



The National Real Estate Research Coordinator (NAPREC)

**FUNDING FOR REAL ESTATE
RESEARCH PROJECTS:
A GUIDELINE FOR
PROSPECTIVE APPLICANTS**

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FUNDING FOR REAL ESTATE RESEARCH PROJECTS: A GUIDELINE FOR PROSPECTIVE APPLICANTS

1.0 THE REAL ESTATE RESEARCH FUND

The Government has approved an application towards funding research in real estate since the 8th. Malaysia Plan. Prior to this, funds provided by other government agencies for research are more inclined towards scientific research. This new approved allocation would provide more opportunities for research in real estate to be undertaken. Institut Penilaian Negara (INSPEN), the training and research arm of the Valuation and Property Services department (JPPH), has been charged with the responsibility to manage and coordinate the disbursements of this fund, as part of its larger function of acting as the coordinator to real estate research programmes in the country. For identification purpose, the secretariat will be referred to as the National real Estate Research Coordinator or NAPREC in this guideline.

This guideline aims to explain the requirements, conditions and processes required of prospective research workers seeking to apply for the real estate research fund.

The funding will focus on research and development (R&D) activities in areas of national importance in **real estate**. In disbursing the fund R&D projects, NAPREC will strive towards the attainment of the following goals:

- To promote research projects of high national priority in real estate;
- To promote research that addresses the needs of Malaysia real estate industry;
- To encourage joint efforts among real estate research institutions;
- To foster R&D links between the public and private sectors; and
- To enhance the nation's global competitiveness through internationalisation of real estate research.

Given that the scope on real researches is predominantly socio-economic, activities directed towards deeper insight and knowledge advancement are relevant even if the proposed research projects are not currently seen as commercially significant. Such activities contribute towards greater understanding of socio-economic phenomena and will ultimately contribute to informed decisions for improved management of the nation's resources.

2.0 CLASSIFICATION OF REAL ESTATE RESEARCH

In classifying the types of research on real estate, the following have been adopted based on an adaptation of the definitions from the Frascati Manual, OECD:

Basic (Fundamental) Research. This type of research involves theoretical work undertaken primarily to acquire new knowledge and to improve understanding of phenomena in real estate. It need not have any application or use in view. As an example, theoretical investigation of the factors determining regional variations in house prices in basic research.

Applied Research. This type of research is original investigation, also to acquire new knowledge, but directed towards a specific practical aim or objective. In relation to real estate, four sub-categories are distinguishable:

a. Short Term High Impact Research

This type of applied research addresses issues of immediate relevance in this real estate industry. A great deal of importance is placed on getting fast results that can contribute towards resolving contemporary problems. In most cases, project timeframe should not exceed one (1) year. As an example, the investigation into the effect of interest rate increase on housing demand for the purpose of macroeconomic monitoring is one such research.

b. Longer Term Research

This type of research investigates longer term trends and behavior related to real estate industry. Fast results are not critical, but the outcomes can represent real estate contributions towards improvement in the country's socio-economy. Policy research usually qualifies under this category. Project timeframe can extend up to two (2) years. As an example, the investigation into current low-cost housing practices for the purpose of informing policy decisions on housing distribution is this type of research.

c. Strategic Research

Projects under this category are aim at putting the nation's real estate industry on competitive terms in the context of globalization and liberalisation. Project timeframe can extend up to three (3) years. As an example, the cross-country comparative study of house price dynamics for the purpose of reaching conclusions on investment competitiveness of real estate in this country is strategic research.

d. Product/Process Development Research

It is systematic work drawing on existing knowledge gained from research and practical experience that is directed to developing new products or devices, to installing new processes, systems and services, or to improving substantially those already produced and installed. As an example, project to develop new tools for performing valuation is product development research.

3.0 RESEARCH PRIORITY AREAS

Current priority areas are as follows:

- Housing Economics
- Real Estate Finance
- Real Estate Valuation
- Real Estate Planning And Development
- Real Estate Laws And Policies
- Real Estate Management Analysis
- Real Estate Investment
- Real Estate Economic
- Corporate Real Estate Management
- Property Management
- Real Estate Taxation
- Property Information System
- Education And Training In Real Estate
- Knowledge Advancement In Real Estate

Priority areas are subject to changes. Any changes will be announced in the INSPEN's website: <http://www.inspen.gov.my>. In terms of funding allocation, at least 50% of the total available fund will be channeled to researches in priority areas.

4.0 TYPES OF FUNDING SCHEME

Funding will be made available under two schemes, namely grant and job commissioning.

4.1 Grant

The fund is open to all public sector real estate research organisations and institutions of higher learning with **adequate research facilities and trained fulltime staff**. It also open to real estate related private sector organisations; in such a case, entitlement will be up to 70% of validated research costs.

Joint or collaborative research projects will also qualify. Funding entitlement will be assessed on the individual merits of the case based on the nature of the organizations involved in the collaboration and have been pre-identified as having fulfilled the criteria of a real estate research organization. Other organizations may apply to be considered for inclusion in the list.

Students on postgraduate research programmes can also be considered for funding. They must submit through their academic institutions and be subject to the same screening process as in other cases. In addition, students must provide proper justifications as to financial needs.

4.2 Job Commissioning

4.2.1 Proposal by NAPREC

NAPREC may invite research organization to participate in job commissioning. Under this arrangement, NAPREC may employ an organisation to carry out real estate research on its behalf. In such a case, the entire proprietorship of the research and its products will belong to NAPREC.

4.2.2 Proposal by others

NAPREC may also commission research jobs put forward by organisations on any related real estate issues that are of national interest.

5.0 QUALIFYING FOR THE FUND

5.1 Projects That Qualify

Appendix A provides the type of real estate research projects that are eligible for the funding by subject area classification. Applicants may apply under research topics given in Appendix B.

In line with the internationalisation goal, projects undertaken in collaboration with related real estate research organization overseas will also qualify.

5.2 Costs That Qualify

All items of cost will be considered on the merits of the individual cases. In general, the following items are included for the purposes of the funding:

- (a) Emoluments for contract personnel
- (b) Travel and transportation costs
- (c) Stationery items
- (d) Day living allowances
- (e) Rental of equipment
- (f) Postages and packaging

5.3 Costs That Do Not Qualify

The funds do not cover the following:

- (a) Purchase of equipment or gadgets likely to end up as personal items unless recommended for approval by Panel of Expert;
- (b) Emoluments for fulltime staff; and
- (c) Cost of construction or purchase, or rental, of premises for research purposes.

6.0 GENERAL GUIDELINE ON UTILISATION OF ALLOCATION

The fund is to be utilised strictly on the project for which a particular allocation has been made, and not for other purposes. All procurements and expenditures arising from the allocation need prior clearances from the heads of the research institution and should be in line with existing Treasury procurement procedure and current accounting practice. Heads of research institution are responsible for the management and inventory of all procured research equipment in their respective institutions.

Specific issues in relation to spending the money are as follows:

- * **Overseas Travel**
Overseas travels (for visits, meetings, discussions, attendance at seminars, etc) will require justifications in the original research proposal. Each trip requires the approval from the institutional research Committee as endorsed by the NAPREC Steering Committee.
- * **Sponsorship of Research Assistant to Seminars/Workshops**
Sponsorship of research assistants to seminars/workshops requires prior approval from institutional Research Committee and is limited to two (2) persons.
- * **Cash Advance**
The amount allowed on cash advance is only up to three (3) months the researcher's basic salary; the advance can only be utilized for the purpose as specified in the application and cannot be used to purchase assets.
- * **Reimbursement of Money Spent**
The amount of reimbursement cannot exceed RM1,000.00 per claim. Money spent for the purpose of reimbursement is only limited to purchase of consumables and services and must be supported by receipts.
- * **Rental of Vehicles or Transport Carriers**
Rental of vehicles for specific purpose related to research project should only be from registered car companies to ensure insurance coverage in case of accidents.
- * **Research Allocation**
The approved grant amount represents the maximum a researcher can spend from the fund. Any excess cannot be utilized for other purposes and should be returned to NAPREC within 3 months of acceptance of the project or upon request by NAPREC. No cross-transfer of funds between projects is allowed. An institution is not allowed to take any percentages out of the total allocation awarded to research projects.

7.0 ACTIVITIES EXCLUDED FROM RESEARCH FUNDING

The following activities do not come within the definition of research and therefore do not qualify for the research funding:

Real estate information services. The specialized activities of collecting, coding, recording, classifying, disseminating, translating, analyzing, and evaluating data for the purpose of providing real estate information services are excluded except where conducted solely or primarily for the specific purpose of real estate research at hand;

- * General purpose data collection undertaken generally to record real estate phenomena that are of general public interest or that only the government has the resources to record. However, data collection conducted solely or primarily as part of the research process is included. The same reasoning applies to the processing and interpretation of the data. When these are specially collected or processed for the purpose of real estate research, the cost should be attributed to research. Data collected for other or general purposes, which are already available from government sources as census

and NAPIC property stock reports, should be excluded even if exploited for real estate research. Market surveys are also excluded.

- * Feasibility studies. Investigation such as of proposed housing projects in order to provide additional information before deciding on its implementation is not included. However, studies on feasibility of research projects are part of research.

In all other cases, NAPREC will consider on a case basis based on its merit.

8.0 BIDDING FOR FUND

8.1 Eligibility

NAPREC funding is to an organization rather than to an individual; all applications therefore must have the full support of the organisations from which they originate. **Prior to their submission to NAPREC, all applications must have written approval and endorsement by the organisations concerned.**

8.2 Applications Forms

Applications may submit applications using applications forms. This is a full form which requires applicant to fill-up in details its research proposal. There is no limit to the amount of grant asked.

The standard application form is available from the NAPREC Secretariat or it can be downloaded from INSPEN's website. Applicants should either obtain this form from the Secretariat or use a reproduced copy of the standard format. Submission must be made in one (1) hard copy and one (1) soft copy (email).

9.0 THE EVALUATION PROCESS

The evaluation process is two-tier process, which involves both the requesting organization and NAPREC. At the first tier, applications are processed at the level of the individual research organization. At the second tier is the processing at NAPREC.

9.1 Technical Evaluation at Organisation Level

The organization must appoint its own research committee to evaluate applications. Each organisation is required to screen and evaluate all projects proposed by their researchers before submitting them to the NAPREC Secretariat. The organisation's research committee must ensure that the application is complete, the objectives of the project address national priority areas in real estate research, the project leader and research team are technically competent and available to conduct the project, the cost and duration estimates are fair, and that the infrastructure is adequate to undertake the proposed projects.

The organisation's research committee must also ensure that a project leader's involvement in research project has not exceeded a total of 4 months per annum at the time of putting in the application.

9.2 Evaluation by NAPREC

Once an application has been evaluated, the organisation must submit to NAPREC a copy of the recommended proposal.

NAPREC shall verify the proposal by the organisation. A Panel of Expert shall evaluates the recommended proposal and financial proposal and reports on the evaluation. The NAPREC Steering Committee shall consider the proposal.

9.3 Expert Screening

The Panel of Expert will conduct technical evaluation of the proposal taking into consideration the following:

- Scope and activities of the proposed research project
- Research objectives
- Research methodology
- Project duration
- Project leader and
- Budget requirement

In the course of screening the proposal, the Panel may call the project leader for clarification of details.

9.4 Submission Deadline

An organization may submit endorsed application to NAPREC at any time during the year. NAPREC will verify and evaluate all projects. Decisions will be made at the Steering Committee meeting held not less than twice a year. Fund disbursements will be made according to the key milestones achieved.

Submission of application should be forwarded to:

**Secretariat
The National Real Estate Research Coordinator (NAPREC)
National Institute of Valuation (INSPEN)
Persiaran INSPEN
43000 Kajang
Selangor DARUL EHSAN Closing**

Date: 18 JANUARY 2021

10.0 ANNOUNCEMENT OF DECISIONS

Applicants will be informed of the funding decisions through their Research Management Centers or equivalent.

11.0 MEMORANDUM OF AGREEMENT

A memorandum of agreement will be signed between NAPREC and the chief executive officer of organisation for projects that have been approved.

12.0 BUDGET CEILING FOR ORGANISATION

Budget ceiling will be determined on the merits of the individual project and is subject to the fund remaining available for the particular year.

13.0 IMPLEMENTATION AND MONITORING OF PROJECTS

13.1 Project Implementation

All projects funded by this grant must be undertaken in accordance with the projects approach and within the budget as outlined in the approved proposal.

13.2 Project Monitoring

Significant emphasis will be placed on monitoring the results of projects. Such monitoring will include an evaluation of projects outputs, organisational outcomes and sectoral/national impacts of projects. As such, project leaders are required to submit to the NAPREC Secretariat through the head of organization, the following reports for each project such as summary of monthly financial report, quarterly financial report, milestone achievement report, end of project report and benefits report no later than eighteen (18) months after projects completion.

13.3 Summary of the Financial Report

The coordinator for each research organization is required to submit the quarterly financial report of each approved project.

13.4 Project Failure

Should the project to comply with the terms of the memorandum of agreement, NAPREC reserves the right to terminate the contract. Upon the termination of this contract, NAPREC is entitled to recover from the organization any portion of the disbursed fund it deems appropriate.

14.0 PRESENTATION, PUBLICATIONS AND INTELLECTUAL PROPERTY RIGHTS

14.1 Presentations

The Project Leader or members of the research team shall present their research findings (preliminary or final) at any organized seminar, conference or symposiums by JPPH before presenting it at any platforms.

14.2 Publications

Researches are encouraged to publish the results of their projects in local and overseas journals and publications. Researchers must, however, obtain approval from the head of their organization for these publications, to ensure that the national interests are not compromised. Researchers should indicate, in all publications, the sources of funding for the project and acknowledge the contribution of the various public entities to the project.

14.3 Intellectual Property Rights

Where appropriate, organizations are encouraged to apply for patent registration, locally and overseas of the results of projects which have potential for commercialization. In addition, organisations are encouraged to be active in commercialising the results of such projects. Royalties and any other form of fees received by the organization resulting from technology or any other form commercialization, shall belong to the organisation. However, NAPREC reserves the rights to access the research and publish it in the way Secretariat deems fir. For this, NAPREC would not be required to pay any special honorarium other than the incentive (s) INSPEN ordinarily provides.

The guidelines for intellectual property rights are a sin the "Pekeliling Perkhidmatan Bil. 5 Tahun 1999".

AREAS IN PROPERTY RESEARCH

- **Real Estate Management and Services**
 - Real Estate Marketing
 - Real Estate Business Development
 - Facilities Management
 - Real Estate Investment
 - IT in Real Estate

- **Real Estate Industry Analysis Studies**
 - Performance Measurement
 - Real Estate Economics
 - Real Estate Index
 - Real Estate Forecasting Techniques
 - Real Estate Asset Growth and Stock Performance

- **Real Estate Development and Finance**
 - Land Use Study
 - Property Management
 - Property Taxation
 - Real Estate Development
 - Real Estate Investment and Finance
 - Debt Financing - Islamic Financing Perspective

- **Real Estate Laws and Policies**
 - Real Estate Policies
 - Real estate Laws
 - Planning Laws
 - Acquisition and Compensation

- **Real Estate Valuation**
 - Valuation Methods and Approaches
 - Statutory Valuations
 - Plant and Machinery Valuations
 - Building Technology
 - Construction Economics
 - Risk Management and Valuation

GRANT FOR PROPERTY RESEARCH: APPLICATION GUIDELINES AND FORMS

A. APPLYING FOR GRANT

This is a full form which requires applicant to fill-up in details its research proposal. There is no limit to the amount of grant asked.

The standard application form is available from the NAPREC Secretariat or it can be downloaded from INSPEN's website. Applicants should either obtain this form from the Secretariat or use a reproduced copy of the standard format. Submission must be made in one (1) hard copy and one (1) soft copy (email)

- B.** The form is available online on <http://www.inspen.gov.my>. All written submissions – regardless of the category – need to be single – spaced and typed in Arial Font Size 10. There is no entry fees for submissions.

C. INFORMATION REQUIRED

All applications for the research grant be submitted using the standard application form. A separate form is necessary for each project. Organisation/Teams/individuals may submit more than one proposal, but a separate entry forms is required for each area of research. All entries become the intellectual property of NAPREC.

D. SUBMISSION PROCEDURE

One copy of the application form is to be mailed to:

**Secretariat
The National Real Estate Research Coordinator (NAPREC)
National Institute of Valuation (INSPEN)
Persiaran INSPEN
43000 Kajang
SELANGOR DARUL EHSAN**

If you have any additional questions or inquiries about the NAPREC Grant and submissions, Please call or email us on:-

Norain Binti Abdul Hamid
Head of NAPREC
Email: 1naprec@gmail.com
Tel: 03-8911 8709

Muliati Marliana Binti Mustaffa
NAPREC Secretariat Email:
muliatimarliana@inspen.gov.com
Tel: 03-8911 8629

E. DEADLINE

18th January 2021 - Final Deadline for Submission