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**Waqf-Backed Urban Regeneration in Kuala Terengganu,
Malaysia: A Tayyib Approach to Housing and Community
Well-being**

**Nadhirah Nordin^{1,2}, Muhammad Ridhwan Ab. Aziz³,
Azhar Alam⁴, Ririn Tri Ratnasari⁵, Aam Slamet Rusydiana⁶**

¹*Islamic Social Finance Research Centre (ISF),*

²*Faculty of Islamic Contemporary Studies,
UNIVERSITI SULTAN ZAINAL ABIDIN*

³*Faculty of Economics and Muamalat,
UNIVERSITI SAINS ISLAM MALAYSIA*

⁴*Department of Islamic Economic Laws,
UNIVERSITAS MUHAMMADIYAH SURAKARTA*

⁵*Faculty of Economics and Business,
UNIVERSITAS AIRLANGGA*

⁶*Faculty of Political Sciences,
SAKARYA UNIVERSITY*

Abstract

The chronic lack of affordable housing and the poor utilisation of waqf land in Malaysia are the reasons why a holistic and more ethical view on sustainable urban regeneration is needed. In terms of Islam, financing and development can be guaranteed to be free of such aspects as *riba* (usury), *gharar* (excessive uncertainty), and *haram* activities. Nevertheless, *tayyib* is not only associated with legal adherence but also with justice, fairness, ecological purity, safety, and the welfare of the populace. This paper will formulate and operationalise a *tayyib*-based framework of waqf-based urban regeneration in Kuala Terengganu through the creation of the *Tayyib Urban Indicator Set (TUIS)* as an indicator of affordability, environmental quality, safety, and social well-being. The study also suggests design protocols to be used in housing and community facilities design, ethical financing systems to be used, which refer to cash waqf and waqf-linked *sukuk*, through a qualitative exploratory method that incorporates a document analysis with expert interviews. The results show that the implementation of *tayyib* values encourages inclusivity, equity, and sustainability by integrating urban regeneration with the spiritual and moral purpose of the *maqasid al-shariah*. Moreover, the hybrid financing option increases affordability and perpetually protects waqf resources under open governance. The example of the application of the *TUIS* in Kuala Terengganu shows that *tayyib*-oriented regeneration does not only correspond to *shariah*-compliant standards but also to the promotion of social justice, ecological balance, and the well-being of citizens in the long term.

Keywords: waqf, urban regeneration, *tayyib*, housing, *maqasid al-shariah*

¹ Corresponding author. Email: nadhirahnordin@unisza.edu.my

INTRODUCTION

Malaysia has also been struggling to offer affordable and sustainable housing, especially in urban areas like Kuala Terengganu, where land is scarce and socio-economic inequalities exacerbate the pressures of development (Roslan, Gohain, Mustafa, Ismail, & Kumaran, 2025). Increased housing prices have greatly exceeded the rate of income increase, and now most households live in financial insecurity. In this framework, the concept of *waqf* land as an everlasting endowment will provide a tactical tool to minimize expenditures and enhance equity since the land value will no longer be associated with housing costs. Recent reports suggest that *waqf*-supported housing would make housing more affordable and more resilient due to the inclusion of shared facilities and social infrastructure (Rochani, Yuliastuti, and Sudarwanto, 2022; Priyadi, Achiria, Imron, and Zandi, 2022).

Urban regeneration in this study refers to the revitalisation of underutilised areas to make them liveable, equitable, and sustainable. From an Islamic perspective, *halal* ensures that financing and contracts avoid *riba* (usury), *gharar* (excessive uncertainty), and *haram* activities, while *tayyib* extends this framework by emphasising justice, fairness, ecological purity, safety, and social welfare. A project may therefore be technically *halal*, but it only becomes *tayyib* when it ensures fair pricing, adequate green spaces, and long-term community well-being. In this study, *tayyib* refers to the ethical dimension of development that emphasises goodness, wholesomeness, and societal benefit, while *maqasid al-shariah* represents the higher objectives of Islamic law aimed at safeguarding religion, life, intellect, lineage, and wealth (Nordin et al., 2024).

Nevertheless, the potential of the *waqf* housing initiatives is impeded by the conventional financing and planning models (Rahim, Rathore, Rabbani, & Alam, 2024). This study proposes a *tayyib*-based framework for *waqf*-backed urban regeneration in Kuala Terengganu through the development of the Tayyib Urban Indicator Set (TUIS). The framework integrates affordability, environmental quality, safety, and social well-being indicators with ethical financing mechanisms such as cash *waqf* and *waqf*-linked sukuk to align urban development with *maqasid al-shariah* objectives.

LITERATURE REVIEW

Conceptual Foundations of Urban Regeneration

Urban regeneration is, therefore, a multidimensional process that seeks to resolve economic, physical, social, and environmental issues through an integrated approach. Basic theoretical models, such as the four-element model, which consists of government, market, society, and spatial reproduction, emphasise the significance of co-governance and interdisciplinary approaches to urban regeneration (Liu, 2022). The circular economy, which is based on reusing

heritage sites and brownfields, is an underlying principle that seeks to promote sustainability and improve the resilience of cities.

The scope of urban regeneration has also changed over time, moving away from the mere redevelopment of cities and focusing more on improving the quality of life, with particular emphasis on the conservation of heritage sites, ensuring social inclusion, and encouraging community participation (Cerreta & La Rocca, 2021). Thus, the theme of participatory governance and sustainability, with the aim of improving accessibility, reducing energy poverty, and increasing environmental sustainability, is still predominant, and this is in line with the principles of sustainable regeneration, which is a multidimensional concept involving the regeneration of the physical, economic, and social infrastructures of cities, with particular emphasis on the development of community indicators (Nik Hashim et al., 2023). This underpins the need for an operative perspective, to ensure the application of principles to planning standards.

***Waqf* and Its Role in Urban Development and Housing**

Waqf has been instrumental in maintaining community infrastructure, ranging from cash *waqf* in Ottoman times, which funded educational and health institutions, to current forms in Indonesia that promote community ownership and productivity (Korkut, 2024; Rochani, Yuliastuti, & Sudarwanto, 2022). In Malaysia, housing projects such as Taman Salehuddin Telok Chengai have proven the financial viability of *waqf*-based housing for developers, local authorities, and the community at large (Baharudin et al., 2025). *Waqf* management is, therefore, crucial for fully exploiting its potential. The integration of modern financial systems, such as FinTech and green infrastructure, into *waqf* is likely to improve its efficiency and sustainability (Mohamed & Akande, 2025). *Waqf* is important for meeting basic needs, fighting poverty, and preserving cultural heritage, which makes it an important tool for equitable and sustainable development. This is supported by current research, which indicates that affordable *waqf*-based housing requires innovative governance and social integration to meet current demands for development (Nor Azizan Che Embi et al., 2021; Hassan et al., 2021). This potential, however, can be fully harnessed by improving transparency in governance, finance, and performance, which must be grounded in practice. In Malaysia, this is further complicated by institutional arrangements between State Islamic Religious Councils, local authorities, and developers, as well as regulatory procedures for *waqf* land administration and development approvals.

The *Tayyib* Framework and *Maqasid al-shariah* in the Built Environment

While *halal* sets legal boundaries, *tayyib* extends to qualitative values of goodness, purity, and wholesomeness, making it relevant to housing and

community design. In line with *maqasid al-shariah*, (favoring religion, life, intellect, lineage, and property), the *tayyib* offers an ethical basis of sustainable planning (Jaiyeoba et al., 2025). *Maqasid*-based liveability indices, eco-*maqasid* strategies of climate change, and innovative projects such as the Islamic Energy Garden can be used (Idris et al., 2025). Irrespective of these developments, there are gaps in creating standard approaches and empirical verification, particularly on long-term effects on well-being and environmental sustainability. It is natural to conclude that it is necessary to convert the ethical precepts into signs that can be tested and reproduced within any situation to accomplish the logical transition of principle to practice.

Ethical and Innovative Financing Mechanisms for *Waqf* Projects

To solve the liquidity problems of the development of *waqf* it is necessary to adopt new financing tools like crowdfunding cash *waqf*, *waqf*-based sukuk, cooperative housing models (WCHF), and Islamic Real Estate Investment Trusts (I-REITs) (Ismail et al., 2024; Khan et al., 2023). These instruments draw on under-utilised *waqf* resources, create more transparency, lessen reliance on government resources, and prompt job creation and access to affordable housing. The issues of ethics continue to take center stage, and the strict follow-up of shariah principles and the focus on accountability are observed (Abidah et al., 2025). The models, such as CWLS and I-REITs, illustrate the way in which the *waqf* may be in harmony with SDGs through funding inclusive and sustainable projects. Nevertheless, the issue of governance and people's participation is a continuous problem, which needs more institutional structures to achieve its full potential (Qadri et al., 2024). Finally, the effectiveness of implementing these mechanisms depends on institutional capacity and developing the image of public legitimacy, which are discussed more in the analysis.

Housing, Community Amenities and Social Well-Being

Affordable housing contributes to social stability, community cohesion, and quality of life. Empirical studies also demonstrate that access to green spaces, neighbourhood facilities, and social infrastructure significantly influences residents' well-being and social inclusion (Gallent, 2023; Liu et al., 2019; Williams et al., 2020). These findings highlight the importance of integrating housing provision with place-based indicators that link the built environment with broader social outcomes.

Research Gaps in *Waqf*-Backed Urban Regeneration

Existing studies highlight limited exploration of *waqf* applications in green infrastructure and sustainable building, as well as insufficient performance metrics for digital *waqf* platforms (Mohamed & Akande, 2025). Similarly, design

frameworks such as WCHF show potential but lack generalizability across different contexts (Khan et al., 2023). Innovations, such as blockchain and CWLS, have enhanced the transparency on the financing side, but still, there are gaps in governance and participation (Jafar et al., 2025). The additional multidisciplinary studies are necessary to improve the ability of *waqf* as a value-based model in accordance with SDGs, integrating sustainable finance, digital innovation, and urban planning to develop more comprehensive regeneration strategies (Budalamah et al., 2019). It is against this context that the current research opts to use a qualitative case study design in coming up with and testing *tayyib*-compliant indicators and financing procedures on *waqf*-supported urban regeneration.

RESEARCH METHODOLOGY

This part gives the design, sampling, data collection, data coding, and credibility checks. The paper uses a qualitative and exploratory design (Creswell, 2014) to create and operationalise a *tayyib*-oriented approach to *waqf*-supported city regeneration in Kuala Terengganu, Malaysia. The *waqf* land at Kampung Banggol Peradong was chosen because it was a legally clear case with a scale and zoning as residential land by the Department of Town and Country Planning (JPBD), which is in line with the argument of the case study research to investigate contextual complexities (Yin, 2018). The location, which consists of 74 endowed lots of which 37 are already developed into terrace houses, places the *Tayyib* Urban Indicator Set (TUIS) in the real-world situation and offers a testbed to determine spatial equity and financial well-being.

Primary data were collected through document analysis and semi-structured interviews. Document analysis included classical and contemporary works on *maqasid al-shariah*, *waqf* development, urban regeneration, planning policies, and ethical financing. Two purposively selected interviewees contributed practical insights: a senior officer from the Terengganu State Islamic Religious Council (MAIDAM), responsible for *waqf* governance, and an academic expert in Islamic finance specialising in *waqf*-linked instruments. The participants were sampled using criterion-based purposive sampling, ensuring that both the perspectives of regulators and instrument designers were included. The limited number of interview participants reflects a purposive strategy designed to capture institutional governance and financial-instrument perspectives rather than statistical representation, which is consistent with exploratory qualitative case-study research.

The interviews were conducted online and transcribed verbatim for analysis with the documents. The transcripts were subject to participant verification, and discrepancies were managed using adjudication, as recommended, with an audit trail recorded. Secondary statistical data for the

location of Kuala Terengganu were consulted as context for the issues of affordability and accessibility of services. The coding involved both open and axial coding to identify themes, with iterative comparison and categorisation as recommended by Miles, Huberman, and Saldaña (2014) for improved reliability.

The results were clustered into three categories: waqf asset maps and utilisation, TUIS development, and ethical finance and housing protocol development. The limitations of the study include the small number of interviewees and the single case study, which may impact generalizability and representativeness, although this was managed by using triangulation with document analysis and connecting the results with theoretical frameworks as recommended by Creswell (2014) and Yin (2018).

ANALYSIS AND DISCUSSION

Operationalising *Tayyib* through the TUIS Framework

The concept of *tayyib* is operationalised in this study through the *Tayyib* Urban Indicator Set (TUIS), which establishes measurable indicators for evaluating urban regeneration outcomes. The framework translates Islamic ethical principles into planning standards covering affordability, environmental quality, safety, and social well-being, while aligning these indicators with the objectives of *maqasid al-shariah*. By linking ethical values with quantifiable planning metrics, TUIS provides a practical evaluative tool for policymakers, planners, and waqf administrators.

All dimensions of the TUIS scale are pegged on quantifiable proxies that convert the values into tangible planning norms. The concept of affordability is evaluated based on the housing price-to-income ratio, which makes it fair and equally accessible to housing (Dali et al., 2018). Environmental quality is measured using such indicators as minimum threshold of green space and rainwater harvesting, which strengthen the ecological equilibrium and the health of the population (Azmin Shompa et al., 2025). Safety is associated with access to healthcare and safe walking, which guarantees the safeguarding of life. Social well-being covers family unity, cognitive development, and spirituality, which are described by levels of satisfaction, schools, and mosques.

The National Property Information Centre (NAPIC, 2023) also reports that the urgency of the implementation of the TUIS framework is especially high in Kuala Terengganu, where the housing price to income ratio is 5.1, which is much higher than the affordability level of 3.0. Ratios above 5.0 are generally classified as severely unaffordable in international housing affordability benchmarks, highlighting the structural housing pressure faced by urban households. The interviews with experts in Islamic finance revealed that the regeneration based on *tayyib* needs financial honesty and spiritual responsibility. He also stressed that the religious security (*hifz al-din*) should be given priority

over material benefits in the development of housing (Ishak, 2025). On the same note, an official of the MAIDAM emphasised that just as stipulated in the Terengganu *Waqf* Enactment 2016, it is important to carry out transparent mapping and valuation of *waqf* assets to maintain justice and the community trust (Mohamad, 2025). All these revelations underline the fact that integrity and transparency are at the heart of seeing that *waqf*-based residential developments reflect both moral and social goals desired by the *tayyib* concept.

Table 1: Alignment of TUIS Indicators with *Tayyib* Values, Measurement Metrics, and *Maqasid* Outcomes

Urban Indicator (TUIS)	<i>Tayyib</i> Value	Measurement/Proxy	<i>Maqasid</i> Outcome
Affordability	Fairness & equity in economic access	Housing cost-to-income ratio	<i>Hifz al-Mal</i> (Preservation of Wealth)
Environmental Quality	Ecological purity & sustainability	≥10 m ² green space per capita; Rainwater systems	<i>Hifz al-Nafs</i> (Preservation of Life)
Safety	Secure and healthy living	Access to clinics; Safe pedestrian pathways	<i>Hifz al-Nafs</i> (Preservation of Life)
Social Well-being (Family)	Social integrity & cohesion	Community satisfaction index	<i>Hifz al-Nasl</i> (Preservation of Lineage)
Social Well-being (Intellect)	Wholesomeness in knowledge	Access to schools, libraries, cultural centers	<i>Hifz al-'Aql</i> (Preservation of Intellect)
Social Well-being (Spiritual)	Ethical-spiritual enrichment	Access to mosques and religious facilities	<i>Hifz al-din</i> (Preservation of Religion)

Source: Author's synthesis based on *maqāṣid al-sharī'ah* dimensions and *tayyib* principles adapted from Dali et al. (2018), Nordin et al. (2024), and interviews (2025).

Table 1 presents the practicality of the Islamic ethical principles in the field of urban planning. This framework offers the possibility of a strict instrument of balancing between the ethical demands and the practicality of the field by transforming the abstract values of justice, environmental purity, and spiritual integrity into quantifiable measures such as expense rates, green spaces, or the provision of religious facilities. This presents the possibility of TUIS rebranding the concept of urban regeneration in a more useful scale, instead of technical efficiency, to an economically viable concept that is also socially equitable, environmentally responsible, and spiritually complete.

Translating *Tayyib* Values into Housing and Community Design

The introduction of *tayyib* values into the design protocols ensures that the housing projects will not simply comply with the shariah but also provide a quality of life. Unlike the *halal* compliance, which focuses on escaping the impermissible elements, including *riba* and *gharar*, a design framework that pays attention to *tayyib* considers fair pricing, environmental custodianship, social unity, and holistic well-being (Nordin et al., 2024). Housing that is poorly planned and is profit-driven tends to overlook these dimensions. A *tayyib*-based approach, in contrast, is a conscious incorporation of human-centred and ecological values, which is found in the human-housing and eco-housing orientations observed in the international settings (UN-Habitat, 2022).

These values are converted into design standards in the form of concrete protocols. Sensible plans, e.g., cross-ventilation, minimise energy reliance and enhance health within the building. The solar panels and harvesting of rainwater can guarantee equitable availability of cheap utilities, and the reduction of flooding and wastage, respectively (Haupt, 2019). Pocket parks and shared spaces, which promote cohesion (Zhao et al., 2025), schools and cultural centres, which contribute to intellectual development (Chong, 2024), and mosques, which run on renewable energy, contribute to community well-being. These actions are a combination of ecological and human-focused principles, which boost *maqasid* objectives in housing design.

Even though it has potential opportunities, issues like rising construction costs and insufficient funding are major concerns to implement *tayyib* principles within *waqf* housing (Mohamad, 2025). The existing practices are more inclined towards technical and economic issues than social sustainability. Addressing this requires multi-level collaboration: MAIDAM, local authorities, and private developers must integrate *tayyib* protocols within statutory planning frameworks such as the Town and Country Planning Act 1976 and the Uniform Building By-Laws 1984. Only through integrated governance can housing projects uphold justice, safety, and sustainability across their life cycle (Mohamad, 2025).

Table 2: *Tayyib*-Based Design Protocols for Housing and Community Facilities

TUIS Indicator	Design Element	Benefits / Rationale
Affordability (Fairness & Equity)	Solar panels	Reduces energy costs; ensures fair access
Environmental Quality	Rainwater harvesting; pocket parks	Conserves water; mitigates floods; supports ecology
Safety	Cross-ventilated layouts; safe walkways	Improves air quality; enhances physical health
Social Well-being (Family)	Pocket parks; communal facilities	Strengthens cohesion; fosters interaction

TUIS Indicator	Design Element	Benefits / Rationale
Social Well-being (Intellect)	Schools, libraries, cultural centres	Supports learning and innovation
Social Well-being (Spiritual)	Mosques with renewable energy systems	Combines sustainability with spiritual values

Source: Author's formulation from TUIS framework integrating UN-Habitat (2022), and interviews (2025).

As shown in Table 2, *tayyib*-based design protocols extend the evaluative role of TUIS by embedding ethical values into the physical configuration of housing and community facilities. Each design element, ranging from renewable energy systems and rainwater harvesting to communal parks and mosques serves not only functional and technical purposes but also delivers normative outcomes linked to *maqasid al-shariah*. This integration underscores that ethical housing provision is inseparable from ecological stewardship, social cohesion, and spiritual enrichment, thereby repositioning design practice as an instrument for holistic well-being rather than mere infrastructure delivery. These protocols can be codified as statutory notes and performance conditions to ensure *maqasid* outcomes are delivered in practice rather than deferred, while standard detail libraries, such as cross-ventilation modules and rainwater systems, facilitate replication with local adaptation.

Financing Architecture for *Tayyib*-Based Urban Regeneration

Investing is critical towards putting *tayyib* principles into action. A suitable way out is to create a hybrid model of cash *waqf* coupled with *waqf-linked* sukuk. Cash *waqf* is the seed capital of small-scale facilities like solar panels or parks, whereas sukuk is the capital of larger business investments, like housing. The benefits obtained through rental income and utility savings are used to pay sukuk owners without affecting the ownership of *waqf* assets (Abidah et al., 2025).

The measure of effectiveness cannot be conducted solely on a financial basis, but also on social and environmental KPIs. These consist of the green space per capita, the carbon emission reduction, household bill savings, as well as community satisfaction (Pignatelli et al., 2023). Incorporation of these measures would guarantee that financing models are simple, responsible, and consistent with *maqasid* results. Through this, the ethical financing will avoid *riba*, *gharar*, and *maysir* and enhance confidence in the Islamic financing mechanisms.

However, as much as these models have great opportunities, the implementation of these models is not without challenges. Such factors as regulatory barriers, stakeholder opposition, and lack of awareness among the general population might limit uptake. The solution to these barriers must be through coordinated efforts, as evidenced by more institutional backing, more consistent regulatory conditions, and more case-specific awareness efforts to create confidence in the community and investor turnout.

There are still difficulties in social perception and adoption. The case of Cash *Waqf* Linked Sukuk (CWLS) in Indonesia shows that the model is viable but also limited because its adoption was sluggish due to low levels of public awareness (Hosen et al., 2022). Digital tools and fintech platforms are also being suggested to widen the participation and enhance transparency (Qadri et al., 2024). In the case of Kuala Terengganu, a hybrid pilot may prove viable through combining cash *waqf*-financed communal facilities with sukuk-financed housing. The case of the Penang Wakaf Seetee Aisah housing project teaches the importance of open governance in achieving social good and yet being financially viable (Mohamad, 2025). This financing structure allocates cash *waqf* to early-stage liquidity and social buy-in and sukuk to construction risks and repayment risks on asset-backed cashflows. In addition to this, covenants can have a KPI dashboard, including green space, carbon offset, affordability, and social return, to ensure that covenants are managed in tandem with results.

Table 3: Ethical Financing Mechanisms for *Waqf*-Backed Urban Regeneration

Financing Mechanism	Application	Benefits / Outcomes
Cash <i>Waqf</i>	Funds small-scale amenities	Inclusive, voluntary, risk-buffer capital
<i>Waqf</i> -Linked Sukuk	Finances large-scale housing	Mobilises investment; ensures perpetual asset ownership
Hybrid Cash <i>Waqf</i> -Sukuk	Combines both instruments	Balances risk, scale, and sustainability
KPI Monitoring Framework	Green space, carbon reduction, SROI and community well-being	Ensures accountability; aligns with <i>maqasid</i> and SDGs

Source: Author's compilation based on ethical financing models from Ismail et al. (2024), Abidah et al. (2025), and interviews (2025).

As summarised in Table 3, the integration of ethical financing mechanisms illustrates how classical Islamic instruments can be reconfigured through contemporary innovation to support sustainable urban regeneration. The hybridisation of cash *waqf* and *waqf*-related sukuk not only leverages various sources of capital but also ensures that transparency, inclusiveness, and sustainability are embedded in the process of financial governance. The KPI and impact monitoring framework, in addition to these tools, ensures that project outcomes comply with the principles of *maqasid al-shariah* and sustainability through environmental and social KPIs such as the provision of green spaces, carbon footprint reduction, and community well-being. This is where the distinction of the proposed financing model, based on the concept of *tayyib*, is evident, as it seeks to strike a balance between the two. The recognition of the

regulatory, institutional, or societal limitations is evident in the proposed model as a way forward.

Case Illustration: The Banggol Peradong *Waqf* Housing Project in Kuala Terengganu

The Banggol Peradong project is an empirical anchor that is critical in assessing the *tayyib* framework. The land, which comprises 74 lots, was endowed to MAIDAM by Konsortium Perumahan Rakyat Terengganu Sdn. Bhd. with a 99-year leasehold and residential zoning in accordance with Section 200 of the National Land Code. Out of the total, 37 units of terrace houses are built to accommodate the poorest of the poor (*asnaf*) households, while the remaining are kept in reserve for the next phases of development (Mohamad, 2025). This is an example of the clarity in institutional arrangements that are shariah-compliant in perpetuity with corporate *waqf* contributions.

The project implements the main concepts of TUIS. It makes housing affordable with mid-cost housing to reduce risks (*hifz al-mal*). It enhances the well-being of the people by providing clustered housing, which ensures that families are kept together and have access to education, promoting family and mind (*hifz al-nasl*, *hifz al-aql*). It also enhances the quality of the environment through the provision of small parks and rainwater harvesting, promoting life (*hifz al-nafs*). Furthermore, the *waqf* management ensures that the management is based on Shariah principles, promoting the protection of religion (*hifz al-din*) (Mohamad, 2025).

Apart from the strategies, the project also focuses on community integration. According to an Islamic finance expert, *waqf* housing should not only target the *asnaf* but also integrate with other communities. Integration ensures that the stigma of welfare housing is eliminated, and people from different economic backgrounds can interact with each other, promoting a stronger community. In this regard, the discussion on inclusive housing in the United Kingdom is essential, promoting upward movement while maintaining the dignity and solidarity of disadvantaged groups (Ishak, 2025). Planning regulations on integration would ensure that the *waqf* renewal projects are just and promote social cohesion, in addition to affordability.

Table 4: Alignment of Banggol Peradong Project with TUIS and *Maqasid* Outcomes

TUIS Indicator	Application in Banggol Peradong	<i>Maqasid</i> Outcome
Affordability	Medium-cost homes for <i>asnaf</i> households	<i>Hifz al-Mal</i>
Environmental Quality	Integration of pocket parks; rainwater harvesting	<i>Hifz al-Nafs</i>

TUIS Indicator	Application in Banggol Peradong	<i>Maqasid</i> Outcome
Safety	Planned pedestrian pathways; access to clinics	<i>Hifz al-Nafs</i>
Social Well-being (Family)	Clustered housing fostering cohesion and resilience	<i>Hifz al-Nasl</i>
Social Well-being (Intellect)	Access to schools and community learning facilities	<i>Hifz al-Aql</i>
Social Well-being (Spiritual)	Governance under perpetual <i>waqf</i> and mosque access	<i>Hifz al-din</i>

Source: Author's field synthesis from the Banggol Peradong case study (MAIDAM data, 2025) and TUIS framework developed in this study.

As shown in Table 4, the Banggol Peradong project presents empirical evidence of the TUIS framework in action. This project shows the possibility of advancing affordability, environmental quality, safety, and social well-being simultaneously under a *waqf* governance structure that is perpetually shariah compliant. The application of mixed community principles in the context of the Banggol Peradong project presents a progressive blueprint for sustainable communities. This case exemplifies the possibility of executing *waqf*-backed regeneration as a scalable model for sustainable urban development.

CONCLUSION

This study aims to explore the possibilities for *waqf*-based urban regeneration in Kuala Terengganu through the application of a *tayyib* approach. *Tayyib* Urban Indicator Set (TUIS) provides tools for measuring affordability, environmental quality, safety, and social well-being, which are then correlated with quantifiable measures and moral imperatives under *maqasid al-shariah*. Design protocols also provide tools for demonstrating how renewable energy, green spaces, and community facilities can be integrated into housing development to support sustainability, inclusivity, and social cohesion. The study reveals that existing conventional *waqf* assets and financial instruments have established basic foundations, but they have limitations in terms of scale and sustainability. New hybrid models of ethical finance, which integrate cash *waqf* and *waqf*-based sukuk, have stronger prospects for sustainability by ensuring perpetual ownership and aligning with *maqasid al-shariah* imperatives.

The Banggol Peradong case is a good example of how a corporate *waqf* endowment is being converted for the purpose of providing affordable housing with shariah governance, thus validating the applicability of the proposed framework. The incorporation of ethical values with *maqasid* principles and planning protocols enables the development of a useful tool for planning evaluation and assessment. The TUIS framework also has the potential for replication and application in other cities in Malaysia, particularly with *waqf* land

for housing and community development purposes. Future research should be conducted on the application of the TUIS framework in other cities, *waqf* land, and the application of KPIs for sukuk covenants, as well as the distributional impact of mixed-income integration, which will further enrich the development of cities in Malaysia and the global debate on ethical and value-based approaches to urban development and planning.

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