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Boustead aims to launch 1 Cochrane condos early next year

Boustead Holdings Bhd aims to launch its 1 Cochrane condominiums in Cheras early next year, said its property division director Datuk Seri Ghazali Mohd Ali (*pictured*).

"We are currently reconfiguring the sizes of the units and cutting the space down. Some buyers are having difficulty in obtaining bank loans. If the sizes are smaller, this will help them to secure a bank loan more easily. There will be a total of 880 units and we will launch half of them early next year," he told TheEdgeProperty.com.

Ghazali revealed that there will also be three blocks atop the MyTOWN Shopping Centre at Jalan Cochrane — which will be opened this year-end — of which two are condos, while the other will comprise either serviced apartments or offices.

Aside from the project in Cheras, the group is also working on its other developments in Johor, Semenyih and Mutiara Damansara.



CHU JUCK SENG | TheEdgeProperty.com

Concorde KL to be demolished to unlock land value

Long-established Concorde Hotel Kuala Lumpur — which is linked to Sultan of Selangor Sultan Sharafuddin Idris Shah, entrepreneur Tan Sri Syed Yusof Syed Nasir and Singaporean tycoon Ong Beng Seng — may be torn down to make way for a multibillion-ringgit integrated project, documents show.

The 57-year-old building, which has changed hands several times, has been renovated several times.

"Much of the commercial space along Jalan Sultan Ismail was built in the 1980s, when approved density or plot ratios were much lower, perhaps in the range of four to five times. Nowadays, it is not un-



SHAHRIN YAHYA | TheEdgeProperty.com

common to see nearly triple that, which means that the value of the underlying land has increased tremendously. The rule of thumb is that once the value of a building (in terms of built-up area) is less than the value of the underlying land, it is time to redevelop," says Nabeel Hussain, associate director of Savills Malaysia.

Reduce rental to attract tenants, says Savills Malaysia

As more office landlords fight over a shrinking pool of tenants, owners will have to reduce rents further to entice prospective occupants, said Savills Malaysia executive chairman Christopher Boyd.

"Unfortunately, market demand this year and next year will be quite moderate. And, obviously, with the market becoming more competitive with only a few tenants, you have to reduce the rental in order to attract them," he said.

Rent is expected to soften as demand will be moderated and competition in the market will intensify, he said during the Malaysian Property Summit Mid-Year Review 2016.

TheEdgeProperty.com and The

Edge Malaysia were the media partners of this event.

From 2011 to the first half of 2016 (1H2016), there were 22.1 million sq ft of new office space, out of which only 15.4 million sq ft of supply were absorbed, he said.

However, he thinks the biggest problem is not oversupply but the declining demand for new office space, which is partially caused by the general economic slowdown and a drop in crude oil prices.

Boyd said, going forward, there will be 8 million sq ft of new office space coming in over the next three years.

Future malls should incorporate experiential engagement, says Knight Frank

Developers need to change how shopping malls are developed to incorporate experiential engagement with consumers, said Knight Frank retail consultancy and leasing associate director Rebecca Phan.

Phan was speaking at the Malaysian Property Summit Mid-Year Review 2016 organised by the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS).

"Consumers want more engagement today. Shopping is no longer about a product but an experience. There is a huge influence of social media especially on the Gen Ys today who comprise most of the population in Malaysia now. Over 66% of consumers in Malaysia and Singapore are shopping online," she said.

"[However], despite us moving towards the online platform, 78% of consumers still prefer to shop in-store. Consumers purchase at shopping centres at an average of 7.5 times per month as compared to shopping at online retail websites which is at an average of 2.2 times a month. So, we really need to combine both the online and physical store experience to keep up with future shopping trends," she said.

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trending now



OSK Property unveils TimurBay Seafront Residence

Date: July 30 and 31 (Sat and Sun)
Time: 9:30am to 7:30pm
Venue: Timurbay Kuantan Sales Gallery, Jalan Kuantan-Kemaman, Kampung Sungai Karang Pantai, Kuantan, Pahang
Contact: (09) 544 8833/ (03) 7733 1231

OSK Property will be officially launching TimurBay Seafront Residence at Balok, Kuantan in Pahang. The exclusive sea-front development on 7.3 acres of freehold land has direct access to the pristine Balok Beach which is one of the top 10 best beaches in the world for wind surfing and kite surfing events.

OSK Property launches Luminary Butterworth

Date: July 30 and 31 (Sat and Sun)
Time: 10am to 6pm
Venue: Harbour Place Sales Gallery, Lot 2449 & 2450, Jalan Chain Ferry, Butterworth, Penang
Contact: (04) 332 1188

OSK Property launches Luminary at Harbour Place, Butterworth. The project offers serviced apartments in four layouts ranging from 947 sq ft to 1,335 sq ft. In conjunction with the launch, there will be a Feng Shui talk by Kenny Ho on July 31.



Gaya Raya with Cybersouth

Date: July 31 (Sun)
Time: 10am to 5pm
Venue: Cybersouth Property Gallery, Dengkil, Selangor
Contact: (019) 243 5071/

Jom! Let's go ATV Riding at our Raya Open House!



(019) 683 4995
Celebrate this festive season with MCT Bhd's Cybersouth at their Raya Open House. There will be exciting activities such as ATV riding, inflatable games, batik workshop as well as local delights at the event.

S P Setia Hari Raya Open House

Date: July 30 (Sat)
Time: 4pm to 10pm (Klang Valley) and 6pm to 10pm (Penang)
Venue: Setia Putrajaya Galleria, Lot 14124, Jalan P15H, Presint 15, Putrajaya; and Setia Welcome Centre, SPICE, 108, Jalan Tun Dr Awang, Penang
Contact: (03) 3348 2255
S P Setia Bhd's Hari Raya open house events will be held both in the Klang Valley and Penang.

MAPEX 2016 Perak Property Expo

Date: July 29 to 31 (Fri to Sun)
Time: 10am to 10pm
Venue: Ipoh Parade, Jalan Sultan Abdul Jalil, Greentown, Ipoh, Perak
Contact: (03) 7803 2978

The Real Estate and Housing Developers Association's (Rehda) pre-launch roadshow of the Perak edition of the Malaysian Property Exhibition.

Mah Sing unveils Cerrado Residential Suites

Date: July 30 and 31 (Sat and Sun)
Time: 10am to 6pm
Venue: Southville City Sales Gallery and show village, Bangi, Selangor
Contact: (018) 271 7221/ (012) 354 0023
Mah Sing Group will officially launch Cerrado Residential Suites at Southville City, Bangi. Present at the launch will be RAM Credit Information Sdn Bhd (RAMCI) who will assist potential buyers with their credit check to speed up mortgage applications and approval by end-financiers.



The Edge Property Malaysia



Publisher and Group CEO
Ho Kay Tat

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The Edge Property Sdn Bhd (1091814-P)
Level 3, Menara KLK, No 1 Jalan PJU 7/6, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia

TheEdgeProperty.com

Managing Director/Editor-in-Chief
Au Foong Yee

EDITORIAL

Editor Lam Jian Wyn
Contributing Editor Sharon Kam
Deputy Chief Copy Editor James Chong
Senior Copy Editor Shanthi Murugiah
Writers Rachel Chew, Tan Ai Leng, Natalie Khoo, Shawn Ng
Art Director Sharon Khoh
Design Team Nik Edra, Nurul Aida Mohd Noor

For New Launches/Events/
Press Releases/News Tips
email: propertyeditor@bizedge.com
Tel: 03-7721 8211 Fax: 03-7721 8038

ADVERTISING & MARKETING

Head of Marketing and Sales
Sharon Chew (012) 316 5628
Senior Account Manager Jayne Law (016) 929 3309
Account Manager Jayremy Sim (011) 1669 6039
Marketing Support & Ad Traffic Madeline Tan (03) 7721 8218
email: mkt.tep@bizedge.com

NEGOTIATOR ADVISORY SERVICE

Senior Manager Elizabeth Lay
Senior Associate Stanny Tan
Associate Karen Wong

For enquiries and listings
email: propertiesupport@bizedge.com
GL: (03) 7721 8175/ 8172

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The Edge Malaysia

EDITORIAL

Editor-in-Chief Azam Aris
CORPORATE
Chief Operating Officer Lim Shiew Yui
ADVERTISING & MARKETING
Chief Commercial Officer Sharon Teh (012) 313 9056
General Manager, Advertising & Marketing Kingston Low (012) 278 5540
Senior Sales Managers Fong Lai Kuan (012) 386 2831 Peter Hoe (019) 221 5351 Gregory Thu (012) 376 0614
Creative Marketing Chris Wong (016) 687 6577
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Primary market property sales plunge in 1H2016

BY NATALIE KHOO

KUALA LUMPUR: Primary market property sales plunged in 1H2016 from a year ago, underpinned by the sluggish global economy and poor local market sentiments, according to preliminary figures by the Valuation and Property Services Department.

During his presentation at the Malaysian Property Summit Mid-Year Review 2016, director-general Datuk Faizan Abdul Rahman said sales of primary market homes in the RM500,001 to RM1 million range fell to 513 units in 1H2016, a fraction of the 7,037 units sold in 1H2015.

The number of units launched in this price range also shrank to 2,597 units from 15,687 units in 1H2015.

Meanwhile, overall units launched in



PICTURES BY SUHAIMI YUSUF / TheEdgeProperty.com

Faizan said sales of primary market homes in the RM500,001 to RM1 million range fell to 513 units in 1H2016, a fraction of the 7,037 units sold in 1H2015



the property market fell to 10,655 units in 1H2016 from 49,280 units in 1H2015, while only 2,732 units were sold in 1H2016 compared with 23,909 units in 1H2015.

Most of the homes that were sold in 1H2016 were priced from RM300,001 to RM400,000 (724 units), while most of the properties that were launched were priced from RM500,001 to RM1 million (2,597 units).

Faizan also added that the House Price Index (HPI) growth for 1Q2016 is at 6.8% (preliminary figures), compared with 7.2% in 4Q2015.

The Malaysian Property Summit Mid-Year Review 2016 was held at the Sime Darby Convention Centre. TheEdgeProperty.com and The Edge Malaysia are the media partners of this event.

Johor to offer good investments from this year-end, says KGV International

BY SHAWN NG

KUALA LUMPUR: KGV International Property Consultants (Johor) Sdn Bhd executive director Samuel Tan urged investors to have a proper strategy to grasp good investments in the Johor property market, as it inches closer towards rock bottom.

The market is entering a state of uncertainty, he said during the Malaysian Property Summit Mid-Year Review 2016. "We are near to the level of no confidence, which means in a matter of time, the market will reach the bottom and start to recover."

"According to what Kenanga Investment Bank Bhd head of equity research Sarah Lim mentioned just now, there is a 10-year cycle in the property market. As such, if 2014 was the beginning of the slowdown, the market would reach the bottom in 2018."



Tan: There are a lot of good properties to buy, it is just a matter of where to buy, what to buy and at what price

If that is the case, there will be a lot of opportunities in the market from the end of this year and one should prepare capital to pounce on these opportunities, he added.

Tan said the property transaction volume will still decline over the next two years, but it is a good sign as the market will rebound after the period.

As at the first quarter of this year (1Q2016), Johor recorded 9,450 units transacted, dropping by 24.3% y-o-y and 17% q-o-q.

According to him, there are wrong perceptions of Iskandar Malaysia, including oversupply, falling prices and that the economic corridor has failed.

A lot of people are avoiding buying property in Johor as they are afraid of the perceived oversupply situation in the southern region, he noted.

"Who says don't buy in Johor's property market? You should buy! There are a lot of good properties to buy, it is just a matter of where to buy, what to buy and at what price."

On the other hand, property prices are still holding well and Iskandar Malaysia is successful, he said.

New launches and units sold by price range in Malaysia (primary market) 1H2014-1H2016 (p)*

PRICE RANGE	Units launched					Units sold				
	1H'14	2H'14	1H'15	2H'15	1H'16	1H'14	2H'14	1H'15	2H'15	1H'16
RM250,001-RM300,000	4,899	4,890	3,830	894	815	2,595	1,404	2,542	197	224
RM300,001-RM400,000	5,890	7,507	9,064	4,296	2,343	2,966	3,097	3,444	731	724
RM400,001-RM500,000	8,090	5,974	3,755	1,122	1,643	3,498	2,852	1,834	278	536
RM500,001-RM1 mil	16,432	10,072	15,687	5,660	2,597	7,078	4,787	7,037	1,184	513
<RM1 mil	3,489	1,436	4,569	2,265	208	1,258	335	1,898	470	28

p*-preliminary data

Property down cycle may last longer than usual, says Kenanga

BY RACHEL CHEW

KUALA LUMPUR: Kenanga Investment Bank Bhd head of equity research Sarah Lim believes the current Malaysian property market down cycle could last longer than usual due to liquidity-driven factors.

"The property market is going through a structural change as key property market drivers are also experiencing structural changes," said Lim during the Malaysian Property Summit Mid-Year Review 2016 on Wednesday.

TheEdgeProperty.com and The Edge Malaysia were the media partners of this event.

She explained that those key property market drivers are the number of typical first-time homebuyers, which has already peaked and is likely to decline; the banking system, which is still curbing liquidity to the property market; and structural issues regarding the mismatch of supply and demand because of affordability issues.

She also foresees that Malaysia Residential Transacted Values (MRTV) — which reflects property prices — will decline slightly by 2% year-on-year, despite sales increasing marginally by 1% in 2016.

"We are expecting a more flattish U-shaped down cycle because tightening property measures have already helped the market cool off, resulting in greater prudence amongst developers, banks and property buyers," Lim said.

She also said that the issue is not the interest rate but the lending liquidity.



House buyers may need to take a longer view as rental yields and capital appreciation are not favourable currently — Lim

Bank Negara Malaysia will need to address lending practices such as loan assessment methods, loan-to-ratio caps, and valuation of properties, to ease the lending liquidity.

She also said the lack of affordable projects in urban areas also contributed to the flattish U-shaped down cycle.

"Demand is strongest for residential in urban areas priced at RM250,000 to RM500,000, but we didn't see many such project offerings in the market," she said.

Meanwhile, she expects a relatively muted Budget 2017 for the sector. "Budget

2017 will be very Rakyat-centric where goodies will be given out under government housing schemes."

She concluded that house buyers and developers will have to do more homework when buying or selling homes as a union of choice locations, price points and concepts becomes even more critical in challenging times.

"House buyers may need to take a longer view as rental yields and capital appreciation are not favourable currently.

Developers may need to hold land for longer than expected."



BY TAN AI LENG

PETALING JAYA: SMD Development Sdn Bhd (SMD), which has its development footprint in Kundang, Rawang, has more to offer with upcoming projects, according to its CEO Datuk Jeffery Tan.

The developer currently owns 80 acres of land with plans for projects worth an estimated gross development value (GDV) of close to RM1 billion which will keep it busy for the next 10 years, said Tan.

The first project in the pipeline will be the SMD Kundang Industrial Park that has a GDV of about RM80 million. The project will be launched end-September.

"The 9.2-acre freehold development comprises 20 units of semi-dee factories and one detached factory unit. Each factory unit consists of a 2-storey office with a single storey warehouse," he told TheEdgeProperty.com.

The land sizes of the units are from 12,007 sq ft to 23,209 sq ft with built-up sizes of between 7,519 sq ft and 9,849 sq ft. Their selling prices start from RM3.29 million or an average RM400 psf.

Tan added that the construction will be divided into two phases and is expected to be completed in 2018.

SMD's maiden development was the Kundang Jaya Industrial Park which featured 10 units of semi-dee factories and four detached factories.

Launched in 2011, Tan noted that most of its buyers were small and medium-sized enterprises which were expanding or upgrading to bigger factory units.

"The industrial units with a

SMD Development to kick off RM1 bil worth of projects

HARIS HASSAN / TheEdgeProperty.com

PHOTO BY SMD DEVELOPMENT



01



02

01. Tan (Left) and Yeung sharing their market views and future development plans in Kundang

02. Artist's impression of the SMD Kundang Industrial Park semi-dee factory units

built-up size of about 5,600 sq ft and land size of 10,000 sq ft were selling for RM1.5 million back in 2012. The same units were selling at RM2.8 million in the sub-sale market recently," Tan said.

Prices have risen significantly over the past five years, but have slowed down lately.

"The industrial unit that the buyer purchased in 2011 had easily achieved double-digit growth in 2014. Although the capital appreciation has slowed down, in general, it is still able to fetch a growth rate of between 5% and 8%," he offered.

Located in the northern parts of the Klang Valley next to Rawang, Kundang is one of the few areas in

the Klang Valley which has been designated as an industrial zone. "It is gaining growth momentum," said Tan.

He noted that with good accessibility through various highways — such as the KL-Kuala Selangor Expressway (LATAR Expressway), the North-South Expressway and the Guthrie Corridor Expressway, Kundang has the potential to grow further.

"Developers and business owners are moving out from the more established city areas in the Klang Valley to the northern parts such as Kundang and Rawang.

"Land prices in Kundang have increased over the years. Industrial land with ready infrastructure

which was selling at RM20 psf in 2010 is now selling at around RM80 to RM90 psf," he added.

Tapping on the growth momentum of Northern Klang Valley, SMD plans to unveil a mixed-use development, Serai Murni, in Kundang in the third quarter of next year.

According to SMD sales manager Gary Yeung, the 10.35-acre development comprises 40 units of 3- and 4-storey shoplots, 46 units of double storey terraced houses and 12 units of townhouses.

The built-ups of the shoplots will range between 4,200 sq ft and 8,400 sq ft while the terraced houses will range between 2,300 sq ft and 2,500 sq ft. The townhouses

will have a built-up of 1,000 sq ft.

"The low-density project will be a guarded community and will be located opposite a major township development by a local developer. Kundang will see major changes within the next five to eight years with this township development," Yeung added.

Apart from these two projects, SMD is also planning its flagship development in Bandar Baru Kundang which will have a tentative GDV of RM500 million.

"This 36-acre project site was previously part of an abandoned project which was left deserted 10 years ago. We will re-work the masterplan for the land into a modern township," said Tan.

Nature lover triumphs in World Environment Day photo contest

HARIS HASSAN / TheEdgeProperty.com

BY SHAWN NG

PETALING JAYA: A candid shot of a father and his daughter at play paid off in a big way for nature lover Tan Kai Ren when he took home the grand prize in the S P Setia-TheEdgeProperty.com World Environment Day 2016 photo contest at the prize giving ceremony yesterday.

First time's the charm for this 21-year-old ecology and biodiversity undergrad of a local university, who spends his spare time honing his photography skills.

"I feel great because this is the first-ever photography competition that I've entered, and I won the first prize," he told TheEdgeProperty.com.

He took home a Garion Foldable Bicycle worth RM1,299.90.

Tan said winning the prize has motivated him to pursue his passion for photography more earnestly and be more concerned about environmental protection, he said.

The shutter bug, who got into photography four years ago, participated in the contest because of the theme — "A Better World That Is Close To Nature".

"If you want to preserve and conserve the environment, you will find a way to do it. My way of doing it is to capture nature and the environment in pictures," he said.

Runner-up Maizurah Ariff, who owns a travel agency, was thrilled to win a prize in this competition — she won a GoPro



From left: S P Setia head of branding and communications, Adelene Wong; executive vice-president, Tan Hon Lim; grand prize winner Tan Kai Ren; TheEdgeProperty.com editors Sharon Kam and Lam Jian Wyn

HERO+ camera worth RM899.

"This award will definitely push me to become more creative when taking photographs in the future," she said.

She added that her win has spurred her to take photography more seriously and enter more contests.

"I would like to express my utmost grat-

itude to the organisers for organising this competition, which has encouraged photography enthusiasts like me to take even better pictures in future."

Meanwhile, consolation prize winner Darry Lum Wai Him lauded the judges for their decision.

"The judges did not just look at the



photographs but also the captions, so I think they did a good job," said the lecturer in graphic design who received a HyperGear Outdoor Bag worth RM200.

There were five winners in total — the second runner-up Yap Chui Leng and the other consolation prize winner Syed Najib Shah Syed Ahmad Kamal were not present at the event.

Yap will receive a FitBit Charge HR Smartband worth RM799 while Syed Najib will also receive a HyperGear Outdoor Bag.

S P Setia Bhd executive vice-president Tan Hon Lim gave away the top prizes.

The online contest which ran from June 5 to 30 received more than 200 entries.

View the winning photos in the online version of this story on TheEdgeProperty.com.



KL's top condos for rental returns in 2015

The top 15 condos with the highest yields in 2015 shortlisted

BY TAN AI LENG

Real estate investors usually have two main considerations — rental yields and capital appreciation.

However, in recent times, rental yields among non-landed residences in many places in the Klang Valley have been affected by rising house prices and supply.

Some areas that enjoyed high capital appreciation have seen weaker rental yield — some even lower than fixed deposit rates. Nevertheless, there are many non-landed residences that enjoy yields of more than 5%. Data collated by the National Property Information Centre (Napic) showed that there were 46 condominiums in Kuala Lumpur that had enjoyed gross rental yields of over 5% in 2015.

From Napic's list, TheEdgeProperty.com shortlisted the top 15 condos with the highest yields recorded last year. They ranged from a low of 5.7% to as high as 8.8%.

Among the top 15 were condos in Kuala Lumpur City Centre, Mont'Kiara, Jalan Ipoh, Dutamas, Kepong and Sri Petaling.

The five best performing projects were Menara Putra (rental yield of 8.8%), Casa Kiara II (7.5%), U-Thant Residence (6.9%), Seni Mont'Kiara (6.6%) and Mont'Kiara Astana (6.6%).

Zerin Properties head of research and consultancy Roja Rani Applanaidu says, "These condos are hugely popular with foreigners and expatriates especially those within Mont'Kiara or Hartamas due to their strategic location and proximity to international schools," she tells TheEdgeProperty.com.

Factors contributing to the strong rentals are the various condos' strategic locations within or close to Kuala Lumpur City Centre with excellent accessibility to commercial and financial hubs as well as amenities such as schools, eateries, malls, hospitals and others.

"Proximity to public transportations particularly rail stations (such as the Light Rail Transit (LRT), the KTM Komuter, and future Mass Rapid Transit (MRT) stations) is a key factor that contributes to high rental demand," she adds.

JLL Malaysia country head YY Lau concurs that Mont'Kiara, for instance, is a relatively good place to live in as the properties are architecturally and aesthetically pleasing while incorporating greenery, spacious communal areas and lifestyle elements.

"Mont'Kiara is one of the most sought-after locations for both locals and expatriates. It has many good international schools and international F&B outlets that are suitable for expatriate families," she explains.

She notes that the capital appreciation of properties in Mont'Kiara has been relatively slow over the past three quarters.

"One has to be selective so as not to end up with falling capital values even though yields may look good. Yields may be good during boom time, but may be affected during downturns," she reminds.

For buyers who are looking for rental yield, besides the potential yield numbers, they will also need to look at maintenance cost as that could affect the net rental yield.

"Investors would need to remove the outgoings such as the maintenance cost which tends to be higher for high-end properties. This could bring yields down closer to 5% and below," she adds.

Lau notes that rentals have been easing in Mont'Kiara and areas surrounding Kuala Lumpur City Centre due to the contraction in the oil and gas (O&G) industry as a result of cuts in jobs for semi-

skilled and skilled workers, including expatriates.

"Landlords are willing to rent out units at a lower rate to ease cash flow, rather than have their units unoccupied," she adds.

Mont'Kiara stays popular

Among the top 15 condos that have enjoyed the highest gross rental yields, six of them are located in Mont'Kiara, three in Kuala Lumpur City Centre and two in Jalan Ipoh.

MIP Properties senior negotiator Freeman Woo says Mont'Kiara is still one of the most popular locations for tenants with above average budgets, especially expatriates.

"Vacant units in good locations such as those close to schools or with good access to main roads will normally take about one month to get a tenant," he adds.

He says besides the O&G industry, there are other industries such as the services and retail industries who hire expatriates and they continue to choose accommodation in the Mont'Kiara area.

"I have received quite a number of rental enquiries in recent months. Many expatriates are looking for long-term accommodation in Mont'Kiara as there are a few international schools in the vicinity," says the real estate negotiator who specialises in Mont'Kiara.

Mont'Kiara continues to attract expatriate tenants





Roja: Condos near to public transportations could fetch better rentals



Yap: Locations near KLCC are generating interest from the middle class working population

SAM FONG | TheEdgeProperty.com



Lau: Higher property prices put pressure on rental yield growth

MOHD IZWAN MOHD NAZAM | TheEdgeProperty.com



Woo: Mont'Kiara is still one of the most popular locations for tenants with above average budgets

TOP 15 CONDOS IN KUALA LUMPUR with rental yields of over 5% in 2015

THE TOP 15 CONDOS	LOCATION	AVERAGE MONTHLY RENTAL (RM)	YIELD (%)
1 Menara Putra	KL city	1,300	8.8
2 Casa Kiara II Condominium	Mont'Kiara	5,000	7.5
3 U-Thant Residence	KL city	13,500	6.9
4 Seni Mont'Kiara	Mont'Kiara	10,000	6.6
5 Mont'Kiara Astana	Mont'Kiara	4,500	6.6
6 La Grande Kiara	Mont'Kiara	5,500	6.4
7 Golden City Condominium	Jalan Ipoh	1,600	6.4
8 St. Mary Residences	KL city	7,750	6.2
9 Bukit OUG Condominium	Taman OUG	2,200	6.2
10 Gateway Kiaramas	Mont'Kiara	2,600	6.1
11 Hartamas Regency	Dutamas	4,000	6.1
12 Kiara Ville	Mont'Kiara	8,500	6
13 Endah Regal	Sri Petaling	1,950	5.8
14 Vista Magna Apartment	Kepong	1,150	5.8
15 Putra Majestik	Jalan Ipoh	1,975	5.7

SOURCE: NAPIC
Source: TheEdgeProperty.com

The condominiums among the top 15 that have indicative rental yields of OVER 5% in the first six months of 2016

	SENI MONT'KIARA	MONT'KIARA ASTANA	LA GRANDE	GATEWAY KIARAMAS	HARTAMAS REGENCY	KIARA VILLE	VISTA MAGNA APARTMENT	ENDAH REGAL
Average transacted price in 2015 (RM/psf)	759	638	533	784	518	661	355	355
Average asking monthly rental (RM)	10,982	5,333	5,273	3,595	3,846	7,026	1,750	1,875
Average psf rental (RM)	3.58	2.69	2.54	3.36	2.30	3.26	1.51	1.63
Indicative rental yield (%)	5.7	5.1	5.7	5.1	5.3	5.9	5.1	5.5

Source: TheEdgeProperty.com

The condominiums among the top 15 that have indicative rental yields of BELOW 5% in the first six months of 2016

	CASA KIARA II CONDOMINIUM	MENARA PUTRA	ST. MARY RESIDENCES	PUTRA MAJESTIK	BUKIT OUG CONDOMINIUM
Average transacted price in 2015 (RM/psf)	686	249	1,338	437	322
Average asking monthly rental (RM)	3,831	800	7,931	1,864	1,273
Average psf rental (RM)	2.69	0.80	4.80	1.80	1.16
Indicative rental yield (%)	4.7	3.9	4.3	4.9	4.3

Source: TheEdgeProperty.com

He notes that Mont'Kiara is an enclave of luxury condos, with a good liveable environment and within close proximity to the city centre which has attracted many expatriates to stay here and form their own community, especially those from Japan and South Korea.

Woo notes that monthly rentals could start from RM2,000 (for older unfurnished condos) to RM20,000 for a luxury penthouse.

Newer condos with private lifts such as 28 Mont'Kiara can offer a partly furnished unit with a built-up size of 2,535 sq ft for a rental of around RM7,000 to RM7,500 a month.

"For a smaller 1,600 sq ft unit in other condos, such as Casa Kiara or Kiara Ville, the monthly rental ranges from RM4,500 to RM5,500 depending on how well the unit is maintained," he explains.

Accessibility matters

Apart from Mont'Kiara, One Sunterra Properties Sdn Bhd head of agency Terence Yap notes that locations on the fringes of Kuala Lumpur City Centre are generating interest from the middle class working population as these locations are well connected and easily accessible via major roads and highways as well as LRT stations.

"These areas close to Kuala Lumpur City Centre are the preferred locations among investors given their premium addresses. Even within KLCC, prices have declined and some owners are looking to cash out, hence making yields attractive," he explains.

Yap also likes KL Sentral for its comprehensive masterplan comprising residential, commercial, leisure and an integrated transport terminal.

"KL Sentral is also home to prominent multinationals such as Shell, Google and Facebook, making the residential developments here a sought-after address for the working population in KL Sentral itself," he adds.

Taman Desa in Old Klang Road is Yap's next pick due to its strategic location between Kuala Lumpur and Petaling Jaya.

"Its location is also close to major existing landmarks such as Mid Valley City, KL Eco City and Bangsar South as well as upcoming developments

such as Bandar Malaysia and the High Speed Rail (HSR) terminal," he explains.

Zerin's Roja chooses non-landed homes in Kuala Lumpur City Centre, Bangsar, Damansara Heights, Sentul and KL Sentral for their positive rental yield potential.

"These areas are established neighbourhoods and highly popular with locals and expatriates for their excellent locations, proximity to public transportations, commercial and financial hubs as well as conveniences such as F&B outlets, schools, entertainment areas and healthcare centres," she explains.

Some pressure on yield growth

Property consultants and agents concur that the current sluggish economy and high property prices may cap rental yield growth in the medium term.

Yap says rentals and yields are not expected to rise in Kuala Lumpur if the economy continues to weaken as it may affect employment rates.

Roja notes that in terms of rental performance, condos in locations near to public transportations and commercial and financial hubs will continue to record high rental rates and yields.

"For instance, condos within Jalan Ipoh, Dutamas, Kepong and Sri Petaling enjoyed good rental yields because of their relatively lower or affordable prices which could generate comparatively higher yields," she adds.

Meanwhile, Lau from JLL expects rental yield growth to be flat due to economic uncertainties.

"Apart from loss of jobs due to the downturn in the O&G industry, there are also job cuts in the financial industry. Unemployment is rising and business confidence remains weak," she explains.

However, she adds that mature neighbourhoods like Bangsar, Damansara and Petaling Jaya, which have shown capital appreciation in the past, will continue to retain their occupancy rates although yields may no longer be as attractive as before.

"Land scarcity has increased the development cost of future projects. This puts pressure on rental yields as property prices keep escalating," she concludes.





PHOTOS COURTESY OF RAYMOND LEE



01

Design inspirations from Sri Lanka (Part 1)

BY RAYMOND LEE



On a recent visit to Sri Lanka, I came away most inspired by the architecture and design features of many of its old and more recent buildings. Interestingly, many of these are currently home to splendid boutique hotels, restaurants, cafes and retail shops. Whether lovingly restored or brand new, the spaces or structures reflect great respect for the period or the neighbourhood they are located in.

More so at the Galle Fort precinct. This UNESCO world heritage site was founded in the 16th century by the Portuguese. The Galle Fort area reached the height of its development in the 18th century before the arrival of the British.

Today, as you walk around this neighbourhood you will easily recognise the built heritage of the Portuguese, the Dutch and the English. A lot of it have been restored with some put to commercial use while others have become holiday homes for expatriates. Of course, each restoration project follows strict guidelines and has to be approved by the local heritage board and town council so as to protect the integrity of the built heritage in that zone.

While visiting the many different spaces and places on this tropical island, I spotted a number of home décor and design ideas that could easily be adapted to our homes. Here are some of them.

Raymond Lee is an interior designer and founder of Xceptional Interiors. He can be contacted at Email: raymond@xceptional-interiors.com or check out www.xceptional-interiors.com



02



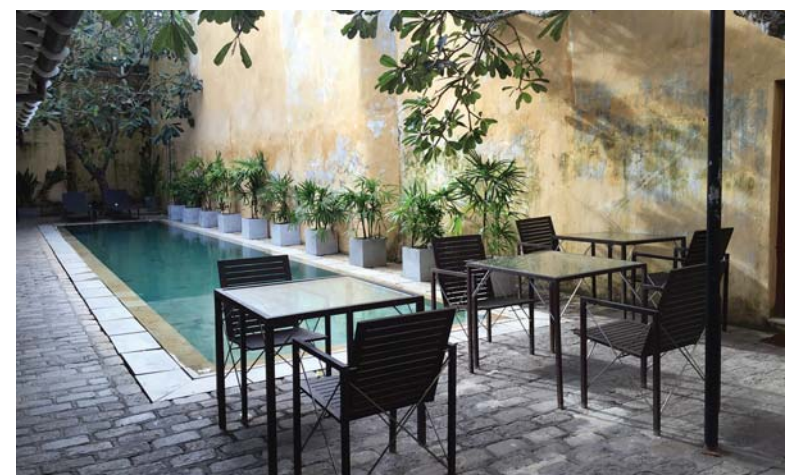
03



04



05



06

01. Colours and textures

At the lobby of the Fort Bazaar Hotel, a large kilim anchors the space, which features a contemporary sofa flanked by two vintage-inspired armchairs. Ceramic stools in a metallic finish perform double duty as coffee table and additional seats. The play of warm colours with the varied textures provides a luxurious feel to a cozy spot.

02. King size comfort

A large wooden four post bed in an updated style can make a stunning centrepiece. Its modern light grey finish sits easily with the all-white cotton bedding. Accent pillows in dark grey geometric patterns add texture to the otherwise plain setting.

03. Practical space

The width of this foyer provides ample space for movement. A table with a tall floral arrangement anchors the space and provides a focal point. Hard-wearing encaustic tiles in this foyer add pattern and colour in a most practical way. Note the French doors that open to the adjoining rooms.

04. Tropical flair

A bright orange sofa adds a pop of colour in an otherwise grey setting. Tall floral arrangements of heliconia blooms help make the space, which features very high ceilings, more intimate. A large teakwood coffee table with metal legs finished in matt black is both practical and stylish. A simple painted mural of "rectangle blocks" in varying shades of grey function as artwork/feature wall beautifully.

05. Moorish details

A large Moroccan brass tray with a wooden stand makes a great cocktail table while a metallic finish ceramic lantern sparkling with a flickering candle within creates an intimate setting for a tête-à-tête.

06. Make a splash!

Adding a simple lap pool or water feature into the tightest of space will create a soothing effect for your home. Nothing beats the shimmer and sparkle of the sun's rays on a pool or the sound of water gently trickling into a fish pond. Many properties in the Galle Fort area, as in the Fort Printers Hotel, manage to feature small pools and water features to great effect. If space permits, don't forget to add plants such as frangipani and traveller's palm which grow well in the tropics.

Watch this space for the next instalment of my Sri Lankan design inspirations next month.