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RESIDENTS' PERCEPTION ON MANAGEMENT BODIES' SERVICE DELIVERABLES: THE CASE OF AFFORDABLE STRATA HOUSING IN KLANG VALLEY, MALAYSIA

Damira Aripin¹, Mariana Mohamed Osman², Noor Suzilawati Rabe³, Ainul Ashiqin Ahmad Shuhaimi⁴, Nur Atheefa Sufeena M Suaree⁵

^{1,2,3,4}Kulliyyah of Architecture and Environmental Design,
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

⁵Faculty of Law,
UNIVERSITI KEBANGSAAN MALAYSIA

Abstract

The rapid urbanization in Malaysia has led to a significant increase in low-cost and low-medium-cost strata housing. However, managing these schemes presents unique challenges due to residents' financial constraints. Challenges often happen in this housing scheme, resulting in poor maintenance, overcrowding, and inadequate amenities, affecting residents' overall quality of life. The study aims to understand the challenges residents and management bodies face in these strata schemes and develop strategies for improving their management. This study helps identify primary issues and problems encountered by residents, assess their perceptions of their management body performance, and propose practical strategies for improving strata management practices. A mixed-mode methodology is employed utilizing primary data collected through questionnaire surveys of strata residents and analysed using SPSS. The findings highlight the differences between active and non-active management bodies in managing strata properties. This study highlights residents' perceptions that shed light on the difficulties in managing and maintaining affordable housing strata schemes, offering important information for formulating strategies to improve strata management practices in Malaysia.

Keywords: Management Body, Residents, Roles, Residential Strata

¹ Msc Candidate: Email: aripindamira@gmail.com

INTRODUCTION

Living in high-rise residences has become popular, particularly in Malaysia's major urban areas (Rabe et al., 2021). Due to Malaysia's lack of available land, real estate prices have increased, and the remaining land is being used to create high-rise residences that support residential property developments. As a result, this style of construction has grown common in Malaysia. It has been very successful in maximizing the use of land resources, as evidenced by the approximately 1,444,858 strata titles for individual parcels that have been recorded as of 2020 (Izanda et al., 2020). As urbanization grows, so does the need for property and housing density. Cities and other developed places like Kuala Lumpur, Selangor, Penang, and Johor Bahru can no longer choose to ignore this problem.

Despite the prevalent adoption of high-rise residential living, the management of strata properties presents notable challenges. Effective management and maintenance are essential to ensuring a comfortable living environment for residents. However, persistent issues such as low participation in general meetings, delays in the issuance of strata ownership title, and maintenance problems, including leakages from adjacent units, continue to affect these properties. However, issues such as participation in general meetings, delayed issuance of strata ownership, and maintenance problems, like leakages from adjacent units, persist.

Understanding residents' perceptions of their management bodies' roles is essential for developing effective management practices. This study aims to provide insights that can help management bodies improve their service delivery, ultimately enhancing resident satisfaction and living conditions in strata properties. To ensure the provision of quality services, it is crucial to have a comprehensive understanding and assessment of residents' views on these services, as this serves as a vital check-and-balance mechanism. Ignoring residents' perceptions and satisfaction levels can create a knowledge gap, leading to ineffective maintenance and management practices.

LITERATURE REVIEW

Numerous studies (Nor Amira Abdul Samad et al., 2018; Isma et al., 2011; Tawil et al., 2010) have shown that people's preferences for living in high-rise buildings vary depending on their lifestyle and investment goals. A capable management team and ownership structure are essential for guaranteeing that residents live comfortably and that all strata properties are well-maintained (Tiun, 2009). According to a survey by the Malaysian Reserve in 2022, 34.4% of Malaysians prefer acquiring condominiums as their homes, believing that stricter access and control will enhance health and safety (Annuar & Naharul, 2023). Building high-

rise residential buildings is an economically sound and sensible way to address the imbalance between supply and demand (Mohd Tawil et al., 2009).

The intricate and numerous responsibilities of strata management are vital to the high-rise living experience. It encompasses various aspects, including cooperative neighborhood living, sharing common property, restoring ownership authority to parcel owners, property management, and pooling financial resources for the upkeep and management of the partitioned structure and common land. The parties involved in strata management include developers, parcel owners, property managers, service providers, real estate agents, land surveyors, and the government. Each has a crucial role in ensuring efficient and effective strata management.

Many residents have voiced complaints about the difficulties of living in a strata community. These difficulties range from irate parcel owners demanding transparency in managing maintenance accounts to those dissatisfied with their elected committee (JMB or MC) for failing to maintain and manage the strata building according to their expectations and demands.

The Strata Management Act (Act 757) 2013 outlines the formation and responsibilities of the Joint Management Body (JMB) and Management Corporation (MC), which manage the common areas of stratified developments, enforce bylaws, collect maintenance fees, contribute to sinking funds, and perform other duties.

The timeline for forming the JMB and MC under the Strata Management Act highlights the roles and transitions between these bodies. Despite the regulations, common issues such as delayed formation of the JMB/MC, inadequate maintenance, and financial mismanagement persist. These challenges underscore the need for better education and communication among strata property residents regarding management legislation and their rights and responsibilities. Residents' active involvement can significantly impact the quality of strata living.

RESIDENT SATISFACTION

According to Jaafar et al. (2015), a person's level of satisfaction in a stratum living environment is influenced by several factors, including the community's effectiveness, accessibility of facilities, sense of belonging, readiness to relocate, and participation in social groups. While service quality focuses on the delivery and aspects of services, customer satisfaction encompasses a broader range of concepts. This relationship between service quality and customer satisfaction can be seen as a methodological match.

Residents perceive daily cleaning, inspections, and preventative maintenance as the most crucial components of building care. By prioritizing these tasks, residents believe that building maintenance is effectively performed.

Furthermore, communication, proactive action, and prompt problem resolution significantly raise tenant satisfaction regarding service quality (Kuo et al., 2011).

Research by Musa et al. (2020) highlights that residents expect management to respond to complaints and comments. Effective communication and timely actions to address issues are critical to maintaining high resident satisfaction levels. Residents value transparency and efficiency from their management bodies in resolving problems, which enhances their overall satisfaction with their living environment.

Residents' dissatisfaction was also evident in the number of cases filed with the tribunal between 2017 and 2020. According to Ahmad Shuhaimi, et al. (2022), 7 out of 12 offenses under Act 757 were related to the failure of the management body—including the Management Corporation (MC), Joint Management Body (JMB), and the developer during the management period—to perform their duties and services. The author concluded that the prevalent issue of unpaid maintenance charges was largely due to residents refusing to pay in response to poor maintenance and management services provided by the management body. This preliminary finding underscores the significance of this study, as it aims to further examine the link between poor fee collection, poor maintenance and management and resident satisfaction. The resulting vicious cycle between inadequate fee collection and limited funds hinders the ability to conduct quality maintenance and management, ultimately affecting the building condition of the respective strata schemes.

RESEARCH METHODOLOGY

This study employs a quantitative methodology, utilizing data obtained from a structured questionnaire survey to evaluate residents' perceptions of strata management bodies. In addition to the survey data, literature and document reviews will be used to provide supplementary insights. The survey targets residents residing in low-cost, low-medium-cost, and Public Housing Project (PPR) areas within the Klang Valley. The questionnaire is designed to capture residents' opinions on the performance and responsiveness of their strata management bodies.

A stratified random sampling method was employed to select participants from high-rise buildings in the Klang Valley region. According to Yamane (1976), a sample size of at least 389 respondents is required to achieve a 95% confidence level for a population of 10,000 or more. Following data cleaning and validation, the final valid sample size for this study comprises 476 respondents.

SPSS is used for data analysis, and the Relative Importance Index (RII) will be applied to rank the significance of various factors affecting residents' satisfaction. The study aims to understand residents' satisfaction with their strata

management bodies by analysing survey data through SPSS and ranking factors using RII to identify critical areas for improvement.

One-Way ANOVA is used because it is particularly effective for comparing the mean satisfaction levels across multiple groups, such as different stratum types or demographic categories. Since the research aims to determine if there are significant differences in how residents perceive the effectiveness of their management bodies, One-Way ANOVA this analysis is well-suited to handle comparisons across three or more independent groups. This method allows for a simultaneous assessment of differences across these groups, reducing the risk of Type I errors that could arise from conducting multiple t-tests.

FINDINGS AND DISCUSSION

This section shows the results of the survey analysis and the interview data. The first section summarizes residents' responses based on their profiles. The analysis's primary goal is to comprehend how stratum occupants see their management bodies' effectiveness and room for development.

The findings reveal critical insights into residents' views on their strata management bodies. The analysis highlights areas where management bodies are performing well and identifies opportunities for improvement. By examining the responses, the study aims to provide a comprehensive understanding of residents' satisfaction and expectations, which can guide future enhancements in strata management practices.

ANALYSIS

A total of 476 respondents participated in this questionnaire and provided their feedback. Information on the respondent's residential information such as housing categories and municipalities, and ownership. Responses were recorded in **Table 1** below.

Table 1: Residential Information

Item	Count	%	
Strata Housing Categories	Low Cost	161	33.8
	Low Medium Cost	145	30.5
	Projek Perumahan Rakyat (PPR)	170	35.7
	Total	476	100.0

Referring to the table above, a total of 35.7% of respondents who participated in the questionnaire of this study are from the *Projek Perumahan Rakyat* (PPR) respectively. A total of 30.5% of respondents who participated in this questionnaire came from low-medium-cost housing, and 33.8% of

respondents from low-cost housing participated in this questionnaire. 70.6% of 476 residents that were interviewed own the units that they currently reside while only 29.4% rent the strata unit.

Respondent Background

It can be seen from Table 2 that 52.3% of respondents participated in this survey were male, while 47.7% were female. Meanwhile for age group, the highest percentage of respondents belongs to 41 to 60 years old group, followed by 21 to 40 years old (46.4%) and more than 60 years old were 4.2% only. It can be seen that 83.8% of respondents being surveyed have income less than RM 8,389, which belongs to the B40 income group, while 16.2% have no income.

Table 2: Resident's Profile

Categories	Variables	N	%
Gender	Male	249	52.3
	Female	227	47.7
	Total	476	100.0
Age	21 - 40 years old	221	46.4
	41 - 60 years old	235	49.4
	Equal or more than 61 years old	20	4.2
	Total	476	100.0
Average Monthly Income	B40 (<RM 2,500 – RM 8,389)	399	83.8
	No Income	77	16.2
	Total	476	100.0

The respondents were also asked on the status of their management body, whether the management body in their strata was established and active. Table 3 below presents the finding.

Table 3: Active Strata Management Body

Option	Count	%
Yes	388	81.5
No	88	18.5
Total	476	100.0

Source: Author (2021)

Table 3 above shows that 81.5% of the total responses received stated that they have an active strata management body, 18.5. Forward from these responses, respondents that are residing in a non-active management body looks forward to having a proper management and maintenance services.

Majority of the justification on the establishment of management body includes; to establish an authority within the strata scheme to manage, reduce and resolve unused or broken cars parked in the parking area. The establishment of an active management would also able to facilitate the maintenance and management of the strata schemes.

PERCEPTIONS ON DELIVERANCE OF STRATA MANAGEMENT BODY SERVICES

The study on resident satisfaction with the management body on services provided since it is the greatest way to gauge how well the management body handles issues with managing strata properties. As a result, respondents were questioned about their satisfaction with a number of crucial strata management issues. They were to rate how satisfied they were with each of the six topics, including neighbourhood security, inter-floor leaking problems, maintenance fees, and sinking funds. Not at all satisfied = 1, Dissatisfied = 2, Satisfied = 3, and Very Satisfied = 4 were the rankings they gave their experiences.

Table 4: RII on Assessment on the Effectiveness of Management Handling Critical Issues Throughout Strata Management Operations

Aspect of Strata Management Body Services	Not At All Satisfied		Dissatisfied		Satisfied		Very Satisfied		Total		ΣRII	Rank
	N	%	N	%	N	%	N	%	N	%		
Managed service charges and sinking funds	47	9.8	93	19.5	290	60.9	46	9.7	476	100.0	0.679	1
Management handover from developer to JMB/MC	54	11.3	88	18.5	281	59	53	11.1	476	100.0	0.678	2
Safety management	67	14.0	93	19.5	239	50.2	77	16.2	476	100.0	0.674	3
Managed participation in General Meeting	62	13.0	78	16.4	290	60.9	46	9.7	476	100.0	0.671	4

Aspect of Strata Management Body Services	Not At All Satisfied		Dissatisfied		Satisfied		Very Satisfied		Total		ΣRII	Rank
	N	%	N	%	N	%	N	%	N	%		
Managed late issuing Strata Ownership Rights	68	14.3	98	20.6	275	57.8	35	7.4	476	100.0	0.648	5
Managed Leakage from adjacent unit	80	16.8	92	19.3	259	54.4	45	9.5	476	100.0	0.644	6

Based on the RII table above, the management body effectively handled or managed sinking funds and services charges (RII 0.679), followed by the management handover from the developer to JMB/MC with RII 0.678 and safety (RII 0.674). Meanwhile, issues like leakage from adjacent units (RII 0.644), late issuing of strata ownership rights (RII 0.648), and participation in general meetings (RII 0.671) were handled less efficiently by the management of the strata.

A Spearman Rho correlation test was conducted to investigate respondents' responses on the assessment with their background. Summary of analysis between assessment feedback and respondents' age and income Table 9 below.

Table 5: RII on Assessment on the Effectiveness of Management Handling Critical Issues Throughout Strata Management Operations

Aspect of Strata Management Body Services	Age			Income		
	cc	P-value	Remark	cc	P-value	Remark
Managed service charges and sinking funds	-0.182**	0.000	significant	0.001	0.987	Not significant
Management handover from developer to JMB/MC	-0.189**	<0.001	significant	0.033	0.474	Not significant
Safety management	-0.194**	<0.001	significant	0.053	0.245	Not significant
Managed participation in General Meeting	-0.196**	<0.001	significant	-0.035	0.445	Not significant

Managed late issuing Strata Ownership Rights	-0.046	0.654	Not significant	0.068	0.136	Not significant
Managed leakage from adjacent unit	-0.166**	<0.001	significant	0.089	0.051	Not significant

** Correlation is significant at the 0.01 level (2-tailed).

Result in table above shows for relationship between age and since the significant p-value are less than 0.05, thus the null hypothesis can be rejected. Based on the correlation coefficient value in the table, there are negative relationship between respondent's age and all aspects of management body services shows the older the age group, the less favourable the perception towards management body services. Meanwhile, the data indicate that income groups do not strongly influence participation in general meetings within the context of strata management.

This study applied a statistical method for comparing the means of several groups by using one-way ANOVA (analysis of variance). Analysis using ANOVA was to examine difference on strata management practices across type of strata management body.

Table 6: One-Way ANOVA on type of strata management body and strata management body services

Strata management body services	Age		
	F	P-value	Remarks
Managed service charges and sinking funds	9.380	<0.001	Significant differences
Managed leakage from adjacent unit	6.560	0.002	Significant differences
Management handover from developer	7.899	<0.001	Significant differences
Managed participation in General Meeting	8.058	<0.001	Significant differences
Managed late issuing Strata Ownership Rights	6.144	0.002	Significant differences
Safety management	12.190	<0.001	Significant differences

Based on table above, it can be seen that there is a significant difference in satisfaction levels based on the perceived effectiveness of the mean on all aspect of strata management body services as it varies significantly based on age. It shows that older group have slightly lower service charges and contribute less to sinking funds, they have different safety concerns or expectations on safety

management, and less active in attending meetings and experienced delay in receiving late issuing Strata Ownership Rights, and may affected by such problems.

CONCLUSION

The findings suggest that the strata management body in this particular context has effectively handled sinking funds and service charges, followed closely by the management handover and safety management. However, areas such as leakage from adjacent units, late issuance of strata ownership rights, and participation in general meetings require further attention and improvement.

Age was found to be a significant factor influencing respondents' perceptions of strata management services. Older respondents generally perceived these services less favourably compared to younger respondents, particularly in areas such as service charges, safety management, and participation in general meetings. While income groups did not significantly impact participation in general meetings, it is important to note that other factors, such as education level, cultural background, and personal experiences, may also influence respondents' perceptions and satisfaction with strata management.

Overall, the study highlights the importance of effective communication, transparency, and timely resolution of issues to ensure high levels of satisfaction among strata owners. By addressing the areas identified in this research, strata management bodies can improve the overall quality of life for residents and enhance the long-term sustainability of strata developments.

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