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# PUBLIC PRIVATE PARTNERSHIP: CHALLENGES AND SUCCESS FACTOR OF PPP IMPLEMENTATION IN HOUSING PROJECT IN KUALA LUMPUR

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DECEMBER 2015

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I hereby declare that the work in this thesis is my own except for quotations and summaries which have been duly acknowledged. The thesis has not been accepted for any degree and is not concurrently submitted for award of other degree.

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The dissertation is dedicated to my parents and to every individual who inspired me, guides me and helped me in my endeavours

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#### **ABSTRACT**

A public private partnership (PPP) is a government service or private business venture, which is funded and operated through a partnership of government and one or more private sector companies. In Malaysia, Public Private Partnership (PPP) Programmed has been announced in Malaysia in the Ninth Malaysian Plan (RMK-9) as an initiative to enhance private sector involvement in economic development. The PPP usually know in infrastructure project and in the other huge project. The study is to identify the implementation of PPP in housing project in Malaysia, since it still in the early stages compare to the other country. The paper is to identify the challenges of PPP in housing projects in Kuala Lumpur and the critical success factors of PPP in housing projects in Kuala Lumpur. All housing developer that had adopted the PPP in housing project was targeted. Data were collected using the questionnaire distribution that helps to answer the research question. There are 59 respondents that respond to the questionnaire. It was found that the private and public sector agreed that there is the challenges PPP implementation. The most challenges factors were lengthy delays in negotiation. The critical success factors, which divided into political, economic, and others factors had the most impact that help the developers to implement the PPP. Malaysian house developer can use these findings to know the challenging and critical success factors to implement the PPP in housing project. The challenges and the critical success factors were identified in this paper.

**Keyword:** Public Private Partnership, Low Cost Housing, Housing Project, Challenges, Critical Success Factors

# TRANSLATION OF ABSTRACT

Kerjasama awam swasta (PPP) adalah perkhidmatan yang disediakan oleh kerajaan atau usaha perniagaan swasta yang dibiayai dan dikendalikan menerusi kerjasama kerajaan antara satu atau lebih syarikat dari sektor swasta. Di Malaysia, Kerjasama Awam Swasta (PPP) telah diumumkan di Malaysia dalam Rancangan Malaysia Kesembilan (RMK-9) sebagai satu inisiatif untuk meningkatkan penglibatan sektor swasta dalam pembangunan ekonomi. PPP kebiasaannya di jalankan dalam projek infrastruktur dan dalam projek besar yang lain. Oleh itu, kajian ini adalah untuk mengenal pasti pelaksanaan PPP dalam projek perumahan di Malaysia, kerana ia masih di peringkat awal berbanding dengan negara lain. Kajian ini adalah untuk mengenal pasti cabaran PPP dalam projek-projek perumahan di Kuala Lumpur dan faktor-faktor kejayaan yang kritikal dalam projek-projek perumahan di Kuala Lumpur. Pemaju perumahan yang telah menggunakan PPP dalam projek perumahan telah dipilih untuk menjadi responden. Data dikumpulkan dengan menggunakan pengedaran soal selidik yang membantu untuk menjawab soalan penyelidikan. Terdapat 59 responden yang bertindak balas terhadap soal selidik. Kajian ini mendapati bahawa sektor swasta dan orang ramai bersetuju bahawa terdapat cabaran semasa pelaksanaan PPP di projeck perumahan. Antara factor yang menjadi cabaran melaksanakan PPP di projek perumahan adalah faktor-faktor kelewatan yang panjang dalam rundingan. Faktorfaktor kejayaan yang kritikal telah dibahagikan kepada 3 faktor iaitu politik, ekonomi, dan lain-lain faktor yang paling membantu pemaju untuk melaksanakan PPP. Pemaju perumahan di Malaysia boleh menggunakan hasil kajian ini untuk mengetahui faktorfaktor kejayaan dan cabaran untuk melaksanakan PPP dalam projek perumahan. Cabaran dan faktor-faktor kejayaan yang kritikal telah dikenalpasti dan menjawab objektif berdasarkan objektif yang telah disediakan.

**Kata Kunci:** Kerjasama Awam Swasta, Perumahan Kos Rendah, Projek Perumahan, Cabaran, Faktor Kejayaan

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# **CHAPTER 1**

#### INTRODUCTION

# 1.0 INTRODUCTION

A public private partnership (PPP) is a service that provided by government or private sector, which is support and control through a collaboration of public and one or more private sector companies. Public private partnership also known as contractual arrangement between a government agency and private sector that make objective give benefit to public. The purposes of public private partnership are to undertake the responsibilities of the public and to completing a project that will serve the public. Public private partnership has their own key features, which involve participant from public and private sector, relationships, long-term contract and risk allocation. This types of contract have their own benefits that are can improve the quality and quantity of basic project.

In Malaysia, Public Private Partnership (PPP) Programmed has been announced in Malaysia in the Ninth Malaysian Plan (RMK-9) as an initiative to enhance private sector involvement in economic development, (Public Private Partnership Guideline,

2009). Public Private Partnership also describes a range of possible relationships among public and private entities in context of infrastructure or other services. Public private partnerships are well known for infrastructure project.

Besides that, PPP also have been applying in pipelines, hospitals, railways, and buildings For example of the PPP project in Malaysia are PLUS Expressways, Stormwater Management and Road Tunnel (SMART), Privatisation of Penang Port and KLIA Express and KLIA Transit. Malaysia also developed the PPP project on building and teaching facilities, which are still under construction for example Perdana University and International Islamic University Malaysia (IIUM) teaching hospitals. However, there are also housing projects that apply the public private partnerships.

Based on Public private partnerships unit, there are two conditions for PPP, which are must make government projects more efficient with risks and rewards optimally shared between the two parties and to be used where public fund enhances growth of private sector projects in strategic or publicize areas. Furthermore, in Malaysia, the implementation of PPP in housing project are still new and need to develop more to achieve the successful project.

The implementation of PPP in housing project not only can help to make the collaboration between government and private sector, but it also can help to increase the homeownership rate in the country, especially for the low-income people housing and schemes are expanded and accomplished (Arku, G, 2006). The housing PPP project is basically focused on the affordable housing that are provided for the low-income earner, which are the current growing problem in Malaysia and in most of the countries in Asia. This problem are not because of the housing too expensive, but this relates to the too low income that makes the buyer do not afford.

The housing PPP projects that is suitable for the affordable housing are like the concept of 'My First House Scheme', '1Malaysia People's Housing Scheme (PR1MA, 2012) and the 'Affordable Land Housing in Asia' (UN Habitat, 2011). Those concept are based on the housing PPP project, which the aims re to provide more affordable residential properties in major cities such as Kuala Lumpur. For example, 1Malaysia

People's Housing Scheme, which are implement the public private partnership strategy, through this initiative, the public and private sector will join forces in accomplishing the objectives of providing fair, quality and comfortable residential properties for Malaysians.

However, the private sectors has performed quite well in providing the low cost of housing units, which were building 68% of the total of 190,597 low-cost housing units (Malaysia, 2001). This is because there are the challenges of construct the housing PPP project that this study will be discuss further. Besides that, the success and the failure factors will effects the dweller requirement. This study literally will be discussed on the challenges that happened in the implementation of housing PPP project. The implementation of housing PPP wills than effects the demands of the housing thus can increase the Malaysia economy.

The implementations seem look like to give more advantage to the country and also to the citizens that have a lower income. If the housing project are implement the public private partnerships, this initiative can increase the development and increase the providing of affordable residential properties. Furthermore, this initiative can provide understanding and guide for other country that mostly has the problem with the implementation of public private partnerships in housing.

The initiatives of public private partnerships may be advantages for the country. But there still have the challenges if the private and public sector did not implement the public private partnerships. If the public private partnerships did not be implement in the housing project, the low-income earner did not be able to obtain to buy the reasonable house. Hence, the low-income buyers may be difficult to obtain loans to cover full cost of purchase.

In Kolkata, India, the PPP are more likely improvements made in conditions of residential quality as the joint approach give the efficiency in production expertise of the private sector with the accountability of the public sector. Even in the developer country like United Kingdom have apply this kind of partnerships in order to increase the demand of house purchasing. Therefore, if this initiative did not apply in the housing project will give more difficulty.

This study will not only discuss on the challenges, thus, this study will look on the critical success factors that will guide the other house developer, private agencies and public sector to apply this public private partnerships in future housing project. The critical success factors will lead to the potential for value for money. Value for money is also noted as the key driver for adopting PPP in Australia (Maguire and Malinovitch, 2004).

The success and the failure factors can be depend on the country-specific. Some of the country may be suitable to provide the housing PPP project and some may not. Thus, this study will focus more on the success factor compare to the failure factors. This study will meet the several objectives that have been stated in 1.3. Other than that, this research are focusing on the housing developer that have been constructs, apply or providing the public private partnerships especially house developer.

Besides that, this paper will provide understanding how useful is the public private partnerships in the housing project. Moreover, this paper also provides the challenges and the factors that the house developer needs to be considering in providing the housing PPP project. The obvious questions to pose is that in situations when public agencies and private agencies to implement the public private partnerships and unable to provide the affordable housing, therefore the both sector, would it have been better to provide the housing PPP project. Also, it would have brought into questions the effective of this initiative in the housing project.

# 1.1 BACKGROUND OF STUDY

The housing public private partnership in Malaysia not implemented by the private and public agencies. This type of project has not been practised in Malaysia. However, in other country this types of collaboration and contract have well known and PPP in the delivery of homes have been implement in Egypt, India, Pakistan, South Africa, Bulgaria, Mexico, Russia, Thailand and the United Kingdom (Payne, 2000).

As in Malaysia, the housing PPP had launched in 1983, and the Kuala Lumpur City Hall became the first government agency to implement housing PPP to complete 80,000 low-cost housing units in 3 year. (Jamaluddin & Agus, 1997). Even though the

PPP had be implement in this project, there have been limited past studies on housing PPP in Malaysia (Jamaluddin & Agus, 1997), (Singaravelloo, 2001), (Ong & Lenard, 2002), and (Wan Abdul Aziz & Hanif, 2005). Even though there is limited study in the housing PPP project, this study will dwells on the three main objectives, which were:

- 1. To determine the challenges of PPP in housing projects in Kuala Lumpur
- 2. To identify the critical success factors of PPP in housing projects in Kuala Lumpur

In the urban era, financial usually are the problem and the issues for the low-income earner in find the house with low cost suitable with their income. As Malaysia and other country, the housing PPP projects are often to build the house mostly for the low-income people. Even though, Malaysia aims to provide the better public for their citizen, is by implement the PPP in housing project will give the success outcome. This paper will identify the implementation of the PPP in housing project in Kuala Lumpur, since Kuala Lumpur have been apply and practised in build the housing project using the PPP. There are different nuances of housing PPP depending on the historical cultures of the relationships and coorperations between the public and the private sector in a particular country (Brown et al., 2006).

The housing PPP project is better to be implement or not to be implement in Kuala Lumpur will be identify in this research. In past study, there are mentioned about the IJM's first housing development project in India was housing PPP with the Andra Pradesh Housing Board for the Raintree Park Township (Abdul Rashid et al, 2006). Furthermore, the result of housing PPP project will come out either success or fail if the PPP being implement in other housing project. Thus, this paper will identify the housing PPP project will give more benefits or not. If the housing PPP project are successful, this research will identify what is the challenges is build the housing PPP project.

Furthermore, the critical success factors also will be identified in this research on how the housing PPP project can achieve the success factors. As the past study, some of the researcher also provides the critical failure factors on housing PPP project. In the past researcher, there are some researches that agree and study about the success

of the housing PPP project. For Australia's first housing PPP, the goals were to acquire private sector finance, innovation and expertise, risk transfer and cost savings (Coates, 2008). Besides that, the other researcher also note that in UK, housing PPP provided possible for value for money, early project delivery and gains from innovation, among others (Webb & Pulle, 2002). This shows that the developer country like Australia and UK agree that the initiative of implement the public private partnership in housing project can lead to the success projects.

The success factors also can be made by consistent of monitoring action in the project. So that, the both parties can has manage and control the project well. Even though there are past researcher that mentions the success factors of the housing PPP project. There is other country somehow shows that the housing PPP projects may lead more to the failure than success. This is because, in Nigeria, which also develop the housing PPP project for low income earner mention that inability of the public sector to independently meet the increasing demand for better public service delivery (Carrol and Steanne, 2000; Warner and Sullivan, 2004).

However, different in Kolkata, India, in this country the implementation of housing PPP project seems to give more advantages as this will brings the efficiency in production and marketing expertise of the private sector with the accountability of the public sector. Even though, some of other country might achieve success and also failure, it depends on the country and some might not be appropriate in Malaysia.

Some of factors that lead to the failure in implementing the public private partnerships are because of lack of expertise that can lead to the increase costs to the public sector as it engage the external consultants. This is because the responsibilities are not clearly describing for both private and public sector, and a good contract are fail to make between this both parties. The past researcher also mentions that this public private sector maybe not suitable in Malaysia in certain sectors.

Despites on that, the local government do not really approach this techniques because of Malaysia lack of experience and confident in develop this partnerships even there are success housing project have been made. The past study also had mention the failure of the housing PPP project in Malaysia such as in Negeri Sembilan was not completed on time but instead stretched until eight years because the developer concentrated on building the high-end portion of the development first (National Audit Chief, 2003). Besides that, another housing PPP project in Selangor did not meet quota sales for targeted buyers as the developer preferred to focus on another buyer segment (National Audit 2000).

Therefore, the purpose of this study is to identify the challenges that may occur if the housing PPP being implemented and the challenges that lead to the failure of this housing project. This study have been consider about the questions that directly related to the review of the literature. The question that this study will be questioning is about the effectiveness of implementation the public private partnership in housing project in Kuala Lumpur. This question will be asked because of this study need to know the benefits and the effectiveness of the public private partnerships implementation in the housing project.

Although the past researcher had mentioned that the implementation of the public private partnership could give more benefits to the country such s value for money and provide the affordable residential properties. Besides that, the questions also related with the how the public and private sector manage the risk and challenges occur in the implementation of the housing PPP project. This study will then study about the risk that occurs, which are lead to the challenges in the implementation of the housing PPP project. Furthermore, the solutions for the challenges also will be study in this study. The past researcher also has study about the challenges that occur such as the lack of experience, lack of expertise, poor communication from both public and private parties and project did not achieve goal.

This study will help to clarify the problem statement that occurs in the study. The problem that have been occurred are the both public and private did not have confident and lack of experience to implement this technique in providing the housing project. This problem always happened in Malaysian housing developer. The study will help the question to clarify why this is always happened and find the solutions related to the questions. How the questions will influence the project is also part of the study in this paper. This is because this paper needs to know what will the implementation

influence to if there is the implementation of the public private partnership in the housing project.

The study of this public private partnership also focused on the objective, which need to identify the implementations of the PPP, challenges and success factor. This objective will be related to the literature review because of the main things that need to focused on is the objective of this study.

Furthermore, the objective needs to be related to the literature because this will give more information to the readers. Next, it will help to the public and private sector to understand more about the housing PPP projects. Despite on providing the answer for the question that have been made in the study, this paper also will provide how will this study give the information to the public and public sector and also the house developer.

Thus, this study can be the guide to the house developer on the implementation of the housing PPP project. This is because the public and private sector keep confusing between the public private sector and the privatisation. The past researcher have study that the privatisation has been used variously to describe state asset sales, the contracting out of government services, public private partnerships and certain other reforms involving the reduction in direct state provision of goods and services (David, 2004).

However, PPP was describe as a wide range of arrangements whereby government responsibilities are outsources to commercial partners, and risk is shared between public and private sectors to bring about desired outcomes in areas associated with public policy (Alfen & Willhem et al, 2009). Beside that, the house developer also confused between the housing PPP and housing joint ventures. The past study define the joint ventures as the public agency that takes an active role in the development process, from the planning stage until the constructions stage by providing the necessary infrastructure on site even right up the marketing stage disposing housing units (Wan Abdul Aziz et al, 2005)

# 1.2 STATEMENT OF PROBLEM

Housing PPP project should be implemented in Malaysia. These initiatives should be done because it will provide the lower income group the initiatives to purchase house easily. Therefore, housing PPP project should be increasingly provided in every state in the Malaysia. For example, the 1Malaysia People's Housing Scheme that has been constructed in most of the state in Malaysia (PR1MA, 2012).

The implementation of the housing PPP need to be widely implemented because this type of partnership is still in infancy stage in Malaysia. Providing new techniques in residential projects will provide the stakeholder more experience in constructing or providing affordable houses. The public private partnership supposedly has been implemented in most of the housing project in Malaysia. This is because, as mention there are some company that have been implemented the housing PPP project such as IJM's company. Malaysia should have more experience in implement the public private partnership because the experience from the house developer can be the guide for them to start more housing PPP project.

The government of Malaysia has a goal to provide the fast track programme in affordable housing by the year of 2020 (National Audit, 2000). In this regard, it has encouraged both private and public sector to set the goal in providing more housing PPP project. This means, the private agencies and the public sectors need to corporate in order to achieve the goal. The both sector than should understand each role and risk transfer that will be made among the parties during the housing PPP project in progress.

Furthermore, the implementation of the PPP in the housing projects, both the private and public sectors are embracing partnership for the provision of housing. In order to work as a team with better and professional understanding from parties, the public and private sectors need to have better relationships and have more collaboration. This will make the partnerships in providing the housing PPP project going smoothly and widely use.

As we know, the affordable housing needs to develop mostly in the urban area. The important of the planning the housing PPP project is to make sure the project will achieve the goals that have been provided and can be implement in Malaysia like other countries does (UN Habitat, 2011). The house developer, public and private sector should be prepare good planning from the project start until it complete. Furthermore, the public and private sector are expected to do consistent monitoring, which the house developer can ensure housing PPP success. The proper planning is expected to help the purchasing of housing PPP project meet the custome demand.

However, this goal seems hard to achieve because the implementation of public private partnerships in housing project in Kuala Lumpur are slow and less provided (Abdul Aziz, A.R. 2010). The common problem have mention in the past study where the housing PPP project are rarely be implemented in this country because lack of knowledge towards the public private partnerships. The less implementation of the new method in developing the house project sometimes will make our country left behind compare to the country that already implement this practices to the housing project.

However, the application PPP in the infrastructure is faster than the implementation the PPP in housing project. Furthermore, this problem tends to be bigger when the implementation of the Housing PPP project is slower than in the infrastructure because of there are a failure factors in this housing PPP project (Jamaluddin & Agus, 1997), (Singaravelloo, 2001), (Ong & Lenard, 2002), and (Wan Abdul Aziz & Hanif, 2005). Hence, this study will provide the solution of this problem where the both sector need to understand more the public private partnership in the housing project, so that the implementation of housing PPP can be widely use by both public sectors and private agencies.

Thus, the implementation of PPP in housing project are slower, this will make the government facing a range of challenges depends on the understanding towards this PPP model. This problem likely to continue in the future as this will lead to project failure such as housing PPP project in Negeri Sembilan. National Audit of Malaysia also mentioned that there are few of housing PPP project that do not performed has caused the project to take long term to complete the project due to developer planned to complete high portion of development (National Audit, 2000). One project took 8 years

longer to complete because the developer concentrated on completing the high-end portion of the development first (National Audit Chief, 2003).

In spite of that, the problems that arise which the implementations of the PPP are not being the first choices in develop and planning the housing PPP project. The less implementation will be the issues why this study is made. Thus, the effect of this problem will lead more to the project failure. The improper planning obviously gives the challenges in completing the project (Abdul Aziz, A.R, 2010).

Therefore, the public and private sector and also the house developer need to manage the strategic planning to overcome this problem and in order to meet the successfulness in the housing project. Thus, this research will find the way to overcome the problem that arise in this housing PPP project in Kuala Lumpur, which are less implement compare to the infrastructure project. In response to this problem, this study purposes to investigate several options for making the initiatives of the public private partnerships can be implemented widely in the Malaysia.

This study plan is to carry out the success factors that help the house developer to understand the concept of the PPP implementation in the housing project. Without effective motivational or experience in the providing the housing PPP project, the goal may be difficult to achieve and Malaysia will continue in not implement the public private partnership project.

This paper proposes to study more on the factors that lead to the less implementation in both parties. This study will investigate for the solutions that the both public and private agencies need to trust each other in order to completing the housing PPP project. Thus, the relationships can be better if there is better way of communications in order to make both parties understand each role and make this collaboration to success.

The finding on the importance of communication to the success of housing PPP in Malaysia coheres with (Cuorato, 2002 and Dixon et al, 2005). Without effective proper planning the implementation of the housing PPP project will may not lead to success. This study will examine the solutions for the improper planning issues. Developing more information on the improper planning for the housing PPP project

could help better implementation of the public private partnership in housing project and at the same time help the government achieve the goal and increase the house demand in Malaysia.

#### 1.3 RESEARCH OBJECTIVES

The purpose of this study is to determine the implementation of the housing in PPP project is success or failure. The specific objectives include:

- 1. To determine the challenges of PPP in housing projects in Kuala Lumpur
- To identify the critical success factors of PPP in housing projects in Kuala Lumpur

# 1.4 RESEARCH QUESTIONS

Aligning with the objective stated in 1.3 above the below questions are made:

- 1. What are the challenges of applying the PPP in housing projects
- 2. What is the critical success factors of PPP in housing projects

# 1.5 RESEARCH SCOPE

This research will investigate the company that have implemented the public private partnerships in the housing project. Therefore, this study can get information from the experience of house developer in the housing PPP project. The house developers are one of the respondents in this study. This research are focusing on construction industry that focused to the housing developer which to find how they use the PPP in manage the housing project. Hence, this research will focus on the housing project based on Kuala Lumpur. This research will focus on the public sector, private agencies and the housing developer that usually involve in the PPP in completing the housing project.

The scope of this research is taking respondents that have relation to any factors and causes in the uses of public private partnerships implementation in housing projects. This study will be focus in Kuala Lumpur because this is the federal capital of Malaysia. Besides that, there are huge employment opportunities in Kuala Lumpur. Furthermore, there are low income group that are not afford to purchase house as living cost in Kuala Lumpur is higher compare than other state.

# 1.6 SIGNIFICANT OF STUDY

The significant of this study is to providing the knowledge to the housing developers about the implementation of PPP in housing projects. Furthermore, this is important to ensure the implementation of PPP in housing projects is implemented properly and achieve the successfulness.

The both agencies can control and manage risks and challenge in providing the housing PPP projects. Beside that, the public and private sector can have more information about the implementation of the public private sectors, thus this study also will help the public and private agencies did not get confuse between the public private partnerships and the privatisation and also between the housing PPP project and the housing joint ventures. The important of this study will help to promote more the implementation of public private partnership in housing project in Malaysia.

The study also is beneficial to the students and the instructors in the contract and procurement management when they employ effective learning. This study also can give benefits to the education in the public private partnerships topics. Moreover, this research will provide the recommendations on how to evaluate the techniques in the implementations of the public private partnerships. Despite on that, this study will be helpful to the construction industry and the practitioners in the public partnerships unit.

This will help in informing them in the area of contract, partnerships and collaboration on public and private sectors. It will also serve as a future reference for researcher on the subject of contract and procurement management. And importantly, this research will educate the house developer whether the implementation of public

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private partnership is really give the benefits to the housing project or it just lead more

to failure.

1.7 METHODOLOGY

Research methodology is an analysis of methods that applied to a field of study.

The methodology also is process that use to collect information and data for the purpose

of making decision. This study will use conducted in Kuala Lumpur and the house

developer will be the respondent in PPP housing projects. The techniques to collect data

that will be use in this study are questionnaires. However, past studies on housing PPP

favoured the case studies approach (Griffin, 2004; Payne, 2000; Singaravelloo, 2001;

Wan Abdul Aziz & Hanif, 2005). However, there was different opinion from past study

that too adopted the survey-interview combination (Susilawati et al, 2005). The data

will be analysing by statistics software that is Statistical Package for the Social Sciences

(SPSS).

1.8 **DEFINITION IN TERMS** 

**Affordable Housing:** Affordable housing is housing deemed affordable to those

with a median household income as rated by country, state, region or

municipality by a recognized Housing Affordable Index.

Housing Developer: Housing developer means any person, body of persons,

company, firm or society (by whatever name described), who or which engages

in or carries on or undertakes or causes to be undertaken a housing development.

**Joint Venture:** Joint venture is a business agreement in which the parties agree

to develop, for a finite time, a new entity and new assets by contributing equity.

My First House Scheme: The scheme allows homebuyers to obtain 100%

financing from financial institutions, enabling them to own a home without

having the need to pay a 10% down payment.

**PR1MA:** 1Malaysia People's Housing Scheme

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**Privatisation:** Privatisation means the transfer of assets from the public (government) sector to the private sector.

**Private agencies:** The part of the national economy that is not under direct state control.

**Public Private Partnerships (PPP):** Public-private partnerships often use private-sector investments to finance a public project when sufficient public funding is not available.

**Public Sector:** The part of an economy that is controlled by the state.

**Risk Transfer:** Risk Transfer is the underlying tenet behind insurance transactions. The purposes of this action is to take a specific risk, which is detailed in the insurance contract, and pass it from one party who does not wish to have this risk (the insured) to a party who is willing to take on the risk for a fee, or premium (the insurer).

**Value For Money:** Value for money or VFM is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it.

# 1.9 CONCLUSION

This chapter introduced to the background of the issues under investigation which focuses on the implementation of the housing PPP project in Kuala Lumpur. The chapter then proceeded to highlight the challenge that occurs when there is an implementation of the PPP in housing project. Then the researcher discuss the objectives of the study, research questions, scope and significant of the study.

The chapter concluded with overall organisation of the thesis. As mentioned earlier, this study helps to promote more the implementation of public private partnership in housing project in Malaysia. Hence, it can create the understanding to the public and private sector to apply these initiatives is provides the housing PPP project. The implementation of the housing PPP project than can be success and also can be a fail depends on how the implementation provided.

Housing PPP project is a one of initiatives to construct the affordable housing for the lower income earner. Due to the factors that can lead for the implementation of public private sector, particularly in development countries, this techniques have been widely use and some of the country thinks this initiatives part of strategies to increase their economy and house demand.

Even though there are many circumstance and perceptions towards the public private partnerships, this study have provide the solutions of the problem that always occurred to the company that want to implement this PPP. In conclusion, even if the implementation can lead to failure factors and give the negative impact, many company in all over the world have develop this approach to increase their own profit and economy.

# **CHAPTER 2**

#### LITERATURE REVIEW

# 2.1 INTRODUCTION

The literature review was done through the journal, Internet, books, and conference proceedings. The group are including the public sectors, private agencies, contractor A class, housing developer, client and labour. This chapter will provide a literature review in topic such the public private partnerships, housing public private partnerships, the implementation of the housing PPP projects, the challenges in the implementation of housing PPP projects and the critical success factors of the housing PPP project.

# 2.2 PUBLIC PRIVATE PARTNERSHIP

# 2.2.1 Definition Of Public Private Partnership

Public Private Partnerships is a government service or private business venture, which is funded and operated through a partnership of government and one or more private sector companies. Public Private Partnerships also known as the contractual arrangement between a government agency and private sector that make objective to public benefits. The purpose of the public private partnerships is to manage the responsibilities of the public and to finish a project that will deliver to the public.

There are past researcher that mentioned, a Public Private Partnerships is an undertake to carry the public services that involves the collaboration between the public and private sector, but one that contributes for a more direct authority relationship between both agencies than would be accomplish by a simple (legally-protected) market-based and arms-length purchase (Jane Broadbent, Richard Laughlin, 2003). The public private partnerships also means the collaboration and cooperation between the public and private sectors in delivering and completing the project together, in which both agencies have an agreed divisions of tasks and risks that each party have their own responsibilities towards the project.

# 2.2.2 History Of Public Private Partnerships

In Europe, the public private partnerships was started on early 1438, which have been granted on a river concession to charge the fees for goods transported on the Rhine by the French nobleman Luis de Bernam. Then, the legal practices are formed in French that called as public works concession. The history also mentioned that this board of participation of private capital in public investments are become widely use in seventeenth and eighteenth centuries, until the end of nineteenth century. After the construction of infrastructure facilities in Europe and followed by America, then China and Japan also funded by private sources under concession contracts.

As in Malaysia, the PPP was announced in the Ninth Malaysian Plan (RMK-9) as an initiative to enhance private sector involvement in economic development in March 2006 (Public Private Partnership Guideline, 2009). This is to facilitating greater participation of the private agencies to improve the

delivery of project and public services. In Malaysia, Public Private Partnerships known as Private Finance Initiatives before undertakes the new modes of procurement under the PPP. The public private partnership is the efforts of Malaysia to develop the basis of growth and equity since 1970s. The PPP in Malaysia was set up with the introduction or privatisation, which defined as the relocation activities and action of the public sector to the private sector that implement only to enterprises owned by government and the new projects practices by public sector (The privatisation Masterplan, 1991).

In the Ninth Malaysian Plan (RMK-9), the government had decided to adopted new approaches on public private partnerships model to enlarge the efficiency of the privatisation programme. The use of PPP procurement in Malaysia is to associate the resources of the public and the private sectors in order to contribute better and more competent public services (Takim et al 2008). The PPP in Malaysia are usually and widely use in the infrastructure project. On 22<sup>nd</sup> April 2009, the Chief Secretary to the Government, declared the formation of a new unit under the Prime Minister's Department known as the Privatisation and Private Finance Initiative Unit – PFI which currently known as Public Private Partnerships Unit – UKAS.

# 2.2.3 Policy Of Public Private Partnership

The policy that has been implement in the public private partnerships in Malaysia is The Malaysia Incorporated Policy, which has been introduced in 1981 (Malaysian Incorporated Policy, 1983). This policy is made to reassure collaboration between the public and private sectors where the private and public sectors act and complete within a "Malaysian Company" (Public Private Partnership Unit, 2014). The policy are rely on each other, that the private agencies hold to the commercial and economic action while the public agencies identify the guidance and prepare the specialised funding services that are helpful to the success.

After that, they turn to privatisation policy in 1983 to support the Malaysia Incorporated Policy in order to increase the private sectors role in economic development. This policy help to abate the financial and administrative, boost the skills and production, quicken economic growth and reduce the crisis of the public sector (Public Private Partnership Unit, 2014).

Next, the policy have been improved to the Guidelines on Privatisation in 1985 which that thorough out the objective of the policy, approach of privatization, as well as the appliance mechanism. In 1991, the Government produced a Master Plan on Privatisation to analyse the policy and procedure for privatization (Public Private Partnership Unit, 2014).

There are 2 conditions for PPP in Malaysia, which are they must make government projects more efficient with risk and rewards optimally shared between the two parties (PricewaterhouseCoopers, 2012). Second, to be used where government support enhances viability of private sector projects in crucial or promoted areas (PricewaterhouseCoopers, 2012).

Besides that, there also have 2 formats of PPP, which the first are private sector construct assets and building and lease to government for a specified fixed period. Second, the private sectors identify projects that are assumed economically applicable and would benefit the public to be performed via PPP scheme. The public private partnership is the government first step to establish a more efficient Government's asset acquisition management based on the value of money (Public Private Partnership Unit, 2014).

# 2.2.4 Key Features of Public Private Partnerships

The public private partnership is a public procurement model in which involve the value of money through the optimization of efficient allocation of risks, life service technique, private agencies innovation and management skills in the constructions, finance and operations. Value for money is defined as the optimum combination of life-cycle costs and quality of a good or service to meet the user's requirement. (U.S. Department of Transportation, 2012).

The important things in the PPP project are there must be partnership between public and private sectors. Public sector usually provides the specific outputs while the private sectors determine the inputs in the PPP project. Next this PPP project usually involves the long-term projects throughout the operational tenure agreed upon. PPP projects generally involve long-term contractual arrangements that combine the delivery of infrastructure assets. (National PPP Guidelines, 2008).

Furthermore, there also must be optimal sharing of risks between both parties where the risk is allocated based on the party who are can manage it. These principles show the favored position of governments across administrations in relation to risk allocations under a PPP model (National PPP Guidelines, 2008). The risk allocation will affect both parties on order to manage the risk in public private partnerships. Besides that, public interest also one of the key features in PPP which have been consider by government (National PPP Guidelines, 2008).

# 2.2.5 The Important Of Public Private Partnership

The implementation of the public private partnerships is very important, as todays are urban area in developing new techniques. This study finds that the important of the PPP is the PPP act as a support through the financial resources without public sector's accurate guarantee (Public Private Partnership Guideline, 2009). This is because two parties have managed the financial risk, which are financial risks issuing from incompetent fudge of revenue streams and financing costs (Darrin Grimsey & Mervyn K. Lewis, 2000).

Furthermore, this also can impact the public budget over the duration of the concession. Not only that the PPP also play a role as lowering the cost yet expnding the efficiencies of operating of the projects in urban development (UN-Habitat, 2011), hence, the PPP also can used to help to extend the infrastructure assets and services. The PPP have been widely used in the developing country. This is because to help the country improve their economic profit by providing the participation between the private and public sectors.

# 2.3 HOUSING PUBLIC PRIVATE PARTNERSHIPS.

Housing public private partnerships in Malaysia can be traced in the broader national privatisation policy, which had launched in 1983. The housing public private partnerships in Malaysia are less implemented. Kuala Lumpur City Hall became the first government agency to implement housing PPP to complete 80,000 low-cost housing units in 3 years (Jamaluddin & Agus, 1997), which the housing under the public private partnerships are provided for the low income earner that affordable. This approach to build low costs houses is required by 2020 through this fast track-programme. The example of housing public private partnerships example is affordable housing.

# 2.3.1 Definitions Of Housing PPP

Housing Public Private Partnerships is a implementation of public private partnerships in the housing project especially for lower income earner. The housing public private partnerships usually involve the project of affordable house such as of 'My First House Scheme', '1Malaysia People's Housing Scheme (PR1MA, 2012) and the 'Affordable Land Housing in Asia' (UN Habitat, 2011). Furthermore, the housing PPP is the whole activities of housing development are authorized to the private agencies (Abdul Rashid Abdul Aziz, 2010). However, the past researcher had mentioned that the confusing between the housing joint venture and housing PPP.

The housing joint venture is one of the public sector roles in the development process, from the planning phase through the approval process, elimination and relocation, until the construction stage which necessary infrastructure have been contribute on site and next to marketing stage of disposing the housing units (Wan Abdul Aziz et al, 2005). Therefore, the meaning of the housing PPP and housing joint venture are different and this should not be confused. The housing public private partnership also needs the private developer to give agreed returns to the public agency. The past study also mention that during the housing PPP project, the land can be remind secure to

the public sectors until the sales transaction with house buyers (Abdul Rashid Abdul Aziz, 2010).

# 2.3.2 Objectives of Housing PPP

The housing PPP are established to provide more collaboration between public sector and private sector in order to build the affordable house project. The objectives of housing public private partnerships are value for money. This will help to reduce the cost of providing housing. This is because there are several ways in which public private partnerships when well design and implemented, it may reduce the cost of providing the housing.

The housing PPP is also to maintain the organization and project reputation. This is because the reputation of providing the housing PPP can be manage and somehow can expand the organization and project reputation, especially when encounter with internal and external challenges mentioned above, which coheres with (Singaravelloo, 2001; Alexandrou and Colpus, 2001; and Susilawati et al., 2005). Not only that, the housing PPP will help widen the reputation of the organization and project reputation because, in Malaysia the housing PPP is not well implement.

Therefore, this will increase the reputation for the company that implement it. Beside that, the housing PPP can make the project complete early and on time. Date of finishing is also noted by (Webb and Pulle, 2002; and the European Commission, 2003) as an objective of housing PPP. This is because; the PPP itself is collaboration between the private and public sector. Therefore, the implementation of PPP in housing project can definitely make the project complete on time.

# 2.3.3 Type Of Affordable Housing PPP

The housing PPP have different types of project. The housing PPP have been implement in developer country and also developing country. One type of housing public private partnerships is affordable housing. This type of housing PPP project recently is housing deemed affordable to those with middle household income as rated by country, state, region or municipality. Furthermore, the affordable housing usually is a government sponsored economic assistance program. This program usually aimed to alleviating housing costs and expenses for low to moderate incomes earner. The project of housing PPP is one of the projects that became widespread in Europe and North America.

The affordable housing PPP have 4 different types which re cooperative housing, housing subsidies, public housing and rent supplements. All of 4 types of affordable housing PPP look similar but it have their own benefits. The cooperative housing is known as the forms of people come together to own and control the buildings. The cooperative housing which know as co-op, form a co-op corporation and pay a monthly amount as a operating expenses (Corporative Development Services).

This is for a reconceptualization of governance in coordinating housing, similar to the work that has recently been done in governance research on social housing (Mullins et al. 2012). This means this type of housing is one of government method to fills the gap either in affordable housing or urban development, which includes the external process (Flint and Kearns, 2006). However, the project of the cooperative have been less provided, and there are analysis describe that the cooperative housing cannot be reduced but to develop more in order to provide the affordable housing.

The other types of the affordable housing project are housing subsidies. This project is known as the governance financial assistance to help provide housing. The housing subsidies consist of two categories, which are project based and tenant based. In United States, they are provided the huge housing

subsidy (Haffner M & Oxley M, 1999), while in Canada the Non-Profit Housing Subsidies Canada is provided to employee and volunteers of non-profit organization (Non-Profit Housing Subsidies Canada). Project based known as programs that use government funding to supply housing units while tenants based is program based on certificate and voucher, which a form of assistance to pay for some or all the rent for a private units. The housing subsidies are also an absence of the government intervention for the poor people to get the house (Howard Husock, 2009).

However, the families that wants to apply the housing subsidies nee to meet the characteristics that have been provided. There are also housing subsidies that provide low-income tenants in renting the house. The subsidy amount is typically based on the tenant's income, usually the difference between the rent and 30% of the tenant's gross income, but other formulas have been used (Haffner M and Oxley M, 1999).

Next, the public housing is also one of the affordable housing. The public housing is a form of housing tenure that also known as social housing. The government authority owns the public housing either central or local. The aim of public housing is similar like previous types housing which are to provide more affordable housing in the future. Public housing was originally meant to deliver to the lower middle class working families (Howard Husock, 2009). One of examples of the public housing is in Singapore, which this program is to planning and develop new housing that the have been allocated of rental units and resale of existing ownerships.

In United States, the public housing involves the government in housing for poor and most communities were establish (New York City Housing Authority, 1935). Public housing projects were tried out in some European countries and the United States in the 1930s, but only became widespread globally after the Second World War. In Malaysia, the affordable housing is need because the price of the house in increasing and some of the employee does not afford to buy it. The public housing is one of the initiatives of Malaysia government to provide to the Malaysian citizen.

Lastly are the rent supplements. Rent supplements are the subsidy that paid by government to private agencies that accept the low-income tenants. Rent supplements also known as paid to people that live in private rented who are cannot provide for the cost by their own (Threshold, 2014). There are several rules for the rent supplements that have been provided, which all the people who want to apply this rental supplements need to meet the rules and criteria provided.

The purpose of the rental supplement is to supply the income in short term for the acceptable people in private rented (Department of Social Protection, 2014). In United Kingdom, the government have provide the Housing Assistance Payment to in charge the rent supplements that involves the transfer of responsibility for the recipients. The rent supplements may be the initiatives of the affordable housing PPP but these types of affordable housing PPP seems not really implement in most of the country.

# 2.4 THE IMPLEMENTATION OF THE PUBLIC PRIVATE PARTNERSHIP IN HOUSING PROJECT IN KUALA LUMPUR.

The implementation of public private partnership in housing project in Malaysia is lesser compare to other country. However, the housing PPP project have been implement in several country like Egypt, India, Pakistan, South Africa, Bulgaria, Mexico, Russia, Thailand and the United Kingdom (Payne, 2000). In Malaysia, as mentioned before, Kuala Lumpur City Hall is the first government that apply the housing PPP project (Jamaluddin & Agus, 1997). The implementation of PPP in housing project need to widen more as in Malaysia itself there are many low income earner that do not afford to buy house.

# 2.4.1 Implementation of Housing PPP in Kuala Lumpur

Kuala Lumpur is really known as state that have high-income earner. Costs living in Kuala Lumpur are higher compare to other state in Malaysia. Kuala Lumpur is one of the places that have huge chance to get a job. As for low-income earner that live in the Kuala Lumpur, they are not affords to buy a house. Therefore, the government initiatives to build a affordable housing under the housing PPP projects are really valuable for them.

However, the implementations of the housing PPP is not really well known and the study about the housing PPP in Malaysia also very finite (Jamaluddin & Agus, 1997). As the population increased, housing programs in urban areas were further sped up with insistence given to low-cost housing in subsequent Malaysia plans (REHDA Bulletin: 2004). The implementation of the housing PPP project in Kuala Lumpur are less because of the low performance that make house developer aware and cautious to invest more in this types of projects.

In Malaysia, there are similar project with the same aimed that to provide the affordable house which are 'My First House Scheme', '1Malaysia People's Housing Scheme (PR1MA, 2012), the 'Affordable Land Housing in Asia' (UN Habitat, 2011) and the 'People's Housing Projects (PPR). My First House

Scheme is one of government approach in 2011 Budget that aimed to assists young adults to own home. This scheme allowed the homebuyers to obtain 100% financing from financial institutions, enabling them to own a home need to pay a 10% down payment. This scheme is provided to the Malaysian citizens that are from 35 years old or less with their income RM 5000 per month. However, this scheme is provided for the private sector only with limited employees.

The My First Home Scheme in aimed to build the affordable house in Malaysia that have implement the housing public private partnerships. The other project that implements the housing PPP project is 1Malaysia People's Housing Scheme (PR1MA). The housing project is conducted by the government have invited other housing developer, such as Sime Darby to develop more in the affordable housing PPP project (PR1MA, 2012).

This programme was establish for the aims to help the intended demographic manage the cost of living in the urban area. This will give the chances for the low-income earner to owning a home in Malaysia. The objective of this programme is to develop affordable housing for the middle and low-income group in this urban development area in Malaysia (PR1MA, 2012).

The implementation of the housing PPP project such as 'Affordable Land Housing in Asia' (UN Habitat, 2011), also one of the housing PPP projects that involve Malaysia. The initiatives to build the affordable housing is not only been implement in Asia, but also been implement in Latin America and the Carribean, Africa, Europe and North America. The purpose of the affordable housing is to place significant pressure of the urbanisation in Asian Cities (UN Habitat, 2011).

In Malaysia, the affordable land and housing in Asia, the government implement the sites and services schemes, so that the housing for low-income earner that do not afford to earn house can be provided. Besides that, through this initiatives Malaysian Government have contributed to increase the development of the affordable housing in Malaysia (National Audit, 2000).

The last example of the implementation of housing PPP in Malaysia is the People's Housing Project (PPR) by Kuala Lumpur City Hall (DBKL). This programme objective is to prepare a profile of the area and residents. Hence, these programmes also implement integrated social development through multi sector synergies between government agencies, private sector and the community. The People's Housing Programmes residence requirement also is provided for the low-income earners. This programmes tend to help the local communities to address social issues ate the grassroots level.

Besides that, the People's Housing Project (PPR) also in the plan and implementation of the early intervention, education, prevention, intervention and rehabilitation in collaboration with the Residents' Committee programmes. The locations of the PPR in Kuala Lumpur are PPR Sri Pahang, Lembah Pantai, Kuala Lumpur and PPR Sri Pantai, Pantai Valley, Kuala Lumpur (Department of Social Welfare, 2013).

# 2.4.2 The factors that lead to the implementation of PPP in housing project in Kuala Lumpur.

There are factor that lead to the implementation of PPP in housing project in Kuala Lumpur. The rationales for a country to prefer the use PPP to execute public projects are that the private sector is inherently more efficient and more inventive than the public sector (Hall, 1998). The uses of the housing PPP may give more benefits to the government and the private sector as well.

The past researcher also highlighted the advantages of PPP, (Hodges and Mellett, 2004). The implementation of the housing PPP are been uses in most of the country because PPP can strengthen the project monitoring as the PPP will monitor the project progress until it complete (Hall, 1998). Besides that, the factors that lead of the uses of PPP in housing because it ensure the greater accountability (Hall, 1998). This is because both sectors will have the willingness to accept the responsibility.

Furthermore, the uses of housing PPP are been a favourite because it serves low cost and shorten the constructions time (Leiringer, 2006). This is because the low cost will be provided as this project involve the collaboration between 2 parties and it will shorten the project time because it involves many contractor to build a projects.

Not only that, the factors that lead to the uses of housing PPP are also competitive advantages, higher overall qualities in the end product and the benefits accrued from letting the private sector be inventive in its decisions (Leiringer, 2006). This is because the private sector involve in providing the solutions and take part as a risk taker of the project. In addition, the past researcher also mention that he major attractions of PPP for the government are the possible of accumulate efficiency and value for money gains from the projects (Hurst & Reeves, 2004).

# 2.5 THE CHALLENGES ON THE IMPLEMENTATION OF THE PUBLIC PRIVATE PARTNERSHIPS IN HOUSING PROJECT IN KUALA LUMPUR.

The implementation of the housing PPP may have success in other country. But there also have the challenges in the implementation of the housing PPP project. Past studies have demonstrated the extent to which PPP in housing has been successful in other countries across the world (Ong and Lenard 2002; Freut, 2005; Un-Habitat, 2006b). The challenges that may occur while implementing the housing PPP will impact the decreasing of the implementation in housing PPP project.

# 2.5.1 Challenges in the implementation of Housing PPP project

The challenges that always occur during the implementation of the housing PPP is differing goal between the public sector and the private sector. Manager often has different views on the success project (Noble & Jones, 2006). This happened because the both of public and private sectors have different objectives towards the housing PPP project, which the publics aim to develop house in low costs while private sector manage to get the high profit.

However, the governments are finding that aligning goals and maintaining a healthy level of trust is difficult to accomplish and control throughout the project's entire life cycle (UN-Habitat, 2011). The challenges of the implementation of housing PPP project that the parties have different goals can lead to the miscommunication and conflict between them. The differing goals can affect their relationships and also the project performance. Hence the agreements between the parties also may be affected due to the differing goals.

Furthermore, in providing the housing PPP project, the proper planning, monitoring and supervision are required. The challenges may occur when there is inadequate planning, monitoring and supervision during the project phase. Selecting the right partner is critical, as is constant monitoring (Cuorato, 2002).

The improper planning be the challenges because the housing PPP project not only can be delay, but the project also may lead to failure factors of the implementation of housing PPP project. This study examined that the inadequate planning, monitoring and supervision can lead the public and private sector have a lack of capability in handling the housing PPP project and do not know how to manage the PPP project.

The public private partnerships will require need of transparency between the public sector and the private sector. The root of the challenge may be a lack of transparency in partner motivations, expectations, and benefits, though readiness to collaborate can also significantly impact success (Christabel Atieno Musyoka, 2012). Both of the parties need to have fair and honesty between them. This is because the mistrust of private sector involvement in infrastructure affects the performance of public- private-partnerships (Christabel Atieno Musyoka, 2012).

The collaboration between the parties needs the full of transparency. The collaboration without the trust between the partner will be the challenges to the parties, because trust and information have positive associations, without trust the parties do not share information and without further sharing of information, trust cannot expand (Susilawati and Armitage, 2004). The trust also can affect the communication between the parties. The poor communication also can make

the both parties have lack information in construct the housing PPP project. Insufficient details in the contract have at least caused one housing PPP to be interruption in Malaysia (National Audit Chief, 2000).

Other than that, the financial challenges will be the big issue in implementing the housing PPP project. The is because many government have struggle to secure the revenue support streams for housing PPP, which it could change to high risk (Tim Murphy, 2009; UN-Habitat, 2011). The government will limit the costs in order to ensure the viability of the project, while the private sector will seek to the profitable in the project.

Therefore, this will be the challenge in the finance. These factors will lead to the incomplete of house project, because the non-complete of housing constructions of development are associated to insufficient support (J.E. Ukoje & K.U. Kanu, 2014). The other challenges is the government will dislike the private sector because of the responsibilities and authority, which they think it will lead more battle rather create jobs (Vining, Boardman, and Poschman, 2005). The attitude that fear of losing control that have in public sectors create the low implementation of the PPP in the housing project. Hence, the fear of losing control will not help to create good relationships among the public and private sector.

This shows that the implement of Public Private Partnerships has various types of challenges. However, the challenge was not ranked highly in the United Kingdom and Hong Kong as compared to Malaysia as stated in past studies by Li et al. (2005) and Cheung et al. (2010).

# 2.5.2 Response to the challenges of the implementation in Housing PPP Project

The challenges happened for reasons. However, the challenges that happened need to overcome and the solutions need to undertake. The challenges is preventing and controlling transactional from few sources (James O. Finckenauer, 2000). As mentioned before, this study has mentioned that one of the challenges is the different goal. This is because of the results in owner

decisions being delayed or made inconsistently. Therefore, the response to the challenge will make the threats cause of the unexpected results and the fast decision that have been made did not meet the standard of the housing PPP requirements.

Besides that, the challenges will also response to the delaying of information and the delaying of the agreement between two parties because of differing goals. According to (Abd Karim, 2011), the project was considered s fail due to the long delay in negotiation process between the contracting parties in the PPP project. Therefore, this result proves that the most challenges factors in PPP implementation is lengthy delays in negotiations.

Furthermore, the other challenge is the inadequate planning, monitoring, and supervisions. The response of this challenge is that there will be lack of management in the housing PPP project delivery. Therefore, this challenges also can make the project required more supervision from the expert in order to deliver the successfulness project. The skills of the public agency must match its private sector as the greater expertise in commercial negotiations and help to achieve more favorable contractual outcomes in PPP projects (Australian Procurement and Construction Council, 2002).

However, there will be a way to overcomes the challenges, which the management can assigned more expert in public and private sector to manage, monitor and provide god planning in deliver the housing PPP project. Beside that, it also will lead to lack of accountability, which the lack of accountability leads to challenges in learning from past experiences (Hodge & Greve, 2007).

Besides that, the challenge also is hard to maintaining the transparency between the public and private sector on implementing the house PPP project. This challenge will give the response, which it will damage the innovation and lead to the conflict between the public and private sectors. The lack of transparency can be response to the poor relationship between the both parties (Christabel Atieno Musyoka, 2012).

This challenges is causes by a negative perception from the parties towards the other parties. This also because of the political influence that lead and affect the perception and transparency in the parties. The best solutions to response towards this challenges is all level of management need to put the trust and fair in conducting the housing PPP project and need to sign the conflict of interest and statement so that, if the conflict arise due to lack of transparency there can refer to the agreement that have been made between two parties. The political interference or excessive involvement is unlikely (Kert and Izaguirre 2007).

The others challenges are according to the financial challenges. This is important when delivering the project that needs to have enough funds. As for public that need low costs while private need a high profitability (Tenth Malaysian Plan, 2011). This financial challenges need to be consider because it will response and cause the not enough funds to continue the project, which also can lead to delay and project failure, for example in UK, PPP run over budget less often and are delivered behind schedule less often compared to similar government completed projects (Hodge & Greve, 2007; Tarrant, 2007). This is because of the lack of understanding in providing the housing PPP project, which the low cost is required to provide the affordable house.

However, the best solutions to response towards this challenges is by provide the risk allocation that allocate risks on the financial problems. The government need to provide enough funds in order to achieve the low costs and high profit. In 1997, Asian financial crisis played a significant role in hesitant general public investment levels as economies cope to return to normal growth levels (Kert and Izaguirre, 2007).

The last challenge is fear to lose control in housing PPP project. This is because of the public sector fear of the private ability in developing the requirements in delivering the project. The results of this challenges is the public will struggles more in making change in order to make sure that they will not lose the control in conducting the housing PPP project. Politicians generally concern on losing control over policy making and service delivery management

(Anita Taseska, 2008). This will give big impact, which, the negative outcome from the project will happen and the costs and time constraints will happened. To solve this challenge is that the management team can be created, as the management team can assign fair and proper task to the team. So that, the fear of losing control can be avoid.

# 2.6 THE CRITICAL SUCCESS FACTORS ON THE IMPLEMENTATION OF THE PUBLIC PRIVATE PARTNERSHIP IN HOUSING PROJECT IN KUALA LUMPUR.

Critical success factors are related to good outcomes for an organisation that will help organisational survival and performance (Dada, M.O.& Oladokun, M.G, 2012) reported by (Jefferies et al., 2002 and Hardcastle et al., 2005). The concept of critical success factors (CSFs) was first developed by (Rockart, 1979), which the CSFs is the results of the satisfactory that can ensure the good performance in the organization. Besides that, the critical factor is one of the approaches that help to reduce the failure factor. PPP environment the necessity of analysis of not only operation but also social, political and economical criteria has become the vital factor for success of any PPP project (Dantas et al. 2006).

One of the critical success factors is political involvement. This is because the political have the huge advantage and support on the PPP project, which the past researcher mentioned that concluded that political support was noticed as most critical factor, while lack of applicable knowledge and skills that leads to project failure (Dulaimi, Alhashemi, Ling and Kumaraswamy, 2010). The statement by (Li, 2003) stated that the judicious government could cover both good governance and government involvement by providing guarantee.

The success of particular housing PPP programme is highly impacted by the country's economic, political and cultural assets (Brown, Orr, & Luo, 2006). The political involvement can increase the implementation of the housing PPP project because they have the right in building the affordable housing for the citizen. However, there are past researcher have opposite opinion housing PPP can do without political intervention especially when an respectable and honest political government is absent

# (Ong and Lenard, 2002)

Furthermore, the proper planning is one of key critical success factors. This is because the housing PPP project will need a lot of corporation between two parties, which are public, and private sectors. The proper planning can lead to the proper monitoring and supervision that helps the parties capable in manages the PPP project (Asian Development Bank, 2012).

The consistent communication between two parties can make the project success and provide more information and trust. The critical success factors that is proper planning can lead to the completion of project. The project will not be delay since there are enough monitoring action have been taken and the information that have been provided help the project complete point to transparency and constant communication between parties as critical to the success of housing PPP (Dixon et al., 2005 & Cuorato (2002).

The other researcher also mentions that the other factors also include trust; openness and fairness are basic foundational underpinnings of successful PPP (Jamali, 2004). The transparency procurement process is also considered as critical success factors in PPP. According to (Qiao et al., 2001), the transparency in the procurement process is the critical success factors in the PPP implementation that can support the statement.

Other than that, the critical success factors of the implementation of the housing PPP project are there is enough expertise. A good contract should clearly describe the responsibilities of both private and public partners, and clearly define the methodology of argument settlemnet (Cuorato, 2002). The more expertise can reduces the costs to the public sector, so that it can meet the standard of the government, which need to provide low costs.

The more expertise can lead to the implementation of the housing PPP project. This is because if there is enough expertise to build and construct the project, the project can be delivering well and meets the completion that without delays. Insufficient details in the contract have at least caused one housing PPP to be delayed in Malaysia (National Audit Chief, 2000).

The competitive tendering also tend to be the critical success factors since the competitive tendering that open to all the contractor can assign the potential contractor and developer in build the project. In Australia's the aggresive tendering was embrace in their first housing PPP project (Coates, 2008). The competitive tendering can provide the good negotiations from the contractor and developer in compete their bidding proposals.

Therefore by the competitive tendering this can attract many types of the house developer and contractor in construct and take part in the housing PPP project. The good bargaining among the rival can lead to good quality of the project (Hanif, Wan Abdul Aziz & Mohd.Aini, 2006) and better for value for money (Asenova et. al, 2002). However, there are past research that thinks it lead to the high bidding costs (Asenova et. al, 2002).

In economic, the implementation of PPP also can give more critical success such as value for money. This can help increase economic market. The past researcher also mentions that eventually PPP can bring more value for money from public sector resources (Treasury Taskforce, 1999; Robinson, 2000, Shoul, 2002, Ninth Malaysia Plan, 2006). Beside that, (Li, 2003), mentioned that the sound economic policy, multi benefit goals, project technical practicability, and thorough and realistic assessment of the cost and benefits are assumed to be critical success factors in economic focus.

Furthermore, selecting the right project for housing PPP project can be one of the critical success factors (Abdul Aziz, 2010). This is because the right project for the housing PPP project, for example affordable housing for the low-income earner, can be a success project because the demand of the house buyer that need the affordable house in higher. The community support of the right project also can make the project success.

This also because the right project need to defined in order the implementation of the housing PPP project can be applied for other future projects. The right project identifications (Tiong, 1996; Tiong & Alum, 1997; Gupta & Norasimham, 1998) also need to provide as the right project can give the big impact to the public and private sector in implement the housing PPP project.

### 2.7 CONCEPTUAL FRAMEWORK

The conceptual framework is used in research to outline possible courses of action or to present a preferred approach to an idea or thought. The conceptual framework also has been defined as a visual or written product, which are vividly or in chronological form, the main things to be studied (Miles & Huberman, 1994). The conceptual framework consists of some types. That is working hypothesis, descriptive categories, practical ideal type, models of operations research and formal hypothesis. However, the claims that the framework is the only frame work purpose of combining (Shields and Rangarajan, 2013).

The variable in this study for the conceptual framework consist of two variables, which is independent variable and dependent variable. The independent variable for this study is the challenges of the implementation in the housing PPP project and the other one is the critical success factors of the implementation in housing PPP project. Next is the dependent variable, which is the implementation of the housing PPP project. This is use to explain the conflict theory that the challenges and the critical factors of the implementation of public private partnerships is related to the dependent variable which are the implementation of the Housing PPP project.

Independent Variable 1. The Challenges of the Implementation Housing **PPP Project** Differing Goals • Inadequate Proper Planning, Monitoring and Supervision Lack of Transperancy Financial Challenges Fear of Losing Control Dependent Variable The Implementation of the Housing PPP project 2. The Critical Success Factors of implementation Housing PPP project. Political Involvement **Proper Planning Enough Expertise** Competitive Tendering Selecting the right Projects

Figure 2.1: Conceptual Frameworks

### 2.8 CONCLUSION

This chapter give the explanation about the literature review and the details about the research objectives. The literature reviews are made to give more understanding about this research. Furthermore, this chapter have provided more understanding bout the public private partnerships. Hence, the literature reviews are provided the information from the past researcher.

The objective of this study, which is the implementation of the Housing PPP project in Kuala Lumpur, the challenges in the implementation of housing PPP project in Kuala Lumpur and the critical success factors of the implementation in housing PPP project in Kuala Lumpur is provided. This literature review have answer the objectives by answering the research questions that provided for this study.

This chapter help to understand more and give more and detail explanation towards the objective in this research. Furthermore, this study also provided the information and the opinion for this research topic and objectives. The literature reviews provide detail explanation in the implementation of the housing PPP, the challenges of housing PPP and the critical success factors of housing PPP.

### **CHAPTER 3**

#### RESEARCH METHODOLOGY

## 3.1 INTRODUCTION

The purpose of research is to discover answers to questions through the application of scientific procedures. The main aim of research is to find the answers which are hidden and which not discover yet about the implementation of the housing public private partnerships in Kuala Lumpur. The qualitative methods were used to confirm and clarify the quantitative data, and also to seek elaboration

## 3.2 RESEARCH PROCESS

Descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Mugenda, 2003). This research is to find the better solution on the implementation of the PPP in housing project in Kuala Lumpur. The survey that this research will be use is by handing the questionnaires to the respondents and by e-mail. The respondent for the questionnaires will be provided for the house developer company in Kuala Lumpur.

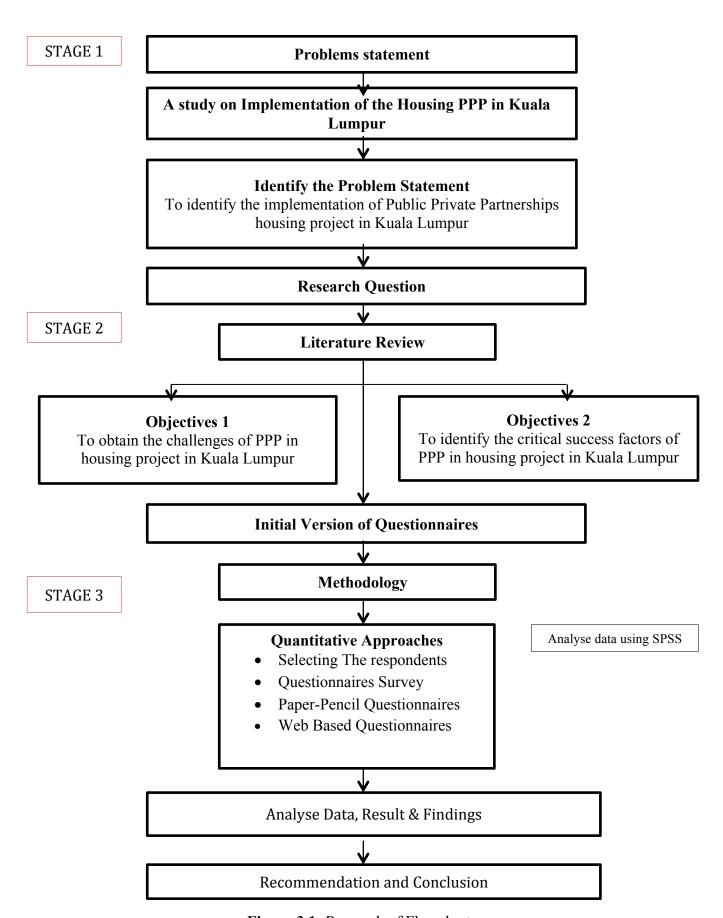


Figure 3.1: Research of Flowchart

### 3.3 POPULATIONS AND SAMPLING

The population can be defining as the set of individuals, items or data from which statistical sample are taken. The past researcher mentioned that it is just as effective development depends on reliable knowledge of natural and other resources, so does effective development planning depend upon natural knowledge of the composition, growth, and movement of population (Rafael Salas, 1975). The population for this study that will be use are the respondents from the housing developer company in Kuala Lumpur.

The population of the respondents is about 100 of housing Developer Company in Kuala Lumpur. In study of the implementation of housing public private partnerships in Kuala Lumpur, the target population would be all housing developer companies. In this research also the accessible population have been provided, which are from the house developer in the different companies. The sample is a set of individuals or items that have been selected from the population to test and get the results and the information of the study. The size of the sample that this research will be provided in different housing developer companies in Kuala Lumpur based on. A sample is a finite part of a statistical population whose properties are studied to gain information about the whole (Webster, 1985).

The sample also defined as a set of respondents selected from a larger population for the purpose of a survey (Salant & Dillman, 1994). The list of the house developer is from Real Estate And Housing Developer Association in Malaysia. The house developer companies are divided by 11 states. Those are Johor, Kedah/Perlis, Kelantan, Melaka, Negeri Sembilan, Pahang, Penang, Perak, Selangor, Terengganu and Kuala Lumpur.

There are 100 of house developer from Kuala Lumpur are selected. There are many type of sampling techniques, which are stratified random sampling, systematic sampling, cluster sampling and non-probability sampling. In this research, the simple random sampling has been use on chose the number of sample size. This is because in this technique, the entire respondent has equal potential and chances to be selected as a

subject. The simple random sampling also is the simplest sample design (Saifuddin Ahmed, 2009).

## 3.4 SAMPLING FRAME

The sampling frame describes the list of all population units from which the sample will be selected (Cooper & Schindler, 2003). The size of sample will be provided in this study is based on the sample size for a given population from Krejcie and Morgan. Based on (Krejcie & Morgan, 1970) table for determining sample size, for a give population of 100, a sample size of 80 would be needed to represent the respondent of the population. However, based on past researcher, the researcher needs to consider whether the sample size is adequate to provide accuracy base on findings (Chua Lee Chuan, 2006).

**Table 3.1:** Determining Sample Size for Given Population (Krejcie & Morgan, 1970)

N		N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210 Note	136	1100	285	1000000	384

Note.—Nis population size. S is sample size.

Source: Krejcie & Morgan, 1970

### 3.5 SAMPLING METHOD

The sample method involves taking a representative selection of the population and using the data collected as research information (Bobbie Latham, 2007). The sampling methods consist of two categories, which are probability sampling and non-probability sampling. Probability sampling consists of simple random sampling, stratified sampling, systematic sampling and cluster sampling. This study will use the simple random sampling as the sampling techniques. The simple random sampling is the simple ways to find the sample and easiest to apply, which allowed the researcher make observations to the populations. This study chose the simple random sampling because random sampling provide least biased. The simple random sampling is an unbiased estimate of the population average, which is assuming that response bias and non-response bias are negligible (David A. Feedman).

The simple random sampling also selected by assigning a number to each member in the population list and the number will be draw out the set of sample randomly (MacNealy 155). The random sampling also provided the equal chances to the sample of being selected as past study also mentioned that all elements in population have an equal and independent chance of being included and the researcher does not need to know the true composition of population (Kalpana V. Jawale, 2012). Furthermore, the simple random sampling provides causal relationships to be generalized beyond the sample to the target population (Laura Blankertz, 1998).

# 3.6 QUESTIONNAIRES DESIGN

The questionnaires that I proposed to the 100 of respondents that come from the housing developer companies will be dividing into 3 sections. There are sections A, section B and sections C. Each section provides a numbers of questions to be answers. The types of questions are provided are dichotomous questions, questions based on level of measurement, filter and contingency questions.

## 3.6.1 Section A: Demographic Information

A demographic information data questionnaire is used to establish specifics about the populations. The most common questions in demographic categories are ethnic origin, race, age and sex. In this demographic section are include name of the organization, number of years that the organizations have been operated, sector of the companies belong to and the category of the organization. In this section also, the questions have been asked about the implementation of the housing PPP in their company.

# 3.6.2 Section B: The challenges the implementation in housing PPP projects.

The main issues in the second section is provided to the respondents to answer are about the common issues in the public private partnerships and especially in the housing public private partnerships. In this section, the respondents need to answer about the public private partnerships. This section is basically related to the objectives of this research, problem of this research and the research questions. The purpose of the questions in this section provided is for answering and give the information about the hidden answer that relates to the challenges in implementation of the housing public private partnerships.

Some of the questions that have been asked in this section are the effectiveness of the public private partnerships, the needs to be done in to ensure performance of Public-Private- Partnerships and the challenges that have faced as a partner in the public private partnerships. In this section, the likert questions are provided to the respondents. The questions in section B are about 16 questions regarding the challenges in the implementation of the public private partnerships. The questionnaires are based on the questionnaires on past researcher (Christabel Atieno Musyoka, 2012) and (Esther Cheung, 2009).

# 3.6.3 Section C: The Critical Success of the implementation in housing PPP project.

In this section, the questions are contributes about the factors that can lead to the success of the implementation in the housing PPP project. This section will answer the questions for last objectives related to the critical success. Some questions that have been asked in this questions is about what is the critical success if the housing PPP been implemented, factors that lead to the success, and the benefits of implement the housing PPP project. The question in section C is about 17 questions regarding the critical success factors in the implementation of the public private partnerships. This sections are divided to politic and socio economic environment, economic and other factors. In this section, the likert questions are provided to the respondents. The questionnaires are also based on the questionnaires on past researcher (Christabel Atieno Musyoka, 2012) and (Esther Cheung, 2009).

### 3.7 DATA COLLECTION METHOD

Data Collection is the important aspect that needs to be considered in the research study. The inaccurate data collection can give the impact for the results in the research study. Data collection methods are one method that helps to gather data and information to address those critical and hidden questions in this study. There are several common data collection methods that have been used by other researcher in their study such as registrations, questionnaires, interviews, direct observations and reporting. The data collection methods that need to use must be suitable for the types of research. The inaccurate data collection methods can lead to the poor information that can be impact the results of the research findings.

In this study, this have been used the questionnaires in the descriptive methods. The aim of the questionnaires is to get and gather the information that can give solutions to this study problem statement and the purpose of this study has been made. The questionnaires are one of the simplest methods that have been used by most of the

researcher. The questionnaires in this research study are divided into 2 types, which are paper pencil questionnaires, and the web based questionnaires.

# 3.7.1 Paper pencil questionnaires

These types of questionnaires are the saving the researcher time and money. This type of questionnaires can be sent to a large number of people, as the respondents are around 100 housing developer companies. Majority of the people who receive questionnaires don't return them and those who do might not be representative of the originally selected sample (Leedy and Ormrod, 2001). These types of questionnaires that have been provided can make the truthful to the respondents in answering the questionnaires. These questionnaires will be use fax and manual distribution. The time taken to get the feedback from the respondents is around 1 month.

# 3.7.2 Web based questionnaires

This type of questionnaires is meeting the urban technology as nowadays people are often using the media social to do works. These types of questionnaire are provided based on the Internet such as e-mail. Besides that, the web based questionnaire will be provided through the surveymonkey.com website to the respondents. The receivers that receive these questionnaires need to answer. These types of questionnaires need me to secure the web site to fill the questionnaires.

The past researcher mentioned that, web based questionnaire are quantitative survey or questionnaire research (Buchanan & Smith, 1999) and it is least expensive and fastest to provide the survey, sending to participants and collecting data (Watt, 1997). However, this research might get less information on the topic yet it or faster than the pencil paper questionnaires. Also the validity of such surveys is in question as people might be in a hurry to complete it and so might not give accurate responses. The time taken to get the feedback from the respondents is 1 week.

### 3.8 DATA ANALYSIS

The data analysis is defined as the process a researcher uses to reduce data to a study and its interpretation (LeCompte & Schensul, 1999). The data analysis is examining, evaluating and analysing the surveys that have been provided in this research for the correctness action and key in the data into the Statistical Package for the Social Science (SPSS). This will carry out the analysis of the respondents according to the statistics and the distributions. After collecting the data using the questionnaire, this study have provided the data that need to be key in the software which known as Statistical Package for the Social Science (SPSS). This software is provided the effective data management in this study. Besides that, it also gives wide range and better output for this study.

#### 3.8.1 Likert Scale

Likert Scale is a technique to measure complex concepts, like attitudes, styles of media use, satisfaction for aspects of life, etc (Southerton, Dale, 2010). The likert scale is the most well known practices that have been applied in the questionnaire for research methodology. The original and principal application of Likert scale is the measurement of attitudes (Rensis Likert, 1932). This is because to observe and asked about to agree or disagree in the questionnaire. This study provided the questions based on likert scale to guide the respondents answer the questions provided. Based on likert scale questions there are five points agreement and disagreement that provided to the respondents, which are strongly agree, agree, neutral, disagree and strongly disagree. The data from this likert scale questions can help this study to identify the solution for this study problem statement.

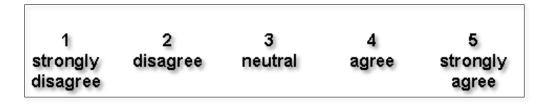


Figure 3.2: Likert Scale (Likert Scale, 2011)

### 3.8.2 Mean Score

Mean is the average of the numbers, which is easy to calculate and central value of a set of numbers. The means score that use in this study is based on interpretation of mean value range adapted from (Mohd Najib Abdul Ghafar, 2003). The data analysis will use the mean score to interpreted the data using the mean score interval as provided by (Mohd Najib Abdul Ghafar, 2003). The interpretation than provide disagree, not totally agree and agree according to the mean score. The level shows the low, average and high rate according to the mean score interval. From the population of 100 housing developer, this study will receive feedback from 80 respondents. The table that adapted from (Mohd Najib Abdul Ghafar, 2003) will help to analyse the data for the housing public private partnerships implementation.

**Table 3.2:** Interpretation of Mean Value Range (Mohd Najib Abdul Ghafar, 2003)

Mean Score Interval	Interpretation	Level
1.00 - 2.49	Do not agree	Low
2.50 - 3.49	Not totally agree	Average
3.50 - 5.00	Agree	High

### 3.9 CONCLUSION

The purpose of this study was to examine implementations of the public private partnerships in the housing project in Kuala Lumpur. The first chapter consist of the introduction part, which had give brief explanation about what this study have been research. The first chapter had discussed about the background of this research, the objectives and the problem statement, scope of research, significance of the study and the expected outcome. It has elaborates about the aims of the reasons of this study are made. The second chapter is giving the explanation about the literature review and the details about the research objectives.

The literature reviews are made to give more understanding about this research. Furthermore, this chapter have provided more understanding bout the public private partnerships. Hence, the literature reviews are provided the information from the past researcher. Finally, the last chapter, which are about the methodology, provide the workflow on the methods use in this research. This chapter also explain more how to get the information and the finding results for this research. In this chapter also explained about the suitable sample techniques. Lastly, from the survey, it can show the solution of implementation of housing **PPP** the in Kuala Lumpur.

### **CHAPTER 4**

#### **DATA ANALYSIS**

# 4.1 INTRODUCTION

This chapter shows and describes the analysis of data, the results finding, and the results of the statistical analysis using the Statistical Package for the Social Science (SPSS) software. The findings of the research are related to the research questions include a demographic section, question in section B and question in section C. The data from demographic questions explaining the years of experience in works, sector, position, academic and experience. The finding data from demographic sections will be structured by showing the profiles of the respondents through descriptive statistics.

This analysis then followed by descriptive analysis for the challenges of the PPP implementation in the housing project in Kuala Lumpur and the critical success factors of the PPP implementation in the housing project in Kuala Lumpur. In this study, the respondents are 100 of housing Developer Company in Kuala Lumpur. From 100, only 80 respondents would be needed to represent the respondent of the population. However, the respondents returned only 59 respondents, while the other 21 are

unreturned. As conclusion, there were 59 data from the respondents that were used in this study.

### 4.2 RESPONDENT'S PROFILE

The respondent's profile is explaining about the demographic information of the respondent. The demographic information consists of the years the organization has been in operation, sector the organization belong to, position, academic level and the states experiences in PPP. This information provides basic information and the background of the respondents. This data can help to analyze the results on implementation of PPP in housing project and help to get more information about the respondent's background.

**Table 4.1 Response Rate** 

Response	Frequency	Percent
Returned	59	59
Un-returned	41	41
Total	100	100

## 4.2.1 Years The Organization Has Been In Operation

Table 4.2: Years the organization has been in operation

Types of Years	Frequency	Percent
1-6 years	16	27.1
7-12 years	3	5.1
13-18 years	5	8.5
Above 19 years	35	59.3
Total	59	100.0

Table 4.2 above shows the data analysis about the numbers of years the organization has been in operation. From the output shown, there are 16 respondents from 1-6 years the organization has been in operation (27.1 percent), 3 from 7-12 years the organization has been in operation (5.1 percent), 13-18 years the organization has been in operation (8.5 percent) and 35 respondents are from above 19 years the organization has been in operation (59.3 percent).

This giving the total are 59 respondents. The data above analyze that the most respondents are have been operating above 19 years. The data above also shown the less data are from the workers that have 7-12 years the organization has been in operation. This data analysis of respondent's profile on years the organization has been in operation shows that the respondents have come from the company that have operate more than 19 years. That's means the results is valid because of the years of the organization operate and have more experienced in handling PPP project.

## 4.2.2 Sector Of Organization Belong To

Table 4.3: Sector of organization belongs to

Types of Sectors	Frequency	Percent
Private Sector	49	83.1
Public Sector	9	15.3
Both Sector	1	1.7
Total	59	100.0

The table above shown about the data from sector, which the sectors that need to know either from public sector and private sector. The table 4.3 above shows that, the respondent is more likely from private sector with 49 respondents. The percentage of private sector is 83.1. The others are from public sector, which are 9 respondents with 15.3 percent. Beside that, there also a respondent that is from both public and private sector with 1.7 percent. This data analyze about the

sector that the respondents comes from private sector. Therefore, this data shows that most of companies that have implemented the PPP project are from private sector.

#### 4.2.3 Position

**Table 4.4: Position** 

Types of Positions	Frequency	Percent
General Manager	6	10.2
Senior Manager	11	18.6
Project Manager	15	25.4
Other Management Levels	27	45.8
Total	59	100.0

Position of the respondents is one of important data that need to analyze. The data above show that the position taken that need to identified the respondent's profile. The position is categorized from General Manager, Senior Manager, Project Manager and Other Management Levels. Other Management Levels such as Contract Manager, Site Manager and Manager that have experienced in implement the PPP.

Table 4.4 above shows that, 6 respondents are General Manager, 11 respondents from Senior Manager, 15 respondents are Project Manager and 27 are from Other Management Levels. This shows that most respondents are from Other Management Levels with 45.8 percent and the fewer respondents are from General Manager with 10.2 percent.

The others Senior Manager are 18.6 percent and Project Manager is 25.4 percent. Therefore, from this data analysis, the respondents most likely come from the other management level, which are Contract Manager, Site Manager and Manager. The data shows that the result is valid, as the other management levels

like contract manager have more experienced in implement the PPP in housing project.

#### 4.2.4 Academic

Table 4.5: Academic

Types of Academics	Frequency	Percent
Diploma	2	3.4
Degree	48	81.4
Master	9	15.3
Total	59	100.0

Table 4.5 shows the respondent's profile on academic level. Academic level included in the respondent's profile to know which level is the respondent from. The Academic level starts with Diploma, which are only 2 respondents that have Diploma. Then, followed by 48 respondents are having the Degree and 9 respondents are from Master level of academic. The data analyze that the respondent's education levels are from Degree with 81.4 percent.

The respondents with the Master are about 15.3 percent and the lowest is respondents have the Diploma with 3.4 percent. The results show that the respondent is graduated with degree level, which this shows that the respondents have good background and knowledge in this field. Therefore, the results can be used for this study about PPP implementation in housing project.

## 4.2.5 States Experience in PPP

**Table 4.6: States Experience in PPP** 

Types of Experience	Frequency	Percent
Experienced	10	16.9
Currently Practicing	27	45.8
Plan to implement in future	13	22.0
Don't plan to implement	9	15.3
Total	59	100.0

Experienced in implementation of PPP or experienced in handling the housing project of PPP is very important to achieve the objective statement. The table 4.6 above shows about the experience of the respondents. The experienced is categorized from experienced, currently practicing, plan to implement in future and don't plan to implement. This data shows that, the respondents are currently practicing are about 27 respondents. The respondents that have experienced are 10, 13 respondents that will plan to implement in future and 9 respondents are don't plan to implement.

The data above also shows that the higher percentage is a respondent is currently practicing, which are 45.8 percent. The lowest percentages of this section are respondents don't plan to implement with 15.3 percent. The percentage of the respondents that have experienced is 16.9 percent and the respondent that plans to implement in future is 22 percent. This data analysis shows the result of respondent states experiences in PPP is on currently practicing states. The respondents are currently practicing in PPP of housing project, therefore, the results is valid and can be used for this study.

### 4.3 DESCRIPTIVE ANALYSIS

The descriptive analysis can be use to interpreted the data, generate the summary, identify the highest and lowest mean score. The descriptive statistic also define the results of total mean score and average mean score. Therefore, by used this descriptive statistic analysis, this study can define the mean score and summarized the data according to the section of the questions in this study. This result can be used to answer the objective of this study.

The descriptive analysis will be made for section b and section c. The section is for the question of the challenges of the implementation of housing PPP. This is for analyze and answering the objective of this study. The analysis data in section C consists 3 sections, which are political, economic, and other factors. This section is for the critical success factors in PPP implementation that answering second objective in this study.

# **4.3.1** Section B: The Challenges Of The Implementation Of Housing PPP

The challenges of the implementation of housing PPP consist of 16 statements that answering the research question. The statements will be answering the research objective 1 and research question 1. The challenges of the implementation of Housing PPP will shows the possible difficulties in implementing the PPP in housing project. The results of the most challenges and the lowest challenges are as shown in table 4.7. The challenges are include the lengthy in delay negotiation, high project costs and lack of transparency.

**Table 4.7: The Challenges Of The Implementation Of Housing PPP** 

No.	Questions	N	Mean	Std. Deviation
1	Lack of transparency in partner motivations,	59	3.68	0.77
	expectations, and benefits, though readiness to			
	collaborate			
2	Lack of highest level policy direction	59	3.46	0.70
3	Mistrust of private sector involvement in	59	3.12	0.89
	infrastructure			
4	Fear of losing control of infrastructure assets,	59	3.52	2.57
	authority, or responsibilities			
5	Detailed planning and outside scrutiny that	59	3.32	0.81
	Public-private- partnerships require			
6	Reduce the project accountability	59	3.27	0.92
7	High risk relying on private sector	59	3.27	1.03
8	Very few schemes have actually reached the	59	3.10	0.97
	contract stage (aborted before contract)			
9	Higher charge to the direct users	59	3.47	0.91
10	Less employment positions	59	3.19	0.89
11	High participation costs	59	3.56	0.74
12	High project costs	59	3.61	0.83
13	Lack of experience and appropriate skills	59	3.39	1.03
14	Confusion over government objectives and	59	3.37	0.84
	evaluation criteria			
15	Excessive restrictions on participation	59	3.32	0.81
16	Lengthy delays in negotiation	59	3.70	0.79
	Total Mean		54.35	
	Average Mean		3.39	

Table 4.7 above shows the data analysis of the challenges in the PPP implementation. In this section, the highest result show that the respondent agrees that the lengthy delays in negotiation with 3.70 mean score is the challenges of the implementation of PPP in housing project. The second higher rate of mean score is 3.68 for questions lack of transparency in partner motivations, expectations and benefits, though readiness to collaborate.

The respondents also agree that lack of transparency in partner motivations, expectations and benefits, though readiness to collaborate can be the challenges of the PPP implementation in housing project in Kuala Lumpur. The third higher mean scores are mean for questions high project costs with 3.61 mean score. The respondents agree that the challenges of the PPP implementation in housing project in Kuala Lumpur are high project costs.

There also result shows that the average level to agree on the statement. The respondents not totally agree about there is very few schemes have actually reached the contract stage (aborted before contract). The results of these questions have 3.10 mean score that explain the respondents not totally agree. Next, the results shows that the respondent not totally agrees on the challenges of PPP implementation in Kuala Lumpur are the mistrust of private sector involvement in infrastructure.

The interpretations mean score for the mistrust of private sector involvement in infrastructure only 3.12 shows that the respondent not totally agrees on this statement. The mean score for statement less employment positions is 3.19, shows that the result is the respondents are not totally agree. The less employment positions is not the challenges of PPP implementations in housing project.

The average mean of the challenges in PPP implementation is 3.39. The results show that the challenges of the PPP implementation in housing project is on moderate level. The respondents agree that there are challenges in the implementation of PPP but it is not in the critical level. The PPP still can be implement in the housing project, but need to consider all the challenges. However, the challenge was not ranked highly in the United Kingdom and Hong Kong as compared to Malaysia as stated in past studies by

Li et al. (2005) and Cheung et al. (2010)

As the result shown above, the most challenging factors in PPP implementation is lengthy delays in negotiation. According to Abd Karim, 2011, the project was considered s fail due to the long delay in negotiation process between the contracting parties in the PPP project. Therefore, this result proves that the most challenges factors in PPP implementation is lengthy delays in negotiations.

# **4.3.2** Section C: The Critical Success Of The Implementation Of Housing PPP

The section C consist of 3 factors that categorized in the critical success factor of PPP implementation in housing project. The factors are political, economic, and other factors. This section wills shows the result according each factors about the critical success factors. This section will provide the best critical success factors of PPP implementation.

#### 4.3.2.1 Political

Table 4.8: The Critical Success Of The Implementation Of Housing PPP (Political)

No.	Questions	N	Mean	Std. Deviation
1	Stable political system	59	3.92	0.81
2	Political Support	59	3.81	0.84
3	Good governance	59	3.88	0.72
4	Joint Venture with Government	59	3.92	0.72
5	Government involvement by providing	59	3.98	0.81
	guarantee			
	Total Mean		19.51	
	Average Mean		3.90	

This political section is divided to 5 statements to represent the statement for critical success of the implementation of housing PPP in political aspect. The data from section C were interpret using mean score from the results shown above. The high level of mean score shows that the respondents agree for the statement for critical success of the implementation of housing PPP in political aspect. The highest mean score with 3.98 for statement government involvement by providing guarantee. The respondents agree that the government involvement by providing guarantee is the critical success of the implementation of housing PPP in political.

Beside that, the lowest result of mean score of critical success of the implementation of housing PPP in political aspect is political support. The political support have the lowest means (3.81), claimed that the political support are not the main critical success factors compared to others factors.

The average mean for this section is 3.90, this results shows that the critical success factor is good. The respondent all agree that the statement is the critical success factor of PPP implementation in political aspect. The critical success factors in political factors can be support by Brown, Orr & Luo, (2006) statement that the success of particular housing PPP programmed is highly influenced by the country's economic, political and cultural circumstances.

The result showed that the most critical success factors of PPP implementation of housing project are government involvement by providing guarantee. The statement by Li, 2003, stated that the judicious government could cover both good governance and government involvement by providing guarantee. This is controvert to the results on this, however the good government involving may be appropriate for huge projects that can mange better than private sectors economically and bears risks.

#### **4.3.2.2** Economic

Table 4.9: The Critical Success Of The Implementation Of Housing PPP (Economic)

No.	Questions	N	Mean	Std. Deviation
1	Financial capability	59	4.29	0.64
2	Stable macro-economic condition	59	4.07	0.69
3	Sound economic policy	59	3.95	0.70
4	Available financial market	59	4.07	0.73
	Total Mean		16.38	
	Average Mean		4.10	

This section shows the results for the critical success of the implementation of PPP in housing project in economic aspect. This section is divided into 4 statements that represent the critical success factor of the implementation of PPP in housing project. The data have been analyzed using mean score interpretation.

The highest number of mean score is 4.29 that show the financial capability is the critical success factor of the PPP implementation in housing project. The respondents also agree that the financial capabilities are the most critical success factors compare to others statement. The lowest mean score, which are 3.95, shows that the respondent agrees that the sound economic policy the least critical success factors of the PPP implementation in the housing project compare to others. However, the mean for this statement still in good level, which means this statement, are also one of the critical success factors.

The average means for the critical success factors in PPP implementation for economic focus is good with 4.10 mean score. This shows that the respondent agrees the statement for critical success factors in PPP implementation. The economic factors can be one of critical success factors, as value for money will increase the economic

market. This statement support by Treasury Taskforce, (1999); Robinson, (2000), Shoul, (2002), Ninth Malaysia Plan, (2006); which stated ultimately PPP can bring greater value for money from public sector resources.

The economic statements results show that the financial capability is the success factors of PPP implementation in housing project. The sound economic policy, multi benefit objectives, project technical feasibility, and thorough and realistic assessment of the cost and benefits are assumed to be critical success factors in economic focus, which stated by Li, 2003. However, the statement is contradicted with the results in this study. The financial capability in the PPP contract can help to prevent the financial difficulties happened in the PPP project.

4.3.2.3 Other Factors

Table 4.10: The Critical Success Of The Implementation Of Housing PPP

No.	Questions	N	Mean	Std. Deviation
1	Appropriate risk allocation and risk	59	3.85	0.69
	sharing			
2	Commitment and responsibility of	59	3.73	0.73
	public and private sectors			
3	Strong and good private consortium	59	3.93	0.80
4	Shared authority between public and	59	3.71	0.83
	private sectors			
5	Well organized and committed public	59	3.95	0.68
	agency			
6	Competitive procurement process	59	3.92	0.77
	(enough potential bidders in the			
	process)			
7	Transparency procurement process	59	4.05	0.72
	Total Mean		27.14	
	Average Mean		3.88	

This section categorized into 7 statements, which the statements are define the objective of the critical success factors of PPP implementation in housing project. The highest mean score that shows in the result is 4.05; refer to the statement of transparency procurement process (process is made open and public). The respondents agree that the critical success factors of PPP implementation in housing project are the transparency procurement process (process is made open and public).

The lowest mean for the critical success factors in housing project is 3.71 for the statement share authority between public and private sectors. This statement gets the lowest means, but the respondent still agree that the share authority between public and private sectors is the critical success factors.

The average mean of the others factors for the critical success factors in PPP implementation in housing project is good with 3.88. The results show that the respondent agrees there are the critical success factors for other factors in PPP implementation in housing project. The other factors also include trust; openness and fairness are basic foundational underpinnings of successful PPP, which are support by Jamali, (2004).

The data analyze shows that the results of the most critical of success factors in PPP implementation in housing project are transparency procurement process (process is made open and public). This result is support by Qiao et al., 2001, which the transparency in the procurement process is the critical success factors in the PPP implementation.

# 4.3.3 Summary of Critical Success Factor Of The Implementation Of Housing PPP

Table below showed that summary of the overall critical success factors according to the political factor, economic factor and other factors. The critical success factors in political is government involvement by providing guarantee. This is because the respondent agrees that this is the critical success factor for political aspect. Next is according to economic aspect, the financial capability is

the critical success factors as this factors has the higher means compare to others statement. Lastly is the critical success factors according to other factors is transparency procurement process (process is made open and public). This statement gets the higher means as shown on the table 4.11.

Table 4.11: The summary of Critical Success Factor Of The Implementation Of Housing PPP

Factors	Mean	Std. Deviation
Political		
Government involvement by providing guarantee	3.98	0.81
Economic		
Financial capability	4.29	0.64
Other Factors		
<ul> <li>Transparency procurement process (process is made open and public)</li> </ul>	4.05	0.72
Total Mean	12.32	
Average Mean	4.11	

#### **CHAPTER 5**

#### CONCLUSION AND RECOMMENDATION

#### 5.1 INTRODUCTION

The purpose of this chapter is to conclude and to summarize this study regarding the objectives in this study. Furthermore, this study also to make discussion, suggestions and recommendation for further analysis. In addition, this chapter will discuss the objective of this study and methodology that have been used for this research. The summary and conclusion will be described according to the result that have analyze. Other than that, the propose recommendation will be provided in this chapter for further research or other research that will be conducting in the future.

#### 5.2 CONCLUSION

The objectives of this research are to determine the challenges of PPP in housing projects in Kuala Lumpur and to identify the critical success factors of PPP in housing projects in Kuala Lumpur. Based on finding on chapter four (4), this study is specially target to the housing developer company in Kuala Lumpur. The respondents are focused

on the manager, project manager, contract manager and other manager that work in the housing developer company. Majority of the respondents are distributed to the company that have been operated above 19 years. According to the data finding in chapter four (4), the analysis shows that company above 19 years are implemented the PPP in the housing project. Furthermore, the data in chapter 4 also shows that the respondent comes from private sector (83.1 percent) compare to public sector (15.3 percent).

In addiction, based on data in chapter 4, the respondents are comes from other management levels, which the other management levels are comes from manager, contract managers, and site manager. Other than that, the respondents also shows that there are have good knowledge that there are majority comes from Degree level. The respondents also show that the states of experienced of PPP implementation is currently practicing in their company. The data finding from chapter 4 shows that the results can be used as the respondents are majority currently practicing the PPP, so that, the results are very useful for this study.

#### 5.2.1 The Challenges Of The Implementation Of Housing PPP

This challenges of PPP in housing projects in Kuala Lumpur will influenced the implementation of the PPP in the housing project. The more challenges of the implementation can decrease the implementation of the PPP in housing project. The challenges can give more risk to the company to implement the PPP. The most challenges of PPP implementation in housing project in Kuala Lumpur are lengthy delays in negotiation. The lengthy delays in negotiation can affect the implementation in PPP as the company need to make sure the project can complete on time. The others challenges are lack of transparency in partner motivations, expectations, and benefits, though readiness to collaborate.

Besides that, the other challenges that not really agreed by the respondents are mistrust of private sector involvement in infrastructure. The results shows that this statement have minority of respondent agree that as a challenges. Beside that, other statement that have not considered as a challenges

is very few schemes have actually reached the contract stage (aborted before contract). Therefore, the data analysis from chapter 4, have answer the first objective of this study that to determine the challenges of PPP in housing projects in Kuala Lumpur. This conclude that the results on the challenges of PPP implementation in housing project are answering the research question number 1, which are what are the challenges of applying the PPP in housing projects.

### 5.2.2 The Critical Success Of The Implementation Of Housing PPP

This chapter also can conclude that there are critical success factors in PPP implementation in housing project. The critical success factors are divided into 3 sections, which are political, economy and other factors. The critical success factors can increase the implementation in PPP.

The critical success factors shows that the success factors can affect the PPP implementation. Based on results on chapter 4, the critical success shows that, the respondent agree that the critical success factors are good and can influence the implementation of the PPP for housing project. The respondent agrees that the most critical success factors on the PPP implementation for political aspect is government involvement by providing guarantee.

Furthermore, there also a results on the critical success factors for economic factors in PPP implementation. As conclusion, the result shows the best critical success a factor for economic factors is financial capability. This explains that the financial capability can cover the statement on sound economy policy, available financial market and stable macro-economic condition.

Therefore, the critical success factors for economic is financial capability. Other than that, the results on chapter 4 also show that the critical success factor in other factors. The other factors are including the transparency and procurement process. Based on finding, the results show transparency procurement process (process is made open and public) is the most critical success factors on other factors of PPP implementation.

Therefore, all the type of critical success factors in every aspect, which is government involvement by providing guarantee, financial capability and transparency procurement process (process is made open and public) can be useful and important in implementation of the PPP in housing project.

In addition, the critical success factors in the PPP implementation can help the organization to achieve common goal in implementing or practicing the PPP in housing project. As a conclusion for critical success factors, the research question number two had answer that what is the critical success factors of PPP in housing projects.

#### 5.3 LIMITATIONS

The limitations will explain the difficulties of design and method that will influence and impacted in order to reach the respondents for this research. The limitations also include the constraint in order to interpret the data analysis for this study. The limitations are divided to limitation from research and limitation from researcher.

#### **5.3.1** Limitations from research

#### **5.3.1.1 Respondent Limitations**

The respondent limitations defined the number of respondent are limited. The limited number of respondents is because the implementations of PPP in housing project are still in the early stages, therefore the experience of the respondents that have been handling the PPP housing project are limited.

This is also because there is not many house developer practices the PPP in the housing project. Therefore, the respondent limitations happened due to complete this study. The difficulties to reach huge number of respondents make respondents limitations arise.

#### 5.3.1.2 Lack of Cooperation

The survey of this study had given to the respondent for this study to help get the information and answering the research questions. However, some of the respondents did not give positive feedback and did not complete the survey as wanted. Some of respondent too busy and can't get connected.

The respondents did not cooperate well in submitting the survey as the respondent have other commitment to complete. Some of respondent did not answering the survey and did not completing the survey on the time provided. Furthermore, the respondents also skip to answer the questions and submit the non-completing survey and makes the difficulties on completing this study.

#### **5.3.2** Limitations from researcher

#### **5.3.2.1** Time constraints

Time constraints happened due to completed this research. This is because the results to get the number of respondents are limited. This research has difficulties to get the respondent on times, as the respondent did not give the feedback on the time provided. Beside that, the time constraints happened when having the difficulties in analyzing the data.

The data need to be analyze in the SPSS software, this make the research having difficulties when the software are not provided for free version. Therefore, in order to complete the analysis, the initiative to get the software had taken a long time. In addition, there is also need time to get familiar with the SPSS in order to get the better analysis results.

#### **5.3.2.2 Cost Constraints**

The cost constraints happened when the cost taken are higher to go to the company. The cost needed in order to print out the questionnaire and send to the company to answer it. This is because some of survey will be submit by hand and it takes cost to print out the survey but did not receive the feedback from the company.

#### 5.4 **RECOMMENDATIONS**

The recommendations will provide the suggestions for the organizational to use this research for further study. In additions, recommendations will give information for the other parties that interested to apply the PPP in the housing project. This also helps to improve this study for future research. The recommendations are categorized with two sections, which are recommendations for managerial practices and recommendations for future research. This section will help to put awareness on the PPP implementation and give improvements in order to implement the PPP housing project.

#### **5.4.1** Recommendations for Managerial Practices

The public and private sector should use this study to implement the PPP in housing project. This study also is suitable for other parties such as Public Private Partnerships Unit (UKAS). Based on the results on this study, this research shows that the challenges and the critical success factors that the both parties need to know for implementing the PPP. This is because the important to know about the challenges before implementing the PPP can provide more awareness in order to achieve the specific goals. The implementation of PPP without knowing about the challenges can give more risk to the project and both parties.

The more challenges of PPP implementation can reduce the implementation of PPP. The government, public and private sector also need to understand the PPP policy before practice and implement it in the project. This

is because to avoid the confusion over government objectives and evaluation criteria. This is because the confusion on the objectives of PPP can make the PPP implementation failure. Other than that, the government also needs to introduce more about PPP in housing project, as Malaysia still at the early stage on PPP in housing project.

#### 5.4.2 Recommendations for Future Research

This study helps increase more experience and appropriate skills in handling PPP in housing project. Furthermore, this study recommends that the government, public sector and private sectors should promote the transparency among each party in order to achieve the agreement between both parties. This is because mistrust of private sector involvement in the project can give more challenges to the PPP implementation and lack of transparency can lead to the PPP implementation failure. The public and private sectors should open more for the participations in PPP implementations.

The participation in PPP housing projects can develop more experience in handling PPP project among the housing developer and increase the economic sectors. The more participation in the PPP project can help to provide better public services through the housing project. The finding of this research can provide more improvement for future research with more deeper in PPP area.

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#### **APPENDICES A: QUESTIONNAIRE**



Faculty of Industrial Management

BPP 3522 Final Year Project 1

Dear Dato, Datin, Sir, Madam, Mr., Mrs.,

I am a student in Bachelor of Project Management at Universiti Malaysia Pahang and I am conducting a study of Public Private Partnership: Challenges and success factors of PPP Implementation In Housing Project In Kuala Lumpur for my Final Year Project 1 subject. This objective of this research project is to identify the implement of PPP housing project in Kuala Lumpur, to obtain the challenges of PPP in housing projects in Kuala Lumpur and to identify the critical success factors of PPP in housing projects in Kuala Lumpur. Through your participation, I eventually hope to understand what the challenges and the critical success factors of the PPP housing project implementation.

Enclose with this letter is a brief questionnaire that asks variety of questions about the implementation of PPP housing projects in your company. Kindly complete the questionnaire based on your experiences in this PPP housing project. Your response will be treated with highest confidentially and will be used only for the purpose of academic research. Lastly I would like to thanks for your corporation about participating in this study. If you have any questions bout your rights as a research subject, please do not hesitate to contact me.

(Sign)	(Date)

# QUESTIONNAIRES

# PART A: DEMOGRAPHIC INFORMATION

1. Nun	nbers of years the organization has been in operation
	1-6 years
	7-12 years
	13-18 years
	Above 19 years
2. Whi	ich sector does your organization belong to?
	Private sector
	Public sector
3. Posi	ition
	General Manager
	Senior Manager
	Project Manager
	Other Management Levels
4. Aca	demic
	Diploma
	Degree
	Master
	Phd
5. Wha	nt are your states experiences in PPP?
	Experienced
	Currently Practicing
	Plan to implement in future
П	Don't plan to implement

### PART B: The Challenges of the implementation of Housing PPP

The questionnaire is provided to answer the questions about types of challenges in housing public private partnerships project implementation. Kindly answer the following questionnaire by ticking in the appropriate box. For likert type of questions Use a scale of 1-5 where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4=Agree and 5=Strongly Agree.

Types of Challenges in Housing PPP project implementation	1	2	3	4	5
Lack of transparency in partner motivations, expectations, and benefits, though readiness to collaborate	1	2	3	4	5
2. Lack of highest level policy direction	1	2	3	4	5
3. Mistrust of private sector involvement in infrastructure	1	2	3	4	5
4. Fear of losing control of infrastructure assets, authority, or responsibilities	1	2	3	4	5
5. Detailed planning and outside scrutiny that Public-private- partnerships require	1	2	3	4	5
6. Reduce the project accountability	1	2	3	4	5
7. High risk relying on private sector	1	2	3	4	5
8. Very few schemes have actually reached the contract stage (aborted before contract)	1	2	3	4	5
9. Higher charge to the direct users	1	2	3	4	5
10. Less employment positions	1	2	3	4	5
11. High participation costs	1	2	3	4	5
12. High project costs	1	2	3	4	5
13. Lack of experience and appropriate skills	1	2	3	4	5
14. Confusion over government objectives and evaluation criteria	1	2	3	4	5
15. Excessive restrictions on participation	1	2	3	4	5
16. Lengthy delays in negotiation	1	2	3	4	5

## PART C: The Critical Success of the implementation of Housing PPP

The questionnaire is provided to answer the questions about critical success factors in housing public private partnerships project implementation. Kindly answer the following questionnaire by ticking in the appropriate box. For likert type of questions Use a scale of 1-5 where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4=Agree and 5=Strongly Agree.

Critical success factors of Housing PPP project implementation	1	2	3	4	5
Political					
Stable political system	1	2	3	4	5
Political Support	1	2	3	4	5
3. Good governance	1	2	3	4	5
4. Joint Venture with Government	1	2	3	4	5
	1	2	3	4	5
5. Government involvement by providing guarantee	1	2	3	4	3
Economic		T	T	ı	
1. Financial capability	1	2	3	4	5
2. Stable macro-economic condition	1	2	3	4	5
3. Sound economic policy	1	2	3	4	5
4. Available financial market	1	2	3	4	5
5. Favourable economic condition	1	2	3	4	5
Other Factors		I	I		
1. Appropriate risk allocation and risk sharing	1	2	3	4	5
2. Commitment and responsibility of public and private	1	2	3	4	5
sectors					
3. Strong and good private consortium	1	2	3	4	5
4. Shared authority between public and private sectors	1	2	3	4	5
5. Well organized and committed public agency	1	2	3	4	5
6. Competitive procurement process (enough potential	1	2	3	4	5
bidders in the process)					
7. Transparency procurement process	1	2	3	4	5