

APARTMENTS OWNERSHIP AND MAINTENANCE

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ABSTRACT

In Malaysia, apart from the low-rise development, the high rise apartment buildings are also in demand. However, before the construction of the apartment can begin, the developer will need to apply and obtain approval for the strata title. This process is lengthy and the developer ignores the requirements and proceeds with the development. The objectives of this study is to study the process of the application of the strata title and its legal implication, to identify the amount of management fees, the procurement method and the respond and repair time taken by the maintenance department and the level of residents' satisfaction regarding the maintenance of the apartment. The study is carried out around Johor Bahru district. The study is carried out using questionnaires and interviews. A total of 150 questionnaires were distributed to the residents of the apartments and a total of 92 questionnaires were duly answered. Interviews were also conducted with the apartment management manager. The data is analyzed using Average Index and statistical analysis. From the study it is found that the process of applying for the strata title is lengthy and there are loop holes regarding the legal aspects. The amount of management fees paid by the residents is between RM0.10/ft² and RM0.25/ft². The type of procurement commonly used is by quotation. The overall level of satisfaction from the residents' is 'unsatisfactory'.

ABSTRAK

Di Malaysia, selain daripada pembangunan tingkat rendah naik, bangunan-bangunan tingkat tinggi apartmen juga dalam permintaan. Namun, sebelum pembangunan apartmen boleh mula, pemaju harus melaksanakan dan memperoleh kelulusan untuk hak milik strata. Proses ini panjang dan pemaju mengabaikan keperluan dan hasil dengan pembangunan. Tujuan dari penelitian ini adalah untuk mempelajari proses pelaksanaan hak milik strata dan implikasi undang-undang, untuk mengenalpasti jumlah kos pengurusan, kaedah perolehan dan masa tindakan dan perbaikan yang diperlukan oleh jabatan penyelenggaraan dan tahap kepuasan pembaikan tentang penyelenggaraan apartmen. Penelitian ini dilakukan di sekitar Johor Bahru. Penelitian ini dilakukan dengan menggunakan soalselidik dan Temubual. Sebanyak 150 soalselidik diedarkan kepada para ahli apartemen dan jumlah keseluruhan 92 soalselidik dijawab dengan betul. Temubual juga dilakukan dengan pengurus pengurusan apartmen. Data dianalisis menggunakan Indeks purata dan analisis statistik. Dari kajian ini ditemui bahawa proses pelaksanaan untuk hak milik strata adalah panjang dan ada kelemahan mengenai aspek undang-undang. Jumlah kos pengurusan dibayar oleh warga adalah antara RM0.10/ft² dan RM0.25/ft². Jenis perolehan umum digunakan adalah dengan sebutharga. Keseluruhan tahap kepuasan dari ahli 'adalah' tidak memuaskan '.

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LIST OF ABBREVIATIONS

BS	British Standard
UK	United Kingdom
US	United States
MOT	Memorandum of Transfer
DOA	Deed of Assignment
POA	Power of Attorney
HBA	House Buyer Association

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CHAPTER I

INTRODUCTION

1.1 General

Along With population growth, the need for settlement requirement is felt more than ever. Due to lack of location and land scarce, apartment are built. Apartments like other human products need to be maintained, looked after and cared. With these strategic requirements, maintenance management strategy as new management approach has been adopted by construction industry. Level and type of maintenance will be specified with regard to residents' satisfaction.

Since the beginning of the history, the humankind has thought about how he can have the most effective, qualitative agreement with the least Involvement. During the time the manner, type and quality of maintenance contracts has been changed with regard to the satisfaction of the client or employer on one hand and the provider or contractor on the other hand and also the conditions for selecting or choosing suitable method.

It is important that buildings continuously be maintained; unfortunately building owners or building professionals especially in developing countries do not pay much attention to maintenance and building caring after constructing. Deconstructing old buildings requires tremendous cost, including deconstruction works and waste disposal. One of the ways to extend the life of constructed facilities is to maintain them with corresponding maintenance systems (Djerdjouri, 2005).

In building industry like many other industries following life cycle chart is applicable to show the procedures to have one unit on buildings. The project life cycle may be viewed as a process through which a project is implemented from cradle to grave.

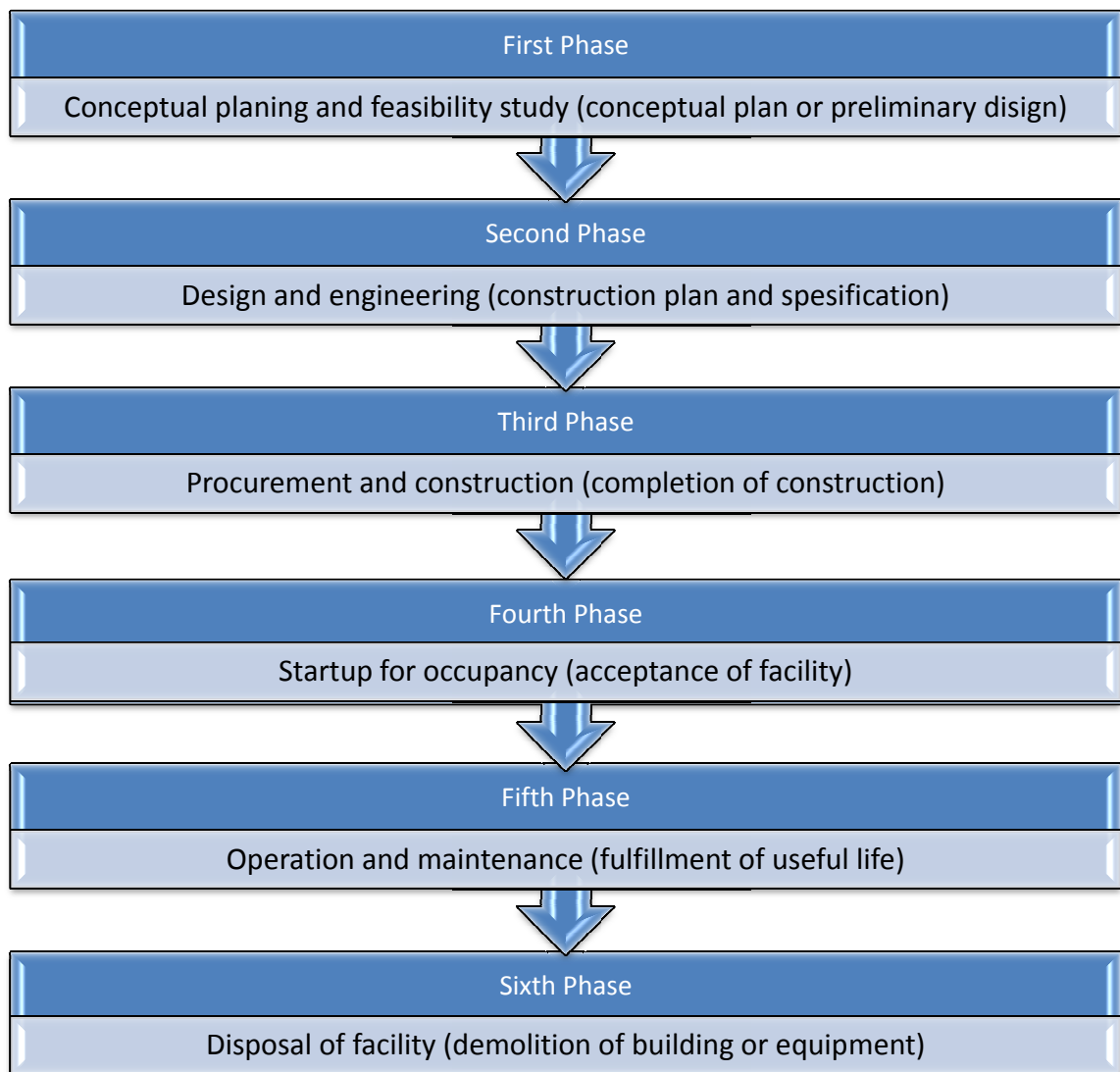


Figure 1.1: The Project Life Cycle of a Constructed Facility

Apartments and Condominiums are not a new concept. The form of ownership which is utilized for condominiums was used by the Romans as early as the 6th century

B.C. In Europe, the concept has been available for many centuries. The concept has existed in South American countries for at least two centuries.

Among the industrialized countries, the United States was the last to embrace the condominium concept. The first attempt in the United States or its territories to develop condominiums was the Horizontal Property Act of Puerto Rico, passed in 1948, utilizing a model statute developed by the Federal Housing Authority. After World War II, essentially the only type of commonly owned housing that was available to the general population was the cooperative.

The importance of building gives us the lifestyle picture of the various generations of different countries. It also contributes to us the character of our past (Konrad Sinigleski, 1990)

In Malaysia, since the past, there has not been specific law and guidelines to protect the old buildings. But, the effort to conserve of these buildings started during the colonial era, such as British. In 1957, during the independence, the building conservation was enforcing under the federal constitution (Radzi, 1999).

1.2 **Problem statement**

Apartment owners, generally, in Malaysia faced numerous problems especially the delay in the issuance of strata titles to them thus depriving them of the land ownership. Apart from the problems related to strata titles, numerous complaints are also made regarding the quality of the building and facilities not being constructed to the required specification. Proper maintenance must also be carried out to ensure that the apartments served their required functions.

Maintenance Management is the process of arranging resources (people, materials, technology *etc.*) together to achieve the organization's strategies and goals. The way in which the various parts of management are formally arranged is referred to as the management policy. It is a system involving the interaction of inputs and outputs. It is characterized by task assignments, workflow, reporting relationships, and communication channels that link together the work of diverse individuals and groups. Any management association must allocate tasks through a division of labor and facilitate the coordination of the performance results. Nevertheless, we have to admit that there is no one best management structure that meets the needs of all circumstances. Maintenance group should be viewed as dynamic entities that continuously evolve to respond to changes in technology, processes and environment, (Daft, 1989 and Schermerhorn, 2007).

Maintenance cost can be a significant factor in management profitability. In manufacturing, maintenance cost could consume 2–10% of the company's revenue and may reach up to 24% in the transport industry (Chelson, Payne and Reavill, 2005).

However, there is no universally accepted methodology for maintenance management systems, *i.e.*, no fully structured approach leading to an optimal maintenance system (*i.e.*, defined maintenance procedures and policies, *etc.*). Meanwhile, maintenance fees are calculated using experience and judgment supported by a number of formal decision tools and techniques. Nevertheless, two vital considerations should be considered: strategy that decides on which level within the plant to perform maintenance, and hence outlining a structure that will support the maintenance; planning that handles day to- day decisions on what maintenance tasks to perform and providing the resources to undertake these tasks.

In Malaysia, absence of standard method for maintenance management is really obvious. This lack resulted to poor maintenance quality as well as ineffective and inefficient maintenance system.

Identifying building problems and understanding of building materials and its mechanical and electrical systems are aspects of the process of preserving and maintaining building quality and to ensure the efficiencies of the facilities.

1.3 **Aim and Objectives**

This study aims to improve building maintenance management system, by which system is define as an integrated management structure to have an effective and efficient maintenance. From the preliminary interview it was found that most of the apartment tenants are not happy with the way of maintenance system.

The objectives that are supposed to be achieved in the study are as follows:

To study the process of application of the strata title and its legal implication

To identify the amount of management fees paid by residents for building maintenance and other related works

To identify the types of maintenance procurement and the respond and repair time taken by maintenance department

To evaluate the residents' level of satisfaction regarding the maintenance of the apartment

1.4 **Scope of study**

This study carried out on private sector apartments located in Johor Baharu. Interviews conducted with building managers through the Johor Baharu district, questionnaire survey, distributed randomly among the respondents including tenants and owners as well.