



The Structuring for Development and Management Waqf Properties in Malaysia

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ABSTRACT

There are several methods that can be utilized to enhance the productivity of endowment (waqf) assets. These assets can be rented out to interested parties or used for various economic activities such as agriculture and livestock farming. In cases where the above methods are deemed unsuitable, then the Nazir should try to find other alternatives to make the waqf land productive. Endowment (waqf) trustees should also explore other avenues to optimize the usage of endowment land under their care. Thus, real estate investment can be used as an alternative to develop the endowment land. Real estate/property investment on waqf assets can be implemented by constructing commercial buildings such as supermarkets, accommodation (hotels) and residential estates. The development of these lands will lead to the creation of new waqf assets. This research is undertaken to study the methods used to commercially develop a Waqf land located in Seberang Jaya, Penang carried out by the Islamic Religious Council of Pulau Pinang (IRCPP) with UDA Holding Bhd. management expertise and cooperation, the productivity of a waqf land (known as Settee Aishah) was optimised and successfully developed into a residential estate known as Settee Aishah Waqf Residential Estate.

Keywords: Waqf development, Islamic Religious Council of Pulau Pinang (IRCPP), waqf investment.

1.0 DEFINITION OF WAQF PROPERTY/ASSET

Ibn al-Athīr stated that originally the word asset (*māl*) has been used amongst the Arab community which specifically denoted individual ownership of gold and silver¹. The scope of meaning for the term *māl* has been extended to all valuable possession such as camels and other properties. This is due to the fact that camels are the most valuable ‘assets’ among the Arabs at that time². From linguistic standpoint, the term *al-māl* is the root word for the term *تمول* (*tamawwal*) which stands for ‘owning a property’³. Property is also defined as any asset extracted from the earth in the form of food, plantation and livestock⁴.

The fuqahas have different views in defining the meaning of asset. The differences arised due to the question of whether the asset status is only limited to physical goods (*‘ayn*) or it also includes usufruct and power of rights ownership. Primarily, Ḥanafīyah fuqahas have two different views with regards to asset benefit. The first view is from the predecessors (*al-mutaqaddimūn*) who stated that asset is limited to only physical goods⁵. On the other hand, the successors (*al-muta’akkbirūn*) postulated that asset is also comprised of ownership on benefits derived from an asset (usufruct) and also the ownership of the physical asset itself⁶. In the meantime, the fuqahas other than the Ḥanafīyah predecessors (*al-mutaqaddimūn*) have agreed that the term asset includes all the three characteristics -physical (*‘ayn*), usufruct and power of rights ownership⁷.

¹al-Mubārak Ibn Muhammad Ibn Muhammad al-Jazāri Ibn al-Athīr (1963), *al-Nihayah fī Gharīb al-Ḥadīth wa al-athār*, j.4, Miṣr: al-Maktabah al-Islāmiyyah, al-Qāhirah, p. 373.

²Abbās Aḥmad Muhammad al-Bāz (1999), *Aḥkām al-Māl al-Ḥarām wa Ḍawābiḥ al-Intifā’ wa al-Taṣarruf fī al-Fiqh al-Islāmī*, c.2, al-Urdun: Dār al-Nafā’is li al-Nasyri wa al-Tauzī’.

³Abd. al-Rahīm Ibn Ibrāhīm Ibn Abd. al-Rahman al-Sayyid al-Ḥāshim (2006), *al-Ta’yīn wa Atharuhu fī al-‘Uqūd al-Mālīyyah*, c.1, al-Mamlakah al-‘Arabīyyah al-Sa‘ūdīyah: al-Riyāḍ, Wazārah al-Ta’līm al-‘ālī, p. 24.

⁴Muhammad ‘Amārah (1993), *Qāmūs al-Muṣṭalabāt al-Iqtisādīyah fī al-Ḥaḍarah al-Islāmiyyah*, c.1, Lubnān: Dār al-Syurūq, Bayrūt, p.503.

⁵al-Sarkhasī. Syamsu al-Dīn al-Sarkhasī (1989), *Kitābul Masbūḥ li Syamsu al-Dīn al-Sarkhasī*, j.11, Lubnān: Dār al-Ma’rifah, Bayrūt, p. 79-80.; Muhammad Amīn al-Syamīr Ibn al-‘Ābidīn (1966), *Hasyīyah Raddu al-Mukhtār ‘alā al-Dār al-Mukhtār : Syarḥ Tawwīr al-Abṣār fī fiqh maṣḥab al-Imām Abi Ḥanīfah al-Nu‘mān*, c.2, j.4, Miṣr: Maktabah Muṣṭafa al-Bābī, p. 501.

⁶Muṣṭafa Ahmad al-Zarqā (1968), *al-Madkhal al-Fiqhi al-‘Am al-Islāmī fī Thaubīhi al-Jadīd*, j. 1, Lubnān: Dār-al-Fikr, Bayrūt, p. 329.

⁷Muhammad Zakarīyā Ibn Muhammad Ibn Yahyā al-Kāndaḥalawī (1999), *Anjāz al-Masālikī ilā Muwaṭṭā Mālik*, j.12, c.1, Lubnān: Dār al-Kutub al-‘Ilmiyyah, Bayrūt, p. 275.; Jalāl al-Dīn ‘Abd. al-Rahman Ibn Muhammad al-Sayūfī (1990), *al-Asybah wa al-Nazā’ir*, c.1, Lubnān: Dār-al-Kutub al-‘Ilmiyyah, Bayrūt, p. 327.;

Based on the concept of asset stipulated by the fuqaha, we can conclude that an asset is anything that has benefit in terms of syariah and has value among people. In general, an asset must have two basic criteria; firstly, it must be affordable and tradeable and it can be either tangible or intangible. If the goods do not have value due to insufficient amount such as a grain of rice or drop water, then they can't be categorized as asset. Secondly, the goods must have beneficial usage at all times (not during emergency only). If the goods are beneficial among only a few people, but do not have value from syariah's standpoint such as liquor or pork, then they also cannot be classified as valuable assets from Islamic perspective⁸.

The term waqf originates from the Arabic term *waqf* which has several meanings: stop (*al-sukun*), forbid (*al-mana'a*), restrict (*al-habs*)⁹. By definition, the term *waqf* has two meanings. Firstly, in the context of reciting the Al-Qur'an, it means to cut or to stop the sentence or verse. Secondly, from fuqaha's perspective, the term *waqf* means *al-habs*, which is to restrict ownership on physical asset¹⁰. The term *al-habs* can have several meanings such as, forbidding (*mana'ubn*), holding (*'amsakubn*) and imprisoning (*sajjanubn*)¹¹. In addition, the use of the term *al-hubays* which originates from the term *al-habs* using *wazan fu'aylun* denotes the meaning of *maf'ul* which means implementing restriction to an asset or a property with the intention of distributing and giving it to charity.¹²

Basically, waqf distribution can be divided into two main parts, which are charity waqf (*waqf al-kebayri*) and family waqf (*waqf al-abli*). Charity waqf (*waqf al-kebayri*) is the act of waqf by an individual on the assets he owns towards charity and common good. The assets can be beneficial and helpful to many people and this can be done by the waqf to *mawqūf 'alayh*, schools, universities and other charitable activities. Therefore, waqf asset is something that fulfills the syarah and the asset is required to have value (*mutaqanwim*) whether the asset is

Abī Ishāq Ibrāhīm Ibn 'Alī Ibn Yūsuf al-Faizūrī al-Syīrāzī (1995), *al-Mubazzab fī Fiqh al-Imām al-Syāfi'ei*, (*kitāb bay'*), c.1, j.2, Lubnān: Dār-al-Kutub al-'Ilmiyah, Bayrūt, p. 11.; Ibn Qudāmah al-Maqdisī (t.t), *al-Syarh al-Kabir 'alā Main al-Mughni*, j.4, Lubnān: Dār-al-Kutub al-'Ilmiyah, Bayrūt, p. 7.

⁸ 'Ādil Syāhīn Muhammad Syāhīn (2004), *'Akhḍu al-Māl 'alā 'Akmāl al-Qurab*, c.1, j.1, Sa'udīyāh: Dār Kunūz lil Nasyri wa al-Tawzi', Riyāḍ, p.43-44.

⁹Hasān Ayyūb (1998), *Fiqh al-Ma'āmalaah al-Mālīyah fī al-Islāmī*, c.1, j. 2, Lubnān: Bayrūt, p. 9-10.

¹⁰Maj al-Dīn Muhammad Ya'qūb Muhammad Ibn Ya'qūb al-Fayrūz 'Ābādī (1412), *al-Qāmūs al-Muḥīṭ*, c.1, Miṣr: al-Maktabah al-Husniyah, al-Qāhīrah, p. 205.

¹¹*Ibid.*, p. 205

¹²'Abū al-Fadl Muhammad Ibn Manzūr (1982), *Lisān al-'Arab Dār Ṣadr*, j. 6, Lubnān: Bayrūt, p. 44-45.

immovable asset, sam (*'aqār*), movable asset (*manqūl*), usufruct or rights of ownership.

2.0 THE TENETS OF WAQF IN ISLAMIC POINT OF VIEW

The administration and management of waqf asset must adhere to the guidelines stipulated by Islam¹³. Like any other ibadah, waqf also has its own tenets. In general, there are four tenets in implementing waqf as follows:

2.1 *al-Wāqif*

al-Wāqif refers to an individual who gives the asset he owns to be used as waqf on Allah's path. There are several criteria which have been outlined to the *al-wāqif*. Basically, the *al-wāqif* must fulfil several conditions, such as sound mind, independence (not a slave), maturity and not naive¹⁴.

2.2 *al-Mawqūf Bih*

Assets to be used for waqf must be something that is beneficial and has value in Islam and is owned by the *al-wāqif*¹⁵. In addition, the assets must also be known and stated in details to the waqf trustee. Basically, waqf assets can be divided into two main categories. The first category is fixed waqf asset (*ghayru al-manqūl*) such as land or building¹⁶. The second category is non-fixed waqf asset (*al-manqūl*) such as mashaf, cash and other items deemed valuable from Islamic perspective¹⁷.

¹³ Abd. al-Mālik Ibn Muhammad, Ibn 'Abd. Rahmān al-Qāsim (1999), *Charity Even With a Trifle*, Sa'ūdīyah: Riyād, Dār al-Salām li Nasyri wa Tawzī', p. 9.

¹⁴ Anwār Dabūr Mahmūd (1985), *Abkām al-Waṣṣiyah fi al-Fiqh al-Islāmi wa al-Qanūn*, Miṣr: Dār al-Thaqāfah al-'Arabīyah, al-Qāhīrah, p. 285.

¹⁵ Syams al-Dīn 'Urfah al-Dasūqī (t.t), *Hāsyiyah al-Dasūqī 'alā al-Syarh al-Kabīr*, j.4, Miṣr: Dār Ihyā' al-Kutub al-'Arabīyah, al-Qāhīrah, p.76.

¹⁶ Abd. al-Mālik al-Sayyid (1990), *al-Dawr al-Ijtima'i li Waqf, Min 'Amāl Nadwah*, Saudi: Idārah wa Tathmīr al-Awqāf, Nasyr al-Ma'had al-Islāmī li Buhūth wa al-Tadrīb, Jeddah, p. 266.

¹⁷ Ibn Baṭūṭah (1958), *Rehlah Ibn Baṭūṭah*, j.1, Miṣr: al-Maktabah al-Tijārīyah al-Kubra, p.63.

2.3 Waqf Beneficiary (*al-Mawqūf ‘Alayh*)

Waqf beneficiaries comprise of individuals and also groups such as institutions and associations. Waqf trustees can also channel the waqf assets' benefits to help non-muslims under 'kafir *zimmi*' category, who obey the muslim ruler¹⁸. If this non-muslim group retaliate against the ruler, the waqf assets' benefits are forbidden to be distributed to them because they have changed to become kafir *harbi*¹⁹.

2.4 *Ṣīghah* Waqf (*Ijāb & Qabūl*)

Waqf asset offer and acceptance declaration comprise of *ijāb* and *qabūl* which can be made in writing or orally²⁰. The term *Ṣīghah* is everything that refers to the mutual consent between both parties who are dealing in the waqf arrangement²¹. *Ṣīghah* declaration is very important, and it is considered necessary to explain to the community and family members with regards to the status of the waqf assets

3.0 COMMERCIAL DEVELOPMENT OF WAQF ASSET PRACTICED BY STATE ISLAMIC RELIGIOUS OF PULAU PINANG

Starting from the year 1905, the whole waqf land administration in Pulau Pinang state has been administered based on imperial British administration through a body specifically founded known as *Muslim and Hindu Endowments Board* 1905 (MAHEB). Later, after the establishment of IRCPP under the Islamic Administrative Law Enactment 1959, all Muslims waqf assets and properties that have been co-administered under MAHEB were periodically taken over by IRCPP through a provision under section 89 (2) of Pulau Pinang Islamic Administrative Law 1959. However, the overall taking over of waqf land administration by IRCPP only began on January 1st 1967 after several disputes occurred with regards to the provision of Muslims' waqf and 'khairat' in the

¹⁸Syams al-Dīn al-Syikh Muhammad 'Arfaḥ al-Dusūqī (t.t), *op.cit.*, j.4, p. 78.

¹⁹Muḥammad Ibn Aḥmad al-Khaṭīb al-Syarbīnī (1958), *Mughnī al-Muḥtāj*, j.2, Miṣr: Muṣṭafā al-Bābī al-Ḥalabī, al-Qahīrah, p. 379-381.; Abū Ishāq Ibn 'Alī Ibn Yūsuf al-Fayrūzabādī al-Syirāzī (1994), *al-Muḥadḍab fī Fiqh al-Imām Syāfi'ī*, j.1, Miṣr: Muṣṭafā al-Bābī al-Ḥalabī, al-Qahīrah, p. 441-442.

²⁰Ibn Qudāmah (1973), *Mu'jam al-Fiqh al-Hanbalī Mustakbliḥ Min Kitāb al-Muḥnī*, j.2, Lubnān: Dār al-Kitāb 'Arabī, Bayrūt, p.1054.; Ḥasān Ayyūb (1998), *op.cit.*, j. 2, p. 9-10.

²¹'Abd. al-Rahmān al-Jazayrī (1999), *Kitāb al-Fiqh 'Alā al-Mazāhib al-Arba'ah*, c.1, j.2, Lubnān: Dār al-Kutub al-'Ilmiyah Bayrūt, p. 141.

Muslim and Hindu Endowments Board Ordinance Caps. 175. Over the years, IRCPP has gradually acquired expertise, and waqf legislation has been more properly restructured with the establishment of Pulau Pinang Islamic Affairs Administrative Enactment 1993. Section 92 of the Enactment explains that IRCPP is the sole trustee on all Islamic waqf property in Pulau Pinang.

IRCPP's main function is as religious advisor on issues regarding Islam in Pulau Pinang. Altogether, there are 6 divisions formed under IRCPP, which are²²:

- 1) Finance and Administration Division
- 2) General Resources Division
- 3) Investment and Development Division
- 4) Waqf Division
- 5) Accounts Division
- 6) Legal Division

The location of waqf land administered by IRCPP can be divided into the land in Pulau Pinang Island and also in Seberang Prai. The following table shows the inventory of waqf land according to district in Pulau Pinang:

Table 1: Inventory of IRCPP Waqf Land According to District in Pulau Pinang

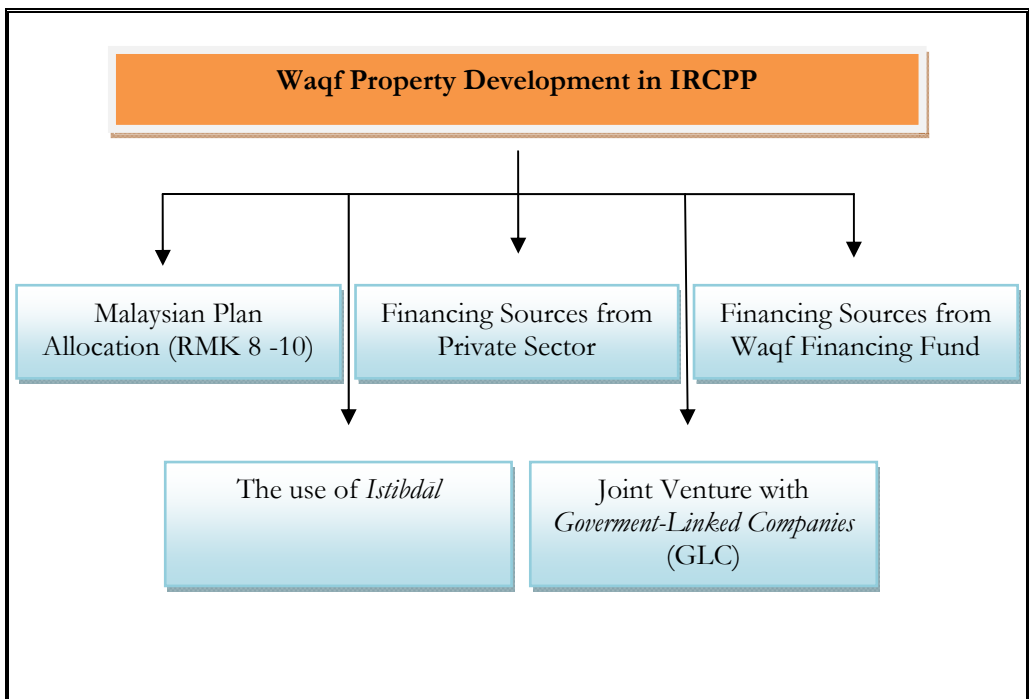
District	Number of Lots	Land Area (acre)
North East	139	89.70
South West	123	162.82
Northern Seberang Prai	424	575.52
Central Seberang Prai	271	263.61
Southern Seberang Prai	138	161.82
Total	1095	1,253.47

Source: Islamic Religious Council of Pulau Pinang (IRCPP)

According to the chief of waqf IRCPP's manager, the overall inventory data of waqf land is imperative in order to identify lands that have potential to be productively developed. After identifying potential waqf land, a feasibility study will be conducted in order to assess the feasibility of undertaking a development project on that land. If the profitability ratio of the project is high, IRCPP will seek financial resources or allocation to finance the capital investment for the development of the project.

²²Jabatan Kemajuan Islam Malaysia & Majlis Agama Islam Negeri-Negeri Seluruh Malaysia (2011), *Profil Majlis Agama Islam Negeri Seluruh Malaysia*, c. 1, JAKIM, p. 100 & 101.

As the sole waqf trustee in Pulau Pinang, IRCPP has undertaken development on waqf lands so that it could channel the benefit from the waqf property to *mamqūf ‘alayh*. Although there are several factors that may stifle waqf property development, it is made possible through the experience and expertise of IRCPP, coupled with the cooperation and assistance by the federal government, private sector and government-linked corporations (GLC’s). So far, IRCPP employs five ways of obtaining financial resources for the development of waqf property in Pulau Pinang, which are outlined in figure 1 as follows.



Source: Adapted from the Explanation by Waqf Manager of IRCPP

Figure 1: Waqf Property Development in IRCPP

This study analyzes the source of financing by way of joint venture with the Government-linked Corporations (GLC) by focusing on the Seete Aishah property waqf development in Seberang Jaya. The smart partnership has been fruitful in increasing the asset’s value of Seete Aishah waqf land.

4.0 THE DEVELOPMENT OF SEETEE AISHAH WAQF LAND, NO. LOT. 1444 (AREA 4) SEBERANG JAYA, PULAU PINANG

The current development projects undertaken by IRCPP to develop waqf land are through joint ventures with the Government-Linked Corporations (GLC). The commercial development projects of housing units are erected on Seetee Aishah waqf land through a joint venture between IRCPP and UDA Land North Bhd.²³. This land is strategically located at the junction of the North-South highway and the Butterworth-Kulim highway, nearby big supermarkets such as Carrefour, Tesco Extra, Sunway Carnival, Billion and Giant.

Originally, Seetee Aishah waqf land was a paddy field. The size of this lot of land is 9.86 acre (39,902.04 per square feet) and had been offered for waqf by Seetee Aishah bt. Haji Mahmood on September 30th 1901. Seetee Aishah waqf is a conditional waqf, whereby the party offering the waqf puts certain conditions to the trustee in distributing the benefits of the land as follows:

- 1) Prepare food for fasting opening during the Ramadhan season and pay RM3 to each congregation who is present.
- 2) Paying and distributing a bucket of kerosene oil for the mosque in Permatang Pauh during Ramadhan every year.
- 3) Sending money every year to Mecca for the purpose of umrah.
- 4) After deducting all of the above, half of the residue is to be used for mosque repairment in Permatang Pauh or to be sent to Mecca for waqf purposes or other charitable projects. The other half will be used for the descendants (such as Saedah Nordin and her descendants) for their own purposes.

IRCPP has planned to develop the land by constructing commercial housing project comprising of 9 units of 3-storey shoplots and 76 units of 2-storey houses. This project is developed in two phases, in which the first phase is to be completed on May 3rd 2012, while the second phase, which takes 36 months to complete, will start right after phase one is completed. Since there is a limited time frame to complete the project, UDA Holdings Bhd. needs to appoint a credible construction company for that purpose. In this respect, the company has appointed Kejuruteraan Seri Gemilang Private Sdn. Bhd²⁴. in order to complete this property development project within the stipulated time period.

²³UDA Holding Private Limited. <http://www.uda.com.my/web/guest/background>. 19 Disember 2011.
UDA Holdings Private Limited. <http://www.uda.com.my/web/guest/seetee#tab2>. 19 disember 2011.
The 'Bhd.' is a Malay word which means Limited company or Ltd.

²⁴ The word 'Sdn. Bhd.' also a Malay word which means private limited company.

Before IRCPP closes an agreement with a joint venture partner, it has to investigate and analyze the strength of that particular company. Amongst the basic factors that it has to consider are financial standing, past projects completed, paid-up capital, profitability and also time period limitation.

In addition, IRCPP impose additional requirements that have to be fulfilled by its joint venture partner, namely:

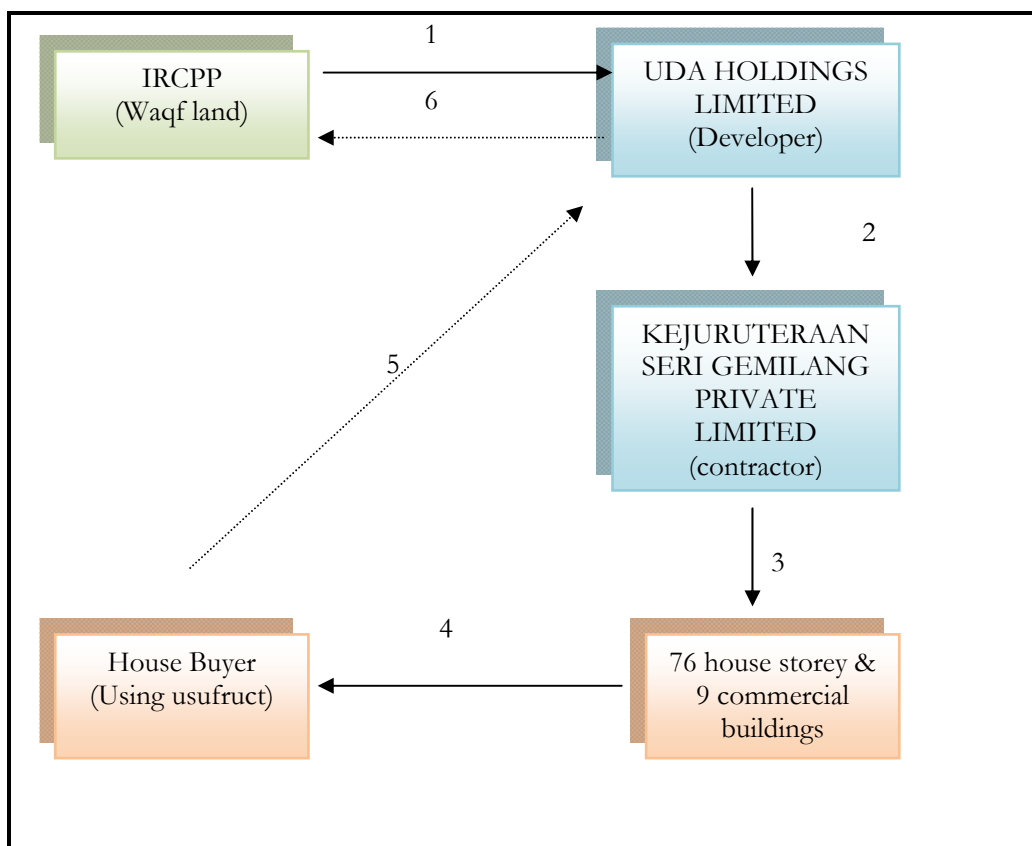
- 1) The majority of the company's shares must be owned by Muslims and the company must have good track record and experience.
- 2) The financing costs will be borne by the developer as performance guarantee.
- 3) The development costs and matters pertaining to the waqf land will be handled by the developer.
- 4) The creation of a joint-committee which comprise of 3 representatives from IRCPP and 2 representatives from the developer.
- 5) The property has to be sold through lease at affordable price, and a portion of the housing units are to be sold at a discount to IRCPP staff.

With that respect, several basic requirements for the joint venture have been outlined by IRCPP with UDA Holdings Bhd. in developing Seetee Aishah waqf land, namely:

- 1) The waqf land cannot be used as a guarantee or security to any Islamic or conventional financial institution. (Restrictive covenant)
- 2) IRCPP is the land owner, whereas UDA Holdings Bhd.. is appointed as the developer.
- 3) All the matters pertaining to the development, sales and costs on the waqf land is under the responsibility of UDA Holdings Bhd.

Through the joint venture concept undertaken, after the development project on Seetee Aishah waqf land is completed, IRCPP will get to choose one of the four 'tokens' offered by UDA Holdings Bhd. Firstly, IRCPP as the landowner will be offered lease price equivalent to current value of the land. Secondly, IRCPP will get a new building as a replacement to the land developed by UDA Holdings Bhd. Thirdly, IRCPP will be given cash compensation as well as a new building. Finally, IRCPP will be given lease payment according to the current value or will get a new building (newly built on the land) in addition to distribution of profits to be generated after selling of the houses.

IRCPP chose the fourth option, which is the option of getting the land/new building value in addition to some profit margin. Altogether, 9 units of 3-storey shoplots will be handed over to IRCPP for free as a compensation/reward for the joint-venture development project. The profit margin uses the following formula: 30% (IRCPP): 70% (UHB). The calculation of profit distribution is as follows: $30\% \times (70\% \times \text{actual sales proceeds} - \text{anticipated share proceeds})$. Seetee Aishah waqf housing project has 2 types of houses that are up for sales based on the square footage of the houses. The first type has an area of 1,494 square feet and the second type has an area of 1,718 square feet. The price of the house ranges from RM281,800.00 to RM439,600.00 per unit. The modus operandi of Seetee Aishah waqf development is summarized in the following figure 2.



Cash flow movement: ←

Source: Summary of explanation by IRCPP

Figure 2: The Method of Property Development of Waqf Seetee Aishah in Seberang Jaya, Pulau Pinang

- 1) IRCPP signs a joint-venture agreement with UDA Holdings Bhd. to develop a housing estate on Seetee Aishah waqf land.
- 2) UDA Holdings Bhd. appoints Seri Gemilang Sdn. Bhd. as the developing contractor to build nine (9) units of three-storey shoplots and seventy-six (76) units of double-storey houses.
- 3) Seri Gemilang Sdn. Bhd. will periodically complete the project according to the agreed terms. The first phase period is 24 months while the second phase period is 36 months.
- 4) After the project is completed, the developer will offer to sell the houses to the buyers with a 99 year leasehold agreement.
- 5) Interested buyers will then purchase the houses from the developer (UDA Holdings Bhd.) at a price ranging from RM 281,800.00 to RM 439,600.00 per unit.
- 6) As per agreement between UDA Holdings Bhd. and IRCPP, IRCPP will receive 9 units of 3-storey office/shoplot and also the 30% share of the profit from the housing estate commercial project.

The success of developing the waqf land in Seberang Jaya by IRCPP can be observed by the increase in the market value of the land. Basically, IRCPP never sold the Seetee Aishah waqf land to any party, but instead the sale that takes effect is based on the benefit arised from the houses erected on the said land. Therefore, Seetee Aishah's waqf land is still rightfully owned by IRCPP and thus remains as waqf land. The IRCPP will issue a grant to the house owner (buyer) with respect to the house that the owner owns. As such, IRCPP has successfully fulfilled waqf land owner's wish to distribute the benefits/profits of the waqf land as stipulated in the will. Any amount in excess of the said benefits/profits will be used to be distributed to *mawqūf 'alayh* in order to reduce their financial burden.

The findings of this study with respect to IRCPP's role and effort are parallel with the views expressed by Monzer Kahf²⁵, Nazīh Ḥammād²⁶, Murat Cizakca²⁷ and also Muhammad Anas Zarqa²⁸ in that waqf trustee has to make an effort to

²⁵Monzer Kahf (1998), 'Financing The Development of Awqaf Property'. (Kertas Kerja Seminar Development of Awqaf, Anjuran IRTI, Kuala Lumpur, 2-4 March 1998).

²⁶Nazīh Ḥammād (1993), *Asalib Istihmar al-Awqaf wa Asasu Idaratuh*, Kuwait: Markaz Abhās al-Waqf wa al-Dirāsāt al-Iqtisādīyah, p. 175.

²⁷Murat Cizakca (1998), 'Awqaf in History and Its Implications for Modern Islamic Economies', *Islamic Economics Studies Journal*, Vol. 6, No. 1, (November 1998), p. 43-67.

²⁸Muhammad Anas Zarqa (1994), 'Financing And Investment in Awqaf Projects: A Non-Technical Introduction', *Islamic Economic Studies Journal*, Vol. 1, No. 2, (June 1994), Islamic Research and Training Institute (IRTI), Islamic Development Bank (IDB), p. 55-60.

find ways to develop waqf property as long as it doesn't violate waqf terms and conditions as well as preserving waqf owner's wish in order to improve Muslims' economic condition. In addition, this modern technique of developing waqf property has also been employed by other waqf trustees such in Singapore. The Singapore Islamic Council (MUIS) has used *musyarakah* sukuk as one of the techniques to productively develop and increase the value of waqf asset in Singapore²⁹.

5.0 CONCLUSION

IRCPP is among the more advanced and progressive state Islamic councils in Malaysia in the effort to commercially develop the waqf asset under its custody. All the terrace house lots on the Seetee Aishah waqf land has been fully booked by potential buyers. IRCPP's success is primarily due to the strategic location of the waqf land and its existing high market value. With IRCPP's expertise and also the support and cooperation by the developer, IRCPP is able to develop the waqf land in a large scale. The method of financing can be adapted by other trustees, as long as they get similar cooperation by financiers or investors. Given the exciting and promising real estate economic development currently, it is high time for the unproductive waqf lands to be developed, regardless of whether the waqf lands have specific or general characteristics. Development has to be carried out in order to fulfill waqf owner's wish and at the same time takes into consideration economic return that can be beneficial to *manqūf 'alayh*.

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