

## **The Characteristics of Purpose Built Offices in Malaysia: A Review of Issues**

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### **Abstract**

The development of purpose-built office market in Malaysia is basically determined by a supply-demand market. Since the purpose built office market in Malaysia has shown positive developments plus increasing level of competitiveness, many building and location characteristics have emerged during the process of assessment of the office property involving property market appraisal and building performance evaluation. With these characteristics, property market participants can evaluate their property efficiently based on their needs such as for investment, management, or business planning. Recently, many new characteristics of purpose built office have been revealed according to technology growth and national policy such as green technology, green building index, classification, energy saving and sustainable development. The purpose of this paper is to identify the existing characteristics of purpose built office in Malaysia and discuss the importance of these characteristics. Integral to achieving this objective, research on purpose built office characteristics in a global and local context will also be reviewed. As a result, the issues related to purpose built office characteristics in Malaysia will be identified, and documented with greater rigor.

### **Keywords**

Purpose-built office, building and locational characteristics, building performance.

### **1. Introduction**

Purpose-built office (PBO) market in Malaysia had shown a positive development since 1990s. Based on the National Property Information Centre (NAPIC) report, the stability of the economic condition has a major influence on the PBO market (Napic, 1994). During the rapid economic growth, Malaysia had enjoyed an increasing demand for PBO contributed by strong economic market, and the improve development projects conducted by public and private sectors (Rahim & co, 1993).

Due to its growth, PBO had shown to play a vital role in contributing the property investment portfolio in the Malaysia office property market. Therefore, office property market had become increasingly competitive. Many buildings and location characteristics have been revealed in order to meet the needs of property market participants and equilibrium of demand-supply in the office property market.

Basically, building and location characteristics are important to determine building performance such as grading, classification, green building, and sustainable development. However, these characteristics that have been applied on PBO are different based on its purpose (Mohd Safian, 2010). For example, green technology had been focused on energy saving while innovation was a main characteristic for sustainable development.

Besides, building and location characteristics have been used to determine office property value. Government and private sectors also play a vital role to reveal the new characteristics of PBO in order to make the office property market competitiveness and attracted. Therefore, this paper aims to determine the building and location characteristics, specifically on PBO and review the current issues that have been occurred in the country.

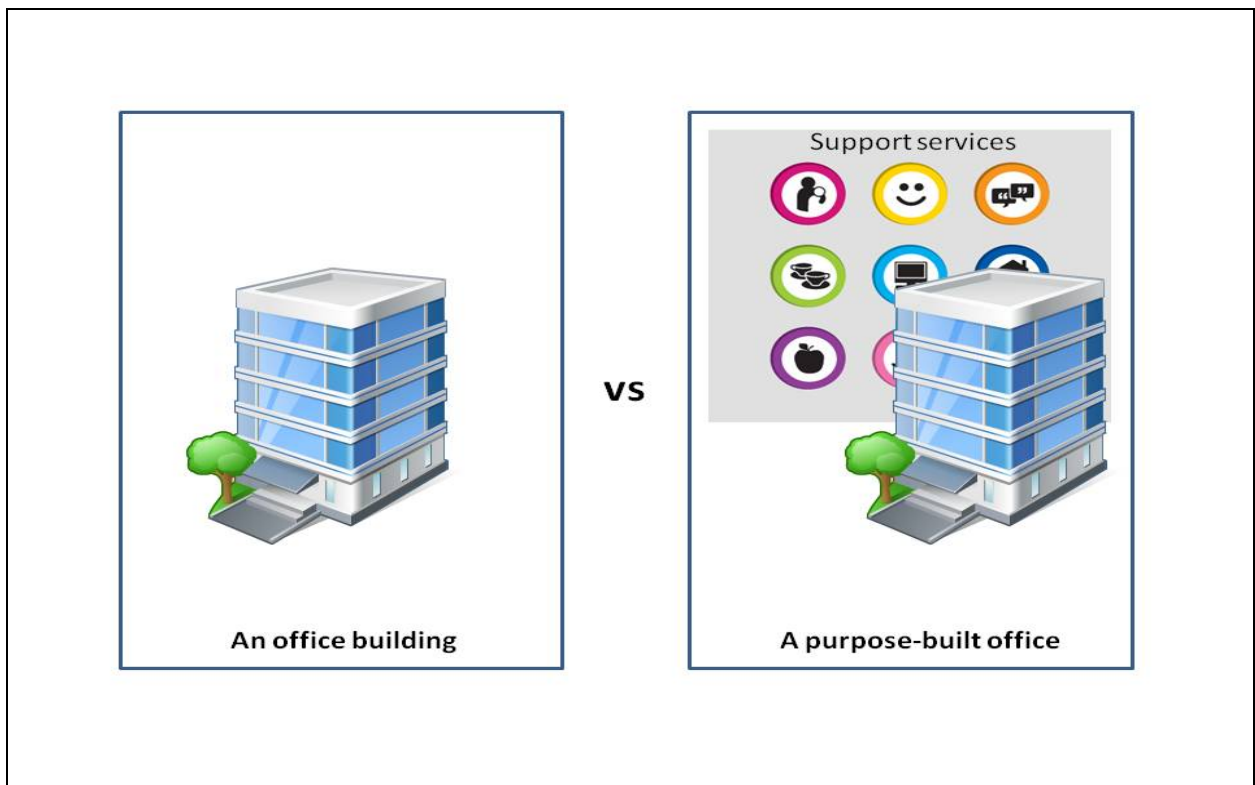
## **2. Differences of an office building and a purpose-built office**

An office building consists of a commercial building that has a main lounge that is specially designed for the office's use (Bird, 1996). The objective to develop an office building is to make way for work spaces and a working environment for administration work, business and also management. The office space is usually furnished with office equipment, for examples, chairs, desks, computers, and other office equipments that are needed for considered activities in the office space. Nowadays, office space is furnished with sophisticated communication facilities to enable a global connection in order to make sure the business activity and administration runs smoothly and effectively such as telephone, fax and high-speed internet broadband.

An office building is usually divided to several divisions and occupied by different companies. It also may cover one company in a building based on their business activity, and administration that ran by the company. Normally, a company's office will include a lobby to greet guests, a few meeting rooms, an open office space, the manager's room, and toilets (Bird, 1996). Some office spaces may also have a pantry or a room to prepare food and drinks, as well as a room to rest or prayer room (Mohd Safian, 2010). As such, employees free to arrange their personal activities during break hours.

Meanwhile, a purpose built office (PBO) represent an office building that has a main function which is for office use, and it supported by other services. The main function when combining the initial design is to optimize the space for its benefit. When about 75% of the initial design is made for office use, the initial function is changed for a new function (NAPIC, 2007). This is because of another 25%, which is for other services. For example, a PBO is a building which has a main area that functions for office use and supported by other facilities or services, such as bank, post office, restaurants, shopping complexes, and retails (Mohd Safian, 2010).

Basically, the term of purpose-built office is typically used by few countries such as United Kingdom, Australia, as well as Malaysia. This has led to make different with other commercial buildings or retail offices. In contrast, United States and Russia, they still used conventional term for office building, which is an 'office building' or 'office block'. However, it depends on the PBO or office building itself whereby it has support services or not. Figure 1, shows the difference of an office building and a purpose built office.



Source: Researcher, 2011

**Figure 1: The difference of an office building and a purpose built office**

### 3. The building and locational characteristics of PBO

Based on the statement by Duntavs (2006), a PBO is offering a flexible work environment for growing companies. This center is a great value for the money without having to compromise on facilities. Therefore, explanation on the functions of PBO leads to reveal the building and location characteristics on the PBO itself. This concept is very important to understand as well as differentiate PBO characteristics with other commercial building characteristics. The building and location characteristics of PBO, including internal and external characteristics can show the identity of PBO itself as a commercial building, which is specifically for office use.

However, each PBO had their own building and location characteristics depending on its location, design, age, services as well as the technology that applied in the building. The uniqueness of building and location characteristics of PBO can attract investors such as buyers or tenants to invest in PBO. As a result, the building and location characteristics of PBO have been taken as criteria in determining the performance of PBO by value or assessor in a relevance area.

These characteristics of PBO can be found in the framework that is based on the building performance indicators such as green building index, grading, classification, as well as sustainable development model. Even though there were many characteristics introduced by government or private sectors, the selection of the reliable characteristics is very complicated. Every building and location characteristics of PBO are needed to be adapt with local culture, environment as well as suitable in a related area.

Based on National Institute of Building Sciences (NIBS), there are two basic characteristics of office building. Firstly, the space attributes which are requiring flexibility, comfort and safety, energy efficiency, cost-effective and good working environment. Secondly, the building attributes namely safety, healthy, comfortable, durable, and accessible (NIBS, 2009). These characteristics also have been applied by other countries such as United Kingdom and Australia, but they have modified it and focused more details on a certain aspect.

Furthermore, the building and location characteristics also have been used to determine the quality level of PBO. With the selection characteristics, the quality level of PBO is ease to identify in order to categorize the building. With these characteristics, property market participants free to decide their investment or business activities on the PBO efficiently. Indirectly, with a clear concept and understanding on the building and location characteristics of PBO, it will be significance to the office property market growth.

In a global context, the building and location characteristics of PBO have been through advanced studies. As a result, they can easily develop many indicators for quality level, green building index, sustainable development, and classification as done by Colliers-United States, BOMA, HK-Beam, PCA, NIBS and BREEAM. In contrast, Malaysia, however, the PBO building and location characteristics studies still were lacking in terms of having a complete and suitable framework that can use and apply accordance to all PBO in the country. The reliable framework of building and location characteristics for PBO is still in development.

#### **4. The issues of building and locational characteristics in Malaysia**

In Malaysia, only few studies have been done by researcher to look into building and locational characteristics of PBO in the country. However, it shows a positive development whereby Green Building Index Malaysia (GBIM) was officially launched in May 2009 (Rahardjati et al. 2010). The characteristics of PBO have been selected and come out with a structured framework to evaluate building performance in terms of green building.

Furthermore, research on the classification model also helps to identify the building and locational characteristics of PBO in more details frameworks as done by Rahim & Co (2006), DBKL (2010), Mohd Safian (2010), and Adnan (2008). Many new characteristics in the classification model have been revealed during these studies. However, the actual framework on the classification is still in development. The building and location characteristics of PBO at the same time not meet the needs of property market participants such as investors, tenants and owners.

Through the study done by Mohd Safian (2010), the main characteristic of PBO in Malaysia is the presentation, but after the survey had been conducted, number of parking was the main interest by respondents. The same situation also happened on Green Building Index Malaysia (GBIM), which is an indoor environment was the main characteristic that chosen by respondents instead of energy efficiency (Rahardjati et al. 2010). Through that survey as well, innovation is the lower choice by respondents. The results show the building and locational characteristics of PBO in Malaysia are still not satisfying the needs of property market participants, and further study should be done.

This paper, however, has identified the building and location characteristics in a local context that have been used covering all the research relates. Table 1, shows the characteristics and location of PBO that have been used to evaluate building performance, which are in grading/classification, green building/green technology, and sustainable development.

**Table 1: The existing building and locational characteristics in Malaysia**

Characteristics/ Locational	Researcher	Grading/classification	Green buiding/green technology	Sustainable development
<b>Presentation</b>				
External design	Mohd Safian (2010), Adnan, et. al (2008), Rahardjati, et. al (2010), Darus, et. al (2009), GBIM (2009).	/	/	/
Finishing	Mohd Safian (2010), Adnan, et. al (2008), Rahardjati, et. al (2010), GBIM (2009), Darus, et. al (2009).	/	/	/
Lobby design	Mohd Safian (2010), Adnan, et. al (2008), Darus, et. al (2009).	/		/
Number of storey	Mohd Safian (2010), Adnan, et. al (2008).	/		
Age of building	Mohd Safian (2010), Adnan, et. al (2008), Darus, et. al (2009).	/		/
<b>Management</b>				
Security	Mohd Safian (2010), Adnan, et. al (2008).	/		
Maintenance policy	Mohd Safian (2010), Adnan, et. al (2008), Rahardjati, et. al (2010), Darus, et. al (2009), GBIM (2009).	/	/	/
Cleaning services	Mohd Safian (2010), Adnan, et. al (2008), Darus, et. al (2009).	/		/
Energy saving/ recycle policy/ waste management	Mohd Safian (2010), Adnan, et. al (2008), Rahardjati, et. al (2010), Darus, et. al (2009), GBIM (2009).	/	/	/
CBMS	Mohd Safian (2010), Adnan, et. al (2008).	/		
<b>Functionality</b>				
Floor size	Mohd Safian (2010), Adnan, et. al (2008).	/		
Floor ceiling height	Mohd Safian (2010), Adnan, et. al (2008).	/		
Space efficiency	Mohd Safian (2010), Adnan, et. al (2008).	/		
Coloumn layout	Mohd Safian (2010), Adnan, et. al (2008).	/		
Floor loading	Mohd Safian (2010), Adnan, et. al (2008).	/		
<b>Services</b>				
Toilet facilities	Mohd Safian (2010), Adnan, et. al (2008), Darus, et. al (2009).	/		/
Electrical & IT services	Mohd Safian (2010), Adnan, et. al (2008).	/		
Work environment	Mohd Safian (2010), Adnan, et. al (2008), Rahardjati, et. al (2010), Darus, et. al (2009). GBIM (2009).	/	/	/

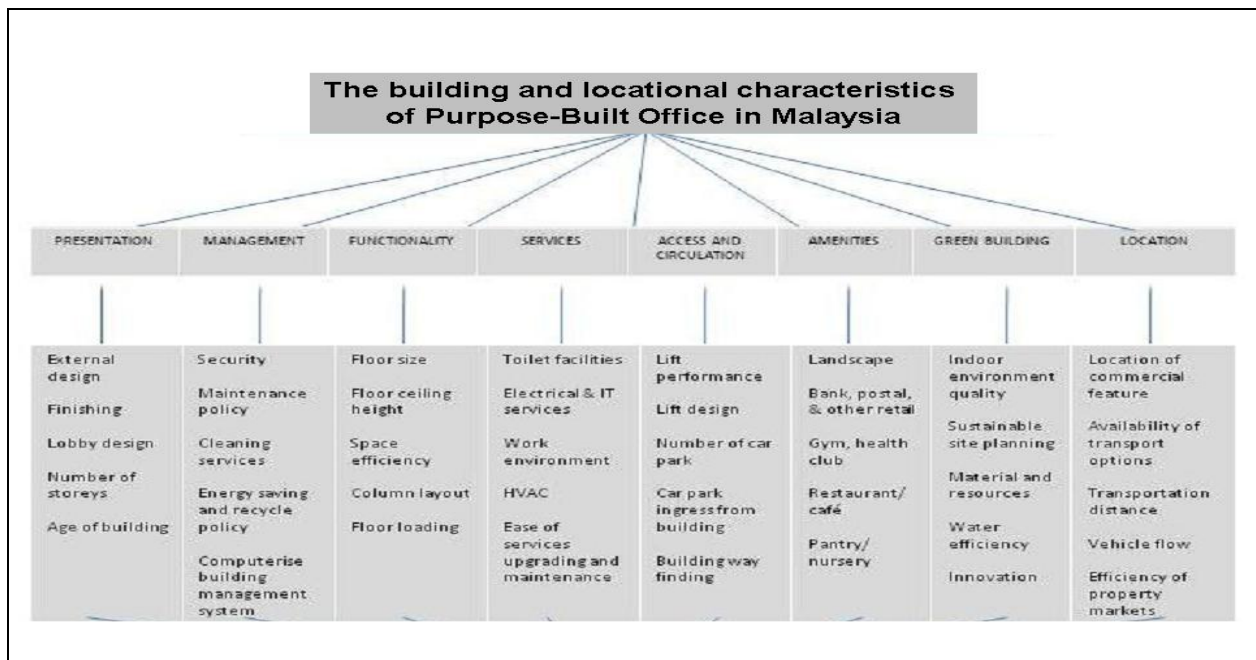
HVAC	Mohd Safian (2010), Adnan, et. al (2008), Rahardjati, et. al (2010), Darus, et. al (2009). GBIM (2009).	/	/	/
Ease of services upgrading and maintainance	Mohd Safian (2010), Adnan, et. al (2008).	/		
<b>Access and circulation</b>				
Lift performance	Mohd Safian (2010), Adnan, et. al (2008).	/		
Lift design	Mohd Safian (2010), Adnan, et. al (2008), Darus, et. al (2009).	/		/
Number of car park	Mohd Safian (2010), Adnan, et. al (2008).	/		
Car park ingress from building	Mohd Safian (2010), Adnan, et. al (2008).	/		
Building way finding	Mohd Safian (2010), Adnan, et. al (2008).	/		
<b>Amenities</b>				
Landscape	Mohd Safian (2010), Adnan, et. al (2008), Rahardjati, et. al (2010). GBIM (2009).	/	/	
Bank, postal, retails	Mohd Safian (2010), Adnan, et. al (2008).	/		
Gym, health club	Mohd Safian (2010), Adnan, et. al (2008).	/		
Restaurants/ cafe	Mohd Safian (2010), Adnan, et. al (2008).	/		
Pantry/ children nursery	Mohd Safian (2010), Adnan, et. al (2008).	/		
<b>Green building &amp; Sustainable building</b>				
Indoor environment quality	Rahardjati, et. al (2010), Darus, et. al (2009). GBIM (2009).		/	/
Sustainable site planning	Rahardjati, et. al (2010), Darus, et. al (2009), GBIM (2009).		/	/
Material and resources	Rahardjati, et. al (2010), GBIM (2009).		/	
Water efficiency	Rahardjati, et. al (2010), Darus, et. al (2009), GBIM (2009).		/	/
Innovation	Rahardjati, et. al (2010), Darus, et. al (2009), GBIM (2009).		/	/
Air quality	Rahardjati, et. al (2010), GBIM (2009).		/	
Thermal confort	Rahardjati, et. al (2010), GBIM (2009).		/	
Lighting, visual, acoustic	Rahardjati, et. al (2010), GBIM (2009).		/	
Verification	Rahardjati, et. al (2010), GBIM (2009).		/	
Construction management	Rahardjati, et. al (2010), GBIM		/	

	(2009).			
Green product	Rahardjati, et. al (2010), GBIM (2009).		/	
<b>Location</b>				
Location of commercial feature	Adnan, et. al (2008).	/		
Availability of transport options	Adnan, et. al (2008).	/		
Transport distance	Adnan, et. al (2008), Rahardjati, et. al (2010), GBIM (2009).	/	/	
Vehicle flow	Adnan, et. al (2008), Rahardjati, et. al (2010), GBIM (2009).	/	/	
Efficiency of property markets	Adnan, et. al (2008).	/		

Source: Researcher, 2011

## 5. Conclusion

Even though government and private sectors have been looking deep to promote the new building and location characteristics for PBO in Malaysia, the issues are still happening. Our office property market will be drastically increased if the building and location characteristics of PBO meet the needs of property market participants. Due to this, the special research to look on characteristics and location must be done in order to facilitate the characteristics and location in a better structure. As a result, based on survey analysis that shown in Table 1, this paper also has proposed the new framework of the building and location characteristics for PBO in Malaysia as shown in Figure 2. With this framework, research relates will be more efficient, effective and reliable.



Source: Researcher, 2011

**Figure 2: The building and locational characteristics of PBO in Malaysia**

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