



**PME VALUATION : TRAINING  
OPPORTUNITIES IN MALAYSIA**



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**PME VALUATION: TRAINING OPPORTUNITIES IN MALAYSIA.**

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**1.0 INTRODUCTION**

Perhaps the title should have been 'Lack of Training Opportunities in Malaysia'. This is because; this topic has been discussed at length before, both at the public and private sectors. A paper on the prospect of a PME valuer was presented at the 2<sup>nd</sup>. Int. Conference in PME Valuation in Kuala Lumpur in 2000 and another discussion on training opportunities was presented at the 3<sup>rd</sup>.International Conference of PME Valuation 2002 in Sydney. This paper looks at the needs and opportunities for PME valuation training in Malaysia, or rather the lack of it, since the gap in training for PME valuation as compared with the abundance of training for property valuation, is widening. What does it take to become a PME valuer? What types of courses are available now and is there any establishment in Malaysia taking up this task to ensure that the dying breed does not become extinct altogether? Although much has been said, unfortunately no concrete steps have been taken so far to come up with a strategy to provide continuing education or a formal training for PME valuers in Malaysia. Other countries like the USA, EU, Australia and New Zealand are well in advance in this area. India too has surged ahead and boasts of the only country worldwide who has a college that offers a master's degree programme in PME valuation.

This paper explores the possibilities of starting up quality training and continuing education in PME valuation which is recognized by the authorities in Malaysia which would ensure the professionals carrying out their work, do so efficiently and comply to the highest international standards. The Centre of Excellence for Facilities Management (CEFM) intends to take up the challenge of providing

training and continuing education in PME valuation by working together and collaborating with established professional agencies and institutions worldwide.

### **1.1 Overview of PME valuation profession**

Many PME valuers currently practicing in the market come from a diversified background. Some have engineering background, while some with finance or business qualifications. Majority of those involved in PME valuation back home has a basic degree in Real Estate/Estate Management because it is required by the Board of Valuers, Appraisers and Estate Agents, Malaysia, under the purview of the Valuers, Appraisers and Estate Agents Act (1981). However, in reality, there are many who do not have the qualification, have been doing the complete PME valuation assignment, only short of putting their names on the report and signing it off. Now, what is wrong with this? My view is, there is a lack of understanding among the valuation fraternity in Malaysia, who considers that PME valuation is a complex process and is not a popular profession compared with property valuation. The job may be tough but with proper skills together with training and continuing education as well as keeping abreast with current issues would definitely make PME valuers a special breed of people with special talents who are highly sought after in the industry. They need to be recognized by the relevant authorities for the integrity of the profession. If there is no due recognition, it is like sealing the fates of so many of us out there who are genuinely interested to carry out PME valuation work.

The physical aspect of site inspection and the writing up of PME specifications together with data collection, analysis and database management remain the core activity of a PME valuation assignment. Thus formal training and continuing education in this area is very important to enable a valuer carrying out his task diligently and in a

professional manner. Although, cases where PME valuer is being sued for professional negligence is very rare, this does not mean that we should become complacent. What is foreseeable in the near future is the need for a formalised training and CPD programmes for all PME valuers no matter where they practice in the world.

### **1.2 Professional organisations for PME Valuers.**

Most developed countries have their own PME Valuation chapter. Organisations such as Royal Institution of Chartered Surveyors, American Society of Appraisers, Australian Property Institute and ISTAR have been and continually supporting the professional development and upgrading of knowledge and skills of PME valuers worldwide. The question now is, are these organizations willing to help us in carrying out our ambitious projects back home with all the constraints ever present (time, cost, energy)? That is why we are here today and hopefully we will get the answer before this Conference ends.

### **1.3 Overview of PME valuation profession in Malaysia**

Malaysia, being a newly industrialized country has seen the increase in the number of PME being imported into the country. This has resulted in an increase in the volume of transactions and also activities pertaining to sales and purchases of PME. In these circumstances, the demand for professionals needed to carry out valuation work and other related assignments, have also increased. At a recent national level convention involving all the local authorities in Malaysia, a paper was presented showing that certain categories of PME are ratable and could be used to increase revenues for local authorities. However, till date, there is still no formal training required for a PME valuer to carry out this job. In many instances, much of the works for PME valuation are being carried out by property valuers who have little or no exposure at all in this field. For the



larger conglomerates, they can afford to bring in experts from overseas or from their associated companies to carry out the job. This applies to the government sector as well where PME valuation is being carried out by inexperienced valuers. (This could be due to lack of PME valuation cases) In our opinion, this is not a healthy development to the industry. There are organizations who offer short courses to improve their knowledge and skills and there are experts around who have vast experiences in this field. Some have even written books on them while some are on the verge of coming up with yet another book. It seems we do not lack the expertise but rather availability of these courses in certain parts of the world.

Our problem now is, these courses are not available in Malaysia and it is very costly, among other things to send them overseas for the short courses. Also, no one has taken the initiative to start putting these experts where they are needed. This is where CEFM comes in. We acknowledge the fact that, there is a real need in the industry for continuing education and professional development programmes in PME valuation. We are also carrying out a research to find out what type of courses are needed by people in the industry and also how these courses should be carried out. We have also identified the organizations whom we feel can help us with the mammoth tasks. We are talking about smart partnerships and collaborations to overcome these problems. As such, we are actually putting together the people who demand these training and the people who can actually supply the knowledge through high quality short courses and CPD programmes and activities.

## **2.0 EDUCATION AND TRAINING OPPORTUNITIES IN PME VALUATION**

The organizations below, provide a formal training in PME valuation.

- 2.1 The RICS Plant and Machinery Faculty offers Diploma in Valuation (Plant and Machinery) course based on direct entry route or non-cognate

entry route who registers with them by December 31, 2002. this might have been changed by now. Long distance study is also available with candidates expected to sit for exams in May/October. the

- 2.2 ISTAR offers a full time Master's degree in PME Valuation with a comprehensive syllabus that takes 2 years to complete.
- 2.3 ASA offers the most flexible series of courses starting with the four modules in Principles of Valuation courses. It is then followed by advanced level of specialized seminars that not only enhanced one's knowledge but also keep PME valuers abreast with current issues.

### **3.0 EDUCATION AND TRAINING OPPORTUNITIES IN MALAYSIA**

#### **3.1 Local Universities**

At least three local universities have included topics on Plant and Machinery Valuation in their Real Estate first degree programme. However, they are only part of the elective subjects rather than core subjects.

#### **3.2 National Institute of Valuation (INSPEN)**

3.2.1 In-house training. Most of the courses run by INSPEN are for their own staff and very limited number is offered to the public and private sector. An introductory, intermediate and advance level course in PME valuation has been carried out where a certificate of attendance is awarded at the end of the 3-4 days course.

3.2.2 Collaboration with ISTAR. At present, INSPEN with their available resources and as a training arm of the Valuation and Property Services Department has taken an initiative to jointly start a Certificate level course in PME valuation with ISTAR, Gujarat, India. This course is expected to start in the near future and will be carried out as a long distance programme with industrial

attachment to be carried out in ISTAR, Gujarat, India. CEFM is expected to be part of this programme.

### 3.3 CEFM, KUITTHO

This is explained in Paragraph 4 below.

## **4.0 CENTER OF EXCELLENCE FOR FACILITIES MANAGEMENT (CEFM)**

### 4.1 Background on CEFM

CEFM was established on January 1 2004, to cater for the needs of professionals especially in the field of Facilities Management (FM). Its mission and vision is clearly to support the development and continuing education in FM and related subjects. Since plant, machinery and equipment is basically categorized under facilities, the training and development of PME comes under the CEFM.

### 4.2 Vision and Mission

#### 4.2.1 Vision

To serve as a centre of excellence for knowledge sharing and development to achieve FM best practice through innovation and cutting edge technology.

#### 4.2.2 Mission

To continuously promote the development of total quality in FM as a critical, professional and strategic business discipline to deliver FM excellence

#### 4.2.3 Goals

- to promote FM excellence and best practice in Malaysia
- to position CEFM as a regional referral centre for research, consultancy, publication and continuous professional development activities.

#### 4.3 Objectives

The Centre has the following objectives:

- To develop, demonstrate and disseminate best practice expertise and experience across different sectors and facility types.
- To identify and prioritize key issues for research & development and consultancy through expert position statements and discussion documents
- To establish a consolidated knowledge base, supported by secure techniques, sound criteria and accountable expertise on which to develop practical theories in the field.
- To encourage cross disciplinary collaborative research initiatives in key areas of opportunity and to help apply research findings and techniques.
- To promote a national and international standards and benchmarks for FM best practice.
- To promote networking, events, training, research and access to knowledge, as an aid to continuing professional development.
- To enhance and disseminate knowledge through publication on Facilities management
- To establish and maintain best practice of facilities management that will support rising performance and requirement levels and promote excellence in FM through innovation and creativity



4.4 Training and CPD Programme

To date, CEFM has carried out a short course for the Local Authorities and plans to carry out more specialized short term training in collaboration with established organizations such as ASA and ISTAR. CPD programmes have also been lined up in our calendar for 2005 and 2006 and we planned to invite experts to conduct talks and workshops in their respective areas of expertise.

4.5 Malaysian Chapter of Institute of PME Valuers

This may yet again be a very ambitious project but we also planned to gather the related parties to discuss the establishment of a Malaysian Chapter in PME Valuation. We hope to start a platform to discuss how to carry out the plans with our industry links.

**5.0 CONCLUSION-WHAT'S IN STORE FOR PME VALUERS IN THE FUTURE**

5.1 Collaboration and smart partnerships with established organizations. We hope to collaborate with ISTAR and ASA on short courses and CPD programmes with experts to ensure the standards of training is at par with what has been carried out by both organizations. We also hope to work out a smart partnership with private firms and public agencies involved in Facilities Management. (Two firms have been identified and details will be worked out later)

5.2 We also hope to invite individual experts from ASA and ISTAR to help us out with the short courses and CPD programme in terms of lecturing etc. to be held in Malaysia.

5.3 We hope to send our staff/course participants for work attachments with established firms practicing PME valuation. So far a firm in Wellington

has already agreed on this relationship with INSPEN and we are working out the details together.

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