

Issues of Property Fraud and Prevention Strategies in the Perspectives of Real Estate Negotiator (REN) in Johor

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ABSTRACT

Property frauds, also known as real estate frauds, refer to deceptive practices or illegal activities perpetrated within the context of real estate transactions. These frauds involve various schemes, tactics, or misrepresentations aimed at deceiving buyers, sellers, or other parties involved in property transactions for financial gain. Property frauds can result in significant financial losses, legal disputes, and reputational damage for the victims. While most of these organizations operate ethically and provide valuable services to clients, there have been cases of fraud and misconduct within the industry. It is important to be aware of these trends and to take preventive measures to safeguard against such fraudulent activities. Frauds in real estate can take various forms, such as forgery, misrepresentation of property details, alteration, system and network hacking also in transactional and credit card payment. These activities can lead to financial loss and legal complications for unsuspecting buyers and investors. Therefore, the objective of this study is to investigate the frequency of the type of fraud that occurs in Johor and examine the prevention method that should be carried out. This research paper aims to examine the prevalence of property frauds in Johor, Malaysia, with a specific focus on the role of real estate negotiators in preventing and mitigating fraudulent activities. By analysing the types of property frauds, current trends, and the effectiveness of preventive measures, this study seeks to contribute to a better understanding of the challenges faced in the real estate industry and propose strategies to enhance fraud prevention and protect the interests of buyers and sellers.

Keywords: Property Fraud, Real Estate Negotiator, Prevention Strategies and Johor Malaysia.

INTRODUCTION

The real estate industry plays a significant role in the economic development of Malaysia, and Johor state has experienced rapid growth in the property sector over the years. Moreover, property holds significant importance in Malaysia for various reasons, including economic, social, and individual perspectives. However, this growth has also brought about an increase in property frauds, posing significant challenges to the industry and its stakeholders. Property frauds sentences refer to deceptive practices and fraudulent activities that occur within the realm of real estate transactions. These activities involve the manipulation, misrepresentation, or illegal alteration of property-related documents, information, or financial transactions for personal gain or to deceive unsuspecting buyers, sellers, or investors. According to Abdul Hamid et. al. (2021), property frauds involve various deceptive schemes, including forgery, misrepresentation, alteration of property documents, and hacking of networks and systems.

These fraudulent activities can result in significant financial losses, legal disputes, and reputational damage for the parties involved. Real estate negotiators, also known as real estate agents or brokers, play a crucial role in facilitating property transactions and ensuring the integrity of the process. However, their involvement in property frauds and the effectiveness of their preventive measures require further examination (Abdul Razak et. al., 2019). As far as Malaysian states go, Johor has the third- highest rate of fraud. The issue of real estate scams needs to be addressed, including what is the most significant types of fraud in real estate organization and what are the prevention to minimize frauds in real estate organizations. Therefore, the real estate industry

in Johor Bahru is marred by the increasing trend of frauds and misconduct within various real estate organizations. These fraudulent activities, including misrepresentation of property details, fake documentation, and unauthorized transactions, pose significant financial risks and legal complications for unsuspecting buyers and investors.

The lack of proper preventive measures and awareness leaves individuals vulnerable to fraudulent practices, undermining trust in the industry and hindering genuine property transactions. Therefore, it is crucial to address this issue by examining the prevalence of fraud in Johor Bahru's real estate organizations and proposing effective preventive measures to safeguard buyers and investors from falling victim to such fraudulent activities.

LITERATURE REVIEW

Concept of Property Frauds

According to Abdullah et. al. (2017), property frauds involve various deceptive schemes, including forgery, misrepresentation, alteration of property documents, and hacking of networks and systems. Property frauds refer to deceptive practices or fraudulent activities aimed at manipulating or exploiting property-related transactions for personal gain. These fraudulent activities can occur at various stages of a property transaction, involving different parties and methods (Aduda, 2020). Property frauds encompass a wide range of deceptive schemes and tactics. They can involve forgery of property documents, manipulation of property values, misrepresentation of property conditions, alteration of ownership records, impersonation of property owners, or unauthorized access to property databases (Ahmed et. al., 2020).

Types of Property Fraud

Fraudulent or dishonest actions intended to manipulate or take advantage of property-related transactions for one's own gain are referred to as property frauds. These dishonest practises might take place using multiple parties and strategies at different times during a real estate transaction. It is essential to recognise and stop such fraudulent practises by having a thorough understanding of the definition and forms of property frauds. These types of fraud are identified and further categorized into:

Fraud of Forgery

Involves the falsification or alteration of documents or signatures with the intention to deceive or defraud others (Ariffin et. al., 2020). The financial gains associated with fraudulent activities, such as property flipping or illegal transactions, can incentivize fraudsters to resort to forgery (Abdul Rahim, 2017).

Fraud of Misrepresentation

Involves the deliberate act of providing false or misleading information in property-related transactions. This form of fraud can take various forms, such as providing inaccurate property details, misleading financial information, or false statements regarding property conditions or legal status (Abdul Rahim, 2017). It can result in individuals making uninformed decisions, entering into unfavourable contracts, or being misled about the condition or value of the property.

Fraud of Alteration

Refers to the act of making changes, modifications, or amendments to a document or record with the intention to deceive or misrepresent information. In the context of property fraud, alteration can involve the unauthorized modification of property documents, such as title deeds, contracts, or financial records, in order to manipulate information for fraudulent purposes (Rahman et al., 2020).

It can lead to contract disputes, financial losses, and legal complications due to the fraudulent changes made to the original agreements (Ariffin et. al., 2020).

Fraud of Hacker Network and System

Involves unauthorized access to networks and systems. The use of technology, such as robust firewalls, encryption, and secure online platforms, can help safeguard against hacking attempts and protect sensitive information (Deloitte, 2019). It can lead to the theft of sensitive information, financial losses, and breach of privacy for both individuals and businesses involved in the real estate industry (Hou, 2019).

Fraud of Credit Card Payment

Fraudulent credit card transactions in property transactions. Implementing secure payment gateways and stringent verification processes for credit card payments can help prevent such fraud (Hou, 2019). It can result in financial losses for merchants, cardholders, and credit card companies, as well as reputational damage to the real estate industry and loss of trust among stakeholders (Wang et. al., 2018).

Factors Contributing To Property Fraud

Property frauds are influenced by various socio-economic factors that shape the dynamics of the real estate market and create opportunities for fraudulent activities. Understanding these factors is crucial for developing effective preventive measures and strategies. One socio-economic factor influencing property frauds is the economic disparity within society. When there is a significant wealth gap between different segments of the population, it can lead to financial desperation and a higher susceptibility to fraud. Individuals who are financially vulnerable may be more inclined to engage in fraudulent activities or become victims of property scams (Asongu, 2015). Property fraud is a complex issue influenced by a range of factors. These factors include legal, economic, technological, and social influences, which together create an environment ripe for fraudulent activity. Below is a detailed factors contributing to property fraud:

Lack of Proper Identification and Verification

Fake or forged documents: Fraudsters often produce fake documents, including forged title deeds and contracts, to sell or mortgage properties they don't own. Lack of robust identity verification and title checking mechanisms increases the vulnerability to such fraud (Adusei and Sam, 2018).

Weaknesses in the Legal and Regulatory System

Inconsistent property laws and regulations: In many regions, inconsistent or unclear property laws contribute to fraud. Fraudsters take advantage of regulatory gaps and legal ambiguities to manipulate property ownership and sales (Jaya and Ranjan, 2020).

Title Deed Fraud

Forgery and manipulation of title deeds: Criminals may forge or alter title deeds to sell properties they do not own, which is a common form of property fraud. (Albrecht and O'Rourke, 2017).

Identity Theft

Use of stolen identities in property transactions: Property fraudsters often engage in identity theft, using stolen personal information to impersonate legitimate property owners and transfer property without the owner's consent (Bradley and Patel, 2019).

Lack of Due Diligence by Buyers or Lenders

Failure to conduct proper checks: Inadequate due diligence by buyers or lenders (example, not verifying the title, property history, or ownership status) can allow fraudsters to execute fraudulent transactions unnoticed (Huang, 2019).

Technological Vulnerabilities

Cyber fraud and hacking: As real estate transactions increasingly move online, fraudsters exploit technological vulnerabilities, including hacking real estate databases or creating fake property listings on online platforms (Smith and Collins, 2020).

Market Conditions and Economic Pressures

Rising property prices and economic instability: Fraudulent activities can increase during times of rapid property value increases or economic instability, as criminals exploit the pressure to complete transactions quickly (Kobayashi and Tamura, 2019).

Absentee Property Owners

Unattended or vacant properties: Properties that are not regularly monitored by their owners, such as absentee landlords or vacant homes, are often targeted for fraudulent schemes such as squatting or unauthorized sales (National Land Registry Association, 2021).

Complex Property Ownership Structures

Unclear ownership chains: Properties with complicated ownership structures, such as joint ventures, family trusts, or corporate holdings, can obscure true ownership, providing opportunities for fraudsters to exploit legal ambiguities (Jensen and Lowe, 2018).

Real Estate Agent Fraud

Misleading or fraudulent real estate agents: Some real estate agents may act dishonestly by misrepresenting properties, failing to carry out appropriate checks, or even participating directly in fraudulent activities (Henderson and Wong, 2021).

Title Insurance Gaps

Exclusions in title insurance: Title insurance may not cover all aspects of fraud, such as fraudulent claims by third parties or issues related to forged documents, leaving property buyers vulnerable to undetected fraud (Finkelstein and McAllister, 2020). These factors underscore the complexity of property fraud, which arises from a combination of legal, economic, technological, and social factors. Property fraud prevention requires a multi-faceted approach, including stronger legal frameworks, enhanced cybersecurity, better buyer education, and greater oversight by financial institutions and regulatory bodies.

Role of Real Estate Negotiator (Ren)

Real estate negotiators, also known as real estate agents, play a crucial role in property transactions, acting as intermediaries between buyers and sellers. Their responsibilities include facilitating property sales, conducting due diligence, verifying documentation, and ensuring fair and transparent transactions (Tan et. al., 2019). However, their involvement in property frauds can have severe consequences for all parties involved. In their study, Lee and Yeo (2018) emphasized the proactive role of real estate negotiators in detecting and preventing fraud. They highlighted the importance of thorough due diligence, verification of property documents, and identification of red flags during transactions. The study emphasized the need for real estate negotiators to be vigilant, knowledgeable, and ethical to effectively prevent fraud.

Regulatory and Framework

The regulatory and legal framework in Johor plays a crucial role in preventing and addressing property frauds within the real estate sector. The state has established specific regulations and laws to govern property transactions and protect the rights of buyers and sellers. The Johor Land Code, under the jurisdiction of the Johor State Government, serves as a key legal framework for land ownership and transfers in the state. It

outlines the procedures, rights, and obligations of parties involved in property transactions, providing a foundation for secure and legitimate dealings (Johor Land and Mines Department, n.d.). In addition to these specific regulations, Johor also adheres to national laws and regulations governing property transactions in Malaysia. These include the National Land Code, the Registration of Titles Act 1966, and the Housing Development (Control and Licensing) Act 1966. These laws provide a comprehensive legal framework that governs various aspects of property ownership, transactions, and development (Johor Land and Mines Department, n.d.).

Impacts of Property Fraud Issues

Technology Impact of Property Fraud

Technology advancements have significantly impacted the real estate industry, both positively and negatively, including their influence on property frauds. One of the significant impacts of technology on property frauds is the ease with which fraudsters can create and disseminate false information. Online platforms and listing websites allow fraudsters to create fake property listings, manipulate property details, misrepresent ownership information, deceiving potential buyers or tenants (Dollah, 2018). Furthermore, advancements in digital image editing and manipulation software enable fraudsters to forge property documents, altering details such as signatures, seals, and stamps to create convincing fake documents (Malik et. al., 2020). This makes it challenging for individuals and authorities to differentiate between genuine and fraudulent documents.

Social Impact of Property Fraud

Property fraud is a serious issue that affects individuals, businesses, and the overall economy. It involves deceptive practices such as forged property titles, illegal sales, and fraudulent mortgage applications, leading to financial losses and legal complications. When fraud occurs, victims often lose their hard-earned savings, struggle to reclaim their property, and face prolonged legal disputes. These challenges create an atmosphere of fear and uncertainty in the real estate market, making it difficult for buyers and investors to trust property transactions. The lack of confidence in the system discourages property investments, affecting the housing market and economic growth.

One of the most immediate consequences of property fraud is the financial distress it causes for victims. Homeowners may unknowingly purchase properties with fraudulent ownership claims, leading to costly legal battles or, in some cases, eviction. Additionally, banks and financial institutions may suffer losses when fraudulent mortgage applications go undetected, leading to stricter loan policies that make homeownership less accessible. This not only affects individuals but also slows down the overall real estate market, reducing property values and limiting economic opportunities.

Beyond financial losses, property fraud has significant emotional and psychological effects on victims. Losing a home due to fraud can cause immense stress, anxiety, and feelings of helplessness. Many victims find themselves trapped in long legal disputes, further adding to their emotional burden. The uncertainty of the outcome and the fear of losing their investments make it difficult for individuals to move forward, impacting their overall well-being and quality of life. Families affected by property fraud may also experience instability, especially if they are forced to relocate or face unexpected financial difficulties.

On a broader scale, property fraud places a heavy burden on legal and administrative systems. Courts and government agencies must allocate substantial resources to investigate fraud cases, resolve disputes, and enforce property laws. This can lead to delays in the legal process, increasing the backlog of cases and making it harder for legitimate property disputes to be settled efficiently. Furthermore, fraudulent real estate practices can encourage corruption, as dishonest individuals exploit legal loopholes or manipulate documents to their advantage, further undermining the integrity of the system.

Another major societal impact of property fraud is the increase in homelessness and housing insecurity. When fraudulent transactions result in wrongful property transfers or evictions, affected individuals and families may struggle to find alternative housing. Vulnerable groups, such as low-income households and the elderly, are

particularly at risk, as they may lack the financial resources or legal knowledge to challenge fraudulent claims. As a result, some may end up without stable housing, further exacerbating social inequality and economic hardship.

In the long term, widespread property fraud can damage the overall economy by discouraging investment in the real estate sector. When fraud is prevalent, both domestic and foreign investors may hesitate to participate in property transactions due to fears of being deceived. This leads to a slowdown in property development, job losses in the construction and real estate industries, and a decline in property market growth. Governments may need to introduce stricter regulations and monitoring systems, which could increase administrative costs and affect the efficiency of the real estate sector.

Overall, property fraud has far-reaching consequences that extend beyond individual financial losses. It disrupts lives, weakens trust in the real estate market, burdens legal and government institutions, and contributes to broader economic instability. Addressing this issue requires stronger legal frameworks, better fraud detection mechanisms, and greater public awareness to protect individuals and businesses from falling victim to fraudulent schemes. By taking proactive measures, society can work towards a more secure and transparent real estate industry, ensuring fair and ethical property transactions for all.

Economic Impact of Property Fraud

Property fraud has severe economic consequences, affecting individuals, financial institutions, and the broader real estate market. Fraudulent activities such as identity theft in property transactions, forged ownership documents, and illegal property sales result in significant financial losses for homeowners, investors, and banks. When buyers fall victim to fraud, they often lose large sums of money, which reduces consumer spending and confidence in the property market. This, in turn, leads to a decline in real estate transactions, slowing down economic activity in the sector.

One of the most direct economic consequences of property fraud is its impact on financial institutions. Banks and mortgage lenders face substantial losses when fraudulent transactions go undetected. For example, if a fraudulent mortgage is issued based on forged documents, the financial institution may have to write off the loan as bad debt, weakening its financial stability. As a result, banks implement stricter lending policies, making it harder for legitimate buyers to secure home loans. This reduces overall homeownership rates and negatively affects property sales, slowing down the housing market and limiting economic growth.

Property fraud also leads to declining property values in affected areas. When cases of fraud become widespread, demand for real estate in those locations drops, causing prices to stagnate or decrease. Homeowners in these areas may find it difficult to sell their properties at fair market prices, leading to reduced investment in real estate development. Developers may hesitate to launch new housing projects due to concerns about fraudulent activities, which can lead to job losses in construction, property management, and real estate services. This, in turn, affects economic growth by reducing employment opportunities and business activity in the real estate sector.

Another significant economic impact of property fraud is the financial burden it places on legal and government institutions. Fraudulent transactions often result in lengthy legal battles, requiring courts, regulatory bodies, and law enforcement agencies to allocate substantial resources to investigate and resolve disputes. The cost of handling these cases diverts government funds from other essential services, such as infrastructure development, education, and healthcare. Additionally, governments may need to introduce stricter regulations and invest in fraud detection technologies, further increasing administrative costs.

At a macroeconomic level, widespread property fraud can discourage foreign investment. International investors rely on transparent and secure legal systems when purchasing real estate in foreign markets. When fraud cases rise, investors perceive the market as risky and may choose to invest elsewhere, leading to capital outflows and reduced economic activity. A decline in foreign investment in the real estate sector slows down urban development and infrastructure projects, further affecting the overall economy.

Furthermore, property fraud contributes to financial instability by increasing default rates on mortgages and property-related loans. When fraudulent transactions lead to financial distress among homeowners, they may struggle to meet their mortgage obligations, increasing the number of foreclosures. A rise in foreclosures can negatively impact the banking sector, reducing liquidity and limiting the availability of credit for businesses and consumers. This creates a ripple effect across the economy, affecting multiple industries beyond real estate.

In conclusion, property fraud has far-reaching economic consequences that extend beyond individual losses. It weakens the financial sector, reduces investment in real estate, burdens government institutions, and contributes to economic instability. Addressing this issue requires strong regulatory measures, better fraud detection mechanisms, and increased public awareness to restore confidence in the real estate market. By minimizing fraud, economies can ensure a more stable and sustainable real estate sector, promoting long-term growth and development.

Preventive Measures and Strategies

Preventive measures and strategies play a vital role in addressing the persistent issue of property frauds in the real estate industry. Implementing robust due diligence procedures, including verifying the identity of parties involved and confirming property ownership, is crucial to prevent fraud in real estate transactions (Molokwu and Bello, 2017). Real estate agencies and organizations should establish and maintain strong internal controls to prevent fraudulent activities. Establishing strong internal controls such as segregating duties, access controls, and regular internal audits can mitigate the risk of fraudulent activities going undetected (Leow, 2018).

Providing comprehensive training to real estate professionals on fraud prevention is crucial. Training should cover topics such as identifying red flags, recognizing fraudulent schemes, and following ethical practices. Continuous training and education programs for real estate professionals can equip them with knowledge about common fraud schemes and red flags, enabling them to better identify and prevent fraudulent activities (Eshankar et. al., 2019). Lastly, collaboration among real estate associations, regulatory bodies, and law enforcement agencies facilitates the sharing of information, reporting of suspicious activities, and the development of industry-wide standards for fraud prevention (Rashid et al., 2020).

Regulatory and Policy Intervention

Strengthening Legal Framework

The Malaysian government has continuously worked on enhancing the legal framework related to property transactions to deter and address fraud. This includes amendments to existing laws, such as the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Act 242), to ensure comprehensive coverage of fraudulent activities (Aman, 2019).

Licensing and Regulations

The establishment of regulatory bodies, such as the Board of Valuers, Appraisers, Estate Agents, and Property Managers (BOVEAP), has mandated licensing and regulation of real estate professionals. This ensures that only qualified and competent individuals operate in the industry, reducing the risk of fraud (Hooi and Ong, 2021).

Stricter Due Diligence

Financial institutions and property developers are required to conduct thorough due diligence on potential buyers and sellers. This includes verifying identities, scrutinizing financial documents, and conducting risk assessments to mitigate the risk of fraudulent transactions (Fatimah et. al., 2017).

Collaboration and Information Sharing

Government agencies, such as the land registry, law enforcement agencies, and regulatory bodies, are encouraged to collaborate and share information to identify and prevent property frauds. This includes the establishment of centralized databases and information exchange platforms (Nguyen et al., 2020).

Public Awareness and Education

Efforts are made to raise public awareness about property frauds and educate individuals about common fraud schemes, warning signs, and preventive measures. Public campaigns, seminars, and educational programs aim to empower buyers and sellers with knowledge to protect themselves (Jasmi et al., 2019).

RESEARCH METHODOLOGY

Johor is chosen as the case study for this study due to several factors, among which is because Johor is one of the major state in Malaysia and has experienced significant growth in its real estate market. Other than that is because Johor real estate market is also influenced by the neighbour country that is Singapore. The secondary data from the previous research is the most use to guide this research and to support this research. It will be a guide to completing the survey questionnaire (open-ended questions), to answer the objectives of this study. Thoroughness is essential in analysing the data so that the information obtained is authentic and can be concluded.

In line with that, the sampling that will be used is purposive sampling. Purposive sampling involves selecting participants based on their specific characteristics or expertise relevant to the research objective. In this case, the research sample is from real estate negotiators operating in Johor who have direct experience dealing with property frauds and implementing fraud prevention measures.

Data Analysis

Selected respondents must answer the distributed questionnaire. The total sampling is based on the total population of real estate negotiators in Johor. To determine the total number of respondents involved is according to Taro' Yamane's. Based on the formula, it was found that the total number of respondents required in the study is 100 people. This calculation is proven based on the total population of real estate negotiators (REN) which is 3963 people. The sampling method is done after the determination of the number of respondents is made, the questionnaire is then distributed.

Relative Importance Index (RII)

This analysis is the main analysis that will be used to measure the level of importance of each type and method questioned. This RII is calculated for each indicator and arranged accordingly. At this stage of analysis, the sample data will be categorized in the form of a scale of 1 to 5. Respondents determine their level of agreement with a given statement.

FINDINGS AND DISCUSSIONS

Based on the data collections procedure, this research has result in achieving the two main objectives of this research. The first objective is to analyse the most significant types of fraud that occurred among the real estate negotiator (REN). The second objective is to analyse the most agreed prevention methods in overcoming and reducing real estate fraud from happening. The results are shown in Table 1.1 and Table 1.2.

Achievement of Objective 1

Table 1.1 shows the types of fraud in real estate arranged according to the highest to lowest RII amount to obtain the most influential type of fraud in Johor.

Table 1.1: Result Analysis for Types of Property Fraud

Code Rank	Types of Property Frauds	RII	RII	Range
F3	Fraud by Alteration	0.8540	0.8496 - 0.8540	1
F2	Fraud by Misrepresentation	0.8500	0.8451 - 0.8495	2
F1	Fraud of Forgery: Forging of Transfer Form	0.8388	0.8406 - 0.8450	3
F5	Fraud by Credit Card Payment	0.8324	0.8361 - 0.8405	4
F4	Fraud by Hackers Network and System	0.8320	0.8316 - 0.8360	5

(Source: Fieldwork Researcher, 2024)

After being arranged according to their respective RII values, the results is that the highest is alteration, the second highest is misrepresentation, the third highest is forgery. The fourth position is credit card payment and the least significant is hacker of network and system.

Based on Table 1.1, it proves that the main type of real estate fraud in Johor is Fraud by Alteration with a value of 0.8540. Fraud by alteration has a higher rate among the types of real estate fraud based on the data, maybe due to several reasons. Fraud by alteration refers to the manipulation or modification of property documents, such as changing ownership details, property boundaries, or transaction terms. Firstly, research conducted by Lim and Rashid (2016) found that fraud by alteration was identified as one of the most prevalent types of property fraud in Malaysia, including Johor. The study revealed instances of property documents being altered to misrepresent ownership or encroach on neighbouring properties. This aligns with the statement's claim that fraud by alteration is a significant issue as the analysis data obtained also found that trending real estate fraud is fraud by alteration. Additionally, the high value associated with real estate investments in Johor makes properties attractive targets for fraudsters seeking financial gains. The allure of profiting from altered property documents motivates fraudsters to engage in fraudulent alterations to manipulate property values or secure ownership rights (Nair, 2015). Therefore, based on the analysis made above, the type of real estate fraud that is trending now is fraud by alteration.

Achievement of Objective 2

Table 1.2 shows the analysis of the most agreed prevention methods in overcoming and reducing real estate fraud from happening.

Table 1.2: Analysis of Score and RII for Prevention Method

	Prevention Methods	RII	Rank
P1	Implementing stringent identity verification processes.	0.936	Highest
P2	Regular training and education programs for real estate professionals	0.922	Highest
P8	Cooperation and information sharing between different stakeholders.	0.908	High
P4	Establishing industry-wide ethical standards and codes of conduct.	0.884	Moderate
P7	An effective regulatory and legal framework	0.878	Moderate
P3	The use of technology, such as blockchain or secure online	0.872	Low
P5	Implementing stricter penalties and legal consequences.	0.858	Low
P6	Increasing public awareness	0.834	Lowest

(Source: Fieldwork Researcher, 2024)

Based on the analysis results as shown in Table 1.2, the prevention method that needs to be prioritized in overcoming and reducing real estate fraud from happening is according to the RII range, of which the most important prevention method should be taken, which RII range is 0.916 to 0.936. Leading to the decision where identity verification and regular training and education for REN is most necessary. Implementing stringent identity verification processes is essential in preventing property fraud. Proper verification of identities and background checks can help identify potential fraudsters and mitigate the risk of fraudulent activities. Research by Al-Karaghoul and Grant (2019) emphasizes the significance of thorough identity

verification in the real estate industry as a preventive measure against fraud. Regular training and education programs for real estate professionals are crucial to equip them with knowledge and skills to detect and prevent property fraud. Ongoing training and professional development enhance the awareness of fraud schemes, detection techniques, and preventive measures.

Studies have shown that continuous education and training contribute to increased vigilance and improved fraud prevention strategies (Ng et. al., 2019). Corporation and information sharing between different stakeholders in the real estate industry play a vital role in combating property fraud. Collaboration among real estate professionals, regulatory bodies, law enforcement agencies, and financial institutions facilitates the exchange of information, expertise, and best practices. Wan et. al. (2017) highlight the importance of collaboration in strengthening fraud prevention efforts within the real estate industry.

In conclusion, the prevention methods mentioned, including strict identity verification processes, training programs, collaboration among stakeholders, ethical standards, regulatory frameworks, technological advances, penalties, and public awareness campaigns, collectively contribute to reducing property fraud. High RII values in the implementation of strict identity verification processes and training programs as well as cooperation and information sharing among stakeholders further emphasize the importance of collaborative efforts in combating real estate fraud in the real estate industry. Low RII values range from moderate to the lowest RII, which is associated with legal, ethical, use of technology, penalties and general knowledge still reflect its effectiveness in reducing property fraud.

CONCLUSION

Generally, property fraud is a pressing issue that affects the integrity and stability of the real estate industry. The study aimed to investigate the trends in property frauds in Johor and analyse the preventive measures adopted by real estate negotiators (REN) to mitigate such fraudulent activities. The first objective is to investigate the trending types of property fraud in Johor, while the second objective is to analyse the fraud prevention methods used by real estate negotiators. Through the analysis of available data, it is found that fraud by alteration had the highest occurrence rate among the different types of property frauds in Johor. For the second objective, the study focused on exploring the prevention methods adopted by real estate negotiators in Johor. These methods included implementing stringent identity verification processes, conducting regular training and education programs, promoting cooperation and information sharing, establishing industry-wide ethical standards and codes of conduct, ensuring an effective regulatory and legal framework, leveraging technology, implementing stricter penalties, and increasing public awareness.

The research findings highlight the importance of proactive measures in mitigating property fraud risks and maintaining the integrity of the real estate market. Implementing stringent identity verification processes and conducting regular training and education programs were identified as the most effective preventive measures by real estate negotiators. The study can serve as a foundation for policymakers, industry professionals, and stakeholders to develop and implement effective measures to combat property fraud and ensure a secure and transparent real estate environment in Johor.

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