FRIDAY JANUARY 15, 2016
ISSUE 2087/2016

A PULLOUT **EVERY FRIDAY** WITH
THE EDGE FD FINANCIAL DAILY MAKE BETTER DECISIONS
PP 9974/08/2013 (032820)

THE EDGE PROPERTY
Read this copy online @ TheEdgeProperty.com
MAKE BETTER DECISIONS

EP3 NEWS

Cost saving, trends to impact office space

EP6 FEATURE

Time for bargains in the Golden Triangle?

EP8 FEATURE

'Lower returns to be the norm'

PROPERTY INVESTMENT in the year of the FIRE MONKEY

Dato' Joey Yap's tips on real estate investment in 2016 from the perspective of Chinese metaphysics. See story on pages EP4 & 5.

The 3,000-strong crowd at Joey Yap's Feng Shui and Astrology Seminar in Kuala Lumpur on Jan 10.

KENNY YAP/THE EDGE PROPERTY

ON THEEDGE PROPERTY TV at www.TheEdgeProperty.com

Petaling Jaya's Damansara areas among the most popular addresses in the Klang Valley

The Edge Malaysia Property Excellence Awards 2015

THEEDGE

The Edge Communications Sdn Bhd
(266980-X)
Level 3, Menara KLK, No 1 Jalan PJU 7/6,
Mutiara Damansara, 47810 Petaling Jaya,
Selangor, Malaysia

Publisher and Group CEO Ho Kay Tat

Editorial
For News Tips/Press Releases
Tel: 03-7721 8219 Fax: 03-7721 8038
Email: propertyeditor@bizedge.com

Senior Managing Editor Azam Aris
Contributing Editor Sharon Kam
Editor Rosalynn Poh
Deputy Editors E Jacqui Chan, Wong King Wai
Assistant Editor Lam Jian Wyn
Senior Writer Racheal Lee
Writers Chai Yee Hoong, Rachel Chew, Hannah Rafee, Tan Ai Leng, Natalie Khoo, Ewe Shufei

Art Director Sharon Khoh
Design Team Cheryl Loh, Valerie Chin, Aaron Boudville, Aminullah Abdul Karim, Yong Yik Sheng, Tun Mohd Zafian Mohd Za'abah, Noorain Duasa

Corporate
Managing Director Au Foong Yee
Deputy Managing Director
Lim Shiew Yuin

Advertising & Marketing
To advertise contact
GL: (03) 7721 8000
Fax: (03) 7721 8288
Chief Marketing Officer
Sharon Teh (012) 313 9056
General Manager, Digital Media
Kingston Low (012) 278 5540
Senior Sales Managers
Geetha Perumal (016) 250 8640
Fong Lai Kuan (012) 386 2831
Peter Hoe (019) 221 5351
Gregory Thu (012) 376 0614
Creative Marketing
Chris Wong (016) 687 6577
Head of Marketing Support & Ad Traffic
Lorraine Chan (03) 7721 8001
Email: mkt.ad@bizedge.com

The Edge Property is published and distributed with The Edge Financial Daily every Friday. For more property data, listings and news, go to TheEdgeProperty.com.

NEWS ROUNDUP

Go to **TheEdgeProperty.com** for more property news

Flat growth for Klang Valley property market - WTW

Demand for high-rise residential property is expected to remain flat in the next two to three years owing to a mismatch between supply and demand, according to international property consultant C H Williams Talhar & Wong Sdn Bhd (WTW).

Citing the high-end segment as an example, WTW managing director Foo Gee Jen said Kuala Lumpur has an existing supply of 36,252 luxury high-rise residential units in 2015 of which about 75% are shoebox units, of between 400 sq ft and 600 sq ft in built-up area.

"We have far too many small units, or what we call, shoebox units, in the market [which] are not what the end-user really wants. Until all existing units are filled up, the high-rise residential market will remain flat. And, that will probably take more than one or two years," said Foo at the launch of WTW's Property Market 2016 report on Jan 12.

"We are concerned about the future supply [that] will see an increase of 37.2% (49,752 units) of new luxury high-rise units injected into the market [by 2017] in Kuala Lumpur," he added.

Hua Yang plans mixed-use development in Plentong, Johor Bahru

Hua Yang Bhd plans to develop a mixed-use development with a GDV of RM346.4 million in Mukim Plentong, Johor Bahru.

In a filing with Bursa Malaysia on Jan 11, the property developer said it will acquire eight parcels of freehold land totalling 73.16 acres in Johor Bahru for RM75.6 million through the purchase of Grand View Realty Sdn Bhd, a Johor-based property development company.

To be developed in eight phases, the proposed project will feature cluster homes, semi-detached homes, shop offices and homes under the Johor affordable housing scheme. Hua Yang now has a total undeveloped land bank of 550 acres, with a potential GDV of RM4 billion.

Agile Mont' Kiara officially launched

Agile Mont'Kiara, a joint venture project between Agile Real Estate Development Sdn Bhd and PJ Development Holdings Bhd, was officially launched by Kuala Lumpur mayor Datuk Mohd Amin Nordin Abd Aziz on Jan 9.

The 10-acre freehold Agile Mont'Kiara in Mont'Kiara, Kuala Lumpur, comprises 11 towers housing a total of 813 units of between 1,162 sq ft and 5,037 sq ft in built-up area. Prices start at RM1.1 million or RM800 psf.

Scheduled to be completed by the fourth quarter of 2019, Agile Mont'Kiara is the first international project by Agile Property Holdings. The development has a gross development value (GDV) of RM1.4 billion.

About six acres of the 10 acres will be used for recreational pool and park areas, said Agile Real Estate Development CEO Wilson Ren at the launch.

"The development exuberates tranquillity and nature, making Agile an oasis in the heart of Mont'Kiara," he added.

Wahab no longer Sime Darby COO

Tan Sri Dr Abd Wahab Maskan relinquished his responsibilities as chief operating officer of Sime Darby Bhd on Dec 31 for health reasons, the Sime Darby Bhd said in a filing with Bursa Malaysia on Jan 11.

Abd Wahab has also vacated his managing director position in Sime Darby Property Bhd. Abd Wahab had been the COO of Sime Darby since June, 2008, and managing director of Sime Darby Property since June, 2011.

He was instrumental in steering Sime Darby in the Malaysian-led consortium to redevelop Battersea Power Station in London. He previously held management and board positions in companies in Malaysia, Europe and Asia, covering plantation, property, construction, manufacturing and services.

Prior to joining Sime Darby, Abd Wahab was group chief executive of Kumpulan Guthrie Bhd and Golden Hope Plantations Bhd.

Penang undersea tunnel work sees slight delay

Consortium Zenith BUCG Sdn Bhd (CZBUCG), the main contractor for the RM6.3 billion undersea tunnel project in Penang, will commence construction on June 15, behind schedule.

CZBUCG chairman Datuk Zarul Ahmad Mohd Zulkifli told *The Edge Financial Daily* the consortium will first begin construction of the three highways that form part of the project before embarking on building the 7.2km undersea tunnel linking Penang island to the mainland.

The three road projects are the paired-road from Jalan Tanjung Bungah to Teluk Bahang, the Air Itam to Tun Dr Lim Chong Eu Expressway bypass, and the bypass from Gurney Drive to Tun Dr Lim Chong Eu Expressway. These have a combined length of 21.2km. As the highways would take about six years to complete, he estimates that CZBUCG would begin the environmental impact assessment for the undersea tunnel by 2017 or 2018.

LAUNCHES & EVENTS

If you have any real estate-related events, email us at propertyeditor@bizedge.com. Events listed here will also appear on **TheEdgeProperty.com.**

Property Tips for Challenging Times Ahead

Date: Jan 16 (Sat)
Venue: MIEA Penang Branch, Unit 9 & 10, 5th Floor, Axis Complex, 35 Jalan Cantonment, 10350 Penang
Time: 8.30am to 5pm
Contact: (04) 228 8333
Organised by the Malaysian Institute of Estate Agents Penang, this full-day seminar features speakers who will share insights on international property investment trends, pitfalls in land transactions and the Penang property outlook for 2016. Interested participants can pay a fee to attend.

Mah Sing BaziChic Chinese Metaphysics Consultancy

Date: Jan 17 (Sunday)
Venue: Icon Residence, Mont Kiara, Level 7 Function Room, 1, Persiaran Dutamas, Kuala Lumpur
Time: 10am to 6pm
Contact: (03) 9221 8888 / (012) 215 2331
Topics covered will include 2016 feng shui, Chinese astrology, auspicious dates, as well as free BaZi and tea leaf divination readings. Seats are limited. Please RSVP at 012 215 2331.

Mah Sing Feng Shui Presentation

Date: Jan 16 and 17 (Sat and Sun)
Venue: MCity Sales Gallery, Icon Tun Razak, No 1, Jalan 1/68F, Off Jalan Tun Razak, Kuala Lumpur
Time: 10am to 6pmContact: (03) 9221 8888 / (018) 271 7221 (Samantha Onn)
Among the talks at the event is one by feng shui consultant Kenny Hoo, on "Good Feng Shui Golden Tips to Greater Success in Economic Turbulence", and a property talk by Ishmael Ho of Ho Chin Soon Research Sdn Bhd.

UK Property Finance and Tax Seminar

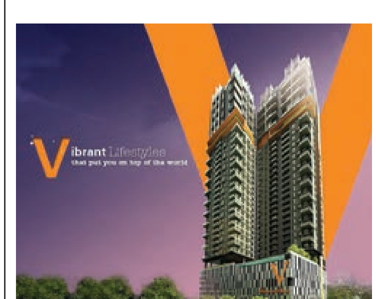
Date: Jan 16 (Sat)
Venue: DoubleTree by Hilton Johor Bahru, Level 11, Meeting Rooms 1 & 2, No 12 Jalan Ngee Heng, 80000 Johor Bahru
Time: 2pm to 6pm
Contact: (012) 340 4931 (Diana) / (019) 227 5317 (Anna)
There will be a talk on finance and tax by Jordan Smith of Capricorn Financial, London. Showcase properties include the Kidbrooke Village Centre in Greenwich and the Royal Arsenal Riverside in Woolwich.

London Property Seminar

Date: Jan 16 (Sat)
Venue: Saffron International, 73 Jalan Maarof Bangsar, 59200 Kuala Lumpur
Time: 2pm
Contact: (03) 2201 5818 / (011) 189 8878 (Daniel Lim)
Topics include understanding the London property market and sub markets, the best types of properties to buy, how to source for below-market value properties, development finance and more. Limited seats.

Australian Property Showcase

Date: Jan 16 to 17 (Sat and Sun)
Venue: Mersawa & Meranti, Eastin Hotel Petaling Jaya, 13, Jalan 16/11, Pusat Perdagangan Phileo Damansara, 46350 Petaling Jaya, Selangor
Time: 10am to 7pm
Contact: 016 228 9150 / 016 228 8691
Featuring a collection of Australian real estate across Melbourne, Perth & Brisbane. Projects include landed property, townhouses and condominiums located in high-growth areas with good potential for capital appreciation and a conducive living environment.



Showcase of V@Summerplace

Date: Jan 16 (Sat)
Venue: Connoisseur Sales Gallery, 8-8B Jalan Bukit Meldrum, Jalan Tanjung Puteri, Johor Bahru, 80300 Johor Bahru
Time: 11am to 5pm
Contact: (07) 221 0210
Showcasing the units available in V@Summerplace, including 642 sq ft 1-bedroom suites, 1,108 sq ft duplex suites and 1,375 sq ft 3-bedroom serviced suites. The project is located near the Johor Bahru Customs, Immigration and Quarantine complex.

Cost saving, trends to impact office space

BY HANNAH RAFEE

In manoeuvring around the slow property market, multinational companies (MNCs) are looking at ways to save cost. Knight Frank Malaysia Sdn Bhd managing director Sarkunan Subramaniam told *The Edge Malaysia* that office space has become an integral part of cost savings and a key focus for MNCs in 2016.

"The office market has evolved. Office space used to be something that companies needed in order to conduct businesses. It has now grown to become perhaps the largest cost for a company, thus an integral part of cost savings. The question is how do we go about it in order to sustain its demand and occupancy," he said.

Sarkunan is set to present a talk on "Office Market Performance and Outlook" at the upcoming 9th Malaysian Property Summit (9MPS) 2016 organised by the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the private sector (PEPS) on Jan 20. *The Edge Malaysia* and *TheEdgeProperty.com* are media partners of the event. It will cover the latest office market statistics such as supply, occupancy rate, rental rate, total absorption and its movements over the years, office spaces under construction and market trends in 2016.

Sarkunan: The economy today is volatile..the key is to survey these economic changes to address the office market

Office space has grown to become the largest cost for a company, thus an integral part of cost savings.

Sarkunan foresees that the shift from a "landlord" to a "tenant" market will cause the take-up rate and occupancy levels to drop in 2016.

"The overall rental rate may dip over time due to heightened competition in our tenant-favoured environment. Many enterprises are freezing their business activities, reducing investment on staff and consolidating their positions due to the slow economy. This will impact the take-up rate and overall occupancy levels. However, rental rates of well-located and good grade office spaces are expected to remain resilient," he elaborated.

Landlords are adopting aggressive marketing plans to improve their overall occupancy levels, he says. Meanwhile, tenants continue to be offered attractive rent, incentives and tenancy terms such as longer rent-free periods.

The correlation between office occupancy and the market will be more significant in 2016.

"The contraction of the oil and gas sector is a significant trend leading up to the fall of oil prices. The main lifeline of one of the leading sectors has dried up," said Sarkunan. "The economy today is certainly more volatile ... one day [oil prices] could run high, then fluctuate dramatically the next. The key is to survey these economic changes in the next 10 years in order to address the office market and make the changes accordingly."

Meanwhile, a few underlying factors are causing changes in the office market this year. "We need to study the impact and the changes in the office environment. In terms of legal issues, we need to know how dynamic leases are today, and also the need for flexibility. Most importantly, we need to understand what is driving the market," he said.

"Moving forward, things are going to change as far as corporate occupancy is concerned," he predicts.

Visit www.peps.org.my for more details on 9MPS and to download the registration form.

MREITs may acquire more assets this year

BY LAM JIAN WYN

Malaysian real estate investment trusts (MREITs) may step up acquisitions this year as the rental reversion cycle peaked in 2014, which helps with asset valuations said Malaysian REIT Managers Association chairman Datuk Stewart LaBrooy.

"Channel checks indicate that prime retail asset valuations are trending closer to more realistic cap rate values of above 6% from 5.5%, while industrial cap rates are fetching better rates of 7% to 8%, as evident from Axis REIT's recent acquisitions and letters of offer," he told *The Edge Malaysia*.

LaBrooy, who will be speaking at the 9th Malaysian Property Summit (9MPS) 2016, to be held at the Sime Darby Convention Centre in Bukit Kiara on Jan 20, will present a paper on the REIT market, its performance and outlook. *The Edge Malaysia* and *TheEdgeProperty.com* are media partners of the event.

LaBrooy, who is also a former CEO of Axis REIT Managers Bhd, also notes that MREITs may have the opportunity to buy properties from companies seeking to monetise their assets to recapitalise their balance sheets given the economic slowdown.

However, he said the challenge lies in buying yield-accretive assets. He also observes a gradual tightening of credit, which may crimp lending and growth.

LaBrooy: For the MREIT market, buy on price weakness and hold. The dividends and capital growth will never disappoint in the long run.

On the US Federal Reserve's interest rate hike, LaBrooy says he expects a repricing of MREITs as uncertains over the global central banking system's next move has been resolved and the ringgit's volatility has subsided.

"However, there is a strong possibility that these [rate] increases could continue well into 2016 and put pressure on the ringgit," he said.

"We need to keep an eye on the volatile bond markets as that will determine if Bank Negara [Malaysia] would raise the overnight policy rate in 2016. However, the view is that it will hold it this year at 3.25%."

According to LaBrooy, as MREITs' fundamentals are backed by steady organic earnings growth such as positive rent reversions, space reconfigurations and stable occupancy rates as well as healthy balance sheets with gearing ratios of 0.14 to 0.44 times, their good valuations could shield investors from a sudden surge in bond yields.

"For investors looking for yield in these markets, they are increasingly turning to dividend stocks for security — and what better way than in REITs. This is reflected by the stable unit prices REITs have displayed in the current volatile stock market," he said.

"However, I believe that we will see a muted REIT performance from an earnings and capital growth perspective, as rental gains will be flat unless tenancies are pegged to automatic reversions upon renewal.

"Fixed deposit rates are rising as banks compete to attract funds (some are offering 4% to 5% per annum). They are tantalisingly close to REIT returns.

"For the MREIT market, buy on price weakness and hold. The dividends and capital growth will never disappoint in the long run."

LaBrooy's top picks include REITs with long contractual leases in offices such as KLCC Stapled REIT and MRCB-Quill REIT, industrials with strong portfolios such as Axis REIT, and retail types with "five-star assets" such as Pavilion REIT, Sunway REIT, IGB REIT and CapitaLand Malaysia Mall Trust. "They will ride the current market volatility with ease," he says.

Visit www.peps.org.my for more details on 9MPS and to download the registration form.

PHOTOS BY KENNY YAP/THE EDGE PROPERTY

Yap: There are strong elements in Malaysia' natal chart which could support the country's growth in 2016.

Optimism amidst challenges

A year to invest in property for the long term, says Joey Yap

BY TAN AI LENG

Bearish oil prices, economic turbulence, ringgit depreciation and negative news from around the world have cast a shadow on 2016. However, Chinese metaphysics consultant Dato' Joey Yap sees a silver lining behind the gloominess.

During an interview with TheEdgeProperty.com following the end of his presentation at his Feng Shui and Astrology Seminar 2016 in Kuala Lumpur last Sunday, Yap said the Year of the Fire Monkey will see the Fire element being dominant this year. Chinese astrology is divided into Wuxing or the five elements — metal, wood, water, fire and earth, with each element having its own strengths.

According to Yap, the overall outlook for Malaysia is optimistic as the country will continue to see positive growth. "Overall, I would give a B+ to 2016, as there are strong elements which support the country," he said.

However, it will remain a challenging year for the country as there may be a crisis looming in the horizon. However, Yap said the crisis could be resolved with the unity of Malaysians.

He added that there are indications of some problems or accidents related to transportation which will make the headlines this year.

"The water element hidden underneath is strong, so it might be a tsunami alert while the strong fire element indicates strong winds, which could mean a typhoon or wind-related disaster," he explained.

Malaysia has strong metal elements but the element will clash with the dominant fire element and wood element this year — signalling conflict and disputes as well as a possible "explosion" incident.

A strong fire element also represents competition and people may have difficulty controlling their temper and there will be explosive behaviours, which trigger disputes.

The metal element clashing with the dominant fire element will affect industries related to the metal element including the financial and banking sectors, automotive and manufacturing segments, and legal as well as military professions.

Meanwhile, the earth element is the weakest this year. Industries related to the earth element will see slow growth in the year of the Fire Monkey, including the property, construction, insurance, mining and escrow services sectors.

Assets instead of cash

The first six months of this year may see the ringgit depreciate to RM5 against the US dollar, predicted Yap. Due to the ringgit's depreciation, many developers have diversified their portfolio to the overseas market. Yap sees this as a smart move as this could help them cushion the currency volatility.

Yap, himself a property investor, also gave some pointers on property investing this year.

"In general, I would say north and south are the 'most wanted' directions as the places in these two directions — Penang and Johor — are booming. Although the Johor market has slowed, it's still a good place to look at in the long-run," he remarked.

Despite the slowdown in the property sector, Yap suggested that 2016 will be a good year for buying a house for one's own stay or for long-term investment.

"In general, a lot of [property] players are slowing down their development pace. If you are a true investor, now is a good time to buy properties as people may be desperate to sell. But do keep in mind, it's for long-term investment — it is not a good time for speculation," he said.

Furthermore, from the Chinese astrology perspective, as the metal element clashes with the fire element, the ringgit's (metal element) value will depreciate further. So, "instead of keeping the cash in the bank, it's better to accumulate assets", he added.

Klang Valley property market outlook

From the feng shui perspective, Kuala Lumpur's Mont'Kiara and Bangsar, and Semenyih in Selangor are showing good signs of growth.

"There are some good stars in the Mont'Kiara area, I don't think it's running out of steam yet as an investment hotspot," Yap explained.

He noted that for those looking to buy a property for their own stay, Bangsar is another good choice. "The mountain dragon is in good long lasting position, offering good Feng Shui to residents there. However, in terms of capital appreciation, it might be slower as there is no growth star in that area," he said.

In feng shui, mountains and water are two important elements as they represent Yin and Yang — elements to consider when choosing properties. Feng Shui is a metaphysical science where one learns to recognise and tap the Qi (cosmic energies) of the living environment to benefit an individual's life.

Semenyih is a good location, especially after the opening of a new highway, said Yap. "The highway has improved the accessibility to Semenyih. From the Feng Shui perspective, it has also opened a way for 'water' to pass by that area, linking wealth to Semenyih," he said.

He also saw good feng shui in Kuala Lumpur's Taman Tun Dr Ismail (TTDI), Damansara Heights, Bukit Tunku, Seputeh and Kota Damansara in Selangor. But he noticed that the strength in the KLCC area and Damansara Perdana area in Petaling Jaya has weakened.

"TTDI has one of the oldest (mountain) dragons, however, its power has weakened as many roads have been built in the area — breaking the neck of the dragon — the growth momentum is still there but the pace is slowing. Overall, TTDI is still a good place," he explained.

He added that popular places such as Kota Damansara, Damansara Heights, Bukit Tunku and Seputeh are still great as the mountain in these places are still intact, offering good feng shui to those residing in these areas.

Signs of recovery in 2018

Despite the negative news and sentiments whirling around suggesting that Malaysia's economy may dive this year owing to the weak ringgit and poor commodity prices, Yap is confident that the economy will remain intact. "Growth may be slower with a lot of challenges ahead but it definitely will not hit bottom," he said.

"We will have some challenges economi-

A private person

STARTING his metaphysic consultation career as a 20-year old, Dato' Joey Yap has gained international popularity over the years. He is famous for his "Joey Yap style" of modern feng shui interpretation, teaching the destiny analysis in a scientific and a relatively simple way.

Yap had never expected to become famous or be the icon for feng shui.

"I didn't go out seeking fame. When I started the company, my main objective was to disseminate the information of destiny analysis and to offer people consultation services to solve their problems," said the 39-year-old Chinese Metaphysics expert during an interview with TheEdgeProperty.com after his Feng Shui and Astrology seminar 2016 in Kuala Lumpur on Jan 10.

Fame and popularity came along following an opportunity to appear on TV shows in Australia and Malaysia to share his thoughts on feng shui and after being invited to hold his own feng shui seminars.

"I think I'm very much a private person, I enjoy writing and compiling technical information for my books, and I enjoy thinking. Normally, I will start work around 11pm to 1am, as I am most creative during 'rat' hours (11pm to 1am in Chinese metaphysics)," he remarked.

Being a father of a pair of twin daughters, Yap is trying to squeeze in more family time despite his busy schedule. He will be flying to Singapore — the next stop in his global tour tomorrow (this Saturday). The Joey Yap's Feng Shui and Astrology 2016 global tour covers 11 cities, including New York, Jakarta, Manila, Vancouver, Melbourne and Ho Chi Minh City.

In order to spend more time with his family, he plans to move his training platform online via live webcasts to provide training to his students all over the world.

"Webcast is something new that I am trying to implement so I can have more time with my family. As times change, we have to do things to follow the trend and not in conventional ways. Through online training, I can reach the whole world," he explained.

Yap is the chief consultant of the Joey Yap Consulting Group and founder of the Mastery Academy of Chinese Metaphysics. Yap contributes a regular Feng Shui column in *The Edge Property* and provides Feng Shui advice on TheEdgeProperty.com.

cally and politically, but Malaysia is located in a good area. As long as people are united and the business community wants to continue to grow, things will improve in the long run," he explained.

On the property market, he said signs of a rebound will only appear by end-2017 (Rooster year) as the earth element will dominate in 2018. He expects another property boom then.

"Currently, although the earth element is weak, the growth momentum did not disappear. Property prices might dip a little but it will not be a sharp decline," he said.

Seeking guidance from Chinese metaphysics

When times are bad, more people will become interested in Chinese metaphysics to provide them with better insights into their destiny, observed Yap.

Interestingly, during the Q&A session at the seminar, a number of questions were related to changing career paths or starting of businesses. Some of them came from those in the banking and oil and gas industries (metal and fire element). Yap said the weakening of the metal element would have some impact on its related industries. Employees in these industries may be affected, hence their concern and need to seek advice from Chinese metaphysics.

However, he clarified that Chinese metaphysics is not fortune telling. "We call it destiny analysis, providing options through a method of systematic analysis," he explained.

"A better year starts with better decisions, but it's not easy to make good decisions as they depend on available options or choices; the question is how to determine which is the best choice or option. What destiny analysis does is to give you an insight into those choices," he explained.

01. Yap taking a selfie with his fans during one of his book signing sessions at the seminar on Sunday.

02. About 3,000 participants attended the full day Fengshui & Astrology seminar in English on Sunday.

03. Seminar participants also took the opportunity to find out more about theedgeproperty.com, the seminar's media partner.

04. Participants checking out some of Joey Yap's books on Chinese metaphysics.

01


02

03


04

Go for the long-term investment

BY RACHEAL LEE

IF there is one piece of advice to follow in 2016, it is to take the long-term view when it comes to property investment.

Chinese Metaphysics consultant Dato' Joey Yap said there will be many opportunities in the property market in 2016 but they should be long-term investments for better returns.

Yap told participants at Joey Yap's Feng Shui & Astrology 2016 seminar held in Kuala Lumpur over the weekend that the Malaysian ringgit is expected to depreciate further because this year belongs to the fire element, which would clash with industries of the metal element such as the currency market.

"The ringgit will depreciate further, and the value of the money you have in the bank will decrease," he said, which means: "It is better to buy property now as it is a buyers' market. However, do not buy for flipping."

The Qi flow this year favours properties located in the East, South, Southeast and Southwest parts of Kuala Lumpur, he said.

"Also, investors should invest in properties with strong brand names and have flawless reputations."

Meanwhile, the 2016 feng shui stars are located in the north west, west, east and south east.

The seminars in Kuala Lumpur were held over two days, with the one on Jan 9 in Cantonese followed by the seminar in English on Jan 10. Each seminar attracted more than 3,000 people. *The Edge Property* and TheEdgeProperty.com are the media partners for the seminar in Malaysia.

Yap shared his analysis of the economy and various industry outlooks for 2016 from the perspective of feng shui and astrology. During the Q&A sessions, most participants asked about property investments as well as the viability of starting new businesses in the new year.

An administration executive who only wants to be known as Joyce, had attended the annual seminar before. She said she wanted to get a brief outlook for 2016 based on her BaZi. "I get to know my strengths and weaknesses, and what I should focus and improve on. I will have higher self-awareness over things around me," the 38-year-old said.

Meanwhile, 80-year-old property investor Allan Chu said feng shui helps him in his personal and family life. "I believe that feng shui has power, and I will check the feng shui aspects for many things so that I know what I can be aware of. feng shui also takes care of my health, and that's why I live long," he quipped.

According to the chinese Solar calendar, Feb 4 is the start of the transitional year of the Fire Monkey. Yap noted that the property and construction industries, which are represented by the earth element, may see robust earnings but slower growth in 2016.

This prediction is based on the weaker earth element this year. Industries belonging to this element may not perform as well as others. Other sectors under the earth element include insurance, mining and escrow industries which may face conflict and shortages.

"Sectors that consist of the earth industries have a strong wealth element, indicating that these sectors may have robust earnings but are not able to fully take advantage of their annual financial prospects. This could be due to the lack of the right products or opportunities," Yap explained.

Industries of the fire element, such as energy, oil and gas, aviation, media, food & hospitality, pharmaceutical, electronics and telecommunications, will see greater competition, and cashflow problems. Wood industries such as agriculture, education, timber and commodities will be bearish and face conflict such as legal matters as well as excessive rainfall.

Metal industries, which include automobile and manufacturing, legal, military and financial and banking, will see competition and conflict although there will be collaboration and positive financial outcomes. Water industries, such as tourism, beverage, aquatics, service and logistics & transportation, will be competitive but with opportunities as well.

Other partners for the event included UEM Sunrise Bhd and Eco World International Bhd.

THE Feng Shui and Astrology seminars in Kuala Lumpur are part of a global tour by Dato' Joey Yap that kicked off in London in October. It will cover 11 cities, including New York, Singapore, Jakarta, Manila, Vancouver, Melbourne and Ho Chi Minh City. The next stop of its Malaysian leg is on Jan 24 at Penang Equatorial Hotel.

The Edge Property and TheEdgeProperty.com are giving its readers a chance to win free tickets to the Penang seminar. To participate, go to TheEdgeProperty.com and click on the banner, "Joey Yap's Feng Shui & Astrology 2016 Live Seminar," to register your entry. Then, ask Joey a Feng Shui-related question. If your question is judged to be one of the most interesting, you win two tickets to the Penang seminar. This contest is open to all Malaysian residents, and there is no limit to the number of questions that can be posed. The closing date is Jan 19.

Time for bargains in the Golden Triangle?

Central City Kuala Lumpur's location looks hard to beat but prices of non-landed residences have moderated recently

According to Lim, St Mary Residences has excellent finishes.

BY NATALIE KHOO

The Forum, located along Jalan Tun Razak has the highest annual asking rental yields. **Photos by Shahrin Yahya/The Edge Property**

Central City Kuala Lumpur, more popularly known as the Golden Triangle, is no stranger to locals and tourists. The popular shopping and entertainment district buzzes 24/7 with the energy of throngs of consumers. Buildings such as Pavilion Kuala Lumpur, Starhill Gallery and Low Yat Plaza are among the area's famous landmarks. This article covers the price trends of non-landed residences in areas such as Bukit Bintang, Bukit Ceylon, Chow Kit and Pudu. (The Kuala Lumpur City Centre enclave has been covered previously.) Geographically, these areas are bounded by Lebuhraya Sultan Iskandar and Jalan Tun Razak to the north and extend south to Jalan Istana.

Based on TheEdgeProperty.com's analysis of transactions, the average transacted price of non-landed homes in Central City Kuala Lumpur grew rapidly in the beginning of 2013, saw a peak of RM730 per square foot (psf) in the third quarter of 2013 (3Q2013), and moderated between 1Q2013 and 1Q2015. The average transacted price was at RM687 psf in 1Q2015, down 5.9% from its peak, which still represents an 11.7% y-o-y improvement on RM615 psf in 1Q2014. Similarly, transaction activity, which surged to a peak at the end of 2013, has since subsided. Total transaction volume for the 12 months to 1Q2015, fell from 1,018 units to 554 units. The growth in both average price and transaction volume in 2013 can be attributed to a sudden increase in activity in the high-end segment. Around a quarter (25.4%) of transactions in 3Q2013 were for properties priced above RM1,000 psf compared with 16% in 2014.

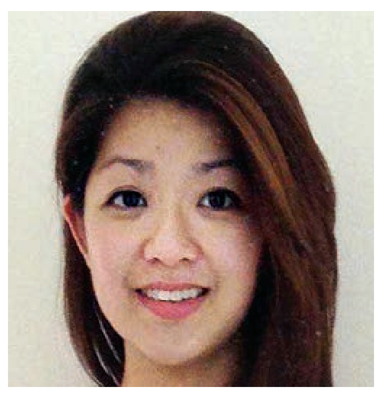
GMAC Realtors senior negotiator, Lim Jin May says the slowdown in the property market last year was due mainly to the worldwide market sentiment and banks being tighter with loan approvals. "Some buyers could not even get half of their loan amount approved. Investors are also cautious with where they are investing their money, while some are just holding back to get better buys at the prices they want," she says. Lim says that high-end non-landed residences such as Pavilion Residences were typically selling for RM1,600 psf in 1Q2015 and 2Q2015, and smaller units for about RM1,800 psf.

Savills Malaysia vice president of project marketing and estate agency, Jeffri Rahim, says that last year, non-landed homes in Bukit Ceylon were transacted at about RM960 psf (Suasana Bukit Ceylon, 6 Ceylon) while units in Bestari Condo in Chow Kit went for around RM550 psf. Units in Casa Mutiara in Pudu were transacted at RM945 psf last year, achieving a compound annual growth rate (CAGR) of 6.3% for the period 2011 to 2015, he adds.

Strong demand

Jeffri notes that demand remains strong for Bukit Bintang and Bukit Ceylon due to their vibrant immediate environment. "Living in a high-rise residential property has become a lifestyle trend among the urban professional community. It is supported by contributing factors such as stylish facilities and security features," he says.

However, GMAC's Lim notes that towards the end of 2015, transactions had really begun to slow down.



Lim: The slowdown in the property market last year was due to poor market sentiment and tighter loan approvals.

"When the market slowed down, property prices generally took a hit. There was a unit in one of the condominiums that had a market price of RM2,000 psf being sold for RM1,450 psf, which is a big drop," she says. "However, the market did pick up a little bit towards the very end of last year because they (investors) felt they needed to make a move at some point of time. If investors saw prices that catered to their individual expectations, they were willing to start committing again," she says.

Data from TheEdgeProperty.com shows that in the 12 months to 1Q2015, the average transacted price was RM687 psf in 1Q2015, or an average price per unit of RM748,000. Studios and 1-bedroom units were popular among buyers, a trend which was reflected in the majority of transactions (19.5%) in the RM400,001 — RM500,000 price range. In the same period, 20.2% of transactions were for above RM1 million.

Lim says that studios and smaller units are in higher demand because their lower absolute prices make them easier to sell.

Most expensive project

The most expensive project by average transacted unit price in the review period was Pavilion Residences (RM3.94 million), located atop the Pavilion shopping mall, with transaction prices starting at RM2.25 million. With unit sizes varying from 700 to 12,326 sq ft, the average transacted price was skewed by the types of unit sold. The most expensive transaction was for a 4,155 sq ft unit, at RM6.5 million. St Mary Residences located off Jalan P Ramlee was the second-most expensive project at an average transacted unit price of RM1.96 million. Prices here ranged from RM1.4 million to RM2.9 million.

"Pavilion Residences scores for its good location, being right in the centre of retail shops and transportation in and out of the city centre. On the other hand, St Mary Residences has excellent finishes, with most of the units coming with kitchen fittings, and also the triplex penthouses have their own private pool," Lim notes.

Tepian Loke Yew was the least-expensive project by average transacted price, at RM133,200, followed by San Peng Flats, at RM139,826.

Analysis by TheEdgeProperty.com shows that the strata market in Central City Kuala Lumpur is dominated by transactions of high-end condominiums and low-cost flats, with few-middle class products offered. In the 12 months to 1Q2015, 21.7% of transactions fell in the RM801 — RM1,000 psf range, 20.4% in the RM201 — RM400 psf range, and 19.1% were for above RM1,000 psf. Pavilion Residences and St Mary Residences were the most expensive condominiums on a psf basis, with an average price of RM1,629 psf and RM1,360 psf, respectively. The least expensive projects were older projects such as Malayan Mansion (RM171 psf), Tepian Loke Yew (RM192 psf) and San Peng Flat (RM206 psf). These buildings are all situated in the less developed quarter of the city and are often poorly maintained.

Lim notes that most residents of Central City Kuala Lumpur are expatriates who work in the city centre, and rent homes there to live close to their places of work as well as the area's abundant entertainment venues. Lim also observes that the demographic of renters here is younger than those who prefer to stay in the suburbs.

"Central City Kuala Lumpur is a very fast-paced area that is busy and congested day and night. It is so convenient for those working in the city area to go about from home to office but the older generation may not enjoy the hectic lifestyle as much. They would very much prefer to stay in areas such as Bangsar and Mont'Kiara where they get the full package of neighbourhood amenities, such as shops, schools and public transport, yet are more laid-back compared with Central City Kuala Lumpur.

"If a family decides to stay in Central City Kuala Lumpur, parents would factor in amenities such as parks or developments with big open spaces for their children. For example, the project by E & O Development, Dua Residency, offers [sizeable] swimming pool for their children's recreation which is popular among families," she says.

Lim also observes that the drop in oil and gas prices and other challenging macroeconomic factors has led to a change in the tenant mix of the residential market in Central City Kuala Lumpur.

"At one point, a lot of companies were [transferring] more singles or couples with fewer children [to work] here. This will save on rental cost as there is no need to rent for them bigger units of condominium, which also explains why smaller units are the more popular ones now," Lim says.

Mid segment condos offer good value

In terms of price growth and indicative asking rental yields, mid-range properties within city boundaries are beginning to appear relatively attractive as prices in the urban areas of Greater Kuala Lumpur hit new highs. The slightly older condominiums offer a good balance of price, location and facilities, and have thus registered the highest growth in capital values. Analysis by TheEdgeProperty.com shows that the mid-range condominiums with the highest average price growth in the 12 months to 1Q2015 were Kenanga Point (+20.3 to RM464 psf), Angkasa Impian (+18.6% to RM551 psf) and Villa Puteri (+10.1% to RM 463 psf).

Average rental rates at high-end condominiums ranged between RM4.53 psf at One Residency and RM6.04 at Pavilion Residences. The analysis also shows that the highest annual asking rental yields were found at The Forum (7%). Located on Jalan Tun Razak, capital values at this old and dignified project have hardly grown, but units here are able to command relatively high rentals because it is one of the few mid-range condominiums within walking distance of the Bukit Bintang area. The Forum will also be located close to the Tun Razak Exchange MRT station once that is completed, further boosting its rental potential. "The rental yield in Central City Kuala Lumpur is going at about 4% to 5% in general," says Lim. Jeffri concurs. "Many of the units in Central City Kuala Lumpur are rented out to instead of owner-occupied," he says.

Upcoming projects in Central City Kuala Lumpur include the RM 8.7 billion Bukit Bintang City Centre development, the Tun Razak Exchange financial district with a gross development value (GDV) of RM40 billion in Imbi, and the Bandar Malaysia development with an expected GDV of RM150 billion.

"The short-term and medium term [property] outlook is still uncertain, although prices are unlikely to pick up as fast, with many macroeconomic factors still taking time to stabilise. Investors are still cautious. Long-term, Central City Kuala Lumpur still has the upper hand in terms of location and will still be sought-after once things are stable again," says Lim.

Go to **TheEdgeProperty.com** for more listings

FOR SALE [in Central KL City (excluding KLCC)]

Pavilion Residences

Type: Condominium/ serviced residence
Tenure: Leasehold
Asking price: RM2,500,000
Built-up area: 1,234 sq ft
Bedroom(s): 2
Bathroom(s): 2
Description: Fully furnished unit with pool view. Includes air-conditioning, master bedroom with walk-in wardrobe, bathroom with bathtub and one car park bay. Situated on top of Pavilion Mall on Jalan Bukit Bintang. Facilities: swimming pool, playground, mini parks, gymnasium and high-end security features
Agent/negotiator: Gin Ting of Hartamas Real Estate Sdn Bhd (REN 06974)
Tel: (017) 380 3381

St Mary Residences

Type: Condominium/ serviced residence
Tenure: Freehold
Asking price: RM2,600,000
Built-up: 2,249 sq ft
Bedroom(s): 5
Bathroom(s): 6
Description: Luxury penthouse suite with panoramic views of KLCC and KL Tower, private rooftop pool, designer fittings and 6-star management. Near main shopping district (KLCC, Pavilion, Lot 10, Sungei Wang and Bukit Bintang). Walking distance to MRT, KL Tower and, further away, Changkat Bukit Bintang.
Agent/negotiator Luiz Khoo of CBD Properties Sdn Bhd (REN 16967)
Tel: (016) 553 0108

Sri Kenny

Type: Condominium/ serviced residence
Tenure: Freehold
Asking price: RM1,650,000
Built-up area: 2,207 sq ft
Bedroom(s): 2
Bathroom(s): 3
Description: Spacious mid-floor unit with view of pool and greenery; sprawling master bedroom with his and her walk-in closets; chestnut coloured marble master bathroom with a standalone shower and bathtub; large kitchen; and one car park bay.
Agent/negotiator: LK Ong of Reapfield Properties (REN 01743)
Tel: (012) 361 2867

Setia Sky Residences

Type: Condominium/ serviced residence
Tenure: Freehold
Asking price: RM1,450,000
Built-up area: 1,701 sq ft
Bedroom(s): 3 + 1
Bathroom(s): 4
Description: Setia Sky Residence is located on Jalan Tun Razak and Jalan Raja Muda Abdul Aziz, 1km from KLCC. Brand new unit with 5-star facilities and unimpeded KLCC view. Magnificent views of KLCC. Features 40,000 sq ft Sky Deck with 50m lap pool, jacuzzi, deck, spa gardens with hot and cold tubs, pavilions, barbecue area, play pool, playground, etc. En suite bathrooms in all rooms. Two car park bays. Close to National Heart Institute, National Library, Taman Tasik Titiwangsa and Sports Complex.
Agent/negotiator: Susie Ong of CBD Properties Sdn Bhd (PEA 1243)
Tel: (016) 225 0163

The CapSquare Residences

Type: Condominium/ serviced residence
Tenure: Freehold
Asking price: RM995,000
Built-up area: 1,347 sq ft
Bedroom(s): 2
Bathroom(s): 3
Description: Nice view and interior design. Near amenities. Walking distance to Dang Wangi LRT station. A variety of restaurants nearby.
Agent/negotiator: Chak Yan See of Reapfields Properties (REN 00995)
Tel: (017) 203 2689

Sri Mutiara Apartment, Sungai Besi

Type: Condominium/ serviced residence
Tenure: Freehold
Asking price: RM320,000
Built-up area: 913 sq ft
Bedroom(s): 2
Bathroom(s): 2
Description: Unit in Block C, level 11. Facilities/services: swimming pool, 24-hour security, card access to lifts and car park. Located behind Wisma Mah Sing adjacent to Jalan Sungai Besi. Near Sam Yoke Chinese School, petrol station, clinic, LRT station.
Agent/negotiator: Chan Tin Chai of Reapfield Properties (REN 01222)
Tel: (019) 281 5675

Swiss Garden Residences

Type: Condominium/ serviced residence
Tenure: Freehold
Asking price: RM1,050,000
Built-up: 750 sq ft
Bedroom(s): 2
Bathroom(s): 2
Description: Fully furnished, mid-floor unit in good condition. Estimated rent: RM4,000. Prime location.
Agent/negotiator: CJ Chai of Susan Realty (REN 09011)
Tel: (010) 226 5730

Berjaya Times Square Serviced Apartment, Jalan Imbi

Type: Condominium/ serviced residence
Tenure: Freehold
Asking price: RM1,100,000
Built-up area: 915 sq ft
Bedroom(s): 2
Bathroom(s): 2
Description: Fully furnished, high-floor unit in Block A.
Agent/negotiator: Jackson Ee of Ecoland Realty (REN 00328)
Tel: (013) 776 8850

Bintang Fairlane Residences

Type: Condominium/ serviced residence
Tenure: Freehold
Asking price: RM750,000
Built-up area: 506 sq ft
Bedroom(s): 1
Bathroom(s): 1
Description: Fully furnished unit. Includes washing machine with dryer, two air-conditioners. Modern kitchen design with built-in cabinet and top-end appliances, piped-in LPG. Walking distance to Lot 10, Starhill Gallery, Berjaya Times Square, Pavilion, etc. Accessible via the KL Monorail located around the corner.
Agent/negotiator: Michelle Foong of Full Homes Realty Sdn Bhd (Bukit Jalil) (REN 10262)
Tel: (017) 336 6138

FOR RENT [in Central KL City]

Pavilion Residences

Type: Condominium/ serviced residence
Tenure: Leasehold
Asking rent: RM8,000
Built-up area: 1,234 sq ft
Bedroom(s): 2
Bathroom(s): 2
Description: Fully furnished, tastefully decorated high-floor unit; includes walk-in-wardrobe. City view. One car park bay.
Agent/negotiator: Sufinas of Property Hub Sdn Bhd (REN 14449)
Tel: (011) 1287 1832

St Mary Residences

Type: Condominium/ serviced residence
Tenure: Freehold
Asking rent: RM5,500
Built-up area: 1,131 sq ft
Bedroom(s): 1
Bathroom(s): 2
Description: Located at the heart of the central business district with access to public transport, night spots, restaurants, prime shopping malls and office towers. Offers iconic views of Petronas Twin Towers, KL Tower and Bukit Nanas nature reserve. Fitted with designer kitchen appliances. Facilities: swimming pool, jacuzzi pavilion, clubhouse, fitness centre, playground, function rooms, 24-hour security, etc. Beautifully landscaped gardens. Schools: St John's Institution and Convent Bukit Nanas. Accessible via Jalan Raja Chulan, Jalan Sultan Ismail, Jalan Ampang and Jalan P Ramlee and Raja Chulan Monorail Station.
Agent/negotiator: CK Chong of Huttons OneWorld Real Estate Group (REN 06505)
Tel: (012) 260 6662

The CapSquare Residences

Type: Condominium/ serviced residence
Tenure: Freehold
Asking rent: RM4,000
Built-up area: 1,805 sq ft
Bedroom(s): 3
Bathroom(s): 3
Description: Fully furnished unit with fitted kitchen and teak dining table. Views of KLCC Twin Towers and KL Tower. Walking distance to KLCC. CapSquare offers a mix of offices, Manhattan-inspired residences, a shopping centre and 300-metre retail boulevard. Walking distance to The Row, Dang Wangi, Bukit Nanas, Medan Tuanku and Masjid Jamek LRT stations. Smart home security system. Facilities: swimming pool, jacuzzi, sauna, gym, squash courts, children's indoor and outdoor play areas, outdoor entertainment area and barbecue area.
Agent/negotiator: Daniel Chok of Chester Properties Sdn Bhd (REN 04249)
Tel: (012) 298 6269

*

'Lower returns to be the norm'
Page 8

'Lower returns to be the norm'

Knight Frank's forecast of prime residential markets in 2016, with tips on how to surf the low waves

BY EWE SHUFEI

Property consultant Knight Frank's Prime Cities Forecast Report for this year analysed the performance of the property market in 10 prime cities: London, New York, Paris, Monaco, Geneva, Hong Kong, Singapore, Sydney, Shanghai and Miami.

On average, prime prices across all 10 cities are expected to have grown by approximately 3% in 2015 but will slip to 1.7% this year. Knight Frank expects such lower returns to become the norm in the short to medium term.

It says two major factors will "determine the performance of property markets across developed and emerging markets alike over the next 12 to 18 months": the extent of the slowdown in China's economy, and how well the US Federal Reserve manages its interest rate rises.

The US Fed's recent rate rise and geopolitical tension are identified as the highest risks to property values in the cities surveyed.

For most cities, low income growth and a slowing domestic economy are considered the lowest risks to luxury markets.

The forecast also considers whether the 0.25% US rate rise, strengthening dollar and declining prices will contribute to a new wave of capital flows from emerging markets to "first-tier luxury residential markets" in search of a safe haven. Knight Frank says these outflows will likely not be significant, because an expanding new supply of luxury homes (such as in Hong Kong, London, New York and Miami) makes steep price appreciation less likely to take place than in the post-Lehman years.

Of the 10 cities analysed in the forecast, Hong Kong, Singapore and Paris are expected to see prime prices decline. Hong Kong (-5%) is forecast to replace Singapore (-3.3%) as the weakest-performing luxury residential market in 2016 because of new supply coupled with a strengthening HK dollar (pegged to the US greenback).

Singapore's prime prices are expected to decline at least until the end of the year, following its government's stated intention to continue property market cooling measures. Because the drop in prices has presented pockets of investment opportunities, Knight Frank expects sales volumes to increase this year. Price declines in this sector should also be less pronounced than for the overall Singapore market due to the reducing inventory of high-end homes.

Paris, which has long historical experience of terrorism, will most likely see some buyers delay investments after the latest attacks. However, as the French presidential election is due in less than 18 months, the property tax structure for foreign buyers is expected to remain the same, and the city's prime property market should remain competitively priced relative to the others surveyed here.

To its north, rival London's prime real estate market is expected to grow from 1% in 2015 to 2% in 2016. Knight Frank cites higher transaction costs (a 3% increase in stamp duty for buy-to-let properties and second homes, dissuading foreign buyers), "political risk" around the mayoral election in May, and ongoing affordability concerns as reasons for its "muted forecast".

Monaco, already a favourite with the globally wealthy 1%, is expected to attract more investment amidst a climate of "heightened political tension and ongoing tax fluctuations". Knight Frank forecasts a steady price growth of 5% in 2016 as demand and sales activity pick up, encouraged in part by the severely constrained supply on the two-mile wide principality.

New York's luxury market predictably slowed from the surge of 2013 and 2014 due to the strength of US dollar and weaker global economic conditions last year. However, the slowdown is not expected to be reflected in price trends until 2017. In any event, buyers will adopt a wait-and-see approach until after the US federal and presidential elections in November this year.

Sydney is the runaway winner of the forecast. Price growth is expected to slow from rabidly bullish 15% year-on-year in 2015 to a relatively less rampant 10% in 2016. Australia's economy, so dependent on China's unsustainable industrial activity, and the government's introduction of foreign investment fees point to the lower figure for 2016.

Annual prime city residential price growth, forecast

	2016 FORECAST (%)	2015 ESTIMATE (%)
Sydney	10.0	15.0
Monaco	5.0	5.0
New York	5.0	5.0
Shanghai	4.0	10.0
Miami	2.0	4.0
London	2.0	1.0
Geneva	0.0	-3.0
Paris	-3.0	-5.0
Singapore	-3.3	-3.5
Hong Kong	-5.0	1.5

Source: Knight Frank Research, Douglas Elliman/Miller Samuel