

Vertical Living Phenomenon in Malaysia

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Key words: Housing, vertical living, social decay, service charge, common area

SUMMARY

Vertical living phenomenon can be traced in all continents in the world more than decades ago. A number of researchers have collectively agreed that many factors contributed to this phenomenon. Amongst the key reasons are the movement of the people to the urban areas, increasing land value, scarcity of land in urban areas as well as lifestyle. While others argued that the vertical development is the answer to the massive housing shortages, especially in major cities in the world such as in South Korea and Japan. This has resulted in vertical living as the most common style of living for the vast majority of the people. For these environments where high density is inevitable, there are strong opinion that high rise building development created an urban pathology and social decay in residential areas. In addressing this negative impact, the state interventions have been considerably important. In countries such as Australia, Korea and Hong Kong the state has formulated special provision and legislation pertaining to the vertical building development. Zooming into the Malaysia experience, the emergence of vertical building can be traced in the early 1970s. In the context of Malaysia, the management and maintenance of vertical living building can be divided into two stages. The first stage is before the issuance of Strata Title where the property is under the responsibility of the developer as stated in Sec. 191 of the Housing Development (Control and Licensing) Act and the second stage is after the issuance of Strata Title, where the property will be under the responsibility of the Management Corporation (MC) as stated in the Strata Title Act 1985. The facilities and common areas are shared between the residents. The residents pay a service charge as a fee for the facilities provided, while the MC is responsible for managing the facilities. Questions arise as to what are the benefits or cost in vertical living and what are the issues and challenges faced by the households living in the stratified properties? Are the residents satisfied with the management of their properties? Using face-to-face survey on 150 respondents living in vertical residential units in Shah Alam, capital city of Selangor, the findings suggest that majority are pleased with the amount paid for their service charge due to the fact that they received a good management and maintenance services for their properties. There are indeed more benefits than cost gained from living in vertical units but they perceived lack of understanding in the current legislations have led to less level of satisfaction with this type of life style. This also suggests that the government need to play more roles in creating awareness amongst the citizens of the rights and responsibility in living in vertical units.

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1. INTRODUCTION

In the past two decades, amid the discussions of sustainable development, high quality of life and urban compactness, there has been a broadening interest to reintroduce vertical living in urban areas. The vertical living phenomenon can be traced in all continents in the world more than decades ago. A number of researchers (see for example Hussin, 2009 and Ho, 2008) have collectively agreed that many factors contributed to this phenomenon. Amongst the key reasons are the movement of the people to the urban areas, increasing land value, scarcity of land in urban areas as well as life style. While others argued that the vertical development is the answer to the massive housing shortages, especially in major cities in the world such as in South Korea and Japan (Kim, 2005 and Kim *et al.*, 2011). In a similar tone, Wong (2010) agreed that in highly developed countries like Japan, Singapore and Hong Kong, scarcity of developable land in urban areas has resulted in vertical living as the most common style of living for the vast majority of the people. For these environments where high density is inevitable, there are strong opinion that high rise building development created an urban pathology and social decay in residential areas as Helleman and Wassenberg (2004, p.3) lamented that:

“High-rise estates are associated with problematic living conditions, deprived areas, isolated locations, a poor population, a negative image, social isolation, pollution and crime [...]. In short, they are not the most popular areas in town”.

Urban growth in Malaysia, as in many other Asian countries, has been rapid in recent years. More than half of the population live in urban areas. The rate of urbanisation in Malaysia is on the rise, from about 25% in 1960 to 65% in 2005 and is expected to surpass 70% by 2020. Today, 68% of all Malaysian (about 18 million) live in towns and cities, a relatively high level of urbanisation for a developing country. The construction of high rise development in Malaysia is obvious, especially for the limited prime land in the state such as in Kuala Lumpur, Selangor and Penang Island. Furthermore, the concept of high rise development has also proved attractive and popular to most of the urban dwellers. This can be seen in the increasing number of vertical residential developments being planned and built in most major cities in Malaysia.

2. VERTICAL LIVING PHENOMENON – The Malaysian context

Zooming into the Malaysia experience, the emergence of vertical building also known as stratified building can be traced in the early 1970s. The strata title properties in Malaysia are

recognised as parcels of properties in a building to be subdivided into separate parcels. This concept of strata title ownership is patterned along the Australian New South Wales Conveyance (Strata Titles) Act 1961. Control of ownership in Malaysia was first introduced through National Land Code 1965 (NLC). The act introduced is a new concept of strata titles or the sub-division of building into parcels. Ownership of such parcels is evidenced by the issuance of a subsidiary title. The provisions relating to the subdivision of building under the National Land Code 1965 were amended from time to time to enhance their effectiveness. The Strata Titles Act 1985, which was introduced on 1 June 1985, has repealed and replaced the inadequacies of the provisions in the NLC. However, the Strata Titles Act 1985 was also argued to be inadequate and is in need of further amendments. In 2007, the Building and Common Property (Maintenance and Management) Act, was implemented to overcome the problem of maintaining common areas in strata developments before the setting up of the management corporation. This act is also viewed as not sufficient to address the issues and problems in vertical living. The latest Strata Management Act 2013 has repealed the Building and Common Property (Maintenance and Management) Act 2007.

In the context of Malaysia, the management and maintenance of vertical living building can be divided into two stages. The first stage is before the issuance of Strata Title where the property is under the responsibility of the developer as stated in Sec. 191 of the Housing Development (Control and Licensing) Act and the second stage is after the issuance of Strata Title, where the property will be under the responsibility of the Management Corporation (MC) as stated in the Strata Title Act 1985. The facilities and common areas are shared between the residents. The residents pay a service charge as a fee for the facilities provided, while the MC is responsible for managing the facilities. The Joint Management Body (JMB) is empowered to collect from purchasers maintenance and management charges in proportion to the allocated share units of their respective parcels authorize expenditure for the carrying out of the maintenance and management of the common property to recover from any purchaser any sum expense by the body in respect of that parcel in complying with any such notices or orders to purchase, hire or otherwise acquire movable or immovable property for the use by the purchasers in connection with their enjoyment of the common property to arrange and secure the services of any person or agent to undertake the maintenance and management of the common property of the building to make house rules for proper maintenance and management of the building and to do all things reasonably necessary for the performance of its duties under this Strata Management Act 2013.

The recently launched National Housing Policy (NHP) placed emphasise on enhancing the level of social amenities, basic services and liveable environment under thrust 6. The policy statement NHP 6.2 clearly outlined that the aim is to strengthen the management mechanism and maintenance of stratified buildings and common properties (National Housing Policy, 2011). Thus, this research is in line with the need at the national level in respect of issues and challenges in vertical living.

Vertical buildings in Malaysia suffered various problems. A study by Tiun (2009) identified a

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number of factors contributing to the problems which include lack of early planning, ignorance of buyers, lack of regulation on property managers, insufficient legislation and ineffective management practices. However, this study was conducted before the new Strata Management Act 2013 which was implemented to overcome issues not addresses in the previous act. This paper therefore will try to address the following questions:

1. What are the benefits or cost in vertical living and what are the issues and challenges faced by the households living in the stratified properties?
2. Are the residents satisfied with the management of their properties?

3. RESEARCH METHODOLOGY

3.1 Survey Design

For the purpose of this research, Shah Alam is chosen as a case study. Shah Alam is the state capital of Selangor and was the first planned city in Malaysia after independence in 1957. The method used is face-to-face survey of randomly selected respondents living in stratified or vertical residential units in Shah Alam.

3.2 Survey Instruments

The survey instrument used for data collection is a questionnaire. Table 1 shows the questionnaire structure.

Table 1 Questionnaire structure

Section (s)	Question Nos.	Description
Respondent's Background	1-6	Age, gender, marriage, status, race, education level and working sector
Household composition	7-11	Duration of stay, type of ownership, household numbers, household composition and household income
Facilities provided at residential area	12-13	Level of satisfaction towards facilities provided
Service charge payment	14-17	Responsible person to pay, service charge per month, sinking fund per year and perception towards reasonable charges
Measurement at effectiveness on housing maintenance management	18-20	Level of satisfaction on cleanliness, maintenance and common space at strata housing
JMB/MC competency	21-23	JMB/MC's commitment, leadership and organized activities
Measurement of understanding of legal and procedure in managing of strata housing	24	Acts and regulation in regards with strata housing
Comments and suggestions	25	Additional comments or suggestions on management of strata housing

4. FINDINGS AND DISCUSSION

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4.1 Demographics profile of respondents

A total of 151 respondents responded to the face-to-face survey which represented a 100% response rate. Majority (80%) of the respondents are living in middle cost apartment whilst 20% are currently staying in a low cost flat. More than half of the respondents (58%) are homeowners (Figure 1).

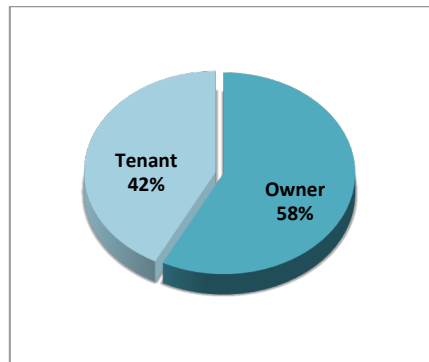


Figure 1 Respondents by Type of ownership

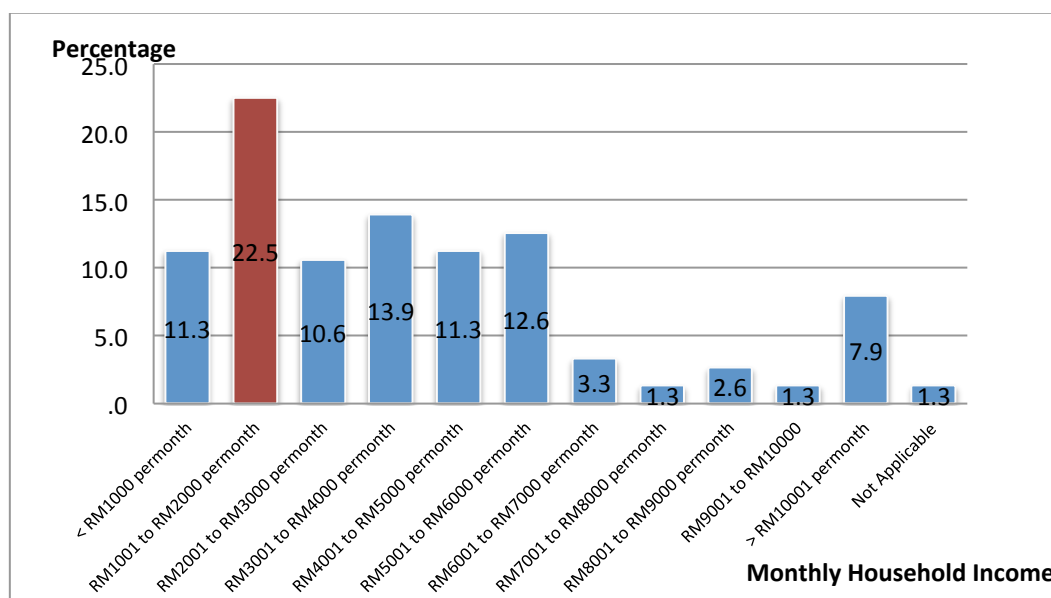
In this study the female respondents (57%) slightly outnumbered the male respondents (43%). The highest level of education was tertiary education with those having bachelor degree and diploma (54.3%) followed by graduates of secondary school (35.7%). Majority of the respondents represented various employment sectors including 30% in private sector, 9% in the government sector, 22 % self-employed and 22% students. Shah Alam has several higher education institutions including UiTM and MSU, which could explain the high number of students residing in the study area. Table 2 shows the summary of the demographic analysis.

Table 2 Respondents demographic analysis

Characteristics	% of respondents (n=151)
<i>Sex</i>	
Male	47%
Female	53%
<i>Age</i>	
18-20	5.5
21-30	38.4
31-40	21.2
41-50	22.5
51-60	9.9
60 or older	2.6
<i>Marital Status</i>	
Single	39%
Married	60%
Widowed/Divorced	1%

<i>Ethnicity</i>	
Malay	88.1%
Chinese	6.0%
Indian	4.6%
Others(Bumiputera)	1.3%
<i>Highest Education level</i>	
Postgraduate & Professional (Master)	5.3%
Tertiary Level (Degree and diploma)	54.3%
Secondary School (STPM/SPM/PMR)	35.7%
Primary School (UPSR)	4.6%

Majority of the respondents (22.5%) earned between RM1,000 to RM2,000 per month. This is followed with respondents earning RM3,000 to RM4,000 per month (13.9%) and RM5,000 to RM6,000 per month (12.6%)



4.2 Service Charges

One of the common issues in vertical living is the responsibility of service charge payment and the allocation of the amount of service charge. The findings of this study revealed that majority of the respondents felt that it is the responsibility of the owner to pay the monthly service charges. Table 4 and Table 5 offer the overview of the respondents' perception

toward service charge allocation. The results indicate that the respondents from the low cost flat schemes generally perceived the service charge allocation to be high. The amount of service charge paid is between RM50 – RM55 per unit.

Table 3 Opinion on service charge - Low Cost Apartment

Respondents	Amount on Service Charge Paid					Total
	Very High	High	Reasonable	Low	Very Low	
Owner	33.33%	42.86%	9.52%	0.00%	0.00%	85.71%
Tenant	0.00%	9.58%	0.00%	0.00%	0.00%	18.29
Total	9.52%	52.39%	38.09%	0.00%	0.00%	100%

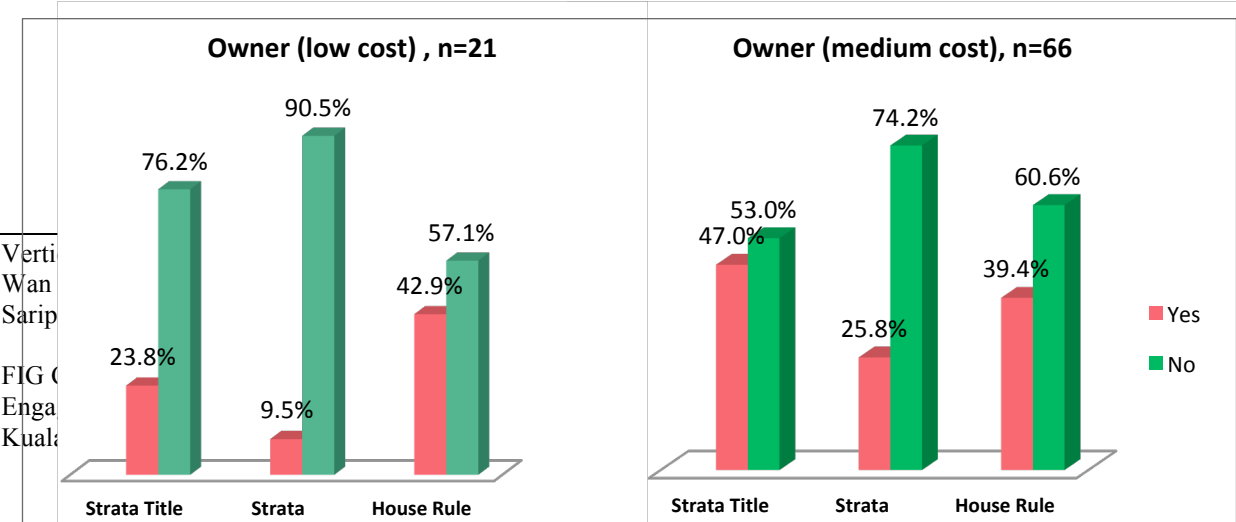
Different view expressed by the respondents (both homeowners and tenant) from the medium cost scheme. They perceived that the current service charges paid are reasonable (69.07%) According to respondents from the medium cost apartments, service charge paid are between RM150 to RM500 per month.

Table 4 Opinion on service charges – Medium Cost Apartment

Respondents	Amount on Service Charge Paid					Total
	Very High	High	Reasonable	Low	Very Low	
Owner	2.82	12.68	59.15%	5.63%	4.22%	84.51%
Tenant	0.00%	4.22%	9.86%	1.41%	0.00%	15.49
Total	2.82%	16.9%	69.07%	7.04%	4.22%	100%

4.3 Understanding of Acts and Procedures

Majority of the respondents indicated that they have very low understanding of the acts and procedures related to vertical living. The results as shown in Figure 3 illustrated that the owners’ understanding on the acts and procedures are low. Strata Title Act 1985 4.8% (2), Strata Management Act 2013 2.4% (1) and House Rule 7.3% (3). Above all, majority of owners’ demonstrates that they do not understand those acts and procedures.



4.4 Respondents perceptions towards the facilities, cleanliness and maintenance service

The survey asked the respondents whether they are satisfied with the facilities provided, the level of cleanliness as well as the maintenance service in their scheme. Respondents can answer by means of a 4 point scale, where 1 indicates *not satisfied* and 4 as *very satisfied*. The following sub-section reports the results of the survey analysis.

4.4.1 Respondents satisfaction towards facilities provided

Based on Figure 4, both homeowners and tenants from the low cost apartments are generally satisfied with the facilities provided in their apartment scheme. Homeowners are more satisfied with the facilities provided in their schemes which include *surau*, laundry, shop, kindergarten, swimming pool, motorcycle, parking, public hall, playground. There are slight dissatisfaction towards the car and motorcycle parking areas.

Figure 5 shows the perceptions of respondents living in the middle cost apartments. Overall, they are satisfied with all of the facilities provided in their schemes. There are no clear differences between homeowners and tenants that we have distinguished in the analysis.

Figure 2 Understanding of Acts and Procedures

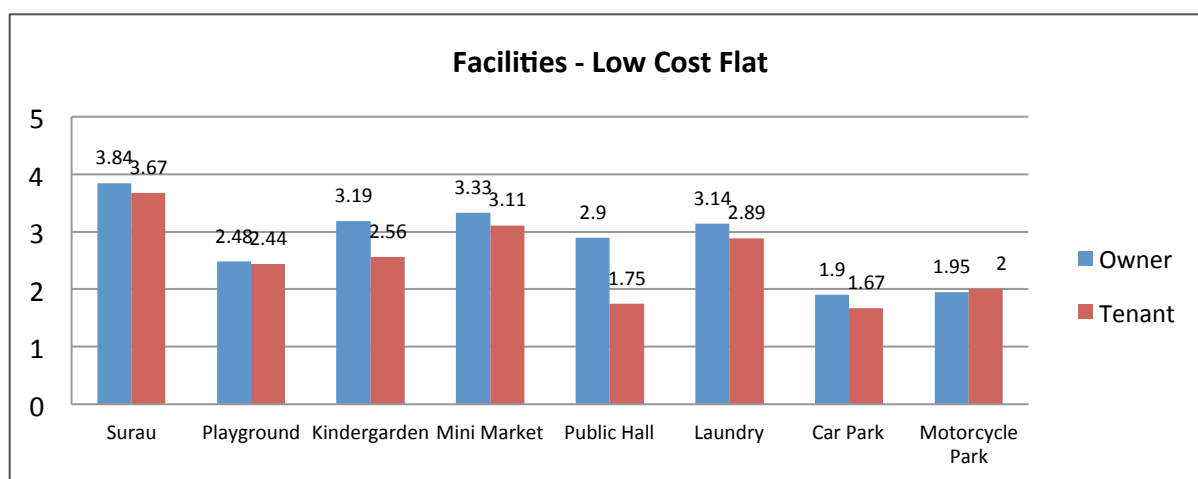


Figure 3 Respondents' Satisfaction towards Facilities Provided (Low Cost Flat)

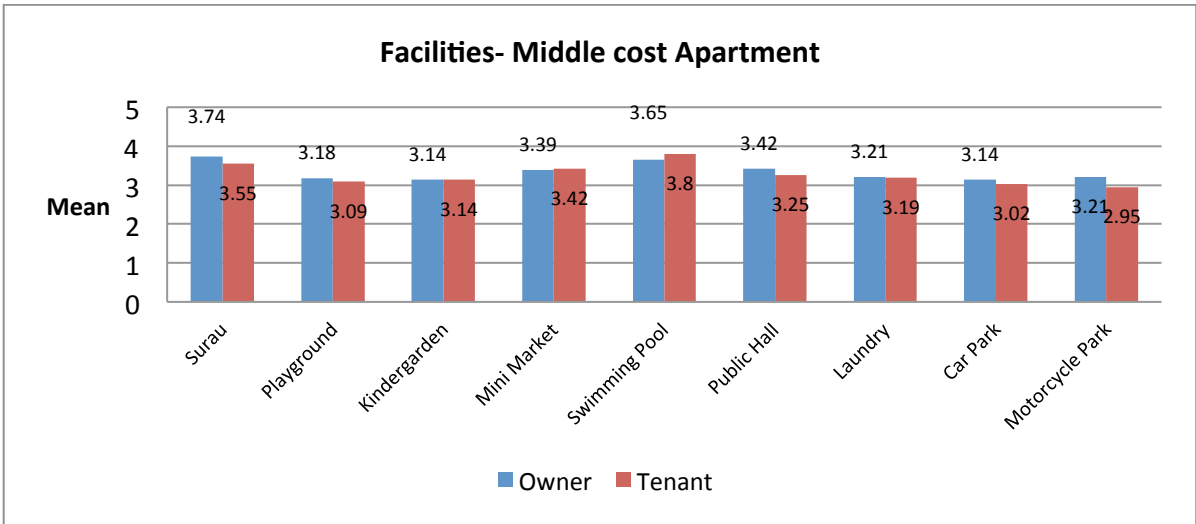


Figure 4 Respondents' Satisfaction towards Facilities Provided (Medium Cost Apartment)

4.4.2 Respondents' Satisfaction towards Cleanliness Services

The study has also looked into the perception of the cleanliness services in the respondents' schemes. Based on Figures 6 and 7, the findings suggest that majority of residents of the medium cost of the vertical housing are more satisfied with the level of cleanliness compared to those staying in the low cost flats. These cleanliness services for the facilities and amenities which include road, corridor, lift, lobby, guard house, stairs, landscape, parking, bin house, drainage and swimming pool. This could be explained by the higher service charges payment required in the middle cost apartment scheme as discussed in section 4.2.

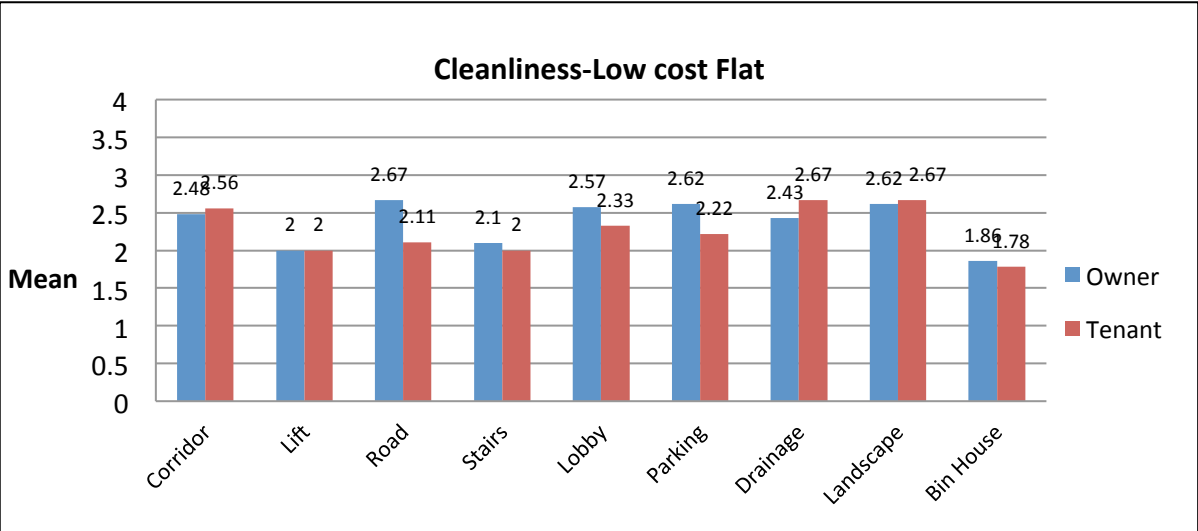


Figure 5 Respondents' satisfaction towards Cleanliness-Low Cost

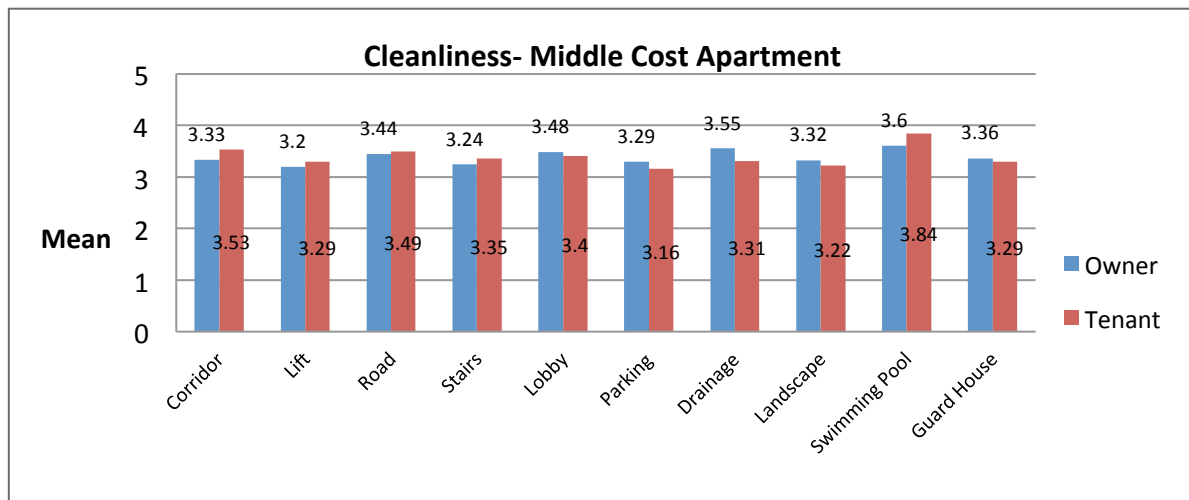


Figure 6 Respondents' satisfaction towards cleanliness- Medium Cost

4.4.3 Respondents' Satisfaction towards Maintenance Services

The majority of residents from the medium cost of the vertical housing are satisfied with maintenance services provided by the management of vertical housing. The respondents' satisfaction towards maintenance services is illustrated in Figures 8 and 9. From these figure, it can be prematurely concluded that the respondents from the middle cost apartments are generally more satisfied with the level of maintenance services provided by the management in their scheme compared to the residents of the low costs flat. Maintenance service for lift has recorded the lowest mean for both low cost flat and middle cost apartment. This could be explained by the high maintenance cost for lift.

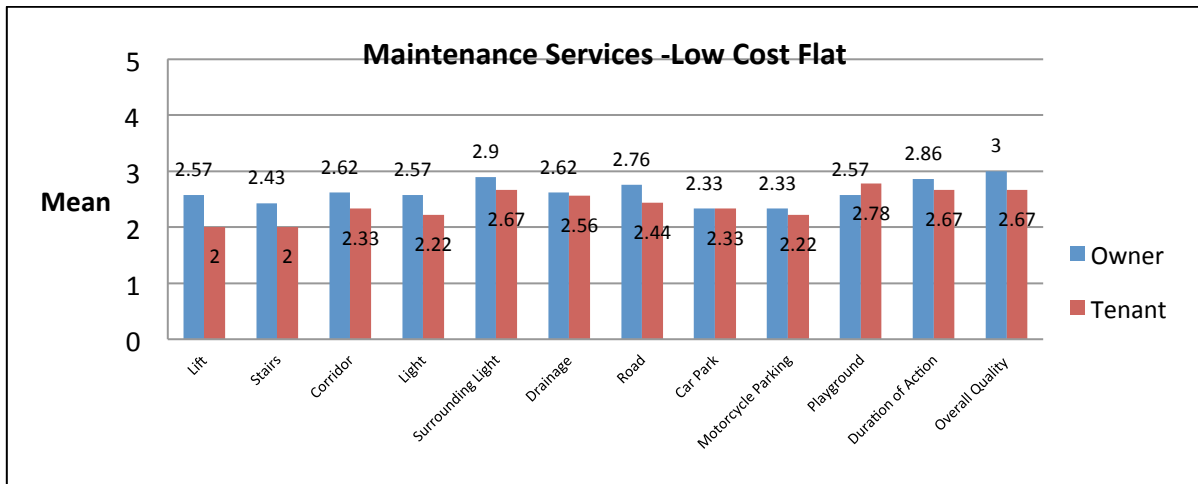


Figure 7 Respondents' satisfaction towards maintenance services – Low Cost

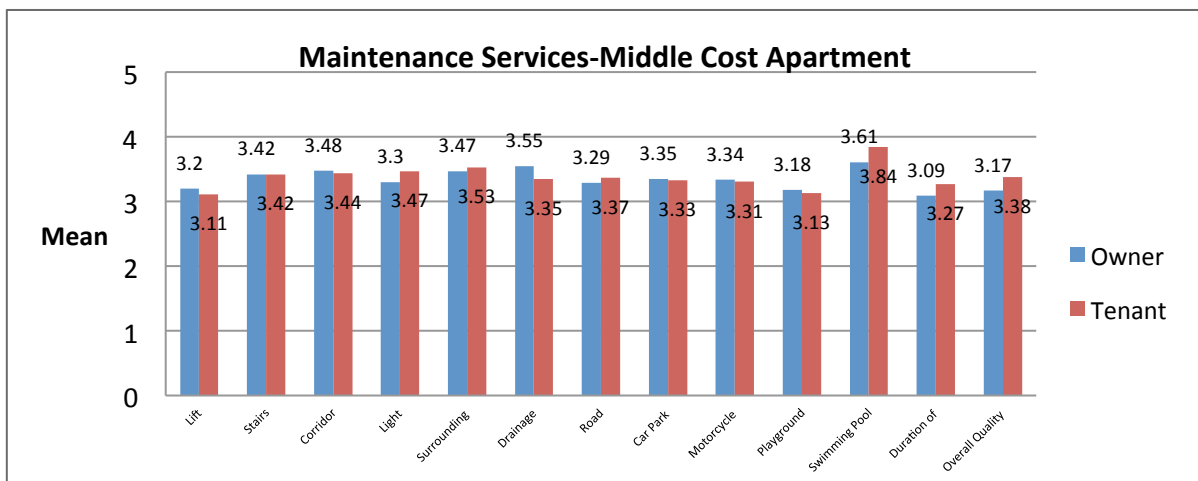


Figure 8 Respondents' satisfaction towards maintenance services – Middle Cost

5. CONCLUSION

This paper has investigated the vertical living phenomenon in Malaysia using Shah Alam as a case study. The findings suggests that majority of the respondents staying in the middle cost vertical residential buildings are pleased with the amount paid for their service charge due to the fact that they received a good management and maintenance services for their properties. There are indeed more benefits than cost gained from living in vertical units but they perceived lack of understanding in the current legislations have led to less level of satisfaction with this type of life style. This suggests that the government need to play more roles in creating awareness amongst the citizens of the rights and responsibility in living in vertical units.

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