable waterproofing system due to its permanent elasticity, cooling ability, reparability and robustness against foot traffic. The loose laid system can counter the seismic risk of lateral vibration and cool roofing effect can mitigate the stress of heat induced size change.

Repairs using Polyurethane grouting is controversial and debatable (refer Figure 22). Such method blocked the cavities or cracks with Polyurethane foam without addressing the root cause may work for cracks which does not move (i.e. natural shrinkage crack). However, it is unable to address corrosion induced cracks which propagate and dynamic cracks. In the landmark case of Dua Residency MC v Edisi Utama Sdn Bhd & Anor [2021] MLJU 140, it has been known as cosmetic repair against leaking.

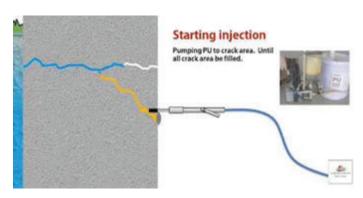


Figure 22: Polyurethane Grouting and the diversion of leaking path

Source: https://m.indiamart.com/impcat/ pu-injection-grouting.html

Advertorial



CONCLUSION

There is no rocket science in providing durable high performance roofing systems for flat roofs of buildings in the equatorial environment. Considerations must be given to the unique degradation mechanisms in order to select the right system supported by sound design.

Life cycle costs instead of initial acquisition costs should be taken as a major consideration in selection of waterproofing system. Quality control especially in the detailing, flexural fatigue and chemical resistance is crucial to the overall performance. Lastly, regular inspection and maintenance is pivotal to realize the full designed service lifespan of the said system.

If corrosion has taken place in the damp concrete flat roofs, structural performance must be restored first. Then, corrosion and moisture control must be done in order to address the engineering flaws that may nullify the waterproofing warranty. Such practices in diagnosis and repair of concrete structures comply with EN 1504 recommended by the Ministry of Local Government Development.

In view of the seismic activities, heatwaves brought about by the climate change and the stress induced thereof, roofing with loose laid system e.g. the KEE Single Ply Membranes is among the solutions in the way forward for our country.

End notes

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GREEN LEASE BENEFITS AND IMPLEMENTATION CHALLENGES

ALAN CHONG KIM WING

he property market performance is a measure of economic growth as it functions to meet demand for occupation, investment and development purposes for the commercial, industrial, and residential sectors. On the flip side, the property market is not without its cost and consequences especially for the environment. Historically, the various property sectors have always been a major consumer in resources and energy. It is also a significant contributor to greenhouse gas emissions through its activities such as construction, operation, maintenance and demolition.

The most significant global movement on sustainability is spearheaded by the United Nations Development Programme (UNDP) through the introduction of the United Nations' Sustainable Development Goals (SDG). Goal 11, in particular, focuses on sustainable cities and communities, emphasizing the need for environmentally responsible and socially inclusive urban development. For Malaysia, SDGs are also embedded in the Twelfth Malaysia Plan to reach carbon neutrality by 2050. In line with the national policy, the Malaysian corporate sectors are also showing more commitments in Environmental, Social and Governance related agendas. One emerging ESG concept within the property industry is "Green Leasing" which integrates the principle of sustainability into leasing agreements.

A conventional leasing document usually contains the terms for rent, rent term, concessions, responsibilities for tenant and property owners, termination terms and others. A green lease is an agreement between property owner, property manager, and property tenant to promote sustainable building interests by sharing the costs and benefits of incorporating sustainable initiatives within the building space (Hopkins, 2023). It is an extension of the green building movement, striving to deliver sustainable practices that promote health, optimise resource usage, and efficiently manage energy, water, and waste disposal (Yasmin Mohd Adnan et al., 2017). In simple terms, a green lease is negotiated consensus between the property stakeholders to implement sustainability practices through sharing of sustainable targets, cost and responsibilities.

While green lease is more common in countries such as Australia, Sweden, and the United Kingdom it is considered relatively new in Malaysia. It is not direct and widely implemented although it is related to the green buildings in Malaysia. A green lease is associated with tenancy in a green building but this is not always the case as conventional buildings can have green lease as well (Kaplow, 2008). Some examples of the recent green lease movement in Malaysia can be found in OneUtama, Setia City Mall, Sunway Pyramid and The Exchange TRX. Evidently, green leasing is gaining traction among Malaysian commercial sector although there are still a lot of questions and room for improvement for green leasing in Malaysia. As such, this article will attempt to provide information on green lease particularly on the benefits, challenges, and the focus areas of green lease based on existing examples. The discussion will revolve around commercial properties as the green lease in this sector is more matured compared to the other sectors.

BENEFITS OF GREEN LEASE

Economic Benefits

Green leases have the potential to generate economic benefits despite the high initial cost and restrictions to implement green leases. One of the economic benefits is the reduction in operating costs. The lower operation costs could potentially offset the upfront costs (retrofitting/ new sustainable features), the green certification cost and even rental. The requirements of green leases such as targets on energy and water consumption encourage tenants to be more conscious of their consumptions and subsequently lead to savings in energy and water consumption. The usage of energy rated fittings (i.e., lights, Heat, Air-Ventilation and Cooling (HAVC), fridge and others) can provide further savings in energy consumption. Savings can also be observed through the sustainable practices in space utilisation. For example, a Norwegian business observed a 50 percent reduction in operation costs by moving from a cell-based offices into an open plan office (Wiley et al., 2008). The business had more floor space to use without reducing its personnel. Other than that, the current implementation of sustainable agendas might change from being optional to mandatory in the near future. As sustainable agendas become more integrated into the regulatory framework, it makes more economical sense to adopt the sustainable agendas to avoid penalties from noncompliance in any potentially upcoming sustainable requirements.

Environmental Benefits

The primary objective of adopting green lease is to ensure the implementation of sustainability among property owner/tenants. It serves as an agreement between property owner and tenant to demonstrate their commitments to the sustainable agenda. Additionally, it is also a way to decrease scope 3 emission, which are emissions that are not produced by the owner but through those indirectly in the value chain (i.e. supplier chain partners). With the targets set on sustainable areas such as energy, water, and waste, it becomes possible to reduce the impacts on the environment through carbon reduction and resource management. Energy and material management have been the main focuses for carbon reduction while water management become more crucial as drinkable water is becoming scarcer globally due to climate change and pollution. In addition, waste management can diminish the need for landfills and wastage production through recycling. The usage of environmental-friendly materials can also be implemented through the selection of materials during construction/renovation by the property owners or the selection of suppliers for tenants.

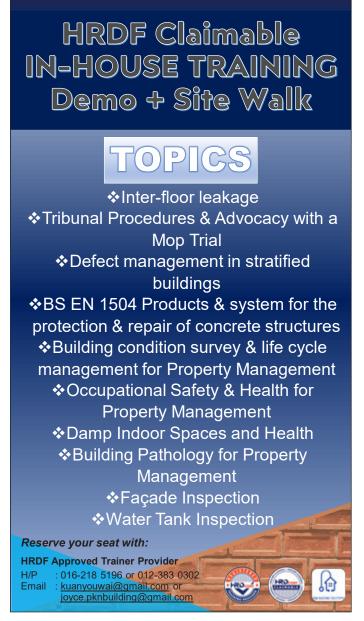
Marketability Benefits

For organisations that have decided to adopt a green lease, it can significantly contribute to their Corporate Social Responsibility (CSR) initiatives or Environmental, Social and Governance (ESG) reporting. This adoption can also serve as a valuable tool to enhance corporate branding and image among related stakeholders such as investors and customers. Simultaneously, tenants can actively participate in corporate marketing and branding initiatives. For example, tenants like The Body Shop, Muji, Starbucks, and others which have participated in the green lease program offered by Sunway REIT can derive benefits in terms of sustainable compliance and corporate marketing.

Moreover, Bursa Malaysia has made ESG reporting mandatory for publicly listed companies since 2016. Looking ahead, the sustainability agenda is expected to gain more prominence in the legal and regulatory framework. The latest sustainability policy for the nation is outlined in the Twelfth Malaysia Plan which sets a target to transform Malaysia into a carbon-neutral nation by 2050. Consequently, business organisations must be prepared to comply with potential sustainable regulatory requirements to remain both compliant and attractive to investors.

As the industry undergoes a transition from the conventional model to a sustainable one, companies will need to follow this trend to stay relevant in the market. Similarly, if a building decides to adopt a green lease, it will become more attractive and marketable to companies or tenants seeking to align with the sustainable agenda. Such buildings can also command higher rental rates and potentially experience an increase in property value.

Advertorial



CHALLENGES OF GREEN LEASE ADOPTION

High Initial Costs and Investments

Implementing sustainable features into the design of a building will undoubtedly incur a certain level of expenditure. Acquiring technology or materials that are sustainable compliant requires funding, and the benefits from these investments in sustainable features take time to materialise.

Most owners prefer to recoup their investments as quickly as possible rather than prolonging the payback term (Yasmin Mohd Adnan et al., 2017). Additionally, it has been estimated that incorporating sustainable features into the building design would require an additional 3 to 5 percent of the construction cost. However, existing buildings face even greater challenges in transitioning to green buildings or adopting green leases because they were not originally designed to cater for such sustainable features.

Corporate sectors are required to be ESG compliant to maintain competitiveness and attractiveness to investors. Merely being in a green-certified building can be viewed as a significant commitment to the ESG agenda. Consequently, tenants looking to adopt sustainability practices may choose to relocate to newer buildings with green features or those ready for green leases. In Malaysia, this trend is evident in the recent relocations of the headquarters of Malaysian banks into green-certified buildings (Raj, 2023). Their previously occupied buildings would require significant capital expenditure to be fitted with green features, making it more feasible to relocate directly into green-certified buildings.

Lease Negotiation

A lease is a mutual agreement between the owner and tenant, with terms and conditions binding both parties. Currently, most commercial sectors adhere to conventional leases, typically devoid of any green requirements. To transition from conventional leases

to green leases, the options include terminating the existing lease or a renegotiation during lease renewal. Many tenants and owners prefer waiting for lease renewals, finding it easier to stick with preexisting leases (Yasmin Mohd Adnan et al., 2017). Another issue to consider is the variation in the nature of the tenant's business and lease terms. As leases for different business expire at different term and the requirements for each business are different, careful planning and negotiation will be needed to work out a green lease for different tenants in the commercial building.

In the negotiation of green lease, there are two models proposed by Brooks et al. (2008) namely the paternalistic model and the co-operative model. The paternalistic model is based on the prescription of sustainable clauses into the lease by the owner/ tenant while the co-operative model is based on the mutual discussion on the liabilities and obligations of both parties to achieve sustainable objectives in the green lease. Both models have been implemented for different situations. In situations that require definitive actions such as compliance to regulations, property owners/tenants have no choice but to include such green clauses in their leases as observed in the practice by UK's Carbon Reduction Commitment Energy Efficiency Scheme (Bright, 2010; Collins, 2018). For example, owners mandated certain green clauses to influence the tenant's business strategy such as limiting energy usage to certain hours, ensuring green procurement and other related green practices. However, the paternalistic model can be seen as draconian and this might reduce the interest of prospective or existing tenants to take a lease with the property owner. The adoption of the paternalistic model in green lease negotiation should be exercised with caution as it could have a negative effect on tenants.

On the flip side, the co-operative model is a more balanced approach and focuses on discussion to reduce tensions and disagreements on the

green requirements proposed by the owner. The co-operation model focuses on negotiation between owner and tenant with emphasis on softapproaches by the owner to convince the tenant to take up the green lease. For example, owners could convince tenants to adopt green lease by mentioning that the green lease would be good for the tenant's corporate social responsibility (CSR), company branding as well as being among the first green lease adopters in the local market (Collins, 2018). As both models have their pros and cons, selecting the appropriate negotiation approach would determine the success of the green lease.

Lack of Incentives

At a macro level, the Malaysian governments do provide incentive when organisation incorporates sustainability into their business. Currently, green tax incentives are given to companies that adopt green technology through Green Investment Tax Allowance (GETA) and Green Income Tax Exemption (GITA). Green financings are also gaining traction with several financial institutions offering their products to the small medium enterprises (SMEs) in Malaysia. However, at the micro level (between property owner and tenant), the lack of incentive for both or either side of the parties will discourage the adoption of green lease. For example, if the tenant is solely responsible for utility bill (through individual water meter), the property owner might not be incline to invest in water saving features because there is no substantial financial incentive to do so. Even if there is the possibility of rental increase due to the sustainable features, it has a longer payback period and demands more effort on the owner to make such arrangements. Similarly, a tenant might not be inclined to enter a green lease if there are only restrictions (for example, limitation in energy and water usage) while no incentives are offered. In order to mitigate such situations, the incentives and the requirements should be negotiated and planned by both parties.

GREEN LEASE AND AREAS OF FOCUS

Based on Table 1, it can be observed that most countries or organisations focus on energy, water, management, material management, waste indoor environmental quality and others relevant green metrics. Among the examples, energy and water stand out, as these two areas can be easily monitored and have a significant impact on resource consumption. A target for usage range for energy and water can be included in the green lease.

> Table 1: Examples of Green Lease focus areas based on countries/organisations

Examples from Countries/ Organisation	Areas of Focus					
1. Countries						
Kuala Lumpur, Malaysia (Yasmin Mohd Adnan et al., 2017)	Energy Efficiency, Water Efficiency, Indoor Environmental Quality, Sustainable Site Management, Materials and Resources (based on GBI rating)					
United Kingdom (Better Buildings Partnership, 2013)	Energy consumption, Water Consumption and Discharge, Waste generation and management, Generation and/or emission of greenhouse gases, and Other Adverse Environmental Impacts (based on Green Lease Toolkit)					
European Union (Effect4Buildings, 2023)	Energy, Water, Indoor Environment, Maintenance, Design and Equipment, Materials, Waste Management					
Australia (National Green Leasing Policy, 2010)	Energy and Water (subject to extensions in the future)					
2. Organisation						
Capitaland (SG) (Green Fit-out Guide – Retail Tenants)	Energy Conversation, Water Conservation, Proper Waste Management, Green purchasing, Better Indoor Environment Quality (IEQ)					
Sunway REIT (Green Lease Partnership Programme)	Mainly on Energy and Water usage.					
Lendlease Corporation	Mainly on Energy Efficiency (Singapore mall under Lendlease).					

If the tenants fail to achieve the targets, corrective actions can be discussed with the owner. For waste management, it focuses on observing recycling or waste reduction rates. Other areas such as indoor environmental quality and green purchasing might require self-reporting through surveys or interviews.

The countries mentioned in Table 1 also share similar practices in green leases, especially regarding the requirement for green certifications. Most green leases are used in green certified buildings, as the requirements of green certifications usually align with the contents of green leases. Additionally, environmental performance monitoring is a common element in green lease. The reporting or monitoring of environmental performance itself is an important part of green lease. Data sharing among the related stakeholders (property owner, tenant and property managers) is needed to monitor environmental performance and plan for strategies for improvement. Metering is usually used in reporting environmental performance, as it is an accurate method to measure the usage of energy and water. It is worth noting that the usage of meter is included in most of the green lease policies or guidelines.

CONCLUSION

In conclusion, the adoption of green leases in Malaysia is feasible, albeit in progressive stages. The initial focus of green leases in Malaysia should center on energy and water consumption, with plans to gradually incorporate other Green Building Index (GBI) requirements such as waste management and indoor environmental quality. Despite existing barriers and potential resistance to the adoption of green leasing practices, the undeniable importance of the sustainability agenda cannot be overstated. With Malaysia targeting carbon neutrality by 2050, the property sector is at a critical juncture. Opting for the adoption of green leases offers a tangible and actionable pathway for stakeholders to meaningfully contribute to the national sustainability agenda.

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FOSTERING COMMUNITY SPIRIT IN RESIDENTIAL STRATA SCHEMES

ostering a strong sense of community spirit in residential strata housing schemes can enhance the overall well-being and living experience of residents. By encouraging interaction, collaboration, and mutual respect, a thriving community can contribute to a more positive and supportive environment for all.

STRATEGIES TO FOSTER COMMUNITY SPIRIT IN RESIDENTIAL STRATA SCHEMES

Here are some effective strategies to foster community spirit in residential strata schemes:

1. Establish open and regular communication channels

Create platforms for residents to connect and share information. This could include a dedicated community website, a regular newsletter, or a notice board in a common area. Encourage residents to use these channels to share news, events, announcements, and suggestions.

2. Organize community events and activities

Host events that bring residents together and encourage interaction. These could include potlucks, barbecues, movie nights, fitness classes, or game nights. Encourage residents to participate in planning and organizing events to foster a sense of ownership and involvement.

3. Create shared spaces and amenities

Designate common areas that encourage interaction and socialization. This could include a community lounge, a rooftop garden, or a children's play area. Encourage residents to utilize these spaces for gatherings, relaxation, or informal conversations.

4. Promote inclusive and welcoming practices

Foster a welcoming environment for all residents, regardless of their background, culture, or lifestyle. Encourage residents to be mindful and respectful of each other's differences.

5. Establish a strong leadership team

Elect or appoint a dedicated committee or council to oversee community initiatives and address any concerns. Encourage residents to participate in the decision-making process and contribute their ideas.

6. Embrace technology for community engagement Utilize online platforms and social media groups

to create a virtual community where residents can connect, share information, and plan events.

7. Encourage volunteerism and mutual support

Promote opportunities for residents to volunteer their time and skills to support the community. This could involve organizing events, assisting with maintenance tasks, or providing mentorship to younger residents.

8. Celebrate diversity and shared experiences

Organize events that recognize and celebrate the diverse cultures and traditions within the residential strata. Encourage residents to share their heritage and traditions to foster a sense of appreciation and understanding.

9. Address issues promptly and effectively

Establish clear procedures for addressing concerns, disputes, or conflicts among residents. Encourage open communication and mediation to resolve issues in a fair and respectful manner.

10. Promote a shared sense of responsibility:

Encourage residents to take ownership of their community and contribute to its well-being. This could involve participating in maintenance tasks, upholding common rules, and being considerate of neighbors.

By implementing these strategies, residential strata schemes can cultivate a thriving sense of community spirit, enhancing the overall living experience for all residents. A strong community is built on shared values, mutual respect, and a collective commitment to creating a positive and supportive environment for all.

CASE STUDIES

1. Community Farming

Every apartment is encouraged to establish a community garden for farming, prioritising the cultivation of high-value crops. Garden participants should be willing to change their mindset, actions, and decisionmaking as entrepreneurs. In the current economic situation, it is highly suitable for community gardens to prioritise cultivating high-value crops with demand to provide a return on investment to the community and the Joint Management Body (JMB).

With the high food prices, group vegetable cultivation in vacant areas, residential areas, or apartments can help meet local needs to an extent. At the very least, it helps meet household needs, and this idea needs to be highlighted as a continuous effort to reduce dependence on external crops.



Reference: https://www.youtube.com/watch?v=S-WRyMNljQE

The Selangor Housing and Property Board (LPHS) with support from the Selangor Agriculture Department has organized Strata Green Space Award 2023 at Midlands Convention Centre in Shah Alam. The award, organised by, was themed "Sustaining the economy of urban communities through agriculture". The award, which recognise successful community gardens in high-rise residential properties, is aimed at creating awareness of agriculture's role and inculcating green values and strata residents.

During the event, Kebun Komuniti Pegaga in Okid Apartment, Taman Bukit Indah, Ampang, under the administration of the Ampang Jaya Municipal Council (MPAJ), was named the champion and awarded a RM8,000 cash prize. Green space and community garden programmes are the best ways to strengthen relationships within the community, especially in strata residences.

This was the second year Kebun Komuniti Pegaga won the Award and also the Innovation title. All the cash won are used for improving their garden.

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Internet of things (IOT) technology is used to manage the garden, hydroponic and fertigation methods to grow vegetables as well as a fully automated greenhouse for mushrooms. All the IOT systems were compacted to fit into the 46.5 sq m (5,000 sq ft) garden. Ten active members help with tasks like landscaping, wiring and plantation. The structures were built using scaffolding or discarded construction materials wherever possible to keep costs low. The garden was started in 2015 using conventional methods and started incorporating technology in 2018. The surplus produce e.g. chilies and mushrooms are sold to the local market. The Committee members working on the community garden would be focusing on research and development next to learn how best to pack, market and distribute the produce.

2. Gotong-Royong Program

The Selangor government will introduce the "Rewang Komuniti" programme next year to foster the gotongroyong spirit among strata property residents in urban areas. Selangor has allocated RM500,000 in its 2024 Budget for the pilot project. It will be introduced in two areas likely in Pandan and Ampang constituencies.

Rewang, which is a Javanese term, is a communitybased collaborative activity that usually saw neighbours and relatives working together to prepare large-scale functions like weddings.

It will be a two-day one-night event with cooking done gotong-royong style and there would also be motivational programmes, sports, visits to less fortunate residents and other community activities.

The programme is aimed at encouraging strata property residents to get to know their neighbours and strengthen community ties.

UNDERSTANDING THE DIFFERENCE **BETWEEN** "CONVERSION OF LAND USE", "CHANGE OF USE IN LOCAL PLAN" AND "MATERIAL CHANGE IN THE USE OF LAND AND BUILDING"

TING KIEN HWA

ABSTRACT

The first term relating to change of use is related to National Land Code 1965. But the other two change of use situations come under the Town and Country Planning Act 1976.

The "conversion of land use" refers to the land use conversion under section 124 of the National Land Code when the landowner applies to the State Authority to alter the category of land use in his document of title. A conversion premium is paid for the conversion of land use.

A local plan prepared under the Town and Country Planning Act 1976 shows the allowable planned land use. A land owner may apply for a "change of land use contrary to the local plan" for example from residential use to commercial use. A development charge is imposed for such change of land use in the local plan.

Development in the context of the Town and Country Planning Act 1976 include operations, the making of any material change in the use of land or building, and the subdivision or amalgamation of land. The "material change in the use of land and

building" requires planning permission and subject to development control. For example converting a corner double terrace house into a commercial café is a material change of use and requires application for planning permission.

1.0 INTRODUCTION

The change of land use occurs frequently on the development and use of land and buildings in the built environment. However due to the similarities in the terms used in different development and occupation purposes, it has led to some wrong applications on the use of the terms and misunderstanding on the different types of change of land use. This article aims to clarify the terms by showing the correct applications of the terms and under what appropriate situations.

2.0 CONVERSION OF LAND USE (I.E. ALTERATION OF CATEGORY OF LAND USE)

Under the National Land Code 1965 (NLC), there are three different categories of land use namely 'Agriculture', 'Building' and 'Industry'. All land owners must use the land in accordance to the category of land use and the express condition stipulated in the

title. Failure to do so is a breach of condition of the land alienated and the State Authority can forfeit the land.

Any land owner who intends to use his land for another category of use other than the category stated in the title, must apply to change the category of land use accordingly. For example an application to alter the present category of land use from agriculture to building or industry under Section 124, NLC. A land owner can apply for simultaneous conversion and subdivision under Section 124A. The State Authority will charge a premium on all applications approved for change of use.

3.0 CHANGE OF LAND USE IN LOCAL PLAN

Local Plan (LP) is a document prepared under the Town and Country Planning Act 1976 to interpret the general policies and proposals of the Structure Plan into detailed physical form for areas that are identified in the local authority area. Local Plan indicates the development layout in larger scale for an area through the written statement and illustrations.

A local plan shows the allowable land use planned for all the land within the local plan. A land owner may apply for a change of use which is contrary to the land use shown in the local plan for example from residential use to commercial use. Such change of use would enhance the value of the land. A development charge is imposed under s32 Town and Country Planning Act 1976 and s40(1) of the Federal Territory (Planning) Act 1982 for such change of use that is contrary to the local plan. The development charge acts as a transfer of part of the windfall gains of land owners to the local government. The windfall gains are those relating to the appreciation in land values due to the relaxation of development controls beyond those prescribed in the development plan. It is a way for the local planning authority to recoup the costs of providing infrastructure and public amenities to support the new development.

4.0 MATERIAL CHANGE IN THE USE OF LAND AND BUILDING

Under the Town and Country Planning Act 1976 (Act 172), a 'material change in the use of land and building' requires planning permission and is subject to development control.

The material change of use may happen on the use of the land or building. Section 2(2) and s2(3) of Act 172 and Act 267 explicitly state what are the changes of use of the land and building that are considered material:

- 1. A material change in the use of land under s2(2) includes:
 - (a) The use of a land as a place for depositing refuse or waste materials and for land already used for depositing refuse or waste but the area or height of the deposit is materially extended.
 - (b) Any use of land that is inconsistent with or contrary to any provision of the development plan.
- 2. A material change in the use of a building under s2(3) includes:
 - (a) any increase in the number of units in a building to more than the number originally approved by any authority;
 - For example increasing from the existing four rooms to ten rooms through renovations inside a residential property.
 - (b) the use as a dwelling-house of a building not originally constructed for human habitation;
 - For example using a warehouse or storeroom for residential use.
 - (c) any alteration or addition to that part of the building, whether in the interior or attached to

SERIES ON DIFFERENCES: NO.1

the exterior of the building, that abuts upon any regular line of street as prescribed by or defined in any written law relating to buildings;

- (d) any use of a building or part thereof that contravenes or is inconsistent with or contrary to any provision of the development plan;
 - For example a commercial building in a commercial area is converted to carry out light industrial activities.
- (e) the use for other purposes of a building or part thereof originally constructed as a dwellinghouse.

For example a residential building in a housing estate is used as a car repair workshop.

The above situations involve material change of use and are considered as 'development' under Act 172 and Act 267. The property owners therefore need to apply for planning permission from the local planning authority before making those changes of use on the land and building. Enforcement actions from the local planning authority may be taken on these illegal development activities if undertaken without planning permission which include order to stop work, reverting to previous physical conditions, fine and imprisonment.

5.0 SIGNIFICANCE TO PROPERTY MANAGER

Table 1 summarised the discussion on the three different situations which involve change of use. For property managers, an understanding on the material change of use is useful as it requires the property manager to apply for planning permission before the intended change of use is carried out. The other two change of use are situations involving property development which is unlikely to be carried out by a property manager.

Table 1: Different types of 'change of use' terminology

Types of change of use	Acts	Examples				
Conversion of land use	s124, s124A NLC	Application for the alteration of the land use category from 'agriculture' to 'building'.				
Change of land use in local plan	s32 T&CPA s40(1), FT(P)A	A developer apply to change allowable land use under the local plan from residential use to commercial use.				
Material change of use	S2(2) T&CPA S2(2) FT(P)A S2(3) TCPA; S2(3) FT(P)A	(a) Change of land use A vacant land is used to deposit waste. (b) Change of building use After refurbishment, an office building change from office use to residential use.				

Note:

FTPA

NLC.

- National Land Code 1965 (Act 56)
- Town and Country Planning Act 1976 (Act 172) **TCPA**
 - Federal Territory (Planning) Act 1982 (Act 267)

AUTHOR

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FORMS OF PROPERTY MANAGEMENT COMPANY STRUCTURES

WHAT ARE THE KEY COMPONENTS OF MANAGEMENT STRUCTURE IN A PROPERTY MANAGEMENT COMPANY (PMC)?

The key components of management structure are customer experience ownership, work specialization, organization, coordination between departments, and continuous training.

Property management is a customer service business. The company structure created should focus on the components that will foster internal communication, collaboration, and a culture of learning.

WHAT ARE THE KEY FORMS OF PROPERTY MANAGEMENT COMPANY STRUCTURES?

Each property management business is unique. Some businesses service savvy investor clients, some focus on small multifamily, while others are only high-end luxury. This means that the best property

management business structure can vary depending on your organization.

The ideal organizational structure for your business is the one that provides the best user experience for your clients, assigns ownership to the essential tasks, and keeps everyone on the same page.

Too often, everyone trying to do everything, which ultimately creates chaos and confusion -phone calls don't get answered, emails get lost, and everyone expects someone else has got it. Instead of this chaotic approach, there are three common property management company structures: Portfolio Management, Departmentalized, and Process Driven.

The best structure for a property management company dependent on your location, your staffing capabilities, your goals, and your budget. The following discuss three forms PMC structures:



A. Portfolio Management Structure



Portfolio Property Management

Portfolio #1 Portfolio #2 Portfolio #3 **Property Manager Property Manager Property Manager Assistant Manager Assistant Manager Assistant Manager Leasing Agent Leasing Agent Leasing Agent Maintenance Coordinator Maintenance Coordinator Maintenance Coordinator**

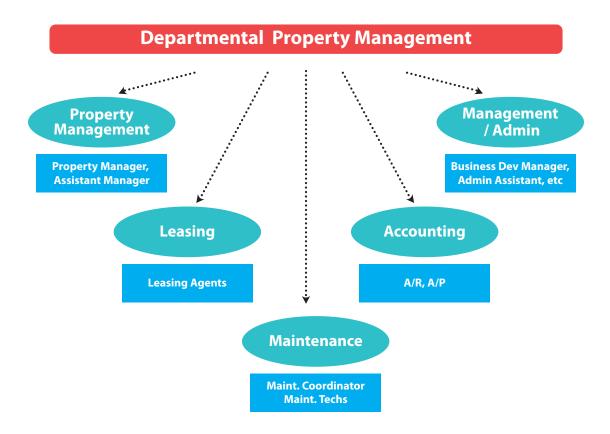
portfolio management structure typically involves assigning a dedicated property manager (PM) to oversee a set of client accounts. That PM is responsible for all aspects of the portfolio, including property maintenance, resident relations, leasing and marketing, financial management, and other activities related to the management of the real estate assets.

The manager is typically supported by a team of administrative and support staff, including accounting and financial specialists, leasing agents,

building managers, maintenance technicians, and other professionals who work together to ensure the successful management of the real estate assets.

Overall, a portfolio management structure gives clients a premium experience with one point of contact and allows for nimble decision-making. On the downside, portfolio management requires employees to have strong cross-skills, opens the property management company (PMC) up to risk if that property manager leaves or goes on vacation, and makes it difficult to create operational consistency between portfolios.

B. Departmentalized Structure

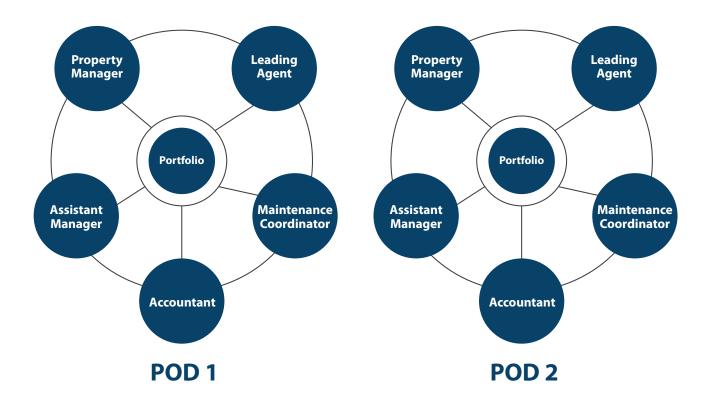


Department-style management organizes the PMC into separate functional categories, grouping employees and teams based on their roles and responsibilities. You might see departments such as accounting and finance, leasing and marketing, property maintenance, resident relations, and other functional areas.

Each department is headed by a department manager who would oversee the day-to-day operations and staff within that department.

The benefit of a departmental structure is specialization over generalization. Employees are experts in their field and can focus on improving their area's performance. The downside is that clients and residents may have multiple points of contact, and communication may get repetitive. No single person is keeping an eye on a specific property's overall performance.

C. Process Driven or "Pod" Structure



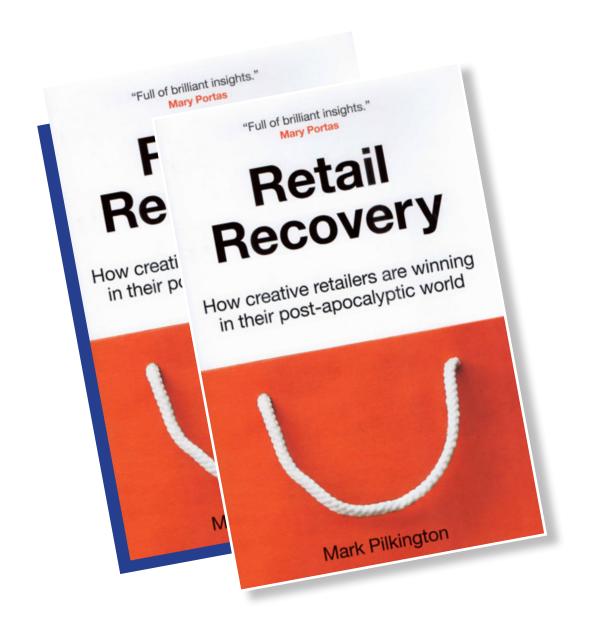
A pod-style management structure in PMCs is a relatively new management concept that organizes employees into small, cross-functional teams called "pods." Each pod is responsible for managing a specific portfolio of properties or assets within the company and typically consists of a portfolio manager, a leasing agent, a maintenance technician, and an administrative staff member.

The pod-style management structure is designed to bring the benefits of the portfolio and departmentalized structures together – but can also suffer from their weaknesses. Pod-style management encourages collaboration and communication among team members and gives residents and clients an excellent customer experience. The structure also allows for greater flexibility and agility, as the pods can adapt quickly to changing market conditions and resident needs.

Pod-style management is ideal for a fast-paced, dynamic environment where rapid response times and a high level of customer service are essential. By working in small, self-managed teams, podstyle management can lead to greater efficiency, productivity, and innovation while also improving employee satisfaction and engagement.

The downside is that the pod structure can be expensive until you fully scale up.

Source: https://www.secondnature.com/blog/how-to-structure-property-management-company



RETAIL RECOVERY

Mark Pilkington, 2021, 310 pages Bloomsbury Business, London ISBN 978-1-4729-8717-4

Reviewed by:

TING KIEN HWA

The global Covid-19 pandemic has come and gone. It leaves behind significant impacts on the commercial property sectors particularly retail, office and hotel sectors. The impact during the pandemic on the retail sector was worse than calamities and war - high streets shops and shopping malls remain unoccupied with high vacancy rates during the lock down.

The author emphasised that the retail sector was affected by prior retail trends even before the pandemic. Online shopping is the key factor driving a structural reform in the retail sector. This book explains the structural change and discuss the impact of the pandemic and provide insights on how the retail sector recovers.

There are three Parts in this book: Part One The Apocalypse and its Causes (covers the e-commerce and pandemic impacts which provide the underlying change), Part Two Retail Recovery (covers new retail trends that are shaping the retail scene) and Part Three Winning through Creativity - Retail Success Stories covers in-depth interviews and case studies of leading retailer players that redefine the new successes of retailing.

In Part One, the author traced the long term cause from the advent of the internet which has changed the supply chain of movement of retail goods from the factory/manufacturer to the consumer. Traditionally the retail goods are marketed using marketing and promotions to influence consumers' purchase decision. The consumers then visit shopping malls to purchase the goods. But the internet facilitated the emergence of e-commerce where consumers may access websites and select retail goods from their homes or anywhere convenient. This cuts out the traditional promotion activities and retail spaces in shopping malls had lost its major function as a physical conduit for shoppers to visit and make purchases. Purchase decisions are less influenced these days by advertisements in newspapers, radios or TVs. Instead social media, user reviews and influencers are the key factors affecting what, where and how the retail goods are purchased.

In Part Two, the traditional retail 'push' model of physical retail and selling is giving way to a pull mindset where the retail offers in retail malls would entice shoppers and customers to visit as part of an omnichannel relationship with retailers and brands. There are different ways this can be achieved. Part Three shows how different types of retailers used different approaches to pull visitors to the malls.

In Part Three, the author interviews some key retail players on how they respond to the changes impacting the retail industry. Those interviewed include Target (general merchandise), Walmart (supermarkets/ hypermarkets), Nike (sportswear), Best Buy (consumer electronics), Aerie (women clothing) etc.

Whilst the pandemic has accelerated the pace of change in retail, future retailing is not about an endless virtual online aisles on the computer screen. To attract shoppers back to malls, the retail spaces need to provide emotional connection, experiential shopping and exciting recreational activities.

There are forty-eight chapters in this 310-pages book. The bulk of the chapters are in Part Two. The number of chapters seems too many. But each chapter is written in three to nine pages which allow quick read with focus. Excellent insights are provided in these chapters.

This book is a must for retailers, retail mall managers, property consultants, mall owners, REIT managers etc. to catch up on the impending change in the retail world and shopping malls. Retailers who stick to traditional ways of retailing will loose out in the competitive retail environment.

With innovative and entrepreneurial actions, retail spaces will never be the same again in retail malls. The future of shopping starts with Retail Recovery.

QUICK GUIDE FOR MALAYSIAN PROPERTY MANAGEMENT **STANDARDS (MPMS)**

SECOND EDITION - PUBLISHED BY BOVAEP (COMPILED BY: LOW KON SIN)

Standard	Topic	Clause	Description (With Sub-Clauses)
STD 1	The Property Manager	1.1.0 1.2.0 1.3.0	Introduction - (Clauses 1.1.1 and 1.1.2). Statements of Standard - (Clauses 1.2.1 to 1.2.6). Explanations - (Clauses 1.3.1 to 1.3.4 (i ix)).
STD 2	Appointment of a Property Manager	2.1.0 2.2.0 2.3.0	Introduction - (Clause 2.1.1). Statements of Standard - (Clauses 2.2.1, 2.2.2 (i iv), 2.2.3 (i & ii)). Explanations - (Clauses 2.3.1 (i ix) to 2.3.3).
STD 3	Handing Over / Taking Over of Property	3.1.0 3.2.0 3.3.0	Introduction - (Clause 3.1.1). Statements of Standard - (Clauses 3.2.1 to 3.2.5). Explanations - (Clauses 3.3.1 to 3.3.7).
STD 4	Building Management	4.1.0 4.2.0 4.3.0	Introduction - (Clauses 4.1.1 and 4.1.2). Statements of Standard - (Clauses 4.2.1 to 4.2.7). Explanations - (Clauses 4.3.1 to 4.3.4).
STD 5	Maintenance Management	5.1.0 5.2.0 5.3.0	Introduction - (Clauses 5.1.1, 5.1.2 (i to iii) and 5.1.3). Statements of Standard - Clause 5.2.1 - Corrective Maintenance (i to iv). Clause 5.2.2 - Planned Maintenance (i to v). Clause 5.2.3 - Service Providers (i to v). Clause 5.2.4 - Procurement. Explanation - Clause 5.3.1 - Corrective Maintenance. Clause 5.3.2 - Planned Maintenance. Clause 5.3.3 - Service Providers (List out & not limited to 28 Common Types of Building Services).
STD 6	Financial Management	6.1.0 6.2.0 6.3.0	Introduction - (Clauses 6.1.1 and 6.1.2). Statements of Standard - (Clauses 6.2.1 to 6.2.10). Explanations - (Clauses 63.1, 6.3.2 (i iii) to 6.3.5).

Standard	Topic	Clause	Description (With Sub-Clauses)
STD 7	Administrative Management	7.1.0 7.2.0 7.3.0	Introduction - (Clauses 7.1.1 to 7.1.3). Statements of Standard - (Clauses 7.2.1 to 7.2.13). Explanations - (Clauses 7.3.1 to 7.3.3 (a) (c)).
STD 8	Insurance Management	8.1.0 8.2.0 8.3.0	Introduction - (Clauses 8.1.1 and 8.1.2). Statements of Standard - (Clauses 8.2.1 to 8.2.5). Explanations: - Clause 8.3.1 - Types of Insurance Policies. i. Fire Insurance. ii. Public Liability Insurance. iii. Error and Omission Insurance or Management Liability Insurance. iv. Plate Glass Insurance. v. Machinery Breakdown Insurance. vi. Burglary Insurance. vii. Money Insurance (Onsite and In Transit). viii. Fidelity Guarantee Insurance. ix. Office Contents and Equipment Insurance. x. All Risk Insurance. xi. Personal Accident Insurance. Clause 8.3.2 - Others (i and ii).
STD 9	Health, Safety & Emergency Management	9.1.0 9.2.0 9.3.0	Introduction - (Clauses 9.1.1 to 9.1.4 (i to xi). Statements of Standard - (Clauses 9.2.1 to 9.2.3 (I to iii)). Explanations - (Clauses 9.3.1 to 9.3.3).
STD 10	Tenancy / Lease Management	10.1.0 10.2.0 10.3.0	Introduction - (Clauses 10.1.1 and 10.1.2). Statements of Standard - (Clauses 10.2.1 to 10.2.6). Explanations - (Clauses 10.3.1 and 10.3.2).
STD 11	Facilities Mangement	11.1.0 11.2.0	Introduction - (Clauses 11.1.1 to 11.1.5 (i to xi)). Statements of Standard - Clause 11.2.1 - Upkeep and Cleaning. Clause 11.2.2 - Fire Safety. Clause 11.2.3 - Health and Occupational Safety. Clause 11.2.4 - Mechanical & Electrical (M&E) Facilities & Services. Clause 11.2.5 - Maintenance, Testing and Inspections. Clause 11.2.6 - Operation of Facilities. Clause 11.2.7 - Security, Surveillance and Safety. Clause 11.2.8 - Space Allocation and Changes. Clause 11.2.9 - Tender Process. Clause 11.2.10 - Tenancy and Lease Management. Clause 11.2.11 - Energy Management. Clause 11.2.12 - Environmental Mangement. Explanations - (Clauses 11.3.1 and 11.3.2).

QUICK GUIDE FOR STRATA MANAGEMENT (MAINTENANCE AND MANAGEMENT) REGULATIONS 2015

REF: SMA 2013 & REGULATIONS (COMPILED BY: LOW KON SIN)

The Minster after consulted with the National Council for Local Government makes these Regulations (comes into operation on 2 June 2015) in exercise of the powers conferred by Section 150 of SMA 2013 (Act 757).

Part	Description	Reg	Topic
I	Preliminary	1 2 3 4 5	Citation and Commencement. Interpretation. Prescribed Fees Refer First Schedule of the Regulations. FORMS Refer Second Schedule of the Regulations. By-Laws Refer Third Schedule of the Regulations.
II	Dealings in Building or Land Intended for Subdivision into Parcels	6 7 8	Schedule of Parcels. Amended Schedule of Parcels. Schedules to be Signed, etc., by Commissioner.
III	Assignment of Share Units where No Share Units have been Assigned	9 10	Allocated Share Units. Allocated Share Units to be Signed, etc., by Commissioner.
IV	Management by Developer before Existence of MC and before Establish. of JMB	11	Handing Over by Developer to JMB.

Part	Description	Reg	Topic
V	Management by JMB before Establishment of MC	12 13 14 15	First AGM of JMB. Notice of Resolutions Conforming Charges, Contributions to the Sinking Fund and Rate of Interest Determined by JMB. Certificate of Establishment of the JMB. Handing Over by JMB to MC.
VI	Miscellaneous Provisions Applicable before Establishment of MC	16 17 18 19 20 21	Moneys Collected by Developer prior to Establisment of JMB. By-Laws for Developer's Management Period and for JMB. Register of Parcel Owners. Certificate of Amount Payable by Parcel Owner or Prospective Purchaser. Notice of Demand Payment of Sum Due by Purchaser or Parcel Owner. Services of Any Person or Agent to Maintain & Manage Common Property.
VII	Management by Developer before 1st AGM of MC	22	Handing Over by Developer to MC.
VIII	Management after 1st AGM of MC	23 24	First AGM of MC. Notice of Resolution Confirming Charges, Contribution to the Sinking Fund and Rate of Interest Determined by MC.
IX	Subsidiary MC & Limited Common Property	25 26 27	First AGM of Subsidiary Management Council. Notice of First AGM of Subsidiary Management Council. Notice of Resolution Confirming Charges, Contribution to the Sinking Fund and Rate of Interest Determined by Sub-MC.
x	Miscellaneous Provisions Applicable to MC and Subsidiary MC	28 29 30 31 32	By-Laws for MC and Sub-MC Refer Third Schedule . Strata Roll. Certificate of Amount Payable by Proprietor or Prospective Purchaser. Notice of Demand Payment of Sum Due by Proprietor. Services of Any Person or Agent to Maintain & Manage Common Property.
XI	Provisions for JMB, MC and Sub-MC	33 34	Constitution of JMC, Management Committee and Sub-mc. AGM.
XII	Recovery of Sums by Attachment of Movable Property	35 36 37 38 39 40 41 42	Application for Attachment of Movable Property. Inventory after Attachment. Appointment of Auctioneer, Reserve Price and Bids. Notice of Auction. Procedure of the Auction. Record and Statement of Sale. Costs of Attachment and Sale. Attachment to Cease if Sums Due are Paid.

Part	Description	Reg	Topic
XIII	Managing Agent Appointed by Commissioner	43 44 45	Management Agreement. Bond. Charges & Contribution to the Sinking Fund during Management by Managing Agent.
XIV	Deposit by Developer to Rectify Defects on Common Property	46 47 48 49 50 51 52 53 54	Notice by Developer of Intention to Deliver Vacant Possession. Amount of Deposit to Rectify Defects. Mode of Payment of Deposit. Bank Guarantee. Common Property Defects Account. Notice of Developer to Rectify Defects. Appointment of Registered Architect, Reg. Engineer, Reg. Quantity Surveyor or Reg. Building Surveyor by Commissioner. Recovery of Expenses by Commissioner. Refund of Unexpended Deposit or Further Sums.
XV	Inter-Floor Leakage	55 56 57 58 59 60 61 62 63 64	Meaning of Inter-Floor Leakage. Notice of that Parcel Affected by Inter-Floor Leakage. Inspection of Affected Parcel. Matters to be Considered in Determining Cause of Leakage. Certificate of Inspection. Inter-Floor Leakage Caused by Defective Workmanship, etc. within the Defect Liability Period. Inter-Floor Leakage Caused by Attributable to a Parcel. Inter-Floor Leakage Caused by or Attributable to Common Property or Limited Common Property. Access. Reference to Commissioner.
XVI	Damage to Party Wall	65 66 67	Meaning of Party Wall. Meaning of Damage to a Party Wall. Provisions Relating to Inter-Floor Leakage shall Apply.
XVII	Enforcement	68 69	Order Requiring Attendance of Any Pearson. Order to Provide Translation.
XVIII	Offences	70	Aiding and Abetting.
XIX	Miscellaneous	71 72	Revocation. Savings.

	FIRST SCHEDULE < SMR (M&M) > 2015	REG 3	PRESCRIBED FEES
No	Subject Matter	Form No	Amount of Fee (RM)
1	Filing Schedule of Parcels.	1	RM 100
2	Filing Revised Schedule of Parcels.	1A	RM 500
3	Filing Ammended Schedule of Parcels.	2	RM 100
4	Filing Revised Ammended Schedule of Parcels.	2A	RM 100
5	Filing Allocated Share Units.	3	RM 100
6	Filing Management Agreement under Sub-Regulation 22(4) or 32(4).	=	RM 20
7	Filing of Bond.	12 or 24	RM 20
8	Filing Sworn Application for Warrant of Attachment.	21	RM 20
9	Filing Notice of Intention by Developer to Deliver Vacant Possession.	25	RM 100
10	Filing Claim against Common Property Defects Account.	27	RM 50

SECOND SCHEDULE < SMR (M&M) > 2015		REG 4	FORMS
No	Related Regulation & Sub-Reg.	Form No	Title of Form
1	Sub - Reg 6 (1)	1	Form to be Filed with Schedule of Parcels.
2	Sub - Reg 6 (3)	1A	Form to be Filed with Revised Schedule of Parcels.
3	Sub - Reg 7 (1)	2	Form to be Filed with Amended Schedule of Parcels.
4	Sub - Reg 7 (2)	2A	Form to be Filed with Revised Amended Schedule of Parcels.
5	Regulation 9	3	Assignment of Allocated Share Units.

_	ECOND SCHEDULE SMR (M&M) > 2015	REG 4	FORMS
No	Related Regulation & Sub-Reg.	Form No	Title of Form
6	Regulation 11	4	Handing Over by Developer to JMB.
7	Regulation 12	5	Notice of 1st AGM of JMB.
8	Regulation 13	5A	Notice of Resolution Confirming Charges, Contribution to the Sinking Fund and Rate of Interest Determined by JMB.
9	Regulation 14	6	Certificate of Establishment of the JMB.
10	Regulation 15	7	Handing Over by JMB to MC.
11	Regulation 16	8	Submission of Audited Account of Moneys Collected by Developer prior to Establishment of JMB.
12	Regulation 18	9	Register of Parcel Owners.
13	Regulation 19	10	Certificate of Amount Payable by Parcel Owner or Prospective Purchaser.
14	Regulation 20	11	Notice of Demand Payment of Sum Due by Purchaser or Parcel Owner.
15	Sub - Reg 21 (2) and 32 (2)	12	Bond to be Given by Bank / Finance Institution / Insurer to JMB / MC / Sub-MC if Property Manager is Not a Registered PM.
16	Regulation 22	13	Handing Over by Developer to MC.
17	Sub - Reg 23 (1)	14	Notice of 1st AGM of MC.
18	Regulation 24	15	Notice of Resolution Confirming Charges, Contribution to the Sinking Fund and Rate of Interest Determined by MC.
19	Sub - Reg 26 (1)	16	Notice of 1st AGM of Subsidiary MC.

_	SECOND SCHEDULE < SMR (M&M) > 2015		FORMS
No	Related Regulation & Sub-Reg.	Form No	Title of Form
20	Regulation 27	17	Notice of Resolution Confirming Charges, Contribution to the Sinking Fund and Rate of Interest Determined by Sub-MC.
21	Regulation 29	18	Strata Roll for Particulars of Sub-Divided Building(s) / Land.
22	Sub - Reg 30 (1)	19	Certificate of Amount Payable by Proprietor or Prospective Proprietor.
23	Regulation 31	20	Notice of Demand Payment of Sum Due by Proprietor.
24	Sub - Reg 35 (1)	21	Sworn Application for Warrant of Attachment.
25	Sub - Reg 40 (2)	22	Record and Statement of Sale.
26	Sub - Reg 43 (4)	23	Management Agreement with Managing Agent appointed by COB.
27	Regulation 44	24	Bond to be Given by Bank / Finance Institution / Insurer.
28	Sub - Reg 46 (1)	25	Notice by Developer of Intention to Deliver Vacant Possession.
29	Regulation 47	26	Notice of Amount of Deposit to Rectify Defects in Common Property.
30	Sub - Reg 50 (4)	27	Notice of Claim against Common Property Defects Account.
31	Regulation 59	28	Certificate of Inspection of Inter-Floor Leakage / Damage to a Party Wall.
32	Regulation 68	29	Order Requiring Attendance of Any Person.
33	Regulation 69	30	Order to Provide Translation.

	THIRD SCHEDULE SMR (M&M) > 2015	REG 5 & 28	BY-LAWS
No	Part	Para.	Topic (Sub-Paragraph)
1	Preliminary	1 2	Application (1) and (2) (a) to (e). Interpretation (1) (a), (b), (c) and (d) to (3).
2	The Management Corporation	3 4 5 6 7	Functions of the MC (1) to (10). Common Property for Common Benefits. Provisions of Amenities or Services. Defaulters (1) (a) and (b) to (7). Powers of a MC to Impose a Fine (1) and (2).
3	The Proprietor	8 9 10 11 12 13 14 15	General Duties of Proprietor (1) to (11). General Prohibitions for a Proprietor (1) to (3). Prohibitions of Nuisance (1) to (4). Appearance, Façade and Colour of the Exterior of Parcel. Storage of Inflammable or Explosive Materials (1) and (2). Pest Control. Keeping of Animals (1) and (2) (a), b). Drying of Laundry. Compliance with By-Laws (1) to (5).
4	The Common Property	17 18 19 20 21 22 23 24	Identification (1) and (2). Fire Fighting Installation or Equipment (1), (2) (a), (b) and (3). Notices and Signs. Prohibition of Obstruction (1) to (5). Gardens, Lawns and Potted Plants (1) to (5). Encroachment on Common Property and Other Parcels (1) to (4). Furniture, Fixtures and Fittings (1) and (2). Children Playing on Common Property.
5	Vehicles	25	Vehicles (1) to (7).
6	Disposal of Solid Waste	26	Solid Waste Disposal (1) to (6) (a), (b), (c), (d) & (e).
7	Renovations	27 28 29	Renovation Work and Repairs (1) to (10). Restrictions in Renovation Works (1) to (3). Other Prohibitions (1) to (4).
8	Defects to Parcels Affecting Support or Shelter	30	Power of MC to Take Proceedings as Agent for Proprietors in case of Defects to Parcels (a) and (b).



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THE STRATEGIC ADVANTAGES FOR EMPLOYING PROFESSIONAL PROPERTY MANAGERS:

AN EXAMINATION OF VALUE CREATION IN REAL ESTATE INVESTMENT

Within the dynamic landscape of real estate investment, the engagement of property managers has emerged as a strategic decision with the potential to significantly enhance the profitability and manageability of property portfolios. The role of the property manager warrants critical examination. This paper posits that the decision to hire a qualified professional is not merely a matter of convenience, but rather a strategic choice that optimizes value creation across several key dimensions:

1. Time Efficiency and Expertise:

Property management entails a myriad of responsibilities, including tenant screening, lease administration, maintenance coordination, and financial oversight. These tasks, while crucial for the property's operation, can be highly time-consuming and require specialized knowledge. By delegating these duties to a skilled manager, investors reclaim valuable time to focus on core business activities. personal pursuits, or leisure. This time-saving advantage translates to increased productivity and potentially, enhanced overall well-being.

2. Portfolio Scalability and Geographic Reach:

For investors with aspirations beyond a single property, the management burden can become exponentially complex as the portfolio expands geographically. Property managers, with their established networks and local expertise, act as the investor's extended arm across diverse locations. They ensure smooth operations, timely communication, and tenant satisfaction, regardless of the property's distance from the investor's primary residence. This facilitates portfolio growth and diversification, key strategies for mitigating risk and maximizing return on investment (ROI).

3. Local Market Knowledge and Regulatory Compliance:

Navigating the intricacies of local rental markets and legal frameworks can be a daunting task for investors, particularly those unfamiliar with specific regions. Property managers, with their deep understanding of local property market supply-demand dynamics, landlord-tenant rights, and eviction procedures act as a shield against legal pitfalls. They ensure compliance with strata management laws, handle paperwork/records efficiently, proactively address any potential legal issues, minimizing risks and safeguarding the investors' financial interests.

4. Tenant Acquisition and Retention Optimization:

Securing reliable, long-term tenants is paramount for consistent rental income and property value appreciation. Property managers employ rigorous tenant vetting processes and targeted marketing strategies to attract well-qualified tenants who are likely to pay rent on time, respect the property, and contribute to a positive living environment. This translates to reduced vacancy rates, minimized tenant turnover costs, and increased long-term rental income.

5. Streamlined Rent Collection and Financial Management:

Late rent payments can be a significant source of stress and financial disruption for investors. Property managers, with their established collection protocols and financial management expertise, take the burden off the investor's shoulders. They handle the entire rent collection process, from sending timely reminders and enforcing penalties to managing evictions, if necessary. This ensures consistent and predictable income flow, allowing investors to focus on strategic core business and investment decisions.

Property Value Optimization and ROI Maximization:

Beyond mere property maintenance, skilled managers play a crucial role in maximizing the long-term value of the investment. They conduct market research to inform optimal market rental rates, recommend minor upgrades that enhance tenant satisfaction and marketability, and oversee preventative maintenance measures that extend the property's lifespan. This proactive approach leads to increased property value appreciation and, consequently, maximized ROI.

In conclusion, the decision to engage a property manager is not merely a cost-benefit analysis but rather an investment in value creation within the context of real estate investment. By leveraging the expertise and strategic advantages offered by qualified property management professionals, investors can optimize their time efficiency, achieve geographic portfolio diversification, navigate legal complexities with confidence, attract and retain high-quality tenants, streamline financial management, and ultimately, maximize the total return i.e. income return and capital return of their real estate assets.



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