The Development Control Process for Residential and Serviced Apartments in Shah Alam, Selangor

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Abstract. The lack of understanding on the development control process for residential and serviced apartments causes developers took advantage by placing unreasonable house prices leaving negative impacts to the purchasers. This becomes a growing concern whereby the growth of apartments has increased throughout the years in Malaysia. Therefore, the objectives of this study are to compare the serviced apartment and residential apartment in Shah Alam from the aspects of design guidelines and planning standards, the development requirements including the density and plot ratio, the submission requirements, and the legal matters involved in the development of these apartments. An analysis is done based on the data obtained from relevant Acts, Manuals, Checklists and interviews with fourteen (14) representatives from Shah Alam City Council, developers and apartments management body that is involved in the process. The results of the study indicate the differences between the serviced apartment and residential apartment. The findings present a synthesis of results for town planners, architects, developers and, government agencies to have a better understanding on the development control process for apartments that further can rationalize the success of property development sector.

Keywords: Development control, planning process, serviced apartment, residential apartment, urban planning.
1. Introduction

Serviced apartments popularity rises around the 1970s in South East Asia and around late 1980s in Malaysia. But at that point of time serviced apartments are only used for temporary stay mainly as tourist attractions. The concept is similar to a hotel, where investors or owners will buy the property and fully furnish the rooms to rent it to expatriates or tourists. Many prefer serviced apartments because it is considered cheaper than staying in a hotel. But since the property crisis in 2008 and the rise of housing selling price continues, majority of the low to medium income group opted to purchase a smaller and cheaper property, in this case, one of the choices being serviced apartments. Therefore, serviced apartments were purchased as residential units - for them to live in. Due to this factor, the popularity of the service apartments increases the demand for this property. Hence, the developers begin to develop more serviced apartments over time. Local authority plays a huge role in the development control process, most importantly to set requirements for submission for planning permission and building plan approval for types of apartments.

This research will cover the approval process, procedures, and the statutory requirements of the serviced apartments and the residential apartment in the study area, which is Shah Alam City Council in Selangor. The main difference between service apartments and residential apartments is in terms of the land use zoning. Serviced apartments, SOHO and other commercial apartments will be in commercial land use zone and residential apartments will be in the residential zone in the Local Plan. Due to its ‘commercial’ title, developers would instruct planners or architects to propose a mixed development, where the serviced apartment has to be built on a podium with shopping complex below or merge the service apartment with office blocks and retail. Residential apartment, on the other hand, is exclusively built on residential titiled land for residential use only. Therefore, it is important to study and differentiate between serviced apartments and residential apartment in terms of design guidelines, planning and building standard from the development control aspect.

2. Literature Review

2.1. Development Control in Malaysia

Development control plays an important part in the planning system to guide the development of a city in an orderly manner. The understanding of the key aspects of development control which includes the development requirements, the submission and approval process and procedures, land matters, legal matters, and development charges are vital for the development of the serviced apartment and residential apartment. Its purpose is to select and put into practice that land uses that will best meet the needs of the people while safeguarding resources for the future [1].

According to Section 2 (1) of the Town and Country Planning Act 1976 (Act 172), development control is define as “the carrying out of any building, engineering, mining, industrial, or other similar operation in, on, over, or under land, the making of any material change in the use of any land or building or any part thereof, or the subdivision or amalgamation of lands; and “develop” shall be construed accordingly” [2]. Meanwhile, the control means the process of exercising power over ones’ area of jurisdiction. Development control refers to the planning application process and statutory provisions and covers issues such as planning consent, exempted development (i.e. development which does not require development), enforcement (with regard to unauthorized development) and other related matters. If one has started any construction on site while they yet acquired the approval, they are considered to breach the law [3]. The laws, procedures, and guidelines pertaining to the land and property development process in Malaysia are quite extensive. Some of the main written land policies and laws to guide the land development activities as derived from the Malaysian Constitution are the National Land Code - Act 56 (1965), an Act to amend and consolidate, ensuring uniformity of law and policy relating to land and land tenure, registration of titles and collection of revenue and matters connected therewith [4], Land Acquisition Act 1960 which describes compulsory purchase and compensation [5], and Town and Country Planning Act – Act 172 which contains planning and related development regulations [2, 6].

Alterman (2001) highlighted that development control may affect the social composition of the region, cities, neighborhood or even specific building blocks whether intentionally or not intentionally [7]. Based on the powers granted by planning laws, planning regulation and development control that set land uses and building characteristics and thus affects the physical environment [8, 9]. Planning laws, once applied to regulatory planning and development-control decisions, affect not only one or two distinct spheres such as governance, business, or childcare. Some of these effects can be anticipated, many are ancillary or unintended. By affecting the use of most types of land and space, planning laws and especially development control can deeply affect the existing socio-cultural and economic order. They may have dramatic effects on personal health and safety, housing prices, employment opportunities, family life, personal time (spent on travel), and accessibility to public services.

Planning regulation may encourage the supply of adequate and affordable housing and thus reinforce social integration, but regulations might also aggravate the social separation of social groups, provide higher public amenities to privileged sectors, and most notably, raise housing prices, whether intentionally or not. Thus, planning laws may exacerbate social differentiation and even social exclusion. In other words, urban planning in general and decisions made under planning law in particular, are strongly related to notions of justice and in the interests of society.
2.2. Definitions of Residential Apartments and Serviced Apartments

A house is not only perceived as a physical shelter but also become a symbol of urbanization, social acceptance, and achievement [10]. House is also a symbol of the identity of a person that complements the need for human life (ibid). The types of houses are ranging from terraced houses to semi-detached houses, bungalows, and apartments to serviced apartments. According to Marcus, the apartment is defined as:

“[A] uniquely urban form of housing that combines relatively private spaces of individual apartment units with a common space of shared entrances, staircases, and part walls, the apartment house embodied the continuity between domestic and urban, private and public spaces” [10].

Hirsh claimed that:

“Over the past 30 years, serviced apartment complexes have become one of the defining architectural typologies of Asian urbanization. Relatively unknown before the 1980s, these complexes are designed to accommodate foreign business people, knowledge workers and students for a fixed period, typically three to six months. But since the turn of the 21st century, the fastest-growing segment of the serviced apartment industry has been facilities serving what might be called an expanding class of migrant workers: mid-level employees whose jobs require frequent relocation, creating a new professional class of nomads” [11].

This statement explains the evolvement of serviced apartments in other countries across Asia, where serviced apartment is meant for stay for a fixed period of time before the 1980s but became more a temporary stay after the millennium.

In Malaysia, the serviced apartment is one of the terms for ‘apartment’ but located in the ‘commercial’ land use zoning. In the Selangor State Planning Guidelines and Standards Manual (2016), Serviced Apartment is defined as ‘a concept of commercial development that embodies features of residential furnished with designated facilities packages for each unit’ [12]. To date, there is the only definition for Serviced apartments in the official documents. But in Malaysia, there are more terms with a similar definition, but only used as developers’ marketing strategies which are SOHO - Small Office Home Office, SOFO - Small Office Flexible Office or Flexi-Office, and SOVO - Small Office Versatile Office. The demand for these types of houses is influenced by purchasers preferences after a high level of the decision-making process [12]. In fact, home buyers are more concerned with the quality characteristics of a house such as modern and trendy facilities [13, 14]. The Malaysian government has a responsibility to provide quality housing through various housing policies and programs for all its citizen.

3. Research Methodology

In conducting this research, a case study method and in-depth interview were used to investigate the approval process, procedures, and the statutory requirements of the serviced apartments and the residential apartments in Shah Alam City Council.

3.1. Case Study

In order to conduct a thorough analysis, one residential apartment and two serviced apartments located in Shah Alam are chosen as a case study, as follows:

1. Menara U1 - located in Section 13, Shah Alam on commercial land use zone and is classified as Service Apartment.
2. Plaza Azalea - located in Section 14, Shah Alam. It is also located on commercial land use zone. It is a flexi-office or SOFO.
3. Pangsapuri Danaumas - Residential Apartment located in Section 7 Shah Alam. The apartment has obtained its Strata Title.

All apartments in this study are located in Small Planning Block (BPK) 1 in the Shah Alam Local Plan 2020. Figure 1 shows the location of these apartments.
Fig. 1. Location of Menara U1, Plaza Azalea, and Pangsapuri Danaumas. Source: Shah Alam Local Plan 2020, 2012 [15].

3.2. Semi Structured Interview

The semi-structured interview was conducted with 7 representatives from Shah Alam City Council from respective departments (Table 1). The interview questions are open-ended and focus on how interviewees involve with the development control process.

Table 1. List of Interviewees from MBSA.

<table>
<thead>
<tr>
<th>No</th>
<th>Department</th>
<th>Designation</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>OSC</td>
<td>Officer</td>
<td>7 Years</td>
</tr>
<tr>
<td>2</td>
<td>OSC</td>
<td>Technical Assistant</td>
<td>9 Years</td>
</tr>
<tr>
<td>3</td>
<td>Planning</td>
<td>Officer</td>
<td>14 Years</td>
</tr>
<tr>
<td>4</td>
<td>Planning</td>
<td>Technical Assistant</td>
<td>8 Years</td>
</tr>
<tr>
<td>5</td>
<td>Building</td>
<td>Architect</td>
<td>7 Years</td>
</tr>
<tr>
<td>6</td>
<td>Building</td>
<td>Technical Assistant</td>
<td>16 Years</td>
</tr>
<tr>
<td>7</td>
<td>Valuation</td>
<td>Evaluation Officer</td>
<td>11 Years</td>
</tr>
</tbody>
</table>
Interviews are also conducted with representatives from the management bodies of the serviced apartments to obtain information on the management of the serviced apartments (Table 2).

Table 2. List of Interviewees from Apartment Management.

<table>
<thead>
<tr>
<th>No</th>
<th>Management</th>
<th>Apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Joint Management Body (JMB)</td>
<td>Menara U1</td>
</tr>
<tr>
<td>2</td>
<td>Joint Management Body (JMB)</td>
<td>Plaza Azalea</td>
</tr>
<tr>
<td>3</td>
<td>Management Corporation (MC)</td>
<td>Pangsapuri Danaumas</td>
</tr>
</tbody>
</table>

In addition, interviews are also conducted with experienced consultants and project managers to obtain additional information on the difficulties to comply with the requirements and the developer’s strategies for the development of Serviced Apartments (Table 3).

Table 3. List of Interviewees from consultant and developer firms.

<table>
<thead>
<tr>
<th>No</th>
<th>Designation</th>
<th>Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land Surveyor</td>
<td>PerundingUkur Iman</td>
</tr>
<tr>
<td>2</td>
<td>Project Manager</td>
<td>I&amp;P Group SdnBhd</td>
</tr>
<tr>
<td>3</td>
<td>Project Manager</td>
<td>PermodalanNegeri Selangor Berhad</td>
</tr>
<tr>
<td>4</td>
<td>Architect</td>
<td>PertubuhanArkitek Malaysia and Rehda Committee Member</td>
</tr>
</tbody>
</table>

3.3. Content Analysis

Content analysis was used as the primary analysis technique of the collected data. This technique extracted and categorized information from documents that provides new insights increases a researcher’s understanding of a particular phenomenon or informs practical actions. In this study, an analysis was conducted by extracting the secondary data obtained from data collection, i.e. mainly from the laws, acts, and submission checklists (Table 4).

Table 4. List of contents analyzed.

<table>
<thead>
<tr>
<th>No</th>
<th>Matter</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land Matters</td>
<td>NLC 1965, Land Title</td>
</tr>
<tr>
<td>2</td>
<td>Legal Matters</td>
<td>HDA 1966, STA 1986, SMA 2013</td>
</tr>
<tr>
<td>4</td>
<td>Utility &amp; Assesment Charges</td>
<td>MBSA Valuation Department Website, Asessment Receipts, TNB Website, SPAN Website, IWK Website</td>
</tr>
</tbody>
</table>

After obtaining the data relevant to the development of a serviced apartment and residential apartment, a comparative study is done to compare the two types of apartment.

3.4. Analysis

3.4.1. Design guidelines and planning standard of commercial apartment

The Selangor State Planning Guidelines and Standards Manual (2016) is used to analyze the design and planning standard used for the development of service and residential apartments in Shah Alam. Serviced apartments, SOHO, and other commercial apartments are in the same land use zone, which is the commercial zone. According to the guideline, the serviced apartment and SOHO have to be located either in the town center or Centre Business District (CBD), within a 400m radius from the transportation terminal, within a 400m radius from the institutional area and higher learning centers such as universities and colleges. Serviced apartments and SOHO can be developed as one of the components of mixed development, as a free-standing building, or can be developed within a shopping mall. The minimum lot size for all commercial apartments is subject to requirements for building setback, open space, parking lots, plinth area, and building height. Plot ratio for serviced apartments and SOHO is 1:4, but the actual plot ratio is subjected to the local plan or special area plan. Plinth area for both serviced apartment and SOHO is 60%. Minimum service road for a serviced apartment is 50 feet and 66 feet.
for SOHO and offices. Requirements for minimum building setback are the same for all commercial apartments which are 40 feet facing the main road, adjacent road, and rear road, and 20 feet for side or rear setback.

In order to differentiate between commercial apartments and residential apartments, the differences between the commercial apartments i.e. serviced apartment, SOHO, SOFO, and SOVO must be determined first. Design guidelines and planning standards for serviced apartment and SOHO are provided in the Selangor State Planning Guidelines and Standards Manual (2016) by JPBD under commercial development. Department of Town and Country Planning Selangor is one of the pioneers to provide the provisions for SOHO where it is newly furnished in the third edition of the manual. There are no provisions for SOHO in the previous editions. There are also no provisions for SOHO in the design guidelines and planning standard in other states. However, there are no design guidelines and planning standards for SOFO and SOVO or other types of commercial apartments in the manual. According to the interviewee from the Building Department, Shah Alam City Council, if the developers or consultants apply for these types of development, they will only submit the proposed development as offices. The requirement for office is more lenient because there are no supporting facilities required for the residents' use. There are also no requirements for the minimum floor area. The minimum floor area for serviced apartments is 550ft² and SOHO 450ft², whereas minimum floor area for SOFO and SOVO is not mentioned in the requirements. Minimum household size required for Serviced Apartments is 4 persons per unit and the minimum household size for SOHO is 2 persons per unit. There are also no requirements for minimum household size for offices. This will enable developers to build more units with the lesser floor area.

Parking requirements also differs between serviced apartment and SOHO. For serviced apartments, minimum 2 parking lots are required for each unit. Parking requirements for SOHO follows the floor area for each unit type. Only one parking space is required for Gross Floor Area (GFA) 450 ft² and 2 parking lots are required for GFA more than 450 ft. For SOFO and SOVO, one parking lot is required for every 500 ft². Based on interview with participant from the developer, this is confirmed as true. They will label this development as office development in any documents coincide with submission to the Authority.

3.4.2. Design guidelines and planning standard of a residential apartment in comparison to the commercial apartments

The differences that can be identified between commercial apartment and service apartment in the development requirements, i.e. required location, development form and height control.

The commercial apartments are required to be built near to the CBD, within a 400m radius from the Integrated Transport Terminal, the Light Rail Transit (LRT) or Commuter. Indirectly, the land prices in these areas are high. According to the interview with the developer, they uttered that the land cost is high. Higher property prices in the CBD will affect the market price for other nearby property as well. In terms of development form, commercial apartments can be developed as a part of mixed development, as a free-standing building, or within a shopping complex. The residential apartment should contain residential units only. Facilities that can be provided are only for use of the residents and not for public use. In an interview with a developer, it is discovered that the commercial apartments are more beneficial to the developers compared to the residential apartment because they are able to build mixed development, which usually consists of retails or shopping complex, and profit from both developments.

3.4.3. Density and plot ratio

According to Part 1, Section 2 – Town and Country Planning Act 1976 (Act 172), density means the intensity of use of land reckoned or expressed in terms of number of persons, dwelling units, or habitable rooms, or any combinations of those factors, per unit area of land; and for the purpose of this definition "habitable room" does not include a kitchen, storeroom, utility room, lavatory, bathroom, or garage. According to Federal Territory (Planning) Act 1982 (Act 267), density means highest and best usage of the particular land, calculated based on the number of people, residential unit or any space that can be occupied or an annex attached to any hereditament for usage for a particular land [16]. Density calculation as part of the local planning authority required to be attached in a development proposal as an instrument used to grant development permission on that land before any construction commences on that particular land. Any excess in density if approved shall be chargeable with a development charge.

The valuer should assess a few basic information required before ascertaining the density, i.e.: the proposed residential units and the particulars of the area of the said land. Residential developments are built based on units or population per land size. However, commercial developments are based on plot ratio, which is the total built-up area per land size. This affects the number of units to be developed. For example, a developer gets permission to build a condominium based on a population of 1000 people per acre. Assuming 5 people live in a 1,000 square foot unit, a developer can only build a maximum of 200 units per acre of land. One of the reasons developers build SoHo, SoVo and SoFo projects is they can build more units on commercial land and not have to adhere to the strict condominium regulations on density. In Selangor, residential property developments are built based on units per land size. For condominium
developments, density is in the range of 60 to 80 units per acre.

Plot Ratio is defined by section 2, Act 172 as the ratio of the total area of a building to the area of the building plot as measured between the survey boundary lines or, if there are no survey boundary lines, between the provisional boundary lines [1]. Similarly, section 2, Act 267 define plot ratio as a ratio between the gross floor area of buildings divided by a total site area [11]. The higher the plot ratio, the more gross floor area can be allocated to the site. Plot ratio is a very important measurement to tells the maximum intensity to the development or how much can be built on the site. If a site’s allocated plot ratio is higher than that utilized by the existing building or if it is revised upwards, then more gross floor area can be allocated to the site. This would raise the site’s value because a developer could build and sell more homes on the site. Commercial developments are based on plot ratio (the ratio of a building’s total floor area to the size of the land upon which it is built) which is usually 1:4 in Selangor. For instance, a developer gets permission to build a SoVo based on a plot ratio of 1:4. For a one-acre site (about 44,000 sqft), the developer is allowed to build up to 176,000 sqft (floor area). If the developer builds SoVo units of 500 sqft each, the number of units to be built would be 352, a figure which is much higher than the 60 to 80 units allowed per acre for residential development.

3.4.4. Requirements for planning and building plan submission

According to the interview with representatives from OSC, Planning Department, and Building Department Shah Alam City Council, the requirements for building submission is adapted from the Selangor State Planning Guidelines and Standards Manual (2016). Furthermore, the application of the procedure of planning permission and building plan is similar for residential apartment and commercial apartment due to the local authority only adapts the process and procedure outlined in the TCPA (Act 172), Street Drainage and Building Act (Act 133) [17], and Uniform Building By-Law Selangor 1986 [18]. Besides that, it is easier to standardize the system for all types of development so that all qualified person and SP/PSP are well versed with the process and procedures. This can expedite the approval process and decrease the probability of non-compliance with the procedures.

3.4.5. Legal matters

The Housing Development (Control and Licensing) Act 1966 (Act 118) (HDA) define ‘housing accommodation’ includes any building, tenement or message which is wholly or principally constructed, adapted or intended for human habitation or partly human habitation and partly for business premises and such other type of accommodation as may be prescribed by the Minister from time to time to be a housing accommodation [19]. According to this interpretation, residential apartments fall under the enforcement of HDA 1966. ‘Housing Development’ in HDA 1966 (Clause 3) means to develop or construct or cause to be constructed in any matter whatsoever more than four units of housing accommodation and includes the collection of money or the carrying on any building operations for the purpose of erecting housing accommodation in, on, over, or under any land; or the sale of more than four units housing accommodation [19]. The usage of the word ‘apartment’ in the ‘serviced apartment’ term and the word ‘home’ in SOHO (Small Office ‘Home’ Office) shows the intention of developers to operate, erect, and sell serviced apartments and SOHO as ‘housing accommodation’. Moreover, the development of serviced apartments and SOHO are more than 4 units and involved the collection of monies. That is why the serviced apartments and SOHO are bounded by HDA 1966 although they are built as commercial buildings. SOFO (Small Office Flexible Office) and SOVO (Small Office Versatile Office) on the other hand is not considered ‘housing accommodation’ therefore they are not bounded by HDA 1966. This leaves a loophole and opportunity for the developer to elude from obeying certain laws but can still proceed with their original intention which is to sell homes.

4. Discussion and Findings

The four key elements of development control aspect that is analyzed are the design guidelines and planning standards, the development requirements including the density and plot ratio, the submission requirements, and the legal matters involved in the development of serviced apartments and residential apartments. In the legal aspect, the category of the two types of apartments are the same, but the expressed condition or implied condition stated the different building use, whether to be used as a commercial or serviced apartment or for residential use only. The main difference between these two types of apartments are the development requirements. In terms of design guideline and planning standard, the main difference can be distinguished by the land use zone, where the serviced apartments i.e. the serviced apartment, SOHO, SOVO, and SOFO are in the commercial land use zone and the residential apartments are in the residential land use zone.

Besides that, the difference between the apartments is the development form. Serviced apartments can be developed as a part of mixed development, as a free-standing building, or within a shopping complex, whereas residential apartment should contain residential units only except the required facilities for the residents. The retail or facilities for the residential apartment are for the residents only and not allowed for public use. By looking at the development form, the developers can benefit more from building the serviced apartments because they are able to develop more properties within one site. The developers can profit from the sales and operations of shopping complex, retail, or other facilities that they can...
provide at the podium level at the same time profit from the sales of serviced apartment units.

The height control for commercial-type apartments is determined by the plot ratio calculation, whereas the height for residential apartments is determined by the density. The allowable plinth area is the same for both types of apartments which are 60%. Accordingly, the plot ratio requirements will result in a greater number of units compared to the density calculation. Therefore, the developers will gain more profit by developing serviced apartments or SOHO compared to residential apartments. As for the classification, in the Selangor State Planning Guidelines and Standards Manual (2016), serviced apartments and SOHO is located on a different type of development but still belongs to the commercial development zone. Therefore, the submitting person will submit the planning permission and building plan application following the requirements for ‘office’ instead of for serviced apartments or SOHO which is more specific.

The residential apartment, on the other hand, is divided into four types, which is the Low Cost, Low Medium Cost, Medium Cost, and High-End Apartment. These four types of residential apartments’ requirements are the same in terms of development form, service road widths, and building setbacks. The only difference is the minimum floor area and the parking requirements. The minimum floor area for low-cost units is 700 ft², 750 ft² for low-medium and medium cost apartments, and 850 ft² for high-end apartments. Only one car parking lot required for low-cost apartment whereas minimum 2 car parking lots are required for medium, medium, and high-end apartments.

Requirements for serviced road width for residential apartments is 66’, which are more than serviced apartments which only requires 55’ width. Minimum ingress and egress road width are 50’ for residential apartments but not specified for serviced apartment and SOHO. Requirements for setbacks are different between the commercial apartment and residential apartment. Commercial apartments usually consist of 1 building per site or connected by a podium at ground floor level whereas residential apartments are consists of separate buildings or blocks within one site. The residential apartment buildings may be at the same height or different to one another. Therefore, there are additional requirements for setbacks in between buildings within the same site. This will result in lesser permissible plinth for development of residential apartment due to more setbacks and minimum road width requirements. Some of the supporting facilities i.e. praying area, mini library, restaurants or food court, management office, and refuse chamber is required for serviced apartments. Exclusive requirements for SOHO and the serviced apartment also differ to the exclusive requirements for SOFO and SOVO. This is due to the commercial-type apartments has dual usage because it is usually within a mixed development or above shopping complexes, therefore there must be a differentiation of usage between the public or commercial customers with the residents of the apartment above. Exclusive facilities are intended to provide specifically for the residents’ use. Provisions for open space and recreation and perimeter planting are the same between the commercial apartment and residential apartment.

Building standards which are the set of requirements for building plan approval follows closely the requirements stated in the design guideline and planning standard. But, in the Shah Alam City Council Building Department Checklist for Building Submission, the Principal Submitting Person/Submitting Person (PSP/PSP) are only required to follow the requirements for ‘apartment’ in general. There are no specific requirements for serviced apartments, SOHO or residential Apartment. This situation may cause inconsistency in requirements set by the Department of Town and Country Planning and the Building Department. Some PSP/SP may refer to the Department of Town and Country Planning guideline and some may refer to the Shah Alam City Council Building Department’s checklist. Usually, the officers in the Building Department will only refer to the Building Requirements Checklist alone. This checklist is more lenient compared to the guidelines by the Department of Town and Country Planning, therefore developers may be able to avoid certain requirements.

Procedures of submission to obtain the planning permission and building plan approval are the same for both serviced apartments and residential apartment. The submission procedures are not only the same for both type of apartments, but for any type of development in the Shah Alam City Council designated area. This is due to Shah Alam City Council as local planning authority only follows to the procedures as per stated in the Street, Drainage and Building Act (Act 133), TCPA (Act 172) and Uniform Building By-Law Selangor 1986. Moreover, as the implementation of new standardized submission procedure OSC 3.0 introduced, the same submission procedure is implemented all over Malaysia. In this regard, an OSC is established and authorized to consider and decide upon the application for planning permission, building plan and inform planning approvals, simultaneous application of subdivision and change of conditions and surrender and realignment to land administrator [20].

As for the legal matters, residential apartments and serviced apartments belongs to the stratified development because both types are ‘shared’ properties. The development of both properties are vastly affected by the implementation of Strata Management Act and amendment of Housing Development (Control and Licensing) Act in July 2015 where the developers must issue Strata Title together with the handover of Vacant Possession together with the issuance of Certificate of Completion and Compliance (CCC) and signing of Sale and Purchase. The residential apartment serviced apartment, and SOHO are bound to the Housing Development (Control and Licensing) Act, therefore, the developers for these three types of developments have to obey the procedures for application of the Advertising
Permit and Developers License. Assessment rates and utility bills are higher for serviced apartments because they follow the commercial rates. Owners of commercial properties will use the property to allocate and operate business premises or firms. The owners will obtain profits from the businesses; therefore, the rates are considered reasonable. But in this case of a commercial apartment, the owners use the apartments as residents, therefore they are burdened by the high utility bills and assessment rates.

The development control function is an important one and those who work to evaluate applications for development permission; grant or refuse permission; and inspect development have a tremendous responsibility to ensure that the problems just identified do not arise. Local planning authority and all stakeholders have a responsibility to ensure that development occurs in the right place, at the right time; that buildings are structurally sound and will not endanger the safety or lives of those who live in or use them; that they are provided with the basic services and facilities necessary to support the purpose for which they are erected; and to ensure that the environment and natural resources of the country are managed carefully and prudently for the enjoyment of present and future generations.

5. Conclusions and Recommendations

Analysis has been done to compare the development control process for commercial apartments and residential apartments. Shah Alam City Council being the local authority of Shah Alam is the administrator of the planning permission and building plan application. In this study, it is recognized that the planning permission and building plan application process and building standard are similar for both types of development, it cannot be avoided due to regulations stipulated in Act 133 and Uniform Building By-Law Selangor 1986 under the OSC 3.0.

From the analysis and comparative study, it is discovered that the development of serviced apartment brings more benefit to the developers, especially through the development of flexi-offices such as SOFO and SOVO. This is proven to be beneficial to the developers because they are able to avoid stringent development requirements for housing development, i.e. the minimum floor area, usage of density calculation. The developers are able to construct more units and at the same time benefit more from the construction of mixed development. Simultaneously, due to the required location for commercial apartments which happens to be near the central business district area or public transportation enable developers to sell the properties for a higher price. In contrast to the advantages that the developers benefit, from the analysis and comparative study, it is discovered that the commercial apartment burdened the residents through higher assessment rates and utility charges. Accordingly, it is timely for the government to review and revise the Acts, rules, and requirements. This can be seen through the review of the third edition of Selangor State Planning Guidelines and Standards Manual (2016) whereby the provisions for SOHO is included in the guidelines. The government’s effort towards improvement of the development control can also be seen from the revision of the Strata Title Act and Strata Management Act.

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References


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