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SOLUTIONS TO BEST MANAGED PROPERTY



GOING DIGITAL in building management

Artificial Intelligence, big data, the Internet of Things — they are becoming regular terms in our vocabulary. As in all areas, the application of these new technologies is now moving towards property management, but are Malaysian building managers and property owners ready to embrace them?

BY TAN AI LENG

Building Management Association of Malaysia (BMAM) member Dr Suntoro Tjoe acknowledges that constructing a high-quality building is not easy, but to ensure that it is in mint condition all the time is an even tougher job.

This is because building management involves meticulous attention to detail and, most of the time, the processes are dull, repetitive and dangerous — such as temperature monitoring, CCTV monitoring, safety equipment checks, as well as facade cleaning and re-painting.

To make these processes easier and improve building management efficiency, inventors and manufacturers have come up with various innovations. Some of the readily available technologies include building automation systems that help to auto-manage heating, ventilation, air-conditioning and lighting, and fire detection.

Similarly, Artificial Intelligence and machine learning can be used to enhance the living comfort of a building's occupants. For instance, there are advanced systems that can be connected to all the existing controllers in the building or premises, and have the ability to analyse and automatically respond to changes based on data derived from the users' habits.

Hampered by cost

Despite the clear competence of these technologies in raising efficiency and effectiveness, the applications are not widely used in local projects. Why is this so?

Suntoro, who was also a judge at EdgeProp Malaysia's Best Managed Property Awards 2018, notes that the initial cost can be a deterrent to their popularity.

He cites, for instance, the application of technologies like the Building Management System (BMS) and Building Control System (BCS) for optimal air ventilation, energy conservation and better security may be a good thing, but they also incur expensive life-cycle cost.

"Most of the system providers only offer a one-year warranty. The joint management body, management corporation or building owners would need to enter into a maintenance agreement with the system provider after the warranty period. The maintenance fees of these systems are costly and do not include the replacement of broken parts," he explains.

He reveals that the annual maintenance cost of some commercial buildings in Kuala Lumpur city centre that use the BMS and BCS can go up to a whopping RM2 million.

Besides this, the building owner or building manager may encounter difficulty in finding replacement parts, as most of them still

need to be imported. It may even be impossible to get the parts if a system is considered obsolete in the market.

"Ironically, most building owners or building managers will eventually go back to basics and manage the buildings manually as it's still the most cost-efficient way for most properties, for the time being," he adds.

Nevertheless, Suntoro believes that sooner or later, as Artificial Intelligence and big data usage becomes more popular and readily available, Malaysia will move towards incorporating more technologies in building management.

Suntoro is also the managing director of Meadow Facilities Sdn Bhd, which provides integrated property and facility management services. The company presently manages assets worth more than RM3 billion in Malaysia. He has more than 30 years of experience in the field.

The return factor

For commercial buildings or mixed developments, the main consideration of whether to allocate the budget for technology highly depends on the return on investment.

Suntoro says that more often than not, incorporating technologies involves a higher capital outlay.

The benefits of energy savings and building sustainability with the use of technology, for instance, may not be attractive enough for property developers to adopt the green technology — unless they own and use the building in the future or if they can reap significant returns from it in the near term, such as a boost in sales or attracting multinational companies (MNC) as tenants.



Suntoro: As Artificial Intelligence and big data usage gets more popular, Malaysia will sooner or later move towards that direction in building management.

MNCs tend to be more environmentally conscious and are willing to pay more to lease a unit in Grade A buildings or buildings that comply with green building standards. In this case, building owners or developers will invest in these aspects to target such tenants.

As for large new shopping malls, building owners are more willing to invest in new technologies that can help reduce energy and water consumption, because one of the major costs in such buildings is electricity charges, which may reach up to 35% of the total monthly operating cost, says Suntoro.

Start from simple steps

According to Suntoro, a big portion (around 60% to 70%) of the maintenance fees collected from residents or occupants go to utilities — electricity and water, as well as manpower — security, housekeeping and administration cost.

If the cost of electricity and water could

Challenges in applying technology in building management

- High maintenance cost
- Replacement parts, depending on the system, may be costly and hard to find
- Lack of skilled staff to manage the system

be lowered, the savings can be used for other upkeep — for instance, replacing high-energy consumption appliances with newer energy-savings appliances.

He says not all technological solutions are expensive. Managements can start with simple steps like replacing old fluorescent lights with LED lights in common areas; installing motion sensors in gardens, common area toilets or car parks; and using heat pump water heaters to reduce maintenance cost.

Winners of the recent EdgeProp Malaysia's Best Managed Property Awards 2018 such as Mont'Kiara Palma, Sri Penaga Condominium and Mont'Kiara Aman are already using simple technologies such as LED lights, timers for pumps, lift inverters and motion sensors to reduce energy consumption, cites Suntoro.

However, awareness about the importance of good property management and maintenance is still low in the country, what more the use of technology in building management.

He admits that it will take some time for people to understand the importance of using technologies for better building management, but owners could start by setting out a medium- to long-term plan to achieve such goals towards greater sustainability.

"To start with, get approvals for a higher sinking rate through an annual general meeting or extraordinary general meeting, followed by the determination in collecting such sinking fund from all parcel proprietors and then making sure the collected fund does not disappear before the implementation of those plans," he counsels.

He stresses that the process may take a few years before anyone could see the end result, but with perseverance and determination, the target can be achieved.

How building managers can cut energy cost

- Replace old fluorescent lights with LED lights
- Install solar panels
- Use heat pump water heater
- Install window tint to reduce indoor heat
- Install motion sensors in the garden, car porch or toilet

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