

PERFORMANCE AND CHALLENGES OF COOPERATIVES IN HOUSING ACTIVITIES IN MALAYSIA

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ABSTRACT

Housing development is a high cost investment that influences the performance of a cooperative. It is noted however, that Malaysia's cooperatives do not venture into housing development that much in spite of the fact that their main vision and mission include providing members with houses at affordable prices. Consequently, this study seeks to evaluate the performance of cooperatives involved in housing projects and identify the challenges faced by those keen to venture into this business. Data were obtained from interviews and survey questionnaire with board members of cooperatives that are involved in housing development. The results show that there is still a dearth of cooperatives venturing into the housing sector in the country, and that those currently involved in the business are facing myriad of challenges. These challenges are with respect to planning and implementation, funding and management or administration associated with housing development. It is proposed that further research be carried out with an objective to establish a guideline for cooperatives going into housing development and identify what the government can do to help achieve the National Cooperative Policy.

Keywords: *Housing cooperatives, performance, challenges*

INTRODUCTION

Housing is an important component of the country's national economic development and currently, it is the the policy of the government to provide sufficient houses for its citizens. Apart from the role played by the government and the private sector in providing houses, the involvement of cooperatives in housing development constitutes an important effort towards making the National Housing Policy (NHP) a success. Shortage in housing still exists even for those who have families; the funds allocated for housing by both the government and private sector are still not sufficient and many houses are beyond the means of people (NHP, 2011).

According to the Economic Report of the Ministry of Finance 2010/2011, the construction sector is expected to contribute 4.9 percent of the Gross Domestic Product (GDP) in 2010 (NHP, 2011). In this context, the government strives to ensure the supply of quality housing in good locations and conducive living environment. This is in line with the Fourth Strategy of the 10th Malaysia Plan which is cognizant that the country's population is expected to increase to 31.8 million by the year 2020, thereby increasing demand for houses.

The National Cooperative Policy 2011-2020 acknowledges that the cooperative movement is the third most important sector of the country's economy (DKN, 2010). This policy is two-pronged: to provide for the needs of its people and to help cooperatives generate revenue. A study by Din *et. al*, (2011) shows that housing development is perceived to be an important economic activity that is capable of generating revenue for most cooperatives. A housing contractor stands to make a profit of up to one-third of the building cost (Kontraktor Cyber, 2011), or up to 50 percent profit on selling price (Sinar harian, 2013).

However, feedback from unsuccessful housing cooperatives, claimed that most cooperatives do not have the confidence to venture into housing development because they lack the necessary knowledge and skills, dare not take risk and lack funds. In view of the above, this study seeks to do the following:

1. Examine the performance of cooperatives involved in housing development.
2. Identify the challenges faced by these cooperatives.

LITERATURE REVIEW

In several countries, housing cooperatives are important to the housing market. For example, the housing cooperatives in Poland are handling more than 2.5 million houses, almost 20 percent of the total number of houses built in the country. In the Czech Republic and Sweden it is 17 percent, while in Sweden, it is 15 percent. In the case of Canada and the United Kingdom, the involvement of housing development cooperatives is relatively small, but it is important in controlling the supply of houses and enhancing neighbourliness. On the average, 10 percent of the population of Europe live in houses built by housing cooperatives. This shows that housing cooperatives are highly beneficial to members and non-members in terms of sustaining good living environment, social and economy (CECODHAS Housing Europe and ICA Housing, 2012).

Most private developers make excessive profits by exploiting the high demand for houses (Hamzah, *et. al*, 2011). However, housing cooperatives generally provide houses at reasonable prices, lower than the prevailing market prices (MCSC's

website, 2013 & CECODHAS Housing Europe and ICA Housing, 2012). This is because housing cooperatives are established to provide quality and affordable houses to members, not to maximize profit and give high returns to shareholders. Housing cooperatives also are not into speculative activities and long-term investment programmes. As a result, the prices and rentals of cooperatives-built houses are low. Therefore, housing cooperatives play an important role in keeping market prices of houses stable and at affordable levels (CECODHAS Housing Europe and ICA Housing, 2012).

Based on literature, the increase in population has pushed up demand for houses to exceed supply. As a result, the cost of land and building materials has gone up (Malek & Husin, 2012). Other studies have found various other problems related to funding, skilled-manpower, technology and above all, the bureaucratic inclination of agencies involved in the industry (Raja Mohd., 1986). According to Mohamad (2007), Chairman of UDA Holdings Berhad, Bumiputera contractors must be able to face the challenges of carrying out a construction project. Some of these challenges like government bureaucracy, weak supply chain management, lack of financial capability, raw materials supply chain controlled by non-Bumiputera, meet specific ISO standards as well as the knowledge needed or technical know how. These challenges are also faced by the cooperatives if they venture into housing construction because most members of the cooperative are owned by Bumiputera. The latter has been identified to have dampened the interest of developers and cooperatives (State Development of Pulau Pinang, 2006). Currently, there were only 134 cooperatives (1.35%) registered as housing cooperatives out of the total 9,897 (for the year 2011) cooperatives (MCSC's website, 2013), implying a very low participation.

In Malaysia, the involvement of cooperatives in housing began to be noticeable after the end of the Second World War (Rahim *et. al.*, 2005). The government has been incorporating efforts to make housing development a priority throughout the various five-year development plans, from the First Malaysia Plan to the 10th Malaysia Plan. However, there is no allocation for housing development under cooperatives in the 10th Malaysia Plan (Tenth Malaysia Plan, 2011). Thus, this study provides the respective authorities with evidence of the significant role played by cooperatives in supporting the aspiration of the government today. Therefore, those cooperatives that are keen to venture into the housing sector in a big way need to know the success factors associated with the industry and be able to overcome various challenges inherent in the sector.

RESEARCH METHODOLOGY

Data on respondents were obtained from the Malaysia Co-operative Societies Commission (MCSC) databases. The respondents were made up of representatives from 134 cooperatives comprising both housing and non-housing cooperatives, but were involved in housing-related activities. These cooperatives were registered prior to 2008 and had been operating for at least five years. The respondents comprised cooperative board members; chairmen, secretaries, treasurers and individual board members especially appointed to monitor housing development projects. Data on the performance of the cooperatives and challenges to the success of the housing activities were obtained through questionnaire survey, examination of various reports of the MCSC, annual reports of cooperatives and interviews with representatives from several successful housing cooperatives, cooperatives involved in rehabilitating abandoned housing projects, unsuccessful cooperatives, and cooperatives that had just started housing projects for the first time. Figure 1 shows the flowchart of the methodology framework adopted in the study. It can be seen that there are three sources of data, namely, questionnaire survey, face-to-face and telephone interviews, and cooperative booklets as well as other reports on the performance of cooperatives.

RESULTS AND DISCUSSIONS

Results from Secondary Data

The first objective of the study is to evaluate the current performance of cooperatives involved in housing projects using several approaches: compare the financial ratios

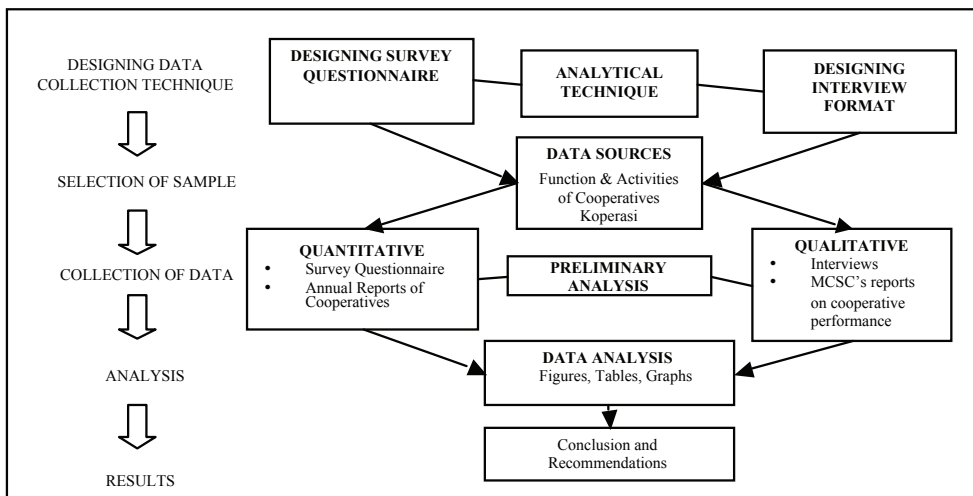


Figure 1: Methodology Framework

of housing cooperatives with those of the whole cooperative movement (2009 and 2010); compare the performance of cooperatives of various functions (2011); determine the average profit of housing cooperatives from 2007 to 2011; determine the performance of housing cooperatives by state (2011); and determine the financial performance of 10 housing cooperatives (2011).

Table 1 shows the various financial ratios of housing cooperatives and the whole cooperative movement in 2009 and 2010. There had been an increase in the ratios of debt-to-equity, net profit, return on equity (ROE) and tangible net asset, while there had been a drop in current ratio, gross profit and return on asset (ROA) for the housing cooperatives (MCSC, 2010). Compared with the cooperative movement as a whole, the performance of housing cooperatives from 2009 to 2010 was generally better, except for ROA, where it suffered a drop (MCSC, 2010).

Table 1: Financial Ratios of Housing Cooperatives and All Cooperatives: 2009-2010

Year	Ratio						
	Current	Debt-Equity	Gross Profit	Net Profit	Return on Aset (ROA)	Return on Equity (ROE)	Net Tangible Asset
Housing Cooperatives							
2010	4.42	24.42	38.00	20.07	2.96	6.81	3.51
2009	5.52	5.00	86.27	-34.21	3.00	2.00	2.20
All Cooperatives							
2010	2.45	21.84	45.65	14.93	5.33	12.66	6.69
2009	8.38	6.44	54.20	12.13	2.53	16.68	2.86

* Source: Malaysia Co-operative Societies Commission (MCSC)

Table 2 shows the distribution of cooperatives according to size of membership, earning and profit in year 2011 by function. Although listed in the table, banking cooperatives were not considered in the ranking exercise because of the wide range of performance between individual cooperatives in this group. The overall performance of the housing cooperatives is fairly good, being placed third in average profit and fifth in average earning. Size of membership does not influence overall performance as evident by the fact that the housing cooperatives with a total membership of 147,633 performed better than plantation cooperatives (416,200 members) and consumer cooperatives (539,818 members).

Table 2: Ranking of Performance of Cooperatives by Function (2011)

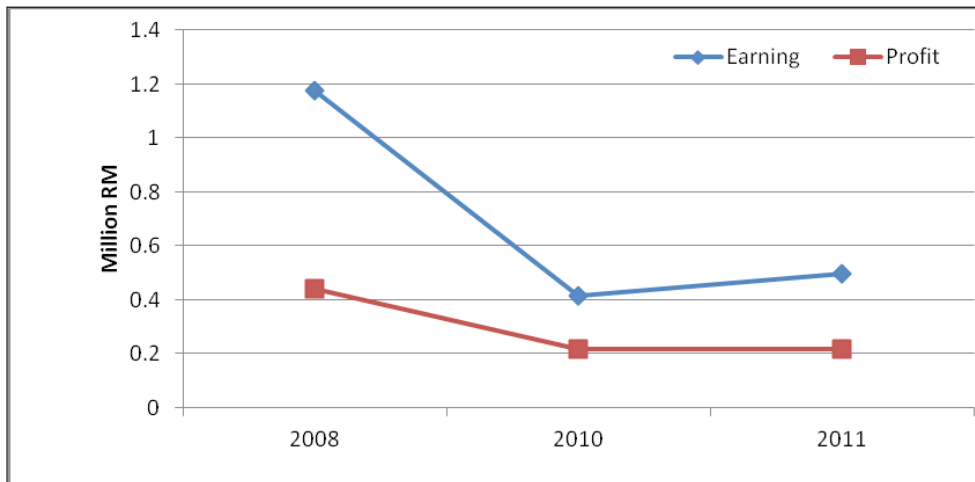
Function	Number of Cooperatives	Number of Members	Average (Million RM)	
			Earning	Profit ^b
1. Banking ^a	2	986,273	2,591.21	768.36
2. Credit/ Financial	589	1,913,384	460.01 (1) ^c	0.46
4. Housing	134	147,633	0.50 (5)	0.22
5. Plantation	1,796	416,200	0.37 (6)	0.09
Function	Number of Cooperatives	Number of Members	Average (Million RM)	
			Earning	Profit ^b
7. Transportation	418	137,899	1.33 (3)	0.05
8. Industrial	162	13,349	0.18 (8)	0.02
9. Consumer	1,920	539,818	0.31 (7)	0.02
Total	6,856	4,893,052		

^a Excluded in the ranking

^b Sorted in descending order of average profit

^c Number in () indicates the ranking of earnings

On the average, the highest average earning of the housing cooperatives was recorded in 2008 (more than RM1.0 million). However, it dropped substantially in 2010, before rising up again to reach almost RM500,000 in 2011 (Figure 2). Nevertheless, profit was the same in 2010 and 2011 (RM216,000).



* Source: Malaysia Co-operative Societies Commission(MCSC)

Figure 2: Average Profit of Housing Cooperatives: 2007-2011

Table 3 shows several salient statistics of housing cooperatives with respect to the number, size of membership, total share capital, total asset, earning and profit/loss by state. Federal Territory had the largest number of cooperatives at 25, the biggest number of membership (103,550), the highest share capital (RM96 million) and with asset amounting to almost RM275 million. On the other hand, the housing cooperatives of Pulau Pinang recorded the highest total earning of RM33.6 million with profit amounting to RM19 million. Most of the states recorded profit on their operation totalling almost RM29 million in 2011. Four states registered negative profit, with Negeri Sembilan reporting the largest loss of RM 161, 386.

Table 3: Performance of Housing Cooperatives by State, 2011

No.	State	Number of Coops	Number of Members	Total Share Capital	Total Asset	Total Earnings*	Profit/Loss
1.	Pulau Pinang	10	9,078	27,139,253	247,095,310	33,595,310	18,970,304
2.	Wilayah Persekutuan	25	103,550	96,375,805	274,934,748	16,708,148	7,910,079
3.	Selangor	24	6,815	27,417,319	94,491,552	6,068,649	1,048,067
4.	Sabah	1	673	1,233,171	43,803,782	3,351,240	10,471
5.	Perak	15	8,621	8,010,844	20,858,332	1,982,676	585,296
6.	Johor	6	4,574	5,012,175	19,495,304	1,552,939	272,001
7.	Pahang	6	2,510	3,447,992	6,110,000	816,264	267,398
8.	Negeri Sembilan	5	2,633	1,992,155	12,532,513	728,039	(161,386)
9.	Kelantan	11	519	420,285	3,594,856	700,750	36,895
10.	Melaka	8	3,962	1,274,391	12,107,885	663,322	54,945
11.	Sarawak	5	3,352	1,740,657	16,967,349	327,019	(6,809)
12.	Terengganu	13	736	363,220	1,147,336	205,864	(39,328)
13.	Kedah	4	354	122,038	1,611,584	35,898	15,091
14.	Perlis	1	256	527,680	91,447	568	(21,192)
	Total	134	147,633	175,076,985	754,841,998	66,736,687	28,941,832

* Sorted by descending size of total earnings

* Source: Malaysia Co-operative Societies Commission (MCSC)

Further analysis on the performance of individual cooperatives belonging to the best 100 in 2012 released by the MCSC indicates that only one is actually designated as a housing cooperative and it is 17th in ranking. It had dropped in ranking from previous year, although it had performed better than cooperatives that had larger membership and which had been long in operation. In order to evaluate the performance of housing cooperatives against one another, Table 4 lists 10 of the best cooperatives in 2011 under this function. Seven of the cooperatives recorded earning in excess of RM1 million and one of these cooperatives recorded earning more than RM31.3 million although has 1,334 members only. It is evident that size of membership has little to do with earning. Similarly, the percentage of profit to earning varies widely from cooperative to cooperative, apparently unrelated to the size of earning or membership, with the highest percentage being 89.9.

Table 4: Financial Performance of 10 Best Housing Cooperatives in 2011

Name of Cooperative	Number of Members	2012	
		Earning (RM)	Profit (%*) (RM)
1. Koperasi Tunas Muda Sungai Ara Berhad	1,334	31,333,091	18,521,278 (59.1%)
2. Koperasi Perumahan Angkatan Tentera Berhad	673	7,910,063	3,330,143 (42.1%)
3. Koperasi Serbaguna Anak-Anak Selangor Berhad	2,387	4,879,459	965,504 (19.8%)
4. Koperasi Giat Maju Berhad	2,756	3,351,240	10,471 (0.3%)
5. Koperasi Nesa Pelbagai Berhad	393	2,267,682	651,960 (28.8%)
6. Koperasi Gabungan Negeri Pulau Pinang Berhad	695	1,276,059	520,648 (40.8%)
7. Koperasi Pegawai-Pegawai Kerajaan Malaysia Berhad	3,299	1,149,252	354,586 (30.9%)
8. Koperasi Perumahan Melayu Perak Berhad	585	982,019	258,810 (26.4%)
9. Koperasi Perumahan Lelasan Institusi Pengajian Tinggi Berhad	337	953,363	57,111 (6.0%)
10. Koperasi Perumahan Jaffnese Berhad	254	671,015	602,451 (89.8%)

* % of Earning (Profit/Earning * 100)

RESULTS FROM SURVEY QUESTIONNAIRE

The housing cooperatives were able to give dividends. All the houses built found buyers among members. Houses were completed on time as a result of close monitoring by the respective committees. Moreover, non-members were willing to pay higher for the cooperative-built houses because of their good locations such as being near towns, accessibility to public amenities and the free-hold status. In addition, buyers had a wide choice of properties to select from housing areas developed by cooperatives: terrace houses, bungalows, semi-detached houses and shop houses.

Most of the housing cooperatives built medium and high cost houses on free-hold land and cooperatives' own land. The majority of the buyers obtained housing loans from financial institutions. It is noted that most of the housing cooperatives did not link up with other cooperatives when venturing into housing development, but did establish strategic linkages with the private sector during construction and obtained consultation services from the latter.

It must be emphasized that these cooperatives did not apply for loans from the financial institutions because of the high interest rates as well as the unfavourable terms imposed by the latter such as high penalties for late payment, large initial repayment and short repayment period. Moreover, these financial institutions invariably did not approve the full amount applied. Consequently, most of the cooperatives depended on government sponsored funds such as fund for the rehabilitation of abandoned housing projects, low cost housing revolving fund, 1Malaysia housing fund and 1Malaysia people's housing fund (PR1MA).

The success of housing projects by cooperatives depends on the experience of the organisations, extent of training of staff, efficiency and skills of board members and the administration, as well as sufficient labour force for the actual construction work. To succeed in a housing project, a cooperative also needs to deal with restrictive rules and regulations, difficult funding, problematic land issues and strict technical requirement. Moreover, cooperatives must avoid having a third party from making important decisions for them, taking advantage of board members' little knowledge about construction. There is also a need for good planning during the actual construction work to minimise the incidence of building material shortage. The study also reveals that there are three major factors that would enable projects to be completed according to schedules. These are good planning, good cash-flow and speedy approval of projects by the relevant authorities.

Results of analysis on the identification of challenges faced by cooperatives and factors that contribute to the success of housing cooperatives in generating high earning are discussed as follows.

Challenges of Cooperatives Undertaking Housing Development

The perceptions of respondents on six challenges facing housing cooperatives involved in housing that were incorporated in the survey questionnaire were measured on a 6-point scale: *1=Very serious challenge; 2=Serious challenge ; 3=Challenging; 4=Less serious challenge; 5=Little challenge; 6=Not a challenge at all*. That is, the lower the mean score, the more serious is the challenge facing cooperatives in implementing a project, and vice versa. Table 5 presents the means and medians of perception scores by statement representing the nature of the challenges.

Table 5: Challenges in Implementing Housing Projects

Challenge	Mean	Median
1. Meeting market demand	3.92	5.0
2. Keeping up with government policies and procedures on housing projects	3.72	3.0
3. Selection of project sites	3.56	4.0
4. Management and administration	3.36	3.0
5. Obtaining loans	3.28	4.0
6. Planning and implementing project	3.16	3.0

It is evident that the most daunting challenge is planning and implementing the project (mean=3.16). This is followed by obtaining loans (mean=3.28) and management and administration (mean=3.36). Meanwhile, meeting market demand (mean=3.92), keeping up with government policies and procedures on housing projects (mean=3.72) and selection of project sites (mean=3.56) do not pose a challenge.

Capability of Cooperatives

Table 6 shows how confident respondents are with their cooperatives in carrying out housing activities in respect of such elements as funding, knowledge and ability of board members and availability of labour, among others. The perceptions of respondents on these elements were gauged using various statements measured on a 5-point scale: *1= Most Disagreeable; 2=Disagreeable; 3=Somewhat Agreeable; 4=Agreeable; 5=Most Agreeable*.

Table 6: Capability of Cooperatives in Implementing Housing Projects

Statement	Mean	Median
1. Houses are built to meet the needs of members	3.70	4.00
2. Cooperative uses specific criteria in selecting locations of projects	3.62	4.00
3. The management and staff are given sufficient training to enhance their knowledge	3.62	4.00
4. Projects are completed on schedule	3.38	4.00
5. Cooperative provides business premises to members in housing areas	3.30	3.00
6. Cooperative carries out maintenance of houses	3.24	3.00
7. Cooperative is not facing labour shortage	3.22	3.00
8. Appointed board members have specific background experience	3.22	3.00
9. Government programmes and schemes help housing cooperatives to succeed	3.16	3.00
10. Cooperating is not facing shortage of building materials	3.06	3.00
11. Cooperative has sufficient financial resources for land purchases	2.92	3.00
12. Rules and regulations on housing development are not burdensome	2.90	3.00
13. Terms and conditions of loans are not restrictive	2.86	3.00
14. It is easy to obtain loans	2.84	3.00
15. Cooperative owns enough land for housing projects	2.80	3.00

On the average, the respondents were confident that their cooperatives were capable of implementing housing projects (mean >3.5 and median=4.0). However, they were rather apprehensive with issues such as availability of land, access to loans, regulations on housing, availability of building materials and government programmes and schemes (mean < 3.5 and median =3.0).

Analysis of Means Scores for Combination of Similar Factors

Factor analysis was carried out to identify unique factors by combining components that were similar in nature. There are four factors that are unique to cooperative housing development. These are funding, construction procedure, knowledge and government support, and meeting targets and fulfilling needs. The summary

statistics of the analysis are presented in Table 7. Financial resources (mean=2.87) and construction procedure (mean=3.09) are the two most demanding elements of housing development. On the other hand, the respondents were confident that the cooperatives were capable of planning (mean=3.57) and carrying out projects as they had the required knowledge and support (mean=3.33).

Table 7: Summary Statistics of Factors Associated with Housing Development

	Factor	Mean	Median
1.	Meeting targets and fulfilling needs	3.57	4.00
2.	Knowledge and government support	3.33	3.33
3.	Construction procedure	3.09	3.00
4.	Funding	2.87	3.00

Performance of Cooperatives in Housing Projects (2007-2011)

Table 8 shows the performance of cooperatives undertaking housing projects in 2007-2011 with respect to several elements as perceived by the respondents. Generally, the performance is fairly good, riding on an increase in sales of houses (mean=3.28), a reduction in project completion time (mean=3.38) and an increase in the number of houses built (mean=3.48). Moreover, there was a drop in debt liability (mean=3.58), an improvement in workers' knowledge (mean=3.74) and an increase in earnings throughout the 5-year period (mean=3.88).

Table 8: Performance of Cooperatives: 2007-2011

	Element	Mean	Median
1.	Increase in earning of cooperatives	3.88	4.00
2.	Increase in workers' knowledge	3.74	4.00
3.	Decrease in debt liability	3.58	4.00
4.	Increase in number of houses built	3.48	4.00
5.	Reduction in project completion time	3.38	3.00
6.	Increase in sales of houses	3.28	3.50

1=Most Disagreeable, 2=Disagree, 3=Fairly Agreeable, 4=Agree and 5=Most Agreeable

Results from Interviews with Cooperatives Involved in Housing Activities

Several approaches were adopted in obtaining data for the study. Interviews were made with representatives of cooperatives categorised as successful, less successful, unsuccessful, those venturing into housing for the first time, and those cooperatives that were appointed as contractors to rehabilitate abandoned housing projects. Data derived from such interviews conducted face-to-face and through telephone are important to supplement information obtained from the questionnaire survey. The many challenges confronting cooperatives undertaking housing development are presented in Table 9.

Table 9: Challenges Faced by Housing Development Cooperatives

Factor	Challenges
Funding	1. Banks charge high interest rates to cooperatives compared to the private sector.
	2. Members do not contribute enough capital to their cooperatives.
	3. It is difficult to obtain loans.
Leadership	1. Cooperatives projects are totally managed by consultants and managers as board members do not have enough knowledge and skills in housing activities.
Policies, regulations and housing by-laws	1. Local authorities imposed unfavorable policies and are inefficient and bureaucratic.
	2. There is no difference in government policies between cooperatives and the private sector.
Involvement of members	New members are not keen to contribute new ideas to their cooperatives.
Technical constraints	1. There is an increase in the cost of building materials.
	2. There is no effective planning on funding, and that most cooperatives do not take into consideration all factors, including risk management.
	3. It is difficult to obtain good and strategically located land parcels at reasonable prices.
	4. Currently, cooperatives largely depend on the government for basic infrastructure.
	5. Cooperation between cooperatives is lacking.
	6. Cooperatives are unable to meet members' demand for houses with specific features.

In summary, among the challenges are the need to have access to expertise and advice from consultants in managing housing projects; the presently low collaboration among cooperatives; the lack of experience and skills; the increase in the price of building materials (because of manipulation by the private sector); and restrictive policies and complex approval process by government and local authorities, respectively.

Other challenges faced by cooperatives undertaking housing activities are the increasingly high cost of land owning; stiff competition between housing developers for the supply of houses to non-members of cooperatives; strict requirement on provision of basic public amenities and infrastructure; the need for funding from internal and external sources; stagnating cooperative membership; the increasingly aging board members; and the lack of interest among younger members to contribute new ideas to the cooperatives.

Further, in order to be successful in the housing business, cooperatives must have a stable funding; good management and administration; responsible board members, management and internal audit committees; leadership capable of planning and managing risk; provision for training relevant staff from time to time; and mechanism to encourage members to get involved in project planning.

Therefore, it is recommended that those organisations and agencies involved directly in making housing development cooperatives successful must dispense their responsibilities well and provide all the necessary assistance needed by these cooperatives. Cooperatives would benefit from an act that fosters housing development, while it is imperative that MCSC formulates suitable plans for the cooperatives; monitor their project implementation; and Cooperative College of Malaysia (CCM) provides training needed by cooperatives. It is incumbent upon Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA) as the apex organisation of cooperatives in Malaysia to establish a chain of cooperatives that would support the housing activities and provide consultancy services. It is also important that Bank Rakyat provide loans to cooperatives under favourable terms and conditions, while cooperatives collaborate and support one another.

This study concludes that most of the cooperatives that were registered as housing development cooperatives do not function as such because of a lack of fund, difficulty in obtaining loans from financial institutions, and the unwillingness of the private sector to go into joint venture with them. Moreover, the cooperatives do not own enough land for housing projects and that they are more keen to subdivide whatever land they have and sell the resulting lots to individual members who would then build their own houses.



CONCLUSION

The housing sector in Malaysia opens up ample opportunities for cooperatives to venture into the business of providing houses for their members and the local community in general. There is a high demand for houses by the public, and the role of cooperatives in coming up with affordable houses is crucial. This is because cooperatives are in a position to offer houses at lower prices than the market as they are able to operate on smaller profit margins. Cooperatives have to fulfil their social responsibilities to their members. Therefore, it is imperative that housing cooperatives take cognizance of the challenges facing the business to avoid losses which would impact negatively on the organisations.



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(Mohd Ariff Farizal Mat Ariffen, personal communication, April 4,2012).