

# Towards Strengthening Building Maintenance and Management by Joint Management Bodies (Jmb) in High Rise/Stratified Housing in Malaysia

Mohamad Sukeri Khalid, Abdul Halim Ahmad, Rozana Zakaria, Rozita Arshad, and Yusuf Pon

**Abstract**—The legislation related to high rise/stratified properties in Malaysia began with the provision of subsidiary titles in the National Land Code 1965 (NLC 1965). To improve the management of high rise/stratified buildings in Malaysia, the government enacted the Building and Common Property (Maintenance and Management) Act (Act 663) in 2007. Two new entities were introduced through the drafting of Act 663, namely the Commissioner of Buildings (COB) and the Joint Management Body (JMB). This paper aims to identify whether there is a need for JMBs to undergo training provided by the COB and, if it is necessary, what are the courses or training required. This study applies a quantitative approach, in which 2 instruments of field survey and interview were used. A total of 100 questionnaires were distributed and 82 questionnaires were returned. Face-to-face interviews were conducted with seven (7) JMB elite groups. The findings showed that JMBs are expecting the COB to provide courses and training related to community living in stratified buildings, aspects of building maintenance, collection of service and maintenance charges, inventory management, communication, and office administration management. The important conclusion from this study is that all parties involved in the stratified housing industry should attend continuous training in order to improve their property management skills and knowledge.

**Index Terms**—Stratified property law, stratified property, commissioner of buildings (COB) and the joint management body (JMB).

## I. INTRODUCTION

Issues related to the management of high rise/stratified residential properties in Malaysia are becoming increasingly challenging, particularly for low-cost stratified housing. From the issue of late applications for strata titles by developers, delays in the issuance of strata titles by the Department of Land and Mines, the problem of transfer of strata titles from developers to buyers, up until the problem of maintenance and management of stratified buildings – these issues persist. From the legal standpoint, stratified properties are bound by several Acts such as the National Land Code (1965), the Housing Developers (Control and Licensing) Act 1966 and its Regulations, the Strata Titles Act 1985 (Act 318),

the Building and Common Property (Maintenance and Management) Act 2007 (Act 663) and the latest – Strata Management Act 2013 (Act 757) which came into force on 1 June 2015. The existence of various legislations related to stratified / high rise buildings is intended to ensure the efficiency of maintenance and management of stratified properties and to assist the management bodies of the buildings involved.

Act 663 provided the existence of the Commissioner of Buildings (COB) to carry out the provisions of the act [1]. The COB also exists in other countries such as Australia and Singapore. The COB plays a great role in addressing issues relating to the maintenance and management of stratified residential properties in Malaysia [2]. The Joint Management Body (JMB) which consists of buyers and tenants occupying the building and the developers who develop the building is intended to expose buyers and tenants to self-management prior to the formation of the Management Corporation (MC) (Khalid, Ahmad and Sakdan, 2011). In carrying out its duties and powers, JMBs require COB's assistance and cooperation.

This study was undertaken to identify the perception of JMBs regarding the role played by the COB in assisting JMBs in public low-cost stratified properties to perform their duties and powers. However, this study focuses on the role played by the COB in providing courses / training to JMB to improve the level of maintenance and management efficiency based on Act 663 before Act 757 comes into force [3].

## II. THE MODEL OF STRATIFIED BUILDING MAINTENANCE AND MANAGEMENT IN MALAYSIA

Stratified residential properties are becoming the choice of developers in urban areas due to land scarcity and high land prices. Stratified property development maximizes density within the allowable planning standards. The proliferation of this type of development lead to an often-raised question – who is responsible for maintaining and managing buildings that have been jointly sold and occupied?

The implementation of the Strata Titles Act 1985 (Act 318) is seen as being unable to resolve this issue, so in 2007 the government formulated and approved the Building and Common Property (Maintenance and Management) Act 2007 (Act 663) which has been now replaced by the Strata Management Act 2013 (Act 757). Act 663 provided a new model for the maintenance and management of stratified properties and the formation of the COB and JMB [4].

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#### A. The Commissioner of Buildings

The Commissioner of Buildings (COB) is a new entity that was introduced under Act 663. COB is appointed by the State Authority (SA) and is authorized under Act 663 to "take care of the administration of this Act and Part VI and VII of Act 318 and to carry out any the powers conferred on it by Act 318 "[5]. COB is the main entity to regulate the maintenance and management of buildings and common property, resolve disputes that arise and enforce the provisions of the law in accordance with the powers conferred by both the above Acts.

#### B. The Joint Management Body

According to the Ministry of Housing and Local Government (2007), the Joint Management Body is a body established under subsection 4 (1) of Act 663 to maintain and manage buildings in the period before the formation of MC. It is a body corporate with perpetual succession and a common seal, and it can sue and be sued. It may apply to the Commissioner of Buildings (COB) for a certification that the JMB is a body corporate established under Act 663 [1].

JMB is required to be established no later than twelve (12) months from the effective date of Act 663 if the building or land intended for subdivision into parcels was completed before Act 663 came into effect and vacant possession has been handed over to the owner. But if the building or land intended for subdivision into parcels completed on or after Act 663 came into force, JMB must be established no later than twelve (12) months from the date of delivery of vacant possession [1].

The JMB is formed during the first meeting which must be managed by the developer. The first meeting must be held in accordance with the rules and procedures laid down under the First Schedule of Act 663. The JMB consists of developers and buyers [1].

### III. RESEARCH METHODOLOGY

This study applies a quantitative approach, in which it describes the relevant requirements of the courses/training for JMBs by COB. For the purpose of data collection, the field survey method was used because it is the best approach to achieve the objectives of the study. *Survey questionnaires* are used to build *quantitative data* and to generalize human behavior, attitude and perception [6]-[8]. The use of *survey method* for this study is consistent with the quantitative approach.

The main survey respondents are members of the JMB in stratified low-cost housing developed by government agencies namely the Kuala Lumpur City Hall (KLCH), Penang Development Corporation (PDC) and Penang Regional Development Authority (PERDA).

We also conducted face-to-face interviews with the chairmen of JMBs and the "elite group" consisting of the Director of the Commissioner of Buildings in the Ministry of Housing and Local Government and COB officers in KLCH, the Penang Island City Council (PICC) and the Penang Island Municipal Council (PIMP).

A total of 100 questionnaires were distributed and 82 questionnaires were returned. Face-to-face interviews were conducted with seven (7) JMB chairmen – five from Kuala

Lumpur and two (2) from Penang. An interview with the "elite group" was conducted with the COB in the ministry and a COB officer each from KLCH, PICC and PIMP.

It can be concluded that the data collection through a combination of questionnaires and face-to-face interviews based on the *semi-structured interview* technique is the best method for the purpose of this research.

#### C. The Development of Survey Questions

A questionnaire was developed to ensure the achievement of the research objectives. The questionnaire focuses on the collection of data / key information related to JMB's perception on the COB's role in helping JMBs perform their duties and powers as provided in Act 663. Other data and information collected were related to the demographic background, perceived role as a member of the JMB, problems related to payments of service charges and the types of the courses or training required from the COB to improve the ability of the JMB to maintain and manage low-cost stratified housing.

The questionnaire is divided into four (4) sections. Part A describes the general background of the respondents focusing on demographic background such as age, race, marital status, occupation and educational level.

Part B describes the information related to respondents' perception of the role of the Joint Management Body (JMB) under Act 663.

Part C discusses respondents' perceptions of the role of the COB in helping JMB to perform their duties and powers based on the model of stratified buildings maintenance and management provided in Act 663.

Part D is related to the requirements of the course / training to strengthen the JMB to perform their roles and responsibilities. Questions in Section C and D are *close-ended* and are based on the *five-point Likert Scale*. The scale used is "1" for Strongly Disagree, "2" "Disagree", "3" "Not Sure", "4" "Agree" and "5" for "Strongly Agree". Questions in the face-to-face interviews are based on issues and themes related to the role of the COB.

### IV. FINDINGS AND DISCUSSION

As described, the questionnaire includes five (5) main questions related to JMB's perception of the COB's role in helping JMB to perform their duties and powers as the management body of the building. For the purpose of this article, discussion of the findings focuses on perception on the COB's role to provide courses and training.

#### A. JMB Members' Perception of the role of Commissioner of Buildings (COB) in Providing Courses/Training to JMB

The results as shown in Table 1.0 and Figure 1.0 shows that the JMB greatly requires COB to provide courses / training to improve efficiency in the management of high rise buildings. The findings also imply that the COB plays an important role as the responsible body to assist JMB in understanding the various elements of proper building maintenance and management.

There are several important aspects in building maintenance and management, such as finance, record management, technical and social facilities [9], [10]. All

these aspects are important to ensure an extended building lifespan and to maintain its value – and should also be exposed to the JMB via the courses and trainings provided by the COB.

TABLE I: JMB TRAINING NEEDS

Item	N	minimum	maximum	min	SD
Courses / training on office administration (OA)	82	3:00	5:00	4:21	.49035
Courses / training on effective communication (EC)	82	2:00	5:00	4:24	.59961
Course / training on financial management (FM)	82	3:00	5:00	4:24	.51065
Courses / training on inventory management (IM)	82	2:00	5:00	4:24	.59961
Courses / training on collection of overdue service charges (OSC)	82	3:00	5:00	4:26	.51666
Comprehensive course/training on the aspects of maintenance and management of buildings (MMB)	82	3:00	5:00	4:30	.53723
Courses/training related to stratified society living (SSL)	82	3:00	5:00	4:43	.56722

Source: Authors' own investigation, 2014

**TRAINING NEEDS**

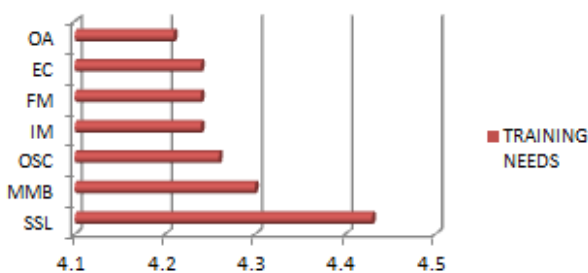


Fig. 1. Mean score of JMB training needs.

During the interview, the Director of the Commissioner of Buildings at the ministry said:

*"The ministry often organizes courses/training for JMBs according to zones namely North Zone, Central Zone, South Zone and East Zone. We provide various courses and trainings such as awareness on stratified living environment, inventory management, finance, maintenance and management of buildings and communication. These courses aim to strengthen the knowledge of JMBs and to build their capacity to become more efficient".*

Ref. [10] argued that a lot need to be learnt by the management of high-rise buildings because this field requires knowledge in a multitude of areas. Very often the building management face issues particularly technical issues involving general, electrical and mechanical maintenance

works. They need to have basic technical repair knowledge to ensure repair works can be done immediately to ensure that occupants always remain in comfort.

The findings of this study reinforce the findings of a study by [4], [11] who pointed out that inefficiencies in the management bodies are caused by a lack of knowledge and experience leading to poor quality of service. This in turn leads to unwillingness by buyers or tenants to settle the monthly service charges on the grounds of poor service quality by the JMB. The Final Report by the Ministry of Housing and Local Government in 2015 on the management and maintenance of medium and low cost stratified buildings based on Act 663 found inherent management weaknesses especially in record management, administration, financial and legal compliance as a result of these inefficiencies.

Our findings show that the JMB urgently need help and support from COB in the form of courses and trainings in order to improving the former's efficiency in maintaining and managing buildings. Table 1.0 shows the courses and training required by the JMB by overall mean score which are all above the mean score of 4.

The highest mean score (4.43) is training related to stratified community living. An understanding of stratified community living is at the heart of a good maintenance and management practice and this is provided in the laws and regulations and stated in Act 663. The JMB should have a clear understanding of the meaning behind the provisions of Act 663 to enable them to discharge their duties properly and also to help JMB disseminate information relating to community living to buyers and occupants of the building.

**V. RECOMMENDATIONS**

It is time for all parties involved in the housing industry particularly in high-rise properties to play an active role as early as the pre-construction stage. In the meantime developers should also constantly remind buyers of the importance and benefits of shared living. Absence of cooperation and tolerance would create problems in the maintenance and management of buildings and common property. It is recommended that the Local Authorities (LA) impose additional conditions during the approval of planning permission by requiring developers of high-rise properties to organize a series of awareness sessions on shared living prior to the delivery of the completed units or parcels to the buyers. Failure to do so should lead to a delay in the approval of "vacant possession" delivery process by the local authorities.

In addition, the ministry could impose additional requirements before issuing developers licenses to ensure that housing developers play a more active role to educate their buyers on shared living. Developers should also educate their buyers on the importance of service charges and the consequences of their failure to settle the payment of service charges. Finally, awareness campaigns should be intensified in stratified housing development areas where sustainable cooperation between local authorities, developers, COB, JMB and the residents is a must. All parties should be aware of and perform their respective roles and responsibilities.

## VI. CONCLUSION

This study found that COB as an institution should play a more proactive role to help JMBs and other parties involved in the maintenance and management of high-rise properties. On the other hand, JMBs must also better understand the duties and powers as are legally provided and figure out the best approach to deal with the various challenges in the maintenance and management of stratified properties in Malaysia.

The authorities should adopt a variety of approaches to raise awareness about the principles of community and shared living. Continuous education is necessary. Raising the level of awareness about the laws and legislation among residents in shared properties will increase their understanding of the importance of cooperation and tolerance in shared living.

The important conclusion from this study is that all parties involved in the stratified housing industry must recognize the importance of proper maintenance and management even after the project has been occupied for more than 10 years rather than only when the project is newly completed. Maintenance and management of stratified buildings is important to maintain the property's market value and to create and maintain a conducive living environment for residents and visitors. Cooperation from all parties is crucial to protect and preserve the quality of life of those living under the same roof. High-rise or stratified housing requires a high commitment from the JMB to keep residents (tenants and buyers) in a comfortable, safe and harmonious living environment.

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