

UNIVERSITI TEKNOLOGI MARA

**CORPORATE REAL ESTATE:
PERFORMANCE EVALUATION
OF PHYSICAL ASSETS
IN MALAYSIAN PUBLIC
UNIVERSITY**

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ABSTRACT

Corporate real estate (CRE) is property or physical assets owned, lease or used by organisation which do not directly involved in property line activities, but use them as platform for the purpose of operation. University is a huge institution with wide range of physical assets. Physical assets have now become a prominent feature in the planning of education environment of institution areas. Physical assets constitute a substantial percentage of the institution and level of this resource is there for very critical to educational effectiveness. Physical assets are one of the critical factors that can help to strengthen the system of higher education institutional. The significant emphasis on the physical assets study focuses on the functionality, cost effectiveness and the infrastructure optimization. Thus, this study attempts to strengthen the physical assets of Malaysia public universities in order to create creative learning environment and quality human capital. The study designed to achieve four main objective which are to identify the components of corporate real estate (CRE) in order to strengthen the physical assets of the university, to examine the current physical assets implementation in the public universities, to compare and contrast the implementation of physical assets in universities using benchmarking process and to recommend further improvement towards the physical assets of the universities. The methodology employed in the study included a review of relevant literature and multiple case studies conducted on five public universities in Klang Valley, Malaysia. The case studies approach utilised mixed methods which includes questionnaire survey with the corporate real estate manager, distributing questionnaires to the 500 stakeholder of five respective universities, layout plan, visual analysis and observation via inspection of the physical assets environment at the universities. The outcome of this study shown that the benchmarking of the five universities revealed that on average the CRE Managements of all the five universities are moderate with the ranking of UniA, UniD, UniB, UniE and UniC. UniA has the most systematic and organise approaches in managing physical assets (dedicated department) of universities which has been included from the design stage. The other universities have fragmented CRE department and they are in the process of establishing a more systematic and organise department. There are many areas of CRE improvement that can be applied in order to enhance the values of the universities physical assets and reducing the costs involve.

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CHAPTER ONE

INTRODUCTION OF RESEARCH

1.1 INTRODUCTION

University is a platform that provide quality tertiary learning environment. The role of university includes production of knowledge, dissemination of knowledge and community engagement (Badat, 2009). Thus, to achieve these and in particular to produce a quality human capital would require university to be equipped with physical assets that is sufficient or appropriate for the particular courses. This research is aim to enhance the physical assets of Malaysian public universities in order to create creative learning environment and quality human capital.

This chapter provides the background study together with the problem statement, objectives and the research design used to achieve the objectives.

1.2 BACKGROUND STUDY

The Malaysian education sector has grown tremendously during the past decade and Malaysia is fast becoming a centre of educational excellence in the region. Currently there are 1,134,134 students enrolled in the Malaysian higher institution with almost 100,000 of them are international students and the balance of 1,034,134 are from locals (MOHE, 2015). Higher education opportunities in Malaysia are provided by more than 20 public universities, 24 polytechnics, 37 public community colleges, 33 private universities, 4 foreign university branch campuses and about 500 private universities (MOHE, 2015). To accommodate the increasing number of students every year, institutions are responsible for providing adequate infrastructure for learning and teaching.

The physical asset is a tangible infrastructure that is required for the operation of organisation. Physical asset is a property of the university, and it has its own value. Public universities are non-profit organizations which are managed under the government. The employees usually belong to the state retirement system, salaries and wages usually the legislatures. The governing body is Ministry of Higher Education, MOHE. All the physical assets owned by the higher institution will be managed by their property and facility management department.