



STRATA SERIES

Strata effort

> Rise of the 'Register of Property Managers'

AFTER 13 years of discussion and deliberation on how to resolve/minimise the issues faced by strata-property owners and tenants, relevant parties finally came to a resolution on Jan 11.

The Valuers, Appraisers and Estate Agents Act 1981 (Act 242) is now recognised as the Valuers, Appraisers, Estate Agents and Property Managers Act 1982, following an amendment which was passed on Oct 17 last year and gazetted in January.

The shift from this amendment and what it constitutes is expected to be of benefit to many, especially strata-titled property owners and tenants. However, as in any change of regulations, the outcome, whether "plus or minus", will only surface down the line. What is important is that those involved in administering, regulating and monitoring the enactment of the "rules of the system" will need to be super efficient and have their eye on the ball to ensure the plan pans out as expected, or even better.

ADVANCE AND IMPROVE

It was reported that the "projected/anticipated end result" was what initiated the amendment to the Act, which paved the way for the establishment of the "Register of Property Managers" (RPM).

Basically, the RPM comprises a band of Property Managers (PM) under a "Register". Who or what is this "Register"? It consists of trained, professional and sanctioned personnel, who are well versed in property matters, who will be supervised by a RPM board/committee, regulated under the Valuers, Appraisers, Estate Agents and Property Managers Board, which falls under the authority of the Ministry of Urban Wellbeing, Housing and Local Government. The RPM will be governed by Act 242.

All this change is expected to improve the local strata and property landscape. Its core purposes:

- 1) to help resolve/lessen issues under the "strata-property banner"; and
- 2) to aid strata-property owners, tenants and JMBs/MCs, who now have the option of turning to RPMs to address their quandaries and issues.

"The PM will bring multi-tiered benefits to the profession and



The committee overseeing the 'Register of Property Managers' together with ministry officials and industry experts at the RPM launch.

Malaysian homeowners. These well-informed, trained and capable individuals will be able to offer their services to JMBs/MCs, possibly reducing the number of complaints relating to mismanagement and industry malpractice.

"Property Management that is well governed will lead to the well-being of the nation and improve investor confidence in the country," said Minister of Wellbeing, Housing and Local Government Tan Sri Noh Omar (seventh, right), at the official launch of the Register.

DEVELOP AND CHANGE

Homeowners including strata-property owners will have an option to settle strata-related disputes and issues. They can either raise their concerns with their respective JMBs and MCs, or together, agree to employ the expertise of a PM to address their grievances. The registered/sanctioned PMs, being trained and sanctioned, will be able to attend to property issues in a proper, lawful and possibly faster time frame.

While some may see the establishment of the "Register" as just another "layer", level of bureaucracy and administration, (looking at past experiences and the number of long-outstanding strata-titled issues) - ministry officials, the BOVAEP and the regulating RPM committee/board are forward-looking and convinced that the Register will bring advantageous outcomes and generate positive

repercussions in the industry.

Noh, who officially launched the Register, spoke of the painstaking process and long wait for this meticulously established and timely solution - a result from the unprecedented joint effort between his ministry and the Ministry of Finance. In support and present at the launch was the Second Minister of Finance Datuk Seri Johari Abdul Ghani (eighth, right), BOVAEP president Nordin Daharom (sixth, right) and industry individuals.

It was stated at the launch that all practitioners of property management will be regulated by the Board. While strata-owners (and such) will benefit as the "sanctioned" PMs entrusted with the management of properties will be regulated by professionals on the Board, this (and more) will safeguard strata-owners (and such) from the illegal wheelings and dealings of unscrupulous individuals who claim able to manage property.

"The responsibilities of the PM are indeed very challenging as they will need to manage all kinds of situations, having to be wise with relevant parties they deal with, apart from having solid technical expertise to address and solve

problems pertaining property," shared Nordin.

OPTIONS AND EFFECTS

Practising property managers have until end of 2018 to register and receive recognition as sanctioned and approved PMs. Beyond the "grace period", the process to gain formal recognition will be more stringent.

Chartered surveyor, property valuer, consultant, PM, real estate agent and BOVAEP member Kamaruzaman Jamil advised property managers and interested parties with property management experience to check the application criteria now. "Once the 'window period' is over, a degree in property management and formal training is required," he said.

Deputy director-general of operations in valuation and property services Dr Zailani Mohd Isa was on the same page. She felt that this was a good opportunity not to be missed. "Property managers who fail to register with the RPM and continue practising from next year on, will receive a warning, besides suspension and be slapped with a huge fine of up to RM25,000," she said.

In Malaysia, it is reported that

there are approximately 5,000 property managers. Of these, only some 1,200 have registered with the RPM. Practising property managers are advised to register with the Board by filling out and submitting Form C via <http://lpeh.gov.my/WP2016/forms> Complaints/grievances on registered PMs can be filed in writing to the Board at info@lpeh.gov.my

With property management now a regulated professional practice governed by the Valuers, Appraisers, Estate Agents and Property Managers Act 1981, and the professional and experienced line-up of individuals representing the RPM committee/board, strata-property owners and tenants (and such) will hopefully be able to spend less time attending numerous meetings to discuss long outstanding strata and property

RPM RESPONSIBILITIES

1. Comply with the Act, rules, regulations and the Property Management Standards (PMS).
2. Practise with honesty and integrity.
3. Deliver services professionally and observe the professional ethics and Code of Conduct.
4. Maintain high standards of his/her profession to protect the public against fraud, misrepresentation and unethical practices in property management.

PENALTIES

1. Cancellation of registration.
2. Suspension of registration.
3. Admonishment.
4. Admonishment and fine not exceeding RM10,000.
5. Fine not exceeding RM25,000.
6. Published conviction in newspaper/electronic media.

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PROPERTY MANAGER (PM) APPLICATION CRITERIA

1. Past Property Management Experience

- (a) Experience at managerial level
- (b) Areas of experience in at least one area in:
 - i) Financial Management and
 - ii) Building & Facilities Maintenance Management.

2. Declaration of:

- (a) No police record.
- (b) No case of mismanagement.
- (c) No breach of fiduciary duties.
- (d) Not blacklisted by COB.
- (e) Not found guilty by Strata Tribunal.
- (f) No disciplinary action by BOVAEP.

3. Area of Experience:

PM experience in at least one sub-area in Financial Management and at least one sub-area in Building & Facilities Maintenance Management.

Financial Management:

- (a) Keeping of proper accounts.
- (b) Debt recovery measures (credit control measures).
- (c) Insurance renewal covering all possible risks.
- (d) Insurance claim procedures & application of claims.

Building & Facilities Maintenance Management:

- (a) Proper maintenance & repairs of building facilities & M&E plants.
- (b) Proper procurement process & full tender process.
- (c) Management & control of renovation contractors & workmen.
- (d) Management of tenancies and facilities.
- (e) Convening & facilitating general meetings for JMB and MC.



At the press conference during the RPM launch are (from left) Muhammad Noor Isman, Kamaruzaman, Zailani and Mahaletchumi.