

## ISLAMIC PRINCIPLES IN REAL ESTATE DEVELOPMENT: A MASS APPRAISAL PERSPECTIVE

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**Abstract:** *This study aims at analysing the application of Shari'ah compliance in real estate development and mass appraisal in Malaysia. The importance of this topic is also based on the need to discuss the ethical questions and social inequalities that are caused by mainstream real estate practices that are oriented on profit increase only. The first research question is derived from the fact that there exists a dearth of empirical research on how principles of justice, equity, and social responsibility that are hallmarked by Islamic business can be adopted in real estate to uphold ethical standards in society. Some of the principles of Islamic finance, like the prohibition of riba and speculative investments to enhance property valuation and development has been identified. The present study used both quantitative surveys of 150 real estate practitioners and mass appraisal specialists and qualitative interviews with 15 Islamic finance experts. The study shows that 70% of the real estate practitioners and 60% of the mass appraisal specialists are aware of the benefits of applying Islamic principles in their professions. But there are still some issues, such as the fact that it requires rather radical changes in existing business processes and requires proper education in the sphere of Islamic finance. These findings indicate that the real estate industry can be positively changed by the adoption of Islamic principles in ethical practice, relation to the community, and proper property valuation. This study enriches the real estate literature by offering a conceptual model that incorporates Islamic principles in order to enhance the sustainable development of cities and solve the problem of housing affordability in Malaysia. Hence, the implementation of these*

*principles may contribute towards improving the real estate sector and its sustainability, as well as society.*

**Keywords:** *Islamic principles, Real estate development, Mass appraisal, Ethical standards, Housing affordability*

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## **Introduction**

Real estate and mass appraisal are among the most influential determinants of the rate of urban development and economic health. In the past, these fields have aimed at attaining the highest possible financial gains and enhancing the effectiveness of the market system, which sometimes has a negative impact on ethics and the welfare of society (Hassan & Lewis, 2007). However, this traditional approach in Malaysia, where rapid development is still evident in the urbanisation of cities and the growth of the economy, has raised issues like the imbalance of property and the escalating cost of houses. For instance, the unquenchable desire for property investments has led to overpricing of houses; hence, affordability is a big issue among Malaysians (Abdullahi, 2019).

With the advancement of the nation, there is a challenge of re-considering the effects of these practices on society and searching for proper guidelines that reflect ethical practices. The general rules of justice, fairness, and responsibility are the principles of Islam, which can be applied to the revision of real estate development and mass appraisal approaches. In Islam, *riba* is forbidden, and there is a focus on the ethic of transactions, which is an indication that the religion seeks to safeguard people against exploitation and offer justice (Rahnema, 2020). It is against this background that the following principles may be useful in offering an approach to some of the ethical issues that are associated with the real estate industry: For instance, in the Malaysian context, the incorporation of Islamic finance concepts may help improve the property assessment systems and decrease the pocketed investment activities that drive the price of houses up. This is in accordance with the Islamic principle of equity, whereby all members of society should have equal chances of acquiring shelter and other essentials in order to foster justice and stability in society (Al-Daradji, 2018).

An example of this integration in Malaysia is the advancement of Islamic finance-housing projects, including those provided by institutions like Bank Islam Malaysia Berhad. These projects are Shariah-compliant, meaning there is no element of *riba*, and the property valuation and financing are also done in a fair manner (Hasan, 2021). Thus, by integrating the provision of Islamic principles into the development and appraisal of real estate, developers and appraisers can enhance the ethical culture of real estate business. This change not only solves the ethical issues that are related to conventional practices but also improves the trust of the community. On the path of further urban and economic development, Malaysia may find it useful to adopt Shari'a-compliant real estate as a more balanced and socially fair approach, which will benefit the industry and society as a whole.

The current processes of real estate development and mass appraisal mostly focus on financial performance and market effectiveness and rarely take into account ethical issues and social responsibilities (Hassan & Lewis, 2007). This is because the pursuit of the profit motive may result in actions that can worsen the conditions of inequality and erode community morale. In Malaysia, for instance, the pursuit of the dollar has led to an increase in property prices and the scarce availability of housing units, which has affected the poor and middle-income earners

most (Abdullahi, 2019). Real estate investment is highly threatened by speculative activities and market-based appraisal techniques, which lead to overly exaggerated prices of properties that do not necessarily meet the needs of society, thus making home ownership a dream of the future for many Malaysians.

However, the drive for the achievement of the bottom line may lead to the implementation of development projects that offer high returns regardless of their impact on society and the environment. For instance, while implementing the urban development projects in Malaysia, some of the local communities have been forced to relocate, and there is environmental degradation since the effects of the development projects on the residents and environment are not well considered in the long run (Rahnema, 2020). This approach also proves to be detrimental to the environment and harms the communities' trust because the residents are often excluded from decisions that affect their lives and the environment they live in. Other factors that worsen these cases include poor transparency in property transactions and appraisals, which leads to the general feeling of being cheated and being taken advantage of within the real estate industry.

The proposed research on the integration of Islamic principles in real estate development and mass appraisal gives possible solutions to the challenges. The teachings of Islam stress equity, accountability, and justice and hence provide a complete opposite to the motive of making profits. In order to avoid injustice and mistreatment of one party by the other, the Islamic finance ban on *riba* (interest) and the focus on the ethics of the transactions are employed (Al-Daradji, 2018). Thus, following these principles, real estate practices can be transformed to serve the community and environmental concerns and overcome some of the ethical issues of the current approaches. Nevertheless, the implementation of these principles in the real estate business is still rather limited and, to some extent, unknown in Malaysia and its rapidly developing market.

It is essential to analyse the possibilities of implementing Islamic principles in real estate development and mass appraisal in Malaysia and their main implications in detail. Research and managerial cases also reveal the possibilities of the positive effects, for instance, improved community relations and increased ethical sensitivity, but at the same time, they describe the difficulties of integrating these principles into existing systems (Hasan, 2021). The disparity between the potential advantages and actual implementation shows that more study is required to examine how Islamic concepts can be properly applied in Malaysia's real estate market. Filling this gap is most important in order to contribute to the enhancement of the fair and ethical practice of real estate development and mass appraisal.

### **Literature Review**

Thus, Islamic principles provide a general approach to ethical behaviour in business and real estate. The principles of Islamic economics are justice, accountability, and responsibility, which are quite suitable for the real estate industry (Hassan & Lewis, 2007). Rahnema (2020) lays down the principle of prohibition of *riba* as one of the core concepts of Islamic finance that seeks to eradicate oppression and promote fair dealing. This prohibition affects real estate development and mass appraisal by preventing reckless behaviours that are fueled by the aim of making quick profits and encouraging long-term investment in the welfare of the general population rather than in the accumulation of wealth for the few. The following principles lay down a system that can be used to achieve both economic returns and ethical outcomes in real estate business and, thus, may revolutionise the current world view on real estate practices.

Therefore, in the real estate sector, Islamic principles recommend non-participation in speculation, which has been attributed to high property prices and fluctuating markets. Al-Daradji (2018) holds the view that Islamic real estate practices should be more concerned with social justice and welfare than merely the returns on investment. This is in line with Islamic values, where development projects should be for the benefit of society as opposed to the benefit of a certain group (Rifkah & Khatimah, 2023). This principle is rather important in Malaysia given the fast pace of city development and the frequent cases of real estate speculation that have resulted in a higher level of affordability issues and social injustice (Abdullahi, 2019; Shith et al., 2022).

The mass appraisal paradigm that entails the standardised valuation of properties can be enriched by the adoption of Islamic principles. Mass appraisal is designed to give accurate and standard property values, which is useful in preserving the credibility of the market and the treatment of all the parties involved (Hasan, 2021). Thus, principles of Islamic finance, including the ban on benefiting from others' property without their permission and the requirement of equal treatment, can contribute to the improvement of the appraisal procedures' ethical standards. For instance, by not engaging in speculative appraisals and seeing to it that the assessed values of properties are in line with market trends and societal requirements, other mass appraisal methods can be deemed more appropriate within the framework of Shari'ah. In Malaysia, the integration of Islamic concepts in mass appraisal can help tackle some of the problems pertaining to property valuation as well as affordability. Due to rapid development, especially in cities like Kuala Lumpur, there are large differences between property values, where property speculation is often the main factor, which does not necessarily correspond to property value or people's needs (Rahnema, 2020). Thus, by applying the Islamic concepts of riba prohibition and shara'ah compliance, the valuation exercise may be enhanced to be fair and more market-oriented. This could assist in solving the problems of housing prices and property valuations that have been calculated with the aim of seeing high gains for investors.

Moreover, the integration of Islamic principles in real estate development will improve social capital and community participation. Islamic real estate practices focus on the welfare of society as well as ethical dealings, which may create a good working relationship between developers, appraisers, and the community (Al-Daradji, 2018). In Malaysia, which is a country where trust among the people is a key factor in successful project implementation, the application of Islamic principles may help build better relations between developers and communities. For instance, projects that focus on social needs such as low-cost housing and social facilities rather than lucrative returns are in consonance with the Islamic Shari'ah and may yield better results for both the developers and inhabitants.

Despite the identified opportunities, empirical work on the application of Islamic principles in real estate development and mass appraisal is limited. As Hasan (2021) mentions, although the theoretical advantages are rather obvious, the real-life application of the discussed principles is not without problems connected with current frameworks and industry practices. In Malaysia, this entails the integration of existing real estate and appraisal practices into the framework of Islamic real estate and appraisal, which may entail substantial modifications of both the legal and operational contexts. These principles can only be further investigated, and more cases need to be examined in order to understand how they can be implemented and how they influence the real estate business.

## Methodology

For the purpose of this study, which aims at examining the implementation of Islamic principles in real estate development and mass appraisal, both quantitative and qualitative research methods were used. The quantitative part of the study entailed administering pre-designed questionnaires to 150 respondents, out of whom 100 were real estate practitioners and the other 50 were mass appraisal specialists across different regions of Malaysia. These participants were selected in order to get a diverse view on the current state of the industry and the approaches to the implementation of Islamic principles. The survey questionnaire consisted of a set of structured questions that aimed at gathering specific information on the participants' awareness of Islamic finance, their current practices in real estate and appraisal, and their views on the viability and advantages of adopting Islamic principles in real estate and appraisal. This approach offered credible statistics to determine patterns and opinions within the industry, thus increasing the validity of the findings. Table 1 shown the Questionnaire Distribution and Response Rate for this study.

**Table 1: Questionnaire Distribution and Response Rate**

Detail	Value
Population	Real estate practitioners and mass appraisal specialists in Malaysia
Sample Size	150
Number of Questionnaires Distributed	200
Number of Questionnaires Received	150
Number of Usable Questionnaires	150
Response Rate	75%

Source: Authors, 2024

The qualitative part of the study entailed administering a set of open-ended questions to 15 professionals with experience in Islamic finance as well as real estate. These interviewees were strategically chosen with the help of purposive sampling because they were expected to have knowledge and experience in relation to the integration of Islamic values. The interviews were designed to collect rich and detailed information about the real-life difficulties and advantages of applying Islamic principles in real estate development and mass appraisal. The questions were designed in a semi-structured way to capture the respondents' firsthand experience, their examples of effective integration, and any hindrances they met. The data collected in this study was qualitative in nature, and therefore, it was analysed using the thematic analysis method in order to determine general patterns and guidelines that could be useful in the practical management of similar issues in the broader industry. Thus, employing both the quantitative data collected through surveys and the qualitative data collected through interviews, this study provided a rich understanding of the possibilities of applying Islamic principles to real estate practices in Malaysia.

## Findings

The survey data identified and revealed the opinions and beliefs of real estate professionals and mass appraisal specialists towards the adoption of Islamic principles in their work as shown in Table 2. Interestingly, 70% of real property personnel and 60% of mass appraisal specialists recognised the advantages of applying these principles. The main advantages were thus listed as increased ethicality, increased public confidence, and increased openness in dealings. Some of the measures that the respondents pointed out include the need to avoid dealing with riba to make their practices more ethical, and this will enhance trust because clients and other

stakeholders will be assured of fairness and justice. This could also help them stand out in the market by placing more emphasis on ethical and social responsibilities in their business.

**Table 2: Feedbacks on 150 respondents received.**

Category	Real Estate Practitioners	Mass Appraisal Specialists
Total Respondents	100	50
Awareness of Islamic Principles	70%	60%
Perceived Benefits	Increased ethicality, public confidence, and openness in dealings	
Operational Challenges	45% concerned about complexity and disruption of operations	
Training Needs	Adequate training and awareness required for proper implementation	

Source: Authors, 2024

In addition, the survey revealed aspects that could be influenced by Islamic principles to a greater extent. Higher ethical standards were mentioned most often; the respondents stressed that the principles of equity and social justice are important in real estate and mass appraisal. They thought that these principles could eradicate or at least reduce some of the problems like speculative investments and unjust enrichment that are prevalent in conventional practices. Another important benefit was that the community would be more likely to trust that the dealings were fair, and this would enhance the relations between the community and the project, hence making the project a success. These findings therefore support the idea that Islamic doctrines can be used to improve the real estate industry through the encouragement of good practices.

Moreover, the survey also raised some important questions about the operational aspects of applying Islamic principles. About 45% of the respondents expressed their concerns regarding the complexity and disturbance of the current business operations. They pointed to the necessity of fundamental changes in the existing approaches, for instance, modification of the financial models to exclude intermediation activities and enhancement of the anti-fraud procedures. Furthermore, respondents expressed the need for adequate training and awareness on the part of workers to enable them to follow the Islamic provisions. These challenges imply that, although the advantages are understood, there is a need for proper planning and resources to enable change.

The interviews that were done to gather more qualitative data also supported these findings. The participants who have working experience in Islamic finance noted that the principles of Islamic finance, like justice, clarity, and responsibility, have created a positive impact on their practitioners' relationships and the community. They said that the clients valued the ethical orientation, which in turn enhanced the bond between the two parties. For instance, one practitioner stated that clients come back for more business and refer their friends and relatives to them because they believe the practitioner's business is honest. This feedback shows that the incorporation of Islamic values positively impacted the organisation and specifically the customers' satisfaction and loyalty.

However, the interviews also provided a picture of numerous difficulties. As for the integration of the existing processes with Islamic principles, the experts mentioned that it demanded significant adjustments, for example, the creation of new valuation approaches that do not involve profiting from speculation and making sure that all the operations are transparent. Some of these changes were not only cumbersome but also implied a complete change in the organisation's culture and approach. In addition, there was an identified issue with the lack of skills, as most of the workers had little understanding of Islamic finance. They also stated that the barriers mentioned above could be addressed if industry associations and educational institutions provided adequate training and support to practitioners.

The results of the survey and interview show that there is a strong appreciation for the possibilities of applying Islamic principles in real estate development and mass appraisal. This study identifies various benefits that include better ethical standards, better community relations, and increased accountability. Nevertheless, the issues related to practice, including the necessity to change current processes to a great extent as well as to provide employees with profound training, are the significant barriers. From the above analysis, it can be deduced that, though there is a sound footing for embracing Islamic principles, the processes of strategic planning, industry backing, and constant enlightenment are vital to the realisation of this change. This study identifies the following challenges that can be used to promote an ethical, transparent, and community-oriented real estate sector in Malaysia.

## Discussion

The study stresses the importance of applying Islamic principles to real estate development and mass appraisal processes. These principles, based on the principles of equity, accountability, and social concern, can easily be aligned with the goals of ethical real estate business. This means that the real estate industry in Malaysia can be revolutionised by the principles of justice and the prohibitive practices of *riba* (interest). The practitioners who faithfully followed these principles revealed that they had better professional standing and better relations with their clients and society. This means that ethical practices not only have a relation to moral standards but also have implications for the effectiveness of businesses and their involvement in society.

Another finding of the study is the compatibility between the ICS and the objectives of mass appraisal. Mass appraisal is the process of appraising large numbers of properties with the aim of coming up with standard and reasonable values with a view to protecting the market and all the stakeholders in the market (Hasan, 2021). If these principles of Islamic values are introduced into the appraisal process, then the process becomes more credible and just. This could go a long way in dealing with the problem of property price bubbles and speculation, especially in the Malaysian real estate sector. Proper property appraisal practices that are free from bias can help in the prevention of unjust enrichment and the proper valuation of properties according to current market trends, to the advantage of both buyers and sellers.

The effect of Islamic principles on trust in the community can be seen as mostly positive. Such practices that are ethical and socially responsible can help enhance relations between developers, appraisers, and society. Malaysia, for instance, is among the countries that has experienced fast urbanisation, which is at times accompanied by problems of community eviction and environmental impacts. Applying ethical principles can help solve such problems as well as foster good advancement (Rahnema, 2020). For example, projects that may involve the provision of low-cost houses and social facilities that are seen to be in accordance with the Islamic teachings of social justice will improve the social fabric and hence reduce social

inequity. It also has the added advantage of being sustainable for the community, as well as the development projects that are being implemented.

Nevertheless, the study also revealed that there were important issues that hindered the adoption of Islamic principles in real estate business. A major problem is the lack of resources and training since most of the professionals handling HEV cases are not specifically trained in this field. It is possible that a majority of real estate and appraisal professionals might not have adequate exposure to the principles of Islamic finance and their implementation. This is because there is a lack of knowledge on the part of the implementers of these principles, which may affect their implementation. Thus, to overcome this problem, more effective training and educational strategies should be developed to help specialists gain the required knowledge and skills. Industry associations, schools, and regulatory authorities need to design and market these training programmes so that practitioners are equipped to deal with the Islamic aspects of practice.

Another dilemma is that some modifications have to be made to the current structures and procedures. Implementation of Islamic principles usually entails a radical shift in financial architectures, valuation systems, and business approaches. For instance, refraining from using interest and speculation in transactions means that projects need to be financed and valued in another manner (Al-Daradji, 2018). Such changes may be quite elaborate and may take some time to implement, and this may involve the participation of many people. However, the positive impacts in the form of raising ethical standards and the trust of the public make it worth the effort. It is also important to continue the study and improvement of the strategies that can be used in the implementation of these changes and the ways of overcoming real-life challenges. These issues can be solved, which can lead to an increase in adherence to Islamic principles in real estate business.

Based on the study's findings, it can be argued that with the right support and tools, the real estate industry in Malaysia can adopt these principles and therefore enhance the level of ethical and socially responsible practices in the sector. This shift will also call for continued partnership between the actors in this field, including the professionals, the authorities, and the scholars. Thus, these stakeholders can create the best frameworks and guidelines for how to apply Islamic principles to real estate development and mass appraisal. This way, ethical practices will become the standard, and the whole community will gain from this as well as support sustainable development. The integration of the Islamic dimension into real estate development and mass appraisal has numerous ethical implications, which can greatly improve the ethical standing of real estate development and mass appraisal activities. These advantages mainly originate from the principles of Islamic culture, including justice, integrity, and social equity, which are meant to guarantee that all the stakeholders in real estate business receive equal and just treatment.

### **Enhanced Ethical Standards**

First of all, one of the most significant ethical impacts is the raising of ethical awareness and levels within the industry. This study also argues that Islamic principles forbid such things as charging of interests and encourage justice and equity in business transactions (Hassan & Lewis, 2007). Thus, these principles can help real estate professionals avoid using strategies that harm buyers and set artificially high prices for properties. For example, avoiding interest-based financing makes the property deal less complicated and less costly for the buyer and thus creates a balance in the transaction (Rahnema, 2020).



### **Improved Community Trust**

Another major ethical advantage of a particular decision is the improvement of the level of trust. The concepts that are crucial to the creation and sustenance of trust include transparency and fairness in any society. The principles of Islam are based on the concept of clarity and fairness in dealings and, therefore, avoiding deception in transactions (Al-Daradji, 2018). Thus, when the communities realise that the real estate developers and appraisers are indeed following ethical standards and are not just out for the money, then there is more cooperation. This is especially crucial in Malaysia, where population density growth has been very fast at times, causing people to be uprooted and causing issues with the environment. These problems can be addressed and prevented by practicing proper ethical real estate practices that can also help the community.

### **Equitable Distribution of Resources**

Two important principles of Islam are justice and fairness in the distribution of wealth and resources, which can enhance the provision of responsible real estate development. This entails focusing on projects whose impacts can be felt by a larger number of people, for instance, the provision of low-cost houses and social infrastructure, among others, instead of focusing on expensive high-end projects that are only affordable to a few people (Abdullahi, 2019). Thus, the focus on investments that are helpful for the needy and low-income populations can help real estate professionals in the fight against social injustice and the formation of harmonious and sustainable urbanisation.

### **Prevention of Speculative Investments**

The ban on speculative investments is another major ethical advantage. This causes property prices to rise so significantly and unreasonably high that the common man cannot even think of owning a house. Religious teachings of Islam do not permit such activities and rather allow investment that is based on real assets and has a real value creation for society (Hasan, 2021). This approach can help to prevent property bubbles and increase the availability and affordability of housing, which would mean that real estate development meets people's needs rather than the needs of speculation.

### **Social Justice and Welfare: The Concept and Its Promotion.**

This study discussed the social justice in relation to Islamic principles that can have an impact on real estate practices. The Islamic teachings encourage the welfare of society and the safety of the weaker sections of society. In an actual sense, this could entail coming up with properties that integrate features for the needy, not to compromise on the environment or the livelihood of people through development projects, and acts of generosity such as the provision of shelter for the homeless (Al-Daradji, 2018). In this way, such values can be integrated into the real estate development and appraisal professions and, therefore, advance the goals of justice.

### **Transparency in ethical issues in appraisal practice.**

This study has discussed how the principles of Islam can be integrated into mass appraisal practices in order to improve the ethical conduct of property valuations. This implies explaining how the values are arrived at, making sure that all factors that could influence the values are incorporated, and refraining from any act of influencing the values for one's own advantage (Rahnema, 2020). The ethical practices in appraisal services not only enhance confidence and trust amongst the clients but also help in maintaining fairness in property taxes and other assessments and hence contribute to the achievement of social justice in society.

Thus, the application of Islamic principles in real estate development and mass appraisal can be recommended as a way to increase ethical approaches and public acceptance. The focus on equity, openness, and social justice complements the objectives of ethical real estate business and may change the industry in Malaysia. However, there are barriers, including the need to acquire specific knowledge and changes in the system, which, if solved, can help in the implementation of these principles. The advantages of applying Islamic provisions to real estate management, such as enhancing professional image, enhancing relations with communities, and ensuring fair property appraisal, stress the need to embrace Islamic principles in real estate practices. In doing so, this industry can play its part in the enhancement of the justice and sustainability of urban development processes.

### Conclusion

A clear understanding of how and why the integration of Islamic principles into real estate development and mass appraisal has high potential in the context of the Malaysian real estate sector has been discussed specifically. The principles of justice, disclosure, and accountability that are enshrined in the Islamic religion can help to solve many of the ethical issues that characterise conventional real estate business. The following principles can result in the improvement of the fairness and social responsibility of organisations that are important for the sustainable development of societies and the welfare of communities.

Among the most significant reasons for the integration of Islamic principles, it is possible to mention the improvement of the ethical environment within the sector. These principles can be useful in preventing some of the challenges that are related to inflated property values and financial matters such as *riba* (interest) in the real estate market. This approach is consistent with the general principles of ethical real estate development, which aim at achieving both economic and social objectives. In Malaysia, especially given the challenges of housing affordability and issues of social equity in property ownership, these principles, if adopted, can go a long way in helping to solve some of the problems.

The Malaysian experience is a good example of how Islamic principles can be implemented to build trust with the community. The urbanisation process has brought about many social and environmental issues, such as people's eviction from their original homes and the destruction of natural assets. The recommendations of Bank Islam Malaysia Berhad are also strictly based on Islamic principles, which include ethical approaches to business and social impacts, where development should not only be for the few but for the many. These projects have demonstrated that one can establish a successful business while also meeting ethical standards and social responsibility.

In addition, when integrating Islamic principles into mass appraisal practices, this will make sure that the property valuation process is done properly and without bias. This is especially so in Malaysia, given that the property valuation processes have at times been accused of being non-transparent and incongruent. Thus, by following approaches that are closer to market conditions and the needs of the community, appraisers can eliminate speculative tendencies and make property taxes, assessments, and other similar charges more reasonable and equitable. This not only increases the integrity of the appraisal process but also increases the trust of property owners and other members of society.

The issues that are likely to be encountered in the application of Islamic principles in the real estate business has been identified. Some of the issues that may be encountered include the

requirement of accumulating specific training and changes in current systems and procedures. Nevertheless, these are not the insurmountable barriers that make it impossible to work towards the realisation of women's rights. Thus, with proper cooperation with industry associations, universities, and regulating authorities, it is possible to create effective training programmes and guidelines for the implementation of these principles. For instance, universities and other professional training centres in Malaysia should consider providing specific courses on Islamic finance and ethical real estate practices so that the professionals are in a position to effectively put in place the above principles.

To address these challenges, it thus called for the participation of all the stakeholders in the real estate industry. It will then be the responsibility of the industry professionals, the regulators, and the community to lay down rules and recommendations that are in consonance with Islamic practices. Thus, this collaborative approach can help avoid any problems during the transition to ethical real estate practices and help spread the results to as many people as possible. From this study, the significance of integrating ethical frameworks into the practice is demonstrated, which is in line with the title that aims to link real estate development to Islamic values.

Consequently, it can be stated that the incorporation of Islamic principles in real estate development and mass appraisal can contribute to the enhancement of moral, fair, and responsible practices in the real estate industry. The principles of fairness, transparency, and social responsibility can resolve most of the ethical issues connected with traditional real estate activities and enhance community relations. Malaysia is a typical example of the application of these principles, which help to gain people's trust, achieve the fair distribution of resources, and promote sustainable development. However, there are still several issues that hinder the implementation of these principles; nonetheless, the potential impact cannot be ignored, so the real estate industry must adopt them. Thus, the industry can positively influence the further evolution of the urban environment and its development, thus providing the community and the economy with certain advantages.

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