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Landlords' Perception on the Introduction of the Residential Tenancy Act (RTA)

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INTRODUCTION

Matching the demand for rental housing among locals and the increasing number of foreign workers/students in the country has caused private house rentals to increase every year.

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Currently, in Malaysia, there is an absence of specific laws governing rental housing. Instead, it considers as a part of the law contract.

Residential Tenancy Act in Malaysia, to be adopted according to suitability from the tenancy act in New South Wales and Victoria, Australia.

There are several other laws (some of which are old and in need of renewal) that apply to residential rental:



National Contract Land Code Act 1950 1965



Distress Act 1951



Specific Civil Laws Relief Act Act 1956 1950

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PURPOSE of the Study

This study analyzes the landlord's perception on the introduction of the Residential Tenancy Act (RTA) in Malaysia as a tool to administer the tenancy process to protect the landlords' and tenants' rights better. The results will reflect percentages of landlords 'agreement to introduce RTA, as well as the reasons behind any support and rejection.

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OBJECTIVES of the Study

To analyse landlords' acceptance or refusal towards the introduction of the Residential Tenancy Act in Gombak District, Selangor

To identify the impacts of new proposed act towards landlords

To propose appropriate measures and recommendations in response to the findings of the study for better implementation of the Residential Tenancy Act

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LITERATURE Review

A landlord is the owner of a house, apartment, condominium, or property which is rented or leased to an individual or business.

A landlord is usually related closely to the market, which means renting a house to the tenant; it involves the process of business (Mae, 2008)

Types of Landlords



Wilson & Flaum (2003) define private landlord as a property owner who chooses to rent out their property themselves. They will not use any letting agent or property management company. Instead, they will manage the housing rental directly (Salt & Miner, 1999).



Person who is being let a residence by a landlord and subsequently sublets it to another tenant. The owner of the house might be staying away from the rented house. Thus, he or she will hire a person to replace them to manage the rented house (Salt & Miner, 1999).

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METHODOLOGY of research

Data Collection



Questionnaire Survey

Respondents in Gombak District

Section A: Respondents' Profile

Section B: Landlords' experiences and

perceptions towards renting

process

Section C: Landlord's perceptions

towards the

implementation of RTA

Data Analysis



Descriptive Analysis Cross Tabulation

Cross Display the relationship

Tabulation: between variables, which is

then supported by chi-

square analysis.

Likert Scale: Measure respondents'

perceptions based on four

options: strongly agree, agree, strongly disagree,

and disagree.

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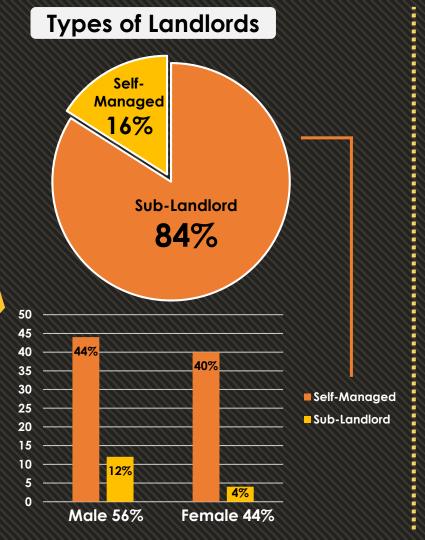
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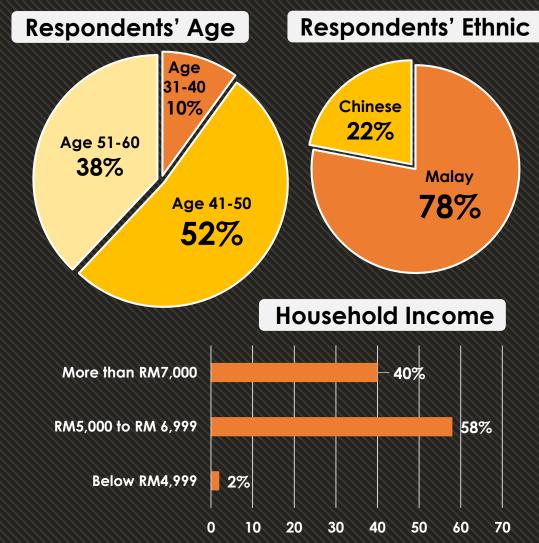
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FINDINGS and Analysis









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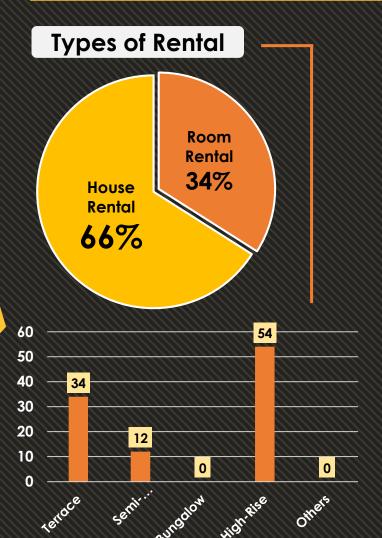
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FINDINGS and Analysis

Rental Services





Rental Housing Characteristics

Variable	Component	Percentage (%)			
Rental Rate	Below RM500	14%			
	RM501-RM1,000	58%			
	More than RM1,001	28%			
Types of Rental	Per House	66%			
	Per Room	34%			
	Per Person	0%			
Character- istics	Fully Furnished	20%			
	Partially Furnished	40%			
	Unfurnished	40%			

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Landlord's Experiences

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Purpose of House Rental

- 8% Inherited Property
- 14% Pension Investment
- 16% Buy-to-Let Investment
- 62% Private/Individual Investment

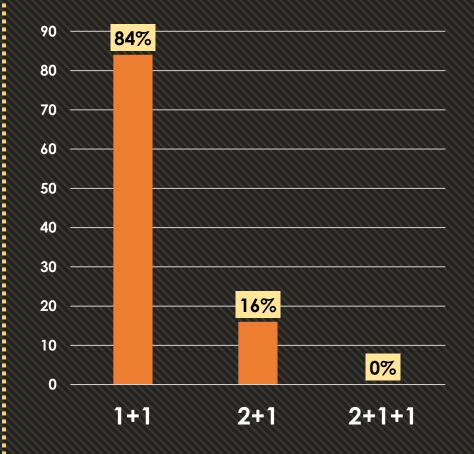
Method of House Rental

0% Poster
Property Agent
Newspaper

34% Friends/ Family/ Neighbours

66% Property Website





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FINDINGS and Analysis

Landlord's Perception on the Introduction of RTA

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Acknowledgement on the introduction of RTA

66%

Agreement on the introduction of RTA

30% Disagreed 70% Agreed

12% Less Awareness on the Implementation of RTA

12% Higher Cost of Implementation

72% Lack of Knowledge about RTA

Terms to be included in RTA

58% Deposit term payment

(including the types of deposit to be paid by the tenant and the landlord's return of the deposit to the tenant)

56% Amount of rent to be paid by tenant

Moving out at the end of the rental term

Less Significant Terms

Perception of the details of the council tax, utilities, and other charges for services included in the rent.

58% Disagree

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Significant Relationship Between Landlords' Refusal towards the Introduction of the

Residential Tenancy Act and the Refusal Factors

FINDINGS and Analysis

% of Landlords Requiring the RTA

12% Require 88% Did not Require **Cross Tabulation Table of** Landlords' Requiring the **Residential Tenancy Act** and the Refusal Factors

		Refusal Factors							
Variable	Component	Higher Cost of Implementation		Lack of Knowledge regarding the Residential Tenancy Act		Lack of Awareness on the implementation of RTA		Total	
		Unit	%	Unit	%	Unit	%	Unit	%
Require the Residential	Yes	6	12.0	0	00.0	0	0.0	6	12.0
Tenancy Act	No	2	4.0	36	72.0	6	12.0	44	88.0

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FINDINGS and Analysis

Relationship Between Landlords' Requiring the Residential Tenancy Act and the Refusal Factors



Relationship Between Landlords' Requiring the Residential Tenancy Act and the Refusal Factors

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.431°	2	.000
Likelihood Ratio	13.384	2	.001
Linear-by-Linear Association	12.374	1	.000
N of Valid Cases	50		

Source: Questionnaire Survey, 2019

is 2 with 19.431 calculated chi-square. Meanwhile, the result of Asymptotic Significance is less than 0.05, which is 0.000. Therefore, both of the variables are significantly related. In conclusion, the result infers that respondents did not require the implementation of RTA on them due to the lack of knowledge regarding RTA.

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Experience in Managing Rental Houses

84% Managed Rented Houses on their own

56% Male

The majority of the respondents were renting their houses for more than

CONCLUSION

years.

Landlords' Perception of the Introduction of the **Residential Tenancy Act**

Awareness on the introduction of RTA

% of Landlords Requiring the RTA

Agreement on the introduction of RTA

12% Require 88% Did not Require

30% Disagreed 70% Agreed

Respondents believed, the more extended period they have contributed to the housing rental sector, the lesser they require the act. They prefer to solve the issues regarding the housing rental process outside the control of the act.

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RECOMMENDATIONS

More proactive approaches and housing strategies need to be executed for a better living environment

Mariana, Muhammad Adib, Syakir Amir, & Mansor (2018)

Updating the terminology used in the Residential Tenancy Act

The findings have presented three chosen terms by the landlords, which are payment of deposit by the tenant, amount of rent, and the termination of rental

Setting up a minimum standard on rental properties

Includes setting up a clear objective on the introduction of the RTA, creating a systematic database to collect the landlords' and tenants' data, and providing a standard regulation for landlords to manage their rental properties precisely on the matters of the rental rate to avoid rent arrears

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