

## ASSESSMENT OF WAQF MODELS FOR PROVISION OF AFFORDABLE HOUSING IN MALAYSIA: A CASE STUDY OF MAJLIS AGAMA ISLAM WILAYAH (MAIWP)

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### ABSTRACT

Housing is one of the basic needs of human beings. Despite its importance, housing prices have continued to increase beyond the reach of the masses. Realizing the fact, the government has made different attempts to ensure the provision of affordable and decent housing for the masses through many initiatives such as the enactment of the Perumahan Rakyat 1Malaysia Act 2012 (Act 739); implementation of My First Home Scheme and other and other social schemes, however, there is still a wide gap in the supply and demand for housing. Consequently, this study assessed the different Waqf financing models towards the provision of affordable Waqf housing in the country. Data were gathered from primary and secondary sources. Primary data was gathered through interviews with the Majlis Agama Islam Wilayah Persekutuan (MAIWP), while secondary data was gathered from the review of the literature. The findings indicate that MAIWP adopts the BOT (Built Operate and Transfer) model in its property development programme, and this model could help in the development of Waqf real estate. Despite operating in the most expensive city in the country, MAIWP has thus been able to provide affordable housing for the beneficiaries.

**Keywords:** Housing, Waqf, MAIWP, Affordability

### INTRODUCTION

Housing is one of the basic needs of human beings. Despite its importance, there is a shortage in the housing supply thus resulting in the continued increase in housing prices beyond the reach of the masses. Housing affordability is crucial to ensure young graduates, first-time homebuyers, working-class people, and the wider public can own shelters. For instance, despite increases in the Kuala Lumpur median housing income from RM4025 in 2009 (Khazanah, 2015) to RM5847 in 2012 (Kuen, 2013) and RM6958 in 2016 (Khazanah, 2018), the increasing cost of housing has continued to hinder many families from owning a house. Housing cost now accounts for the largest share in household income, and for those that pay rent, the rent represents their largest monthly expenditure (Olanrewaju and Adrus, 2019). The unaffordability of housing stock has resulted in an increasing number of unsold stocks, especially evident for houses priced between RM250,000-RM500,00 and RM500,00-RM1 million. This indicates that the housing problem is not about availability but the issue of affordability. Researcher have made several efforts aimed at increasing the provision of affordable housing for the masses. For instance, in their study, Olanrewaju and Idrus (2019) identified four factors that would enhance housing provision, including land availability, reduction in the cost of construction materials, and the use of alternative building materials, design standards, and regulating profit margin of property developers. Other solutions proffered include the adoption of the secondary mortgage market (Fah, 2013), use of Ijarah housing concept (Ali, et al 2016); amendment of housing policies (Chua, 2013), stimulate market forces in housing provision (Ismail, et al, 2019), low-interest rates on mortgage loans (Shatar, 2017), the low tariff on construction materials (Wallbaum et al, 2012),

and improved procurement methods (Khairuddin, Fauzi, Hasan and Md. Ayob, 2019). However, only very few studies have explored the role of Waqf in the provision of affordable housing. The main objective of this paper is to investigate the potential of adopting Waqf for the provision of affordable housing in Malaysia, with a specific focus on the Waqf models adopted by the Majlis Agama Islam, Wilayah Persekutuan (MAIWP). The remaining part of this paper is divided into five parts. The first part discusses the government efforts in housing supply methods adopted for this study while the second part reviews Waqf concepts. Part three presents housing models and research methods, while the case study is presented in part four. The last part discusses the research findings and conclusion.

## GOVERNMENT EFFORTS IN HOUSING SUPPLY

In an attempt to improve the supply of affordable housing, the government in Malaysia has introduced many initiatives such as the MyHome, Perumahan Rakyat 1Malaysia, Rumah Mesra Rakyat, Program Rumah Mampu Milik, Program Penyeleggaran 1Malaysia, BTS System, MyDeposit Scheme, Perumah Penjawat Awam 1 Malaysia, MyBeautiful New Home, among other such policy interventions such as the National Housing Policy 2.0 which laid out plans for the National Home Ownership Campaign and Widening of the Rent-to-Own campaign (Olanrewaju and Idrus, 2019). Generally, these schemes allow the direct provision of housing by the Government, Government-linked company, as well as through the government's partnership with private firms. In the latter category, UDA Berhad is a private sector company that works with government agencies towards the provision of Waqf housing as we have in Pinang (Ali et al., 2016).

### 1. Concept of Waqf

A key challenge in achieving the housing affordability in Malaysia is the scarcity and high cost of land (Ismail et al., 2019; Olanrewaju & Adrus, 2019 and Ali et al., 2016). This challenge can be resolved through the use of Waqf land for development purposes (YWM, 2016 and Mar-Iman and Mohammad 2014). Waqf refers to a perpetual endowment (Kahf, 2003) of movable, immovable, or other forms of assets to continuously serve desired social needs. Waqf is an Arabic word derived from a derivative (masdar) of verb *waqafa* (JAWHAR, 2009). Waqf means to hold, stop, sustain, contain, or to preserve (YWM, 2016 and Obaidullah, 2014). Waqf is a sustainable charity; a voluntary, permanent, irrevocable dedication of a portion of one's wealth, either in cash or kind, for the sake of Allah. Waqf is a private possession or asset in any form that has been put under an injunction from any form of transaction, including sale, inheritance, grant, or takeover, whilst its physical source remains intact and unchanged (YWM 2016, JAWHAR, 2009). Zaim (2008) added that Waqf is ownership of a property that is converted from private ownership to social benefit through the allocation of a property and the income therefrom to a beneficial service. Malaysia is one of the countries with a good number of Waqf properties.

The Yayasan Wakaf Malaysia (YWM, 2016) indicated the total Waqf land area - both general and specific Waqf types- as 30,888 hectares or 308.88km<sup>2</sup>. This is more than the land area of some of the World cities such as Durham (USA)-280.5 km<sup>2</sup>, Kuala Lumpur (Malaysia)-243km<sup>2</sup>, Dhaka (Bangladesh)-311km<sup>2</sup>, Tunis (Tunisia)- 363km<sup>2</sup>, Liverpool (UK)-111.8km<sup>2</sup>, Hong Kong (China)-220km<sup>2</sup>, Alexandria (Egypt)- 293km<sup>2</sup>, Surabaya (Indonesia)- 376km<sup>2</sup>, Dar-es-Salaam, (Tanzania)-324km<sup>2</sup>, Amman (Jordan)- 344km<sup>2</sup> and Ahmedabad (India)- 202km<sup>2</sup>. Despite the relatively large Waqf land area and properties in Malaysia, only two percent of the total area has been redeveloped thus representing investment opportunities for the public and private sectors. The Department of Waqaf Zakat and Hajj (Jabatan Wakaf, Zakat dan Haji- JAWHAR) estimated the total value of

these properties at RM4 billion (Norinah et al., 2015).

## 2. Type of Waqf in Malaysia

Waqf land donation in the country can be broadly classified into general-purpose Waqf (or Waqf am) or specific purpose Waqf (Waqf Khas). The general purpose Waqf is the Waqf whereby the donor donates his for any legal activity that benefits the community. For example, when a person endowed property for charity, the Waqf manager is required to manage the property in a way that will provide benefits to the community in any form of charity so that the donor continues to gain rewards. The specific purpose Waqf is a type of charity is such that the donor indicates that the property be used for specific purposes and functions, e.g. land for a mosque, school, cemetery, business centres, house, etc. (JAWHAR, 2006, Mokhtar, 2015). Details of the land distribution across the States are indicated in the table below:

**Table 1** Current Statistics of Waqf Land Information in Malaysia

Source: MAIN, 2013 and YWM, 2016

s/n	State	Number of Waqf Land Lot			Area (Hectares)		
		General	Specific	Total	General	Specific	Total
1	Pulau Pinang	1,083	69	1,152	704.29	37.72	742.01
2	Pahang	144	0	144	74.6	0	74.60
3	Kelantan	89	421	510	19.72	265.2	284.92
4	Terengganu	170	443	613	27.78	456.32	484.10
5	Melaka	145	609	754	77.68	279.36	375.04
6	Wilayah Persekutuan	17	43	60	1.57	22.70	24.27
7	Negeri Sembilan	12	17	29	6.68	10.50	17.18
8	Sabah	4	110	114	0	2,130.04	2130.04
9	Selangor	537	173	710	295.15	75.52	352.67
10	Perlis	93		93	83.22		83.22
11	Perak	318	4,915	5,233	20,227.75		20,225.75
12	Kedah	130	938	1068	96.08	724.27	820.31
13	Johor	3798		3798	5149.10		5,149.10
14	Sarawak	78		78	143.68		143.68
Total		14,356 Lot			30,888.89 Hectares		

From the total Waqf land in the country, only 6,311 lots have been developed on 3,504.72 hectares (YWM, 2016). This represents 11.3% of the total Waqf land area thus offering huge development opportunities for affordable housing to the public. However, such development will have to comply with the dictates of the Sharia and in line with the wishes of the respective donors. Also, specific Waqf can only be used for the purpose for which the donor has indicated. Meanwhile, the general Waqf can be used for investment purposes such as the proposed housing programmes. Details of the developed Waqf land are presented in the table below. Any attempt to increase the developed land area through investment and adequate financing will enable Waqf to generate greater economic returns for the benefit of the beneficiaries in particular and the ummah, in general.

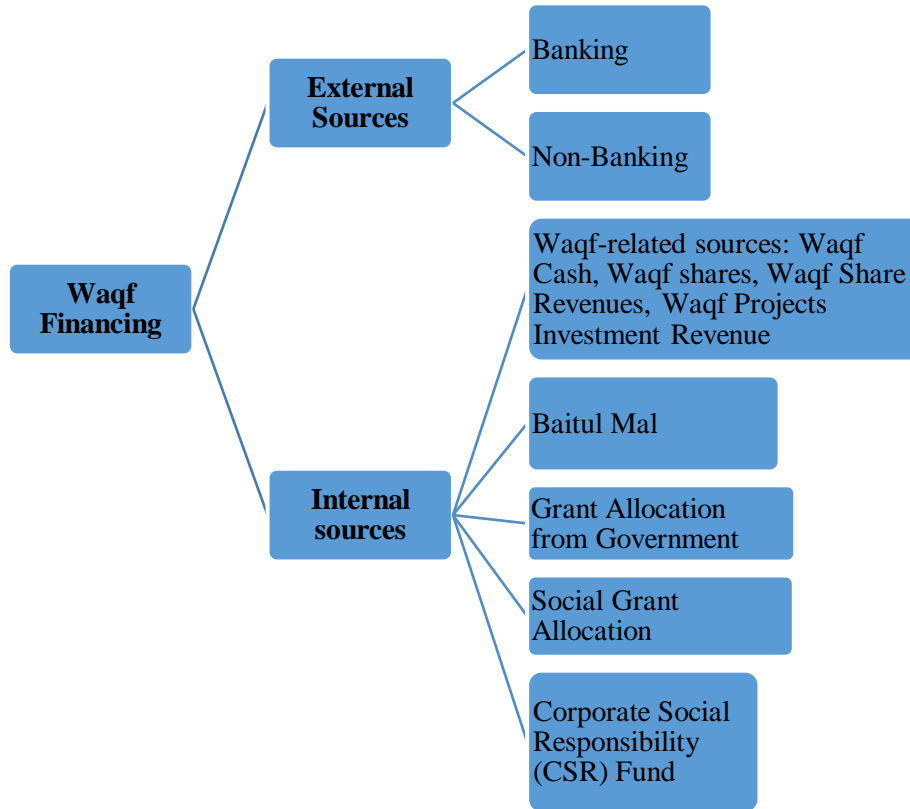
**Table 2** Total Developed Waqf Land Area

Source: Adapted from YWM (2016)

s/n	State	Number of Waqf Land Lot			Area (Hectares)		
		General	Specific	Total	General	Specific	Total
1	Pulau Pinang	465		465	234.51		234.51
2	Pahang	1	0	1	1.74	0	1.74
3	Kelantan	45	400	445	10	260.52	270.52
4	Terengganu	47	195	242	10.79	378.11	388.90
5	Melaka	9	609	618	8.36	279.36	287.72
6	Wilayah Persekutuan	16	38	54	1.53	11.40	12.93
7	Negeri Sembilan	5	5	10	1.58	3.63	5.21
8	Sabah	0	106	106	0	2,122.40	2122.40
9	Selangor	11	12	23	8.42	11.29	19.71
10	Perlis	78		78	10.78		10.78
11	Perak	254	3931	4185	N/A		N/A
12	Kedah	6		6	6.66		6.66
13	Johor	N/A		N/A	N/A		N/A
14	Sarawak	78		78	143.68		143.68
Total		6,311 lot			3504.72 Hectare		

### 3. Models of Waqf Housing Development

Having identified high land cost as a hindrance to the provision of affordable housing cost in Malaysia, it means that the large span of undeveloped of Waqf land can be developed to meet the housing needs using any of Waqf housing financing models indicated in this section.



**Fig. A** Waqf Sources of Funding  
Source: Adapted from YWM (2016)

#### **4. Internal funding for Waqf Housing**

Internal financing sources refer to funds channeled by MAIN or funds transferred from MAIN or certain parties that are directly donated for the development projects. Upon completion, the projects are handed over to MAIN. While internal funding could be used for the development of income-generating and non-income generating Waqf properties, the potential contributors for differs. For instance, Waqf-related sources attract contribution from individual and corporate sectors; Baitul Mal Fund is drawn solely from the MAIN; government grants are mainly from the federal and state governments; social grant allocations are mostly from domestic and foreign NGOs while the Corporate Social Responsibility (CSR) fund is mainly generated from government-linked companies (GLCs), private companies and NGOs.

#### **5. External Funding for Waqf Housing**

##### **5.1 Bank Financing**

Bank financing has its merits and demerits. Merits of bank financing include the project can pay in installments, thereby ensuring that MAIN does not have to prepare large sums of money each time; the bank does not get involved in MAIN's administration; the relationship between the bank and MAIN ends once the project has repaid its outstanding to the bank, and the bank financing also gives the project flexible short and long-term financing. The demerits of bank financing include the mandatory request for collateral to guarantee repayment while Waqf assets cannot be used as collateral; lower end financing is provided for buying Waqf assets due to the status categorized as leasehold; and the implementation of Ta'widh (late charges) based on

actual losses incurred by the bank. To solve the challenge, MAIN can use these following as collateral- MAIN could lease its Waqf land to the subsidiary. The subsidiary then uses the lease certificate to apply for bank financing; MAIN can lease its non-Waqf properties or use a non-Waqf deposit. MAIN can also obtain government/third party guarantee for the loan, or obtain other collaterals acceptable to the bank (YWM, 2016). YWM (2016) categorized bank financing into two main sources- funding for construction assets; and funding for the purchase of assets.

Funding for construction assets-

- i. Istisna'
- ii. Musharakah
- iii. Mudharabah

Funding for purchase assets-

- i. Murabaha and Bai' Bi Thaman Ajil
- ii. Musharakah Mutanaqisoh
- iii. Ijarah Muntahiyah Bi al-Tamlik
- iv. Istisna' and ijarah mawsufah fi al-zimmah.

While several studies such as Obadullah (2014), Mar-Iman, and Mohammad (2014), YWM (2016) have discussed the pros and cons of bank funding models, this paper focuses on the less-discussed aspects of Waqf funding; the non-bank financing.

## 6. Non-Bank Funding

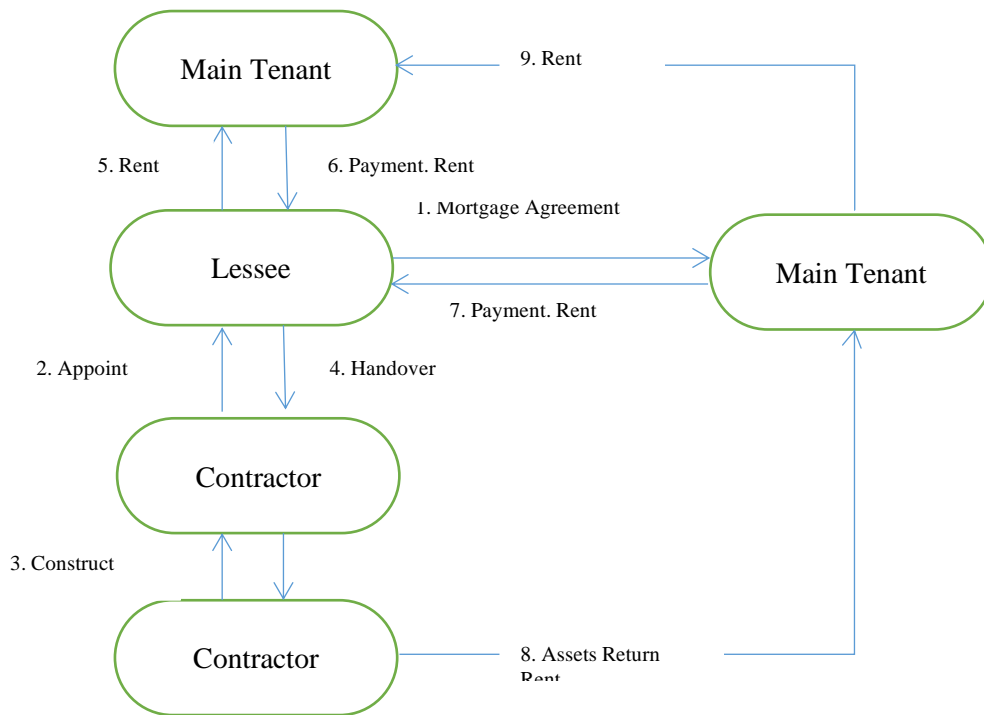
Non-bank financing provides a credible alternative and additional funding source for Waqf property development. It is a method of raising funds for the development of Waqf property without incurring bank debt. However, non-bank financing also has its merits and demerits. The merits include 1) it offers a low-risk financing option as MAIN does not have to pay if the investment does not perform to planned expectation, 2) increases MAINs credibility in investment and business through the various business collaborations, and 3) it is suitable for long-term investment. The demerits of non-bank funding sources include, 1) assets are not completely controlled by MAIN as the investors necessarily have control rights during the period of investments, and 2) profit is shared between MAIN and other investors. The non-bank funding models are- Built, Operate, and Transfer (BOT) model, Collaboration, Sukuk, and Redemption.

### 6.1 Build, Operate, and Transfer (B.O.T)

BOT refers to the development carried by the lessee who leases the land from the owner. After the lease expires, the land and buildings constructed on it will be handed over to the landlord. Application of the BOT Model in the Development of Waqf Property. The BOT procedure is as indicated below:

- i. MAIN lease land agreements with the lessee, namely, banks, developers, and corporations for a certain period.
- ii. Lessee appoints a contractor to construct the building according to certain specifications.
- iii. Contractor builds the building.
- iv. Contractor hands over the building to the lessee.
- v. Lessee leases the building to the anchor (the main tenant), and receives the lease amount.
- vi. Lessee pays the land lease amount to MAIN.
- vii. At the expiration of the lease period, the land and property are handed over to MAIN as *hibah* (gift).
- viii. MAIN rents the building to the main tenant and receives rental payment.

The model is further indicated in the figure below.

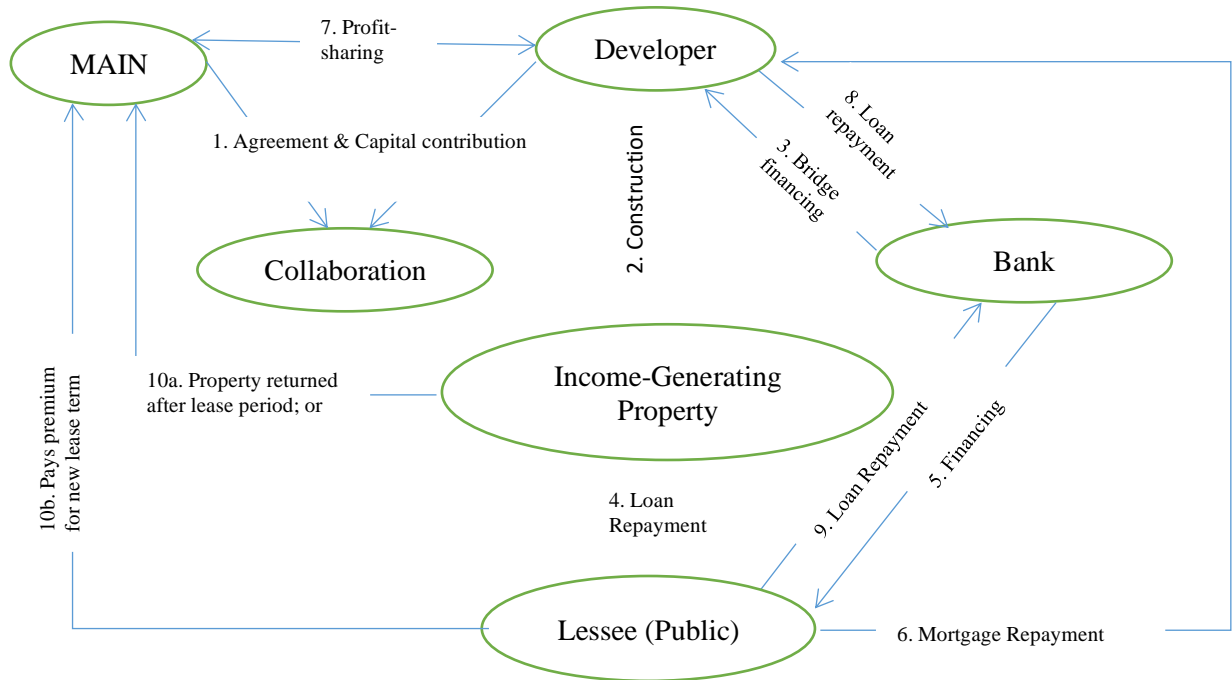


**Fig. B Bot Funding Model**  
Source: Author (2020)

### 6.2 Collaboration Model

This model refers to an agreement between two or more parties towards ensuring the success of the project. The parties share the gains and losses that emanates from the project, on a pre-agreed ratio. Application procedures for the Collaboration Model.

- i. MAIN agrees with the developers towards the construction of income-generating Waqf property. MAIN provides the land while the developer provides construction funds and expertise
- ii. Developer obtains bridge financing (financial institution) to fund the construction
- iii. Developer constructs the property based on agreed specifications
- iv. Once completed, developer leases the building for a certain period and rental amount
- v. Lessee obtains end financing
- vi. Lessee pays the developer the lease amount
- vii. After deducting the development costs, profits are divided between MAIN and developers based on the pre-agreed ratio
- viii. Developer repays the loan
- ix. Lessee repays the loan



**Fig. C Collaboration Model**

Source: Adapted from UDA (2013) and YWM (2016)

### 6.3 Sukuk

This is a certificate of equal value that represents undivided shares in ownership of tangible assets, usufruct, and services; stating the proportion of ownership in an asset as well as the rights and responsibilities of the Sukuk-holders in the property (AAOIFI, 2015). Sukuk can be used to generate substantial funding to finance MAIN Waqf property development. The different types of Sukuk are further indicated in the table below:

**Table 2** Features of the different types of Sukuk

Source: Adapted from YWM (2016)

Sukuk Type	Nature of Sukuk	Features
Musharakah	Securities in which the Sukuk holders have ownership of certain assets	Gains and losses are divided based on the percentage of ownership
Intifa'	Units of Sukuk representing ownership of the benefits of the assets for a certain period and location	Sukuk holders have the right to use the assets based on the units of Sukuk held. Profit or losses of each Sukuk are different from one another.
Murabahah (Tawarruq and Istisna')	Security in terms of Sukuk unit that represents the issuer's debt with the Sukuk holders on the transaction performed.	Claims against debt obligations arising from the transactions are carried out. Sukuk does not represent ownership of physical assets because ownership is transferred to the obligator. Assets are pledged as collateral or security against the loan.



#### **6.4 Redemption**

This refers to the process whereby Yayasan Waqf Malaysia (YWM) uses its funds to buy or develop Waqf projects, either in the social, economic, and socio-economic forms. Before redemption, the property will be owned by YWM. The developed property will serve as the object of Waqf to encourage the community to contribute cash as a form of endowment through cash Waqf scheme by YWM or Waqf cash by MAIN. The profits gained from the cash Waqf scheme are then used to redeem the developed property, and the property will become the Waqf property registered with the appropriate MAIN (YWM, 2016). Application procedures and recommendations are as follows:

- i. YWM buys the property beforehand using its funds. The property and return of the property will be owned entirely by YWM until the property is endowed
- ii. For Waqf purpose, cash Waqf will be collected jointly between MAIN and YWM, where the property is going to be the main purpose for people's cash donation
- iii. The property will be redeemed based on the mechanism agreed between the YWM and MAIN.
- iv. Once redeemed, the property will be endowed to MAIN.

Once the property has been endowed, YWM will also be appointed as the manager of the property within the period agreed by YWM and MAIN. The returns from the property during the period.

#### **METHODS**

Data for the study were gathered through semi-structured face to face interviews with MAIWP officials in October 2019; and extensive literature review. The Majlis Agama Islam Wilayah Persekutuan (MAIWP) is the organization authorized to manage all Waqf properties within the Federal Territory, Kuala Lumpur. The authors met with the department in handling the development and investment of Waqf at MAIWP. The MAIWP team is headed by the Manager, IR. Abd Karim Bin. Mohamed@Ismail (Pengurus, Pembangunan Dan Pelaburan, MAIWP). Secondary data was gathered through legal sources such as original decrees, legal texts, and intellectual articles explaining the concept of Waqf rights utilization for housing, policy papers, and guidelines.

#### **Application of Waqf model in Kuala Lumpur**

The Majlis Agama Islam Wilayah Persekutuan (MAIWP) is broadly divided into three Federal District, Province or Mukim: Kuala Lumpur, Labuan and Putrajaya. While Kuala Lumpur, and Labuan have Waqf land and properties, Putrajaya does not have any.

#### **Analysis: Waqf Properties under MAIWP**

As indicated in the Table below, there are 60 lots of recorded Waqf land in Wilayah Persekutuan, with an area of 24.27 hectares. The table indicates the distribution of developed and vacant Waqf lands across the districts under the Wilayah Persekutuan (WP). The Kuala Lumpur section of WP has 6 provinces or Mukims- Bandar Kuala Lumpur, Kuala Lumpur, Batu, Ampang, Petaling and Setapak Provinces. There are 12 Provinces under the Labuan section of WP. These are- Batu Mainkar, Sungai Buton, Bebuloh, Bukit Kalam, Pantai, Sungai Miri, Sungai Lada, Tanjung Aru, Kilan Kassim, Kilan Pulau Akar, Pohon Batu and Durian Tunjung. The Putrajaya section of Wilayah Persekutuan does not have any Waqf property. A detail of the total land area in each of the provinces is indicated below.

**Table 2** Statistics of Waqf Land under MAIWP

Source: YWM (2016)

No	District/ Province/ Mukim	Total Waqf Land Area				Developed Waqf Land				Waqf Land to be Developed			
		Lots		Area(Ha)		Lots		Area(Ha)		Lots		Area(Ha)	
		general	specific	general	specific	general	specific	general	specific	general	specific	general	specific
<b>Wilayah Persekutuan (Kuala Lumpur)</b>													
1	Bandar Kuala Lumpur	8	4	0.86	0.26	8	4	0.86	0.26	0	0	0	0
2	Kuala Lumpur	2	7	0.49	2.02	2	7	0.49	2.02	0	0	0	0
3	Batu	0	4	0	0.23	0	3	0	0.17	0	1	1	0.06
4	Ampang	1	1	0.04	0.04	0	1	0	0.04	1	0	0.04	0
5	Petaling	1	1	0	0.01	1	1	0	0.01	0	0	0	0
6	Setapak	5	4	0.18	0.34	5	4	0.18	0.34	0	0	0	0
<b>Total</b>		<b>17</b>	<b>21</b>	<b>1.57</b>	<b>2.90</b>	<b>16</b>	<b>20</b>	<b>1.53</b>	<b>2.84</b>	<b>1</b>	<b>1</b>	<b>0.04</b>	<b>0.06</b>
<b>Wilayah Persekutuan (Labuan)</b>													
1	Batu Mainkar	0	2	0	1.12	0	2	0	1.12	0	0	0	0
2	Sungai Buton	0	2	0	1.95	0	2	0	1.95	0	0	0	0
3	Bebuloh	0	3	0	1.35	0	3	0	1.35	0	0	0	0
4	Bukit Kalam	0	4	0	11.24	0	0	0	0	0	4	0	11.24
5	Pantai	0	1	0	2.41	0	1	0	2.41	0	0	0	0
6	Sungai Miri	0	2	0	0.39	0	2	0	0.39	0	0	0	0
7	Sungai Lada	0	1	0	0.12	0	1	0	0.12	0	0	0	0
8	Tanjung Aru	0	2	0	0.42	0	2	0	0.42	0	0	0	0
9	Kilan Kassim	0	1	0	0.03	0	1	0	0.03	0	0	0	0
10	Kilan Pulau Akar	0	1	0	0.03	0	1	0	0.03	0	0	0	0
11	Pohon Batu	0	1	0	0.64	0	1	0	0.64	0	0	0	0
12	Durian Tunjung	0	2	0	0.10	0	2	0	0.10	0	0	0	0
<b>Total</b>		<b>0</b>	<b>22</b>	<b>0</b>	<b>19.80</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>8.56</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>		<b>60</b>				<b>54</b>		<b>12.93</b>		<b>6</b>		<b>11.34</b>	

## FINDINGS

Information in the table further indicates that Wilayah Kuala Lumpur has a total of 12 waqf lots divided into general waqf (8) and specific waqf (4). The total land area of 0.86 Ha and 0.26 Ha for general waqf and specific waqf respectively has been fully developed. Kuala Lumpur has a total of 9 waqf lots divided into general waqf (2) and specific waqf (7). The land area of 0.49Ha and 2.02 Ha for general waqf and specific waqf respectively have been fully developed. Batu has a total of 4 specific waqf lot with a land area of 0.23Ha. Three (3) of the lots have been developed while the remaining one (1) is yet to be developed. Ampang has a total of 2 waqf lots divided into general waqf (1) and specific waqf (1). The land areas are 0.04Ha and 0.04Ha for general waqf and specific waqf respectively. While the specific Waqf lot has been developed, that of the general Waqf is yet to be developed. Petaling has a total of 2 fully developed waqf lots divided into general waqf (1) and specific waqf (1). Setapak has a total of 9 waqf lots divided into general waqf (5) and specific waqf (4). The land areas of 0.18Ha and 0.34Ha for general waqf and specific waqf respectively have been fully developed.

While for Wilayah Persekutuan Labuan, Batu Mainkar has a total of 2 fully developed specific waqf lots with a total land area of 1.12Ha. Sungai Buton has a total of 2 fully developed specific waqf lots with a total land area of 1.95Ha. Bebuloh has a total of 1 fully developed specific waqf lots with a total land area of 1.35Ha. Bukit Kalam has a total of 4 undeveloped specific waqf lots with a total land area of 11.24Ha. Pantai has a total of 1 fully developed specific waqf lots with a total land area of 2.41Ha. Sungai Miri has a total of 2 fully developed specific waqf lots with a total land area of 0.39Ha. Sungai Lada has a total of 1 fully developed specific waqf lots with a total land area of 0.12Ha. Sungai Lada has a total of 1 fully developed specific waqf lots with a total land area of 0.12Ha. Tanjung Aru has a total of 2 fully developed specific waqf lots with a total land area of 0.42Ha. Kilan Kassim has a total of 1 fully developed specific waqf lots with a total land area of 0.03Ha. Kilan Pulau Akar has a total of 1 fully developed specific waqf lots with a total land area of 0.03Ha. Pohon Batu has a total of 1 fully developed specific waqf lots with a total land area of 0.64Ha. Durian Tunjung has a total of 2 fully developed specific waqf lots with a total land area of 0.10Ha

In general, the study indicates that there are a total of 17 lots covering 1.57 hectares for general Waqf while specific Waqf has a total of 21 lots covering 2.90 hectares. Of these figures, 16 lots or 1.53 hectares of Waqf land have been developed in the general Waqf category while 20 lots covering 2.84 hectares have been developed in the specific Waqf category. For the Federal Territory Labuan, there is no property in the general Waqf category but specific Waqf has a total of 22 lots covering 19.8 hectares. Of this figure, 18 lots or 8.56 hectares of Waqf land has been developed in the specific Waqf category. This further shows that 94.7% of the total Waqf lots in Kuala Lumpur and 81.8% of the total Waqf lots in Labuan have been developed. Furthermore, the interview with the MAIWP team indicates that the BOT model is the preferred option adopted in the development of Waqf properties in Kuala Lumpur. The manager noted that BOT was used for the development of the Menara Bank Islam, the most notable commercial Waqf development project in the country. The department indicated the process adopted for property development in MAIWP:

- i. Tabung Haji (TH) leases the Waqf land from MAIWP for an agreed period.
- ii. TH builds according to agreed specifications.
- iii. TH fully funds the development and pays land lease to MAIWP.
- iv. TH can use the building or lease to a tenant during the agreed period.
- v. At the end of the agreed term, TH hands over the building ownership and management to MAIWP as *hibah*.

In essence, this model enables MAIWP to build a pattern that could help develop more residential and commercial properties within and outside Kuala Lumpur. Additional study on MAIN in other states indicates that some are also using this model. A case in reference is the Wakaf Seetee Aisha- A multi-purpose wakaf property developed through similar BOT model between the Majlis Agama Islam Negara Pulau Pinang (MAINPP) and UDA Development Berhad. The Wakaf Seetee Aisha is particularly unique in its reference as a collaborative waqf housing project. The multi-purpose project comprised 76 units of 2 storey-terraced houses and a three storey business centre with 27 lots of shops and offices (YWM, 2016). The houses provided through this project are then offered at affordable rates to qualified members of the public.

## CONCLUSION

Housing is essential for human survival. It provides shelter, protection, privacy, and comfort to the owners/occupants. The paper observed that there are many-unsold housing thus indicating that the housing challenge is not availability but affordability- the high cost of housing has hindered many households from owning a home. Meanwhile, previous researchers have identified land scarcity and the high cost of land as some of the major factors leading to high housing costs. Waqf can thus be an effective solution for resolving the challenge. With a widespread of over 27,000 hectares of land spread across the different parts of Malaysia, more houses can be provided for the masses at affordable rates. Furthermore, the study examined the banking and non-banking financing models for Waqf development, with more focus on the latter. We found that Waqf Managers in Kuala Lumpur (MAIWP), the case study, adopts the BOT model in its Waqf development programmes. The study also indicated the multiple purpose waqf housing and commercial project jointly developed by MAINPP and UDA using BOT model. Considering the success of this model in different locations, the authors recommend that more Waqf managers adopt similar models in their Waqf development programmes particularly towards the provision of quality affordable housing.

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