



Architects  
of Diversity

# Racial Discrimination in the Malaysian Rental Market: A Study of Prevalence, Causes and Solutions

Simraatraj Kaur Dhillon

November 2024

**Architects of Diversity** is a non-profit organisation that creates a peaceful, equitable and inclusive Malaysia by seeding and promoting ideas and values for diversity, building empowered leaders and communities, and equipping them with the tools and resources to influence and enact systemic change. We empower youth to build a critical mass of inclusivity changemakers, promote an enabling environment for legislative change towards equity and inclusion, and act as an ecosystem builder and orchestrator.

**Racial Discrimination in the Malaysian Rental Market: A Study of Prevalence, Causes and Solutions**

November 2024

Persatuan Pendidikan Diversiti

PPM-025-10-24022021

E-3A-02 Menara Suezcap (Tower 2),

KL Gateway, Jalan Kerinchi

59200 Kuala Lumpur,

Malaysia.

[www.aodmalaysia.org](http://www.aodmalaysia.org)

[contact@aodmalaysia.org](mailto:contact@aodmalaysia.org)

*The work was supported by Architects of Diversity's Research Funding.*



# Racial Discrimination in the Malaysian Rental Market: A Study of Prevalence, Causes and Solutions

Rental discrimination in Malaysia is a pervasive issue that denies marginalised individuals and communities their basic human rights to adequate housing. Despite Malaysia's cultural diversity and emphasis on harmony, rental discrimination persists, rooted in racist beliefs and stereotypes. This research aims to investigate the extent and nature of rental discrimination in Malaysia, identify its underlying causes and proposes solutions to address the issue. Utilising solely qualitative data collection methods, including semi-structured interviews and a literature review, the study examines the complex issue of rental discrimination. This research provides a comprehensive understanding of rental discrimination, offering insights into its causes and impact based on collected data. From these insights, we propose both short-term and long-term recommendations to implement tangible measures aimed at fostering inclusivity, equity, and fairness within the rental landscape.

## About the Author

Simraatraj Kaur Dhillon

Simraat is the Head of Social Policy and Human Rights at Bait Al Amanah an independent research institute that focuses on governance and democracy, economics, security, and issues of significant national importance. Simraat specialises in forced migration, statelessness and gender dynamics. In the realm of social policy, her professional journey is coloured by passionate pursuit of justice and equity, with projects aimed at addressing pressing social issues such as racial discrimination, wage disparities, and poverty.

Beyond her scholarly endeavours, Simraat actively engages with various non-profit organisations and volunteer initiatives dedicated to advancing human rights and social justice. She holds a Bachelor of Laws from the International Islamic University Malaysia.

*The author can be contacted at [simraatrajkaur@gmail.com](mailto:simraatrajkaur@gmail.com).*



## Introduction

Rental discrimination is a prevalent issue that continues to plague societies worldwide - Malaysia is no exception. It is particularly prevalent in urban areas like the Klang Valley, where demand for rental properties is high and competition is fierce. Malaysian Indians, among other minority groups, have reported facing discrimination when trying to secure rental accommodation<sup>1</sup>. Qualitative data collected throughout this research indicate that discriminatory practices may include landlords or agents explicitly stating a preference for certain racial or ethnic groups, requesting personal information like photographs or identification cards, or simply refusing to rent to individuals from certain backgrounds.

In 2020, a Twitter user, known as Pingalayan, took it upon himself to quantify the discrimination he personally experienced as a Malaysian Indian seeking rental accommodation<sup>2</sup>. He analysed data from a popular local property rental website focusing on the Klang Valley area to uncover the extent of racial bias in rental listings. His findings were alarming: 45% of all listings outright rejected Malaysian Indian tenants, with only 19% accepting them and the remaining 37% stating no racial preference. However, Pingalayan pointed out that the “no preference” listings often concealed racial preferences that were communicated elsewhere or only revealed after contacting agents. He also highlighted the use of discriminatory practices, such as requesting a photo, which he himself experienced. These findings, while basic, underscore the challenges faced by marginalised groups in securing rental accommodation in Klang Valley.

In 2023, a News Straits Times article highlighted the struggle of a Malaysian Indian woman, a verified user on a popular social media platform, in securing rental accommodation. Despite reaching out to 300 different agents and landlords, she faced consistent rejection, highlighting the systemic nature of rental discrimination in Malaysia<sup>3</sup>.

These instances of rental discrimination are not isolated incidents, but are rather indicative of a larger issue that requires urgent attention. Evidently, discrimination in housing not only affects individuals' access to housing but also perpetuates inequality and segregation within communities.

Qualitative data collected through this research indicate that rental discrimination can manifest at multiple stages of the house seeking process, including the initial property search, the application and approval phases, and throughout the tenancy period. Rental discrimination is often subtle and challenging to identify, yet its effects are significant, reinforcing systemic inequalities and limiting housing access for marginalised communities.

This research on rental discrimination in Malaysia is of paramount importance due to its potential to address systemic inequalities and promote social justice in the housing sector. The first and main objective of this research is to understand, using the experiences and perspectives of individuals affected by rental discrimination, the prevalence and forms of rental discrimination as well as its causal factors. Based on the findings from the first objective, the second objective is to propose recommendations to address rental discrimination to promote fair and equitable access to housing in Malaysia. Specifically, we do the following:

- Comprehensively review existing legal and policy frameworks related to housing discrimination in Malaysia;
- Conduct a comparison study to identify best practices from the Southeast Asian region in addressing rental discrimination;
- Based on facts and findings of this research, develop recommendations to federal and state governments relating, but not limited to:
  - » the enactment of anti-discrimination legislation to combat racism and discrimination in Malaysia;
  - » the formulation of strategies and plans of action with the aim of protecting and promoting inclusivity, fairness and equity in the rental market.

1 Malaysian Institute of Estate Agents. (2020, December 23). In spotlight on Indians' home-renting difficulties, lawyer says no law in Malaysia against individuals' racial discrimination | Malaysian Institute of Estate Agents. MIEA.

2 Ang, M. V. (2020, November 17). Malaysian Indian Proves Blatant Racism In Rental Market. SAYS. Retrieved February 22, 2024

3 #NSTViral: Rejected 300 times: Malaysian Indian shares story of rejection by landlords in search for housing. (2023, October 21). New Straits Times.

## Methodology

This paper focuses exclusively on qualitative data collection methods, utilising semi-structured interviews and a comprehensive literature review to understand the multifaceted issue of rental discrimination. The qualitative component of this research is based on the collection and analysis of nuanced insights gathered through semi-structured, in-depth interviews, providing a platform for landlords, real estate agents, tenants and individuals seeking rental properties to articulate their experiences and perceptions regarding rental discrimination.

An interview survey targeting tenants and individuals seeking rental properties was conducted that received 33 responses. Subsequently, 14 participants responded to invitations and were interviewed over the course of one week - the mode of interview was on Zoom. The majority of participants were tenants and rental seekers in the Klang Valley and Selangor area, while two participants were tenants seeking rental in Sarawak and Kedah. In addition to the tenants and rent-seekers interviews, perspectives were gathered from two real estate agents and one landlord. These interviews provided insight into rental market dynamics and landlord-tenant relationships. The real estate agents offered professional insights based on their experience in the industry, while the landlord provided a first-hand perspective on property management and tenant interactions.

These interviews focused on the specifics of discriminatory practices, probing the underlying motivations, justifications and implications from diverse interviewees. By engaging directly with individuals in the rental market, this qualitative inquiry aims to unearth rich narratives, nuanced understandings and contextual nuances that quantitative data alone cannot capture, enriching the depth and breadth of the research findings.

Additionally, the integration of a thorough literature review synthesised existing knowledge, theories, and empirical findings, providing a foundation for understanding the broader socio-cultural, economic, and legal frameworks shaping rental discrimination within the Malaysian context.

## Rental Discrimination In Southeast Asia

The issue of rental racism is not unique to Malaysia - it is notably also prevalent in other Southeast Asian countries like Singapore. One of the earliest reports addressing racial discrimination in Singapore's rental market was published by the BBC in 2014<sup>1</sup>. This article specifically highlighted the "no PRC (People's Republic of China), no Indian" issue, where such phrases were included in online rental listings. The reasons cited for this discrimination included concerns about property maintenance and cleanliness.

Three years later, in 2017, CNBC published a similar story<sup>2</sup>. This article emphasised that despite the weak rental market at the time, racial bias in renting persisted in Singapore. Some landlords preferred to leave their properties vacant rather than rent to tenants of certain ethnicities. This discrimination was not limited to foreigners; locals also experienced rental racism.

Malaysia and Singapore share remarkably similar histories, with their cultural and societal fabrics intricately woven from the same threads. Racial tensions in Singapore date back at least to the 1964 riots between the Chinese and Malay communities<sup>3</sup>. However, the ruling People's Action Party, in power since 1965, has implemented various laws to foster interracial harmony. For instance, in public housing, quotas are enforced to prevent any single ethnic group from being over-represented. Unfortunately, similar legislation do not apply to private properties (Chandran & Loh, 2017).

Article 12 of the Constitution of the Republic of Singapore protects Singaporean citizens from certain forms of state-based discrimination, but there are limited laws that prevent prejudiced practices in private property. Human rights activists have proposed stronger anti-discrimination legislation, but its effectiveness may be limited. Even with such a law in place, enforcement remains a significant challenge.

1 Cheung, H. (2014, May 1). "no Indians no PRCs": Singapore's rental discrimination problem. BBC News.

2 Nyshka Chandran, M. L. (2017, March 3). Even in weak market, racial bias trumps profit for many Singapore landlords. CNBC.

3 Racial riots (1964 and 1969). SG101. (n.d.).

## Legal And Regulatory Framework On Rental Discrimination

Malaysia currently lacks comprehensive legislation to regulate the rental market or address issues of racial discrimination. In the early 90s, the Rental Control Act of 1966 marked a significant milestone in the history of renting in Malaysia, establishing a framework for regulating rents and outlining the responsibilities of landlords and tenants (SPEEDHOME Blog, 2023). According to Atsumi (2003), by the late 1990s, the Act was repealed to promote a more free-market approach, granting landlords greater flexibility. Currently, rental agreements are governed by the Contracts Act of 1950 and the National Land Code of 1965, providing some legal protections for both landlords and tenants (Atsumi, 2003).

Without legislation to regulate the rental market or racial discrimination in Malaysia, landlords have discretion in choosing tenants according to their own personal preferences, even if those preferences are discriminatory. Furthermore, the Malaysia Board of Valuers, Appraisers and Estate Agents Malaysia (BOVAEA) - the body tasked with regulating the Valuers, Appraisers, Estate Agents and Property Managers - does not have jurisdiction over matters of discrimination in the rental market<sup>1</sup>. Undoubtedly, in the absence of specific legislation and a governing body, instances of racial discrimination in the rental market go unreported and uninvestigated, leaving affected individuals without recourse.

## Overview Of Racial Discrimination In The Rental Market

According to Pereira (2022), rental racism demonstrates how negative racial stereotypes, rooted in colonial times, are employed to exclude different races from the rental housing market in postcolonial Malaysia. The two primary legacies of British colonialism in Malaysia were the large-scale migration of Chinese and Indians to work in tin mines and rubber plantations and the implementation of the divide-and-rule system, which racialised the economic, social, and political spheres of Malaysian life. Thus, understanding race in Malaysia necessitates examining the racialised division of labour and space established during colonial rule, which has left a lasting impact on Malaysian social life by reducing zones of contact (Pereira, 2022).

Although British colonial rule in Malaya ended with Independence on 31 August 1957, these colonial racial divides have been preserved in the newly independent nation-state, resulting in ongoing divisive consequences. An interview with Umi Maisarah, Programme Director at Pusat Komus supports this notion, highlighting the enduring impact of colonial-era racial divisions on contemporary Malaysian society.

Pereira (2022) further highlights that in the Klang Valley rental housing market, Indian tenants are often stereotyped as “uneducated, dirty, dangerous, and unreliable payers”. He emphasised that despite many urban Indians are now well-educated and economically successful, these stereotypes persist due to their historical roots. The challenges faced by Tamil labourers on rubber plantations, such as low wages, inhumane living conditions, and poor health and education facilities, left them disadvantaged after leaving the estates. Without adequate education, many could not secure jobs and turned to crime to survive. This history explains how structural economic inequalities have shaped current racial stereotypes of Indians as “uneducated, dirty, and dangerous” (Pereira, 2022).

Interviews with real estate agents also emphasised the persistent stereotype that Indian tenants are often viewed as “bad paymasters”, discouraging landlords who fear they will be late with rent or default entirely. These deeply ingrained negative perceptions continue to reinforce racial and class divisions in Malaysia, affecting marginalised racial groups.

Nutsugbodo et al. (2022) explained that three primary theoretical frameworks - “taste-based” discrimination, “statistical” discrimination, and social identity theory - can explain the reasons behind discrimination. Firstly, taste-based discrimination is the unequal treatment of individuals or groups due to fear, prejudice and hostile attitudes towards minority groups or individuals. This form of discrimination is inherent in individuals who exhibit xenophobic attitudes towards other individuals or minority groups (Nutsugbodo et al., 2022). Applying the concept of “taste-based discrimination” in the rental housing market, landlords may discriminate based on personal preferences or to avoid displeasing their existing tenants, often rejecting potential tenants from certain minority groups. Taste-based discrimination is difficult to challenge as it is deeply rooted in individuals due to past events or historical precedents, requiring significant effort to change such mentalities.

<sup>1</sup> What is Bovaeva (Malaysia Board of Valuers, Appraisers and Estate Agents malaysia)/Ippoh (Lembaga Penilai, Pentaksir Dan Ejen Harta Tanah)? | propertyguru Malaysia. (n.d.).

Aigner & Cain (1977) supports Nutsugbodo et al. (2022) study that statistical discrimination is another theory proposed to explain discrimination. Unlike innate or intuitive biases, statistical discrimination is a type of discrimination stemming from a lack of information about various minority groups. As a result, it could be argued that it is largely based on prejudice. Discrimination perpetrators use real or perceived attributes of individuals or groups as a basis for their biases. For example, when ethnicity is used as a proxy, the lack of detailed information about a particular ethnic group can lead to discrimination (Aigner & Cain, 1977). Consequently, foreign or minority ethnic groups are more likely to be discriminated against in favour of one's own or a majority ethnic group (Flage, 2018). Comparing this phenomenon to the rental housing market, the bulk of literature suggests that landlords may perceive certain ethnic groups such as Indian tenants as "bad paymasters" or "violent" based on the information available to them. Evidently, this can lead to assumptions that these individuals lack the financial stability to consistently pay rent or be peace-loving tenants, increasing the likelihood of discrimination. Hence, statistical discrimination may suggest that it is essential to provide accurate and detailed information about minority groups to enable informed decision-making.

Finally, Nutsugbodo et al. (2022) further propose the Social Identity Theory (SIT) to understand discrimination in the rental housing market. Their study explains why individuals identify with certain groups and the potential consequences of such attachments. Proponents of SIT argue that individuals gain self-esteem from the social groups they identify with, leading them to favour these groups and allocate resources to them to accentuate the distinction between their own group and others (Nutsugbodo et al., 2022). It is worth noting that this tendency may underpin ethnocentrism, which can foster discrimination. According to this theory, people are more likely to discriminate against others due to the empathy and positive feelings they have developed toward their own group, resulting in a more favourable evaluation of its members compared to non-members (Hewstone et al., 2002). SIT, coupled with qualitative data collected through this research, may explain why some landlords are more likely to rent properties to same-race tenants rather than individuals from different ethnic groups.

## Experience Of Tenants And Rental Property Seekers

The firsthand accounts from tenants and rental seekers highlight significant patterns and issues prevalent in the current rental landscape. The majority of the participants in the interviews were of Indian descent, with a smaller number of Malay and Chinese respondents. A recurrent theme among all participants was the significant mental stress caused by discrimination in the rental market. This discrimination made it considerably more challenging for them to find suitable properties, often requiring them to navigate a more arduous process compared to their peers.

Many participants reported that once landlords or real estate agents became aware of the potential tenant's race, they would either cease communication or overtly discriminate by specifying that the rental property was intended only for a specific race. For instance, Ikmal, a Malay renter in Bukit Jalil, disclosed in his interview that 60-70% of landlords or agents would reject him solely based on his race. He stated:

**“Many landlords and agents would reject me by saying that this is a Chinese unit and some of our tenants put pork in the fridge.”**

Despite his willingness to accept such conditions, landlords and agents would still find other excuses to deny him tenancy.

Interestingly, all participants experienced discrimination when seeking properties through popular platforms such as ibilik and Mudah.my. Some participants also utilised Facebook groups in their search for rental properties. However, racial discrimination persisted across these platforms. Several participants reported that they were unable to secure good deals or accommodation within their budget because certain properties did not accept tenants of their race.

Roshni, an Indian tenant currently residing in Kuala Lumpur, shared her frustration during the interview, expressing that she feels deprived of good rental deals because many well-priced properties do not accept Indian tenants. Additionally, she revealed that she has had to pay higher rent compared to other rooms of the same size in the area. Abby (not her real name), a Chinese fresh graduate seeking rental property on Penang Island, had a similar experience. She noted that some of the more affordable properties in her



preferred area, which fell within her budget, were designated for Muslim tenants. Even as a Chinese individual, she felt she faced discrimination. Properties that were designated for Chinese tenants were often priced above her budget, exacerbating her difficulty in finding suitable accommodation.

Furthermore, Roshini, who was undergoing a three-month internship in Putrajaya at one time, shared her difficulties in securing rental accommodation in the area. Despite her efforts, she was unable to find a property in Putrajaya due to the predominantly Malay population and the resultant preference for Malay tenants. Consequently, she had to reside in Puchong, which required her to endure a commute of over an hour each way to her workplace. This situation left her feeling that her housing options were severely limited, highlighting the impact of racial preferences on access to convenient and suitable accommodation.

In an interview with Sai, a former Indian student seeking rental accommodation in Kuching, she recounted how her hostel application was rejected, leaving her stranded on the road with only four hours to find a rental house. Despite contacting several landlords via WhatsApp, she and her three friends faced outright discrimination as many landlords stated that their properties were for Chinese tenants only. Sai mentioned, "A lot of them rejected us because we were not Chinese." However, Sai does not blame the landlords entirely as she has witnessed vandalism herself and understands the origins of such stereotypes.

Joshua, a Eurasian currently renting in Petaling Jaya, also shared his struggles in finding rental properties. He described an instance where a landlord was more concerned about his race than his eligibility to rent. Joshua explained:

**“Most of the time when I get on the phone, instead of talking about the rental space, the area, the deposit, how many months I am going to rent – the entire conversation would be surrounding my race.”**

His birth certificate states Eurasian, also known as Serani, which many landlords find confusing. Hence, the discussion would be them seeking clarification on his race, whether he is a Malaysian Indian, rather than pertinent rental details.

Moreover, many Indian participants expressed a sense of dread when searching for rental properties

as they had to mentally prepare themselves to face inevitable discrimination. They reported that they would preemptively brace themselves for prejudicial treatment they were likely to encounter.

All of the participants who experienced discrimination reported facing it predominantly when searching for shared living situations rather than whole units. This was highlighted by one interview participant, Jai, an Indian individual who has been a renter since 2015, when he noticed a distinct pattern in rental practices. He observed that landlords are more likely to impose racial preferences when renting out individual rooms compared to whole units. Jai opined that this tendency stems from the desire to ensure that all tenants living together in shared accommodations are comfortable with one another. This experience was also faced by Joshua, who encountered similar issues when looking for room rentals in Bangi, Selangor during his time as a student. Due to the difficulty of finding a room, Joshua eventually resorted to renting a whole unit. This practice of selective renting based on race underscores the challenges and discrimination faced by tenants in finding suitable housing, particularly in shared living situations.

When asked about their opinions on the Malaysian rental market, all participants expressed profound disappointment with the pervasive discrimination and biases that exist. Ikmal, one of the interviewees, highlighted that the rental market is exceedingly limited for those who are not Chinese. He was particularly sceptical about addressing rental discrimination, noting that it is challenging to prove instances of bias, especially when landlords and real estate agents are evasive about their true reasons for rejecting tenants.

Similarly, Jai pointed out the complexities of enacting laws to address discrimination, describing it as a double-edged sword. He noted that landlords could easily infer a potential tenant's ethnicity based on their speech and subsequently claim that a unit is unavailable to avoid renting to them. Jai opined that tenancy agreements could play a crucial role in mitigating these issues. By signing a contract with tenants that outlines adherence to house rules and mutual responsibilities, it might provide a more effective way to address and reduce discrimination in the rental market.

It is interesting to note that many participants developed coping mechanisms to navigate and mitigate the discrimination they faced in the rental market. A distinct pattern emerged among non-Chinese participants, who often requested their



Chinese friends or spouses to contact landlords or real estate agents on their behalf as they tended to receive better responses.

One Indian interviewee, Malini (not her real name), shared her experience where her mother, who is Chinese, found it significantly easier to receive responses from agents and landlords. In contrast, Malini, being of Indian descent, would often not receive any response at all. This situation escalated to the point where Malini had to rent an entire unit under her mother's name and provide additional reassurances to the landlord about her character, emphasizing that she is a "nice person." Similarly, Sherby, an Indian fresh graduate searching for rental accommodation with her friends after graduation, asked her Chinese friend to contact landlords and real estate agents, which helped her secure a rental unit. Vimal, another Indian tenant, recounted a similar experience where he would request his wife, who is Chinese, to reach out to landlords and agents to obtain information about properties.

A common theme among these three participants was that once they managed to arrange a viewing of the property, the agents and landlords were generally unperturbed by the fact that an Indian would be staying in the house. Vimal pointed out that the initial contact with landlords and agents was the most challenging barrier to overcome. However, once this stage was completed, the process typically became smoother, and landlords do not usually raise any further issues. These coping mechanisms highlight the creative yet troubling lengths to which non-Chinese tenants must go to secure rental properties, underscoring the pervasive nature of racial discrimination in the Malaysian rental market.

## Discriminatory Practices By Landlords Towards Minority Groups

Through interviews with several real estate agents, it became apparent that discrimination in the rental market manifests in two ways: direct and indirect. Direct discrimination occurs when advertisements explicitly state discriminatory terms such as "no Malay" or "no Indian." Indirect discrimination, on the other hand, involves listings that appear neutral but reveal the landlord's preferences only after the prospective tenant's inquiry, with real estate agents then informing them of the exclusions.

Natasha Gideon, a real estate negotiator with over eight years of experience in the field, explained that indirect

discrimination often manifests through real estate agents, who surreptitiously collect specific details from clients, ostensibly for the landlord's review. Yet, when race becomes a factor, this information is weaponised, leading to prospective tenants being informed that the landlord is seeking tenants of a particular race. She added that in more blatant instances, discrimination reveals itself overtly in property advertisements that unabashedly specify preferences based on race, effectively excluding individuals solely on their race.

During our interview, Natasha shared a chilling narrative that encapsulates the insidious nature of racial discrimination in the rental market where an Indian client seeking accommodation found themselves ensnared in a web of prejudice. As they navigated the arduous process of securing a place to call home, they were met with a stark reality: their complexion was a barrier to entry.

**In a conversation with the property owner, the client was shocked to hear the unequivocal statement, "I don't want anyone dark-skinned." The situation grew even more bewildering when the message relayed to her was stripped of nuance, reduced to a chilling directive: "No one black."**

Furthermore, she also pointed out the difficulty of operating without regulatory frameworks, as property owners often justify discriminatory practices by asserting ownership rights with statements like "this is my property." Even if anti-discrimination laws were enacted, implementation would be challenging because few real estate agents would feel empowered to challenge owners by saying, "Oh sir, you should not discriminate." In response, owners might simply refuse to work with those agents, directly impacting their earnings. Seemingly, this poses a significant challenge for budding and new real estate agents who are eager to establish their careers and earn a living.

The issue is exacerbated when property owners assert their right to choose tenants based on personal preference, as the absence of a legal framework to prevent such actions allows these practices to continue despite the significant ethical concerns. According to Natasha's experience in the real estate market, when faced with property owners who assert discriminatory preferences, her immediate approach is to avoid working with them again. She remarked that it is crucial for landlords to state their preferences upfront to prevent wasting the client's time. She said that

navigating the rental market has become increasingly difficult due to these challenges. Consequently, her solution has been to stop handling rental properties altogether and transition to selling instead. Additionally, when encountering co-agents who engage in or tolerate such behaviour, she makes it a point to cease any professional relationships with them as well.

This perspective underscores the prevailing dynamic within the real estate sector whereby agents and negotiators are largely constrained by the preferences of landlords, thereby rendering it more expedient for agents to opt for market withdrawal rather than confrontational engagement with landlords. The discernible power asymmetry between landlords and real estate agents accentuates the subservient role that agents are compelled to assume in order to sustain their professional endeavours. This dynamic underscores the pervasive influence wielded by landlords in shaping the operational landscape of the real estate market, thereby underscoring the intricate power dynamics that underlie the professional conduct of real estate agents.

In a separate interview conducted with Ms. Kang (not real name), a real estate professional primarily in the expatriate market, justification was provided for landlord requests for tenant nationality selection criteria. Drawing upon her extensive experience, Ms. Kang highlighted a prevailing preference among landlords for expatriate tenants over local residents, based on the perception that expatriates are more reliable payers. However, Ms. Kang also underscored the existence of discriminatory practices within expatriate communities. Notably, certain landlords exhibited preferences for specific nationalities over others, exemplified by a disinclination towards South Asian tenants due to concerns regarding culinary practices. Ms. Kang elucidated that some landlords harboured reservations over the potential olfactory residue resulting from spicy cooking, which could adhere to interior surfaces and necessitate extensive cleaning post-tenancy. This insight highlights the multifaceted nature of discrimination within the real estate sector, wherein considerations extend beyond nationality to encompass cultural practices and associated maintenance concerns.

In a subsequent interview, Mr. James Ryan, in his capacity as a landlord, emphasised the imperative for individuals to adopt a more empathetic approach towards rental dynamics. He advocated for the prioritisation of “Other Centeredness,” whereby considerations for the needs and perspectives of others take precedence. Mr.

Ryan underscored the importance of cultivating this mindset not only in interpersonal interactions but also in professional engagements, a principle he actively integrates into his role as a landlord. This emphasis on empathetic understanding and consideration reflects an appreciation for the complexities inherent in rental relationships and the potential for fostering more equitable and harmonious interactions within the real estate sector.

In an opinion provided by Datuk Chang Kim Loong, the Honorary Secretary of the National House Buyers Association in a YouTube video by HBA TV titled “Would the Proposed Residential Tenancy Act (RTA) Put An End to Tenancy Woes?”, Datuk Chang posits that racial discrimination may not constitute the principal concern within the rental market, as landlords retain the prerogative to select tenants based on personal preferences and past experiences. He further contends that the issue may not necessarily revolve around discrimination against specific racial groups, but rather reflects a perception that certain ethnicities may present as less desirable tenants. Illustrating this stance with a hypothetical scenario, Datuk Chang offers an example wherein a Chinese individual expresses interest in renting a unit for RM 2,000, whereas a Malay individual offers RM 2,300 for the same property. In such a scenario, he argues, the landlord is inclined to accept the higher rental offer, irrespective of the racial background of the prospective tenants<sup>2</sup>.

The assertion posited by certain landlords, as elucidated by Datuk Chang Kim Loong, that rental discrimination may be justified by landlords’ discretion based on personal preferences and past encounters, presents several inherent flaws. Firstly, such a stance reinforces the perception that landlords possess the prerogative to discriminate against potential tenants, thereby perpetuating the theoretical constructs of discrimination as discussed earlier in the paper. Furthermore, this viewpoint dismisses the documented instances of adverse tenant experiences reported within various media outlets. Additionally, it is imperative to recognize that rental property prices should ideally remain equitable across all racial groups, with no justification for disparate pricing based on ethnicity. Thus, any instance where one racial group is required to pay a higher rental fee than another for identical properties contradicts principles of fairness and equality within the rental market.

In conclusion, the discourse surrounding rental discrimination in Malaysia necessitates a nuanced understanding of the multifaceted dynamics at play

<sup>2</sup> Would the proposed Residential Tenancy Act (RTA) put an end to tenancy woes?: EP 12. YouTube. (2021, October 16).

within the housing market. Divergent perspectives exist among landlords and real estate agents on the prevalence and justification of discriminatory practices.

## Impact Of Discrimination On Minority Communities

An interview with Mr James Ryan Raj, Director of Constituency Coordination Department & Community Farming at the All-Party Parliamentary Group on Sustainable Development Goals (APPGM-SDG), illustrated that the most immediate effect of racial discrimination in the rental market is the restriction it places on tenants' choices. Families or individuals from discriminated-against backgrounds may find their housing options significantly limited. The bottom 40% of income earners (herein referred to as the "B40 community") are particularly affected by discrimination in urban areas. In situations where landlords often ask about job status when advertising rental properties, B40 community members frequently struggle to find a place to rent because they are perceived to have low-paying jobs.

When landlords refuse to rent to tenants based on ethnic or racial backgrounds, these potential renters often have no choice but to settle for suboptimal circumstances. They might end up living in less desirable neighbourhoods, far from their workplaces, schools or social communities. In some cases, they may even have to pay higher rents for similar or inferior properties, further straining their financial resources<sup>3</sup>. Furthermore, for many minority groups moving to more optimal neighbourhoods with lower crime rates, less environmental hazards, and convenient access to services, often presents significant challenges.

More importantly, discriminatory practices in the rental market exacerbate broader societal issues, particularly the reinforcement of social segregation. When individuals or families are restricted in their housing options due to discrimination, they often end up in areas predominantly inhabited by people who resemble them. This segregation restricts opportunities for interaction among different ethnic groups, which is crucial for fostering mutual understanding and respect. These divides perpetuate stereotypes and prejudices, making it more difficult to build a cohesive and inclusive society that values diversity.

---

<sup>3</sup> What did rentals look like since Merdeka 1957. SPEEDHOME Blog. (2023, August 30).



## Recommendations

Drawing upon the insights from qualitative research and interviews with relevant stakeholders, this section proposes tangible measures aimed at fostering inclusivity, equity, and fairness within the rental landscape.

In the short-term, we propose the following actions:

### 1. Mainstream usage of insurance policies tailored for rental properties to enhance security for both landlords and tenants.

Currently, landlords typically require a hefty deposit to safeguard against potential damages, but these deposits often fall short when extensive damages occur. By offering an insurance policy that landlords could purchase and tenants pay for on a yearly basis, this gap can be effectively addressed. Such insurance would eliminate the need for tenants to pay a deposit, providing landlords with guaranteed coverage for any damages. The implementation of this insurance policy might also reduce the tendency for landlords to stereotype or be overly selective about tenants, as they would have the assurance that any property damages would be covered by the insurance. For tenants, the benefits are significant. Instead of a hefty deposit, tenants would pay an annual insurance fee, which typically costs less than one month's rent. This fee is renewable, making it a more affordable option and reducing the financial burden associated with moving into a new rental property. Given the already high costs of moving, this insurance offers a practical solution to ease the financial strain on tenants. Insurance companies can capitalise on this opportunity by selling these policies through rental property platforms. This integration leverages existing systems, making implementation straightforward and efficient. Platforms like MyEG can facilitate the purchase of such insurance, similar to existing offerings like car or health insurance. Additionally, platforms such as Rumah-i and Speedhome have already successfully adopted this model with insurance provided by Allianz, proving its viability and effectiveness. The value of this recommendation is further supported by anecdotal evidence from landlords like Vimal, who expressed a strong preference for such an insurance option. Vimal recounted instances of financial loss due to tenants breaking their leases abruptly and emphasised that insurance would

have provided a safety net, preventing these losses.

### 2. Landlords and existing tenants in dispute can turn to small claims court for obtain redress.

In Malaysia, the small claims procedure is applicable for claims up to RM5,000. This is particularly suitable if an individual or company's property has been damaged due to someone else's negligence or misconduct, and the repair cost is relatively small. The small claims procedure has been touted as the 'cheap and cheerful' manner of resolving disputes in the Courts, as no legal representation is allowed. Similar to Singapore, the recent rental boom has led to an increase in landlords and tenants resorting to legal avenues to settle their disputes in the Small Claims Court (Lim, 2024). This venue allows landlords to take action against tenants for property damage, while tenants can seek redress for any unmet promises from landlords. Therefore, landlords have an opportunity to claim damages from the tenant. By providing a streamlined and accessible avenue for dispute resolution, the small claims court would alleviate the burden on the regular court system, thereby expediting the resolution process and reducing backlog. This process provides a layer of protection, ensuring landlords do not have to resort to discriminatory practices based on race. By utilising the small claims procedure, both parties can resolve disputes in a fair and legal manner, promoting a more equitable rental market.

### 3. Establishing a Code of Conduct for real estate industry players focusing on the promotion of fair housing practices.

This Code would serve as a comprehensive framework outlining ethical standards and non-discrimination policies for all industry players, including real estate agents, property managers, and landlords. Under this initiative, industry players who adhere to the Code's guidelines would be accredited, signifying their commitment to promoting fair housing practices and combating discrimination. This accreditation would confer legitimacy and credibility upon accredited industry players, enhancing their reputation and trustworthiness in the eyes of the public. Additionally, accredited professionals could benefit from increased visibility for their businesses, as consumers are likely to preferentially engage with real estate agents and property managers who are accredited for their adherence to non-

discrimination policies. A comparable code of conduct was established by Pusat Komang to advance equal opportunities through the eradication of racial discrimination within the employment sector. The elimination of racial discrimination is pivotal for fostering sustainable socio-economic development, as it ensures stable, fair, and equal employment opportunities. Umi Maisarah, Programme Director at Pusat Komang proposed that a similar regulatory framework could be devised for the real estate market. Such a framework would potentially replicate the positive impacts observed in the employment sector, promoting equity and inclusivity in housing opportunities.

In the long-term, we propose the following:

### **1. Enacting a Residential Tenancy Act (RTA).**

The Residential Tenancy Act (RTA), was initially eluded to in 2022. Introducing a Residential Tenancy Act stands as the foremost recommendation to combat racism within the property market. Such legislation can play a pivotal role in establishing clear legal standards and protections for both tenants and landlords, thereby fostering a more equitable rental landscape. A well-crafted RTA would include strong anti-discrimination clauses. These provisions embedded within the Act are to safeguard against discriminatory practices, ensuring that all applicants are treated fairly and without bias. Additionally, the Act should also include mandated fair housing policies promoting standardised application processes and unbiased decision-making, bolstering transparency and accountability. Moreover, the Act should lay out clear complaint and enforcement mechanisms, empowering tenants to seek redress in cases of perceived discrimination. However, the enactment of this legislation is not devoid of challenges. Foremost among these hurdles is ensuring compliance with the bill, as landlords and real estate agents may perceive it as encroaching upon their property rights or potentially diminishing profitability. This could precipitate tensions between stakeholders, with varying degrees of willingness to adhere to the legislation. Furthermore, striking a delicate balance between tenant protection and landlord assurance is essential to avoid unintended consequences such as deterring property investment or leaving tenants vulnerable.

For example, the Singapore Residential Tenancies Act (RTA) delineates the rights and obligations of landlords and tenants, addressing various aspects

such as rental payments, tenancy termination, and dispute resolution processes. It is essential to note that the RTA in Singapore does not address issues of discrimination or racism against tenants. Addressing rental racism through the RTA poses significant challenges, primarily because it is difficult to compel landlords to disregard their personal preferences in renting their properties. Property ownership rights grant landlords the autonomy to decide how to utilise their property. Therefore, the RTA must be carefully crafted to combat rental racism without infringing upon these fundamental rights of property owners. Thus, while the enactment of a Residential Tenancy Act presents a promising avenue for combatting racism within the property market, navigating the associated challenges demands careful consideration and proactive measures to ensure its effectiveness and equitable implementation.

### **2. Promoting education initiatives for landlords, real estate agents and property managers.**

To combat discrimination within the Malaysian property market, we recommend the promotion of continuous education initiatives tailored for landlords, real estate agents, and property managers. These educational programmes would serve to raise awareness about discriminatory practices, highlight the legal and ethical implications thereof, and provide guidance on fostering inclusive and equitable rental environments. By equipping stakeholders with the knowledge and tools necessary to recognise and address discriminatory behaviours, these initiatives can catalyse a transformative shift towards more inclusive practices within the industry. Moreover, fostering a culture of continuous learning and professional development among landlords, real estate agents, and property managers is essential for staying abreast of evolving legal standards, best practices, and societal norms pertaining to discrimination. It is essential to recognise that while legal mechanisms are indispensable for enforcing anti-discrimination laws, they alone are not sufficient to address the root causes of discriminatory practices within the property market. Therefore, complementary education initiatives must be implemented to foster a deeper understanding of discrimination issues among landlords, real estate agents, and property managers, thereby promoting proactive measures to combat discrimination and cultivate inclusive rental environments. Many interviewees believe that education initiatives are the most effective ways to combat rental racism, as they directly target and address existing

stereotypical beliefs about races in Malaysia. Continuous education programmes for landlords, real estate agents, and property managers can foster a deeper understanding and appreciation of cultural diversity, dispelling myths and prejudices that often lead to discriminatory practices.

### **3. Enacting anti-discrimination legislation in Malaysia to combat racism and discrimination.**

Establishing comprehensive anti-discrimination legislation in Malaysia is imperative to combat racism and discrimination across all sectors. This law should encompass robust provisions that explicitly prohibit discrimination on the basis of race, ethnicity, religion, gender, disability and other protected characteristics. Such legislation would serve as a powerful deterrent against discriminatory practices, providing victims with legal recourse and redress in cases of discrimination. Moreover, the law should mandate proactive measures to promote diversity, equity, and inclusion in workplaces, educational institutions, housing, public services, and beyond. This could include requirements for diversity training programmes, affirmative action initiatives, and the establishment of oversight bodies to monitor compliance and enforce the law. By enshrining principles of equality and non-discrimination into law, Malaysia can foster a more just and inclusive society where all individuals are afforded equal opportunities and dignity, regardless of their background or identity.

key stakeholders, including tenants, landlords, real estate agents, and advocacy groups, policymakers can gain valuable insights into the root causes of discrimination and develop targeted interventions to address them. Clear and accessible information about tenants' rights and fair housing practices is essential to empower individuals to recognise and report instances of discrimination. Additionally, establishing adequate support systems, such as helplines, legal assistance services, and mediation programmes, could provide recourse for victims of discrimination and ensure that their rights are protected.

Combating rental racism requires a comprehensive and collaborative effort that prioritises equity, fairness, and inclusivity. By implementing evidence-based policies and strategies informed by stakeholder input and feedback, Malaysia can move closer to realising a rental market that is free from discrimination and provides equal opportunities for all individuals.

## **Conclusion**

The purpose of this research was twofold; to examine the prevalence of racial discrimination in the rental housing market in Malaysia and determine the drive/factors (if any). In this research, evidence of the occurrence of discrimination based on ethnicity and race exists in Malaysia. Prejudice, often manifested as statistical discrimination, leads landlords to possess limited understanding of certain ethnic groups. Additionally, influenced by their own social affiliations, landlords tend to favour those belonging to similar social groups over minority or other ethnic groups. Consequently, this bias creates barriers for minority ethnic groups in accessing rental accommodation facilities.

Addressing rental racism requires a multifaceted approach that engages stakeholders, provides accessible information, and establishes robust support systems. By conducting extensive consultations with



## References

- Aigner, D. J., & Cain, G. G. (1977). Statistical theories of discrimination in labor markets. *ILR Review*, 30(2), 175–187. <https://doi.org/10.1177/001979397703000204>
- Atsumi, S. (2003). The Repeal of Rent Control in Malaysia. *Cornell Real Estate Journal*. <https://core.ac.uk/download/pdf/145016416.pdf>
- Cheung, H. (2014, May 1). “no Indians no PRCS”: Singapore’s rental discrimination problem. *BBC News*. <https://www.bbc.com/news/world-asia-26832115>
- Flage, A. (2018). Ethnic and gender discrimination in the rental housing market: Evidence from a meta-analysis of correspondence tests, 2006–2017. *Journal of Housing Economics*, 41, 251–273. <https://doi.org/10.1016/j.jhe.2018.07.003>
- Hewstone, M., Rubin, M., & Willis, H. (2002). Intergroup bias. *Annual Review of Psychology*, 53(1), 575–604. <https://doi.org/10.1146/annurev.psych.53.100901.135109>
- Johnson, G. B. (1958). *The economics of discrimination*. by Gary S. Becker. Chicago: University of Chicago Press, 1957. 137 pp. \$3.50. *Social Forces*, 37(2), 180–181. <https://doi.org/10.2307/2572813>
- Lim, J. (2024, March 11). More landlords and tenants turn to small claims tribunals to settle rental disputes. *The Straits Times*. <https://www.straitstimes.com/business/property/more-landlords-and-tenants-turn-to-small-claims-tribunals-to-settle-rental-disputes?close=true>
- Nutsugbodo, R. Y., Anaafo, D., Ankamah, S., & Bannor, R. K. (2022). Discrimination in the rental housing market in the Sunyani Municipality, Ghana. *Urban, Planning and Transport Research*, 10(1), 159–180. <https://doi.org/10.1080/21650020.2022.2072947>
- Nyshka Chandran, M. L. (2017, March 3). Even in weak market, racial bias trumps profit for many Singapore landlords. *CNBC*. <https://www.cnbc.com/2017/03/02/singapore-rental-racism-prc-and-indian-tenants-often-deemed-undesirable.html>
- Pereira, G. (2022, October 19). Racism in postcolonial Malaysia. *IDEAS*. <https://www.ideas.org.my/racism-in-postcolonial-malaysia/>
- Racial riots (1964 and 1969). SG101. (n.d.). <https://www.sg101.gov.sg/social-national-identity/examples/racialriots/>
- What did rentals look like since Merdeka 1957. *SPEEDHOME Blog*. (2023, August 30). <https://speedhome.com/blog/what-did-rentals-look-like-since-merdeka-1957>
- What is Bovaea (Malaysia Board of Valuers, Appraisers and Estate Agents malaysia)/lppeh (Lembaga Penilai, Pentaksir Dan Ejen Harta Tanah)? | propertyguru Malaysia. (n.d.). <https://www.propertyguru.com.my/property-guides/what-is-bovaea-malaysia-board-of-valuers-appraisers-and-estate-agents-malaysia-lppeh-lembaga-penilai-pentaksir-dan-ejen-harta-tanah-9577>
- Would the proposed Residential Tenancy Act (RTA) put an end to tenancy woes?: EP 12. *YouTube*. (2021, October 16). <https://youtu.be/uBUqjrOJV3E?si=CbnOMHz-Mx0UyI2Z>



**Architects  
of Diversity**

[www.aodmalaysia.org](http://www.aodmalaysia.org)



[@aodmalaysia](https://www.instagram.com/aodmalaysia)



[contact@aodmalaysia.org](mailto:contact@aodmalaysia.org)