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# REAL ESTATE CROWDFUNDING

Is it possible to crowdfund in the property sector?  
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The Edge Malaysia

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50% sales by end-March

Hua Yang Bhd hopes to exceed 50% sales for Meritus Residensi, its maiden project in Penang, by end-March this year.

The serviced apartment project has so far recorded a 34% take-up rate since it was introduced last November, said the developer in a statement.

The 4.32-acre Meritus Residensi comprises 480 units of serviced apartments with built-up sizes from 945 sq ft. It also offers 15 retail lots. The project has an estimated gross development value (GDV) of RM220 million. Prices start from RM364,500 and the project is slated for completion by 2020.

Meritus Residensi is the first phase of a 6.98-acre freehold development along Jalan Baru, Seberang Perai, Penang. The estimated GDV of the overall development is RM324 million.

Western Digital  
sells factory land in  
Bayan Lepas

Western Digital Corp's subsidiary HGST Technologies Malaysia Sdn Bhd, which ceased operations last March, has put the land on which its factory is located and the adjoining vacant land in Bayan Lepas Industrial Zone, Penang, up for sale.

According to The Edge report, the

two parcels, with a combined size of 10.57 acres, could fetch as much as RM100 million.

The larger of the two, measuring 6.03 acres, comes with a 2-storey R&amp;D and manufacturing plant, which has a built-up of 203,915 sq ft. The adjacent vacant parcel measures 4.54 acres. Both parcels have 52 years remaining on their lease.

JLL Property Services (M) Sdn Bhd has been hired as the exclusive marketing agent for the property.

trending  
now

## LAUNCHES + EVENTS

If you have any real estate-related events, email us at [propertyeditor@bizedge.com](mailto:propertyeditor@bizedge.com).  
Events listed here will also appear on [TheEdgeProperty.com](http://TheEdgeProperty.com).Tropicana Corp welcomes Year  
of the Fire Rooster

Date: Feb 4 (Sat)

Time: 10am to 12pm

Venue: 1. Tropicana Gardens Sales Gallery, Lot 52581, Jalan PJU 3/21, Tropicana Indah, Petaling Jaya  
2. Tropicana Aman Sales Gallery, No 2, Persiaran Aman Perdana 3, Bandar Tropicana Aman, Telok Panglima Garang  
3. Tropicana Metropark Sales Gallery, Jalan Delima 1/1, Subang Hi-Tech, Shah Alam  
4. Tropicana Heights Sales Gallery, Off Jalan P6/2, Bandar Teknologi Kajang, Semenyih  
Contact: (03) 7710 1018

Tropicana Corp invites the public to celebrate CNY at its sales galleries with lion dance performances and a showcase of the company's projects.

Welcome the first day of  
Spring at Eco Botanic

Date: Feb 4 (Sat)

Time: 8am to 12pm

Venue: EcoWorld Gallery @ Eco Botanic, Jalan Eko Botani 1/1, Taman Eko Botani, Johor Bahru



Eco World Development Group Bhd invites the public to celebrate the first day of spring in the lunar calendar at Eco Botanic with fun activities and lion and dragon dance performances.

## IJM Land CNY Open House

Date: Feb 3 (Fri)

Time: 10am to 5pm

Venue: Menara IJM Land, Suite 01-01, Menara IJM Land, Lebuhr Tunku Kudin 3, Gelugor, Penang  
Contact: (04) 296 1288  
IJM Land invites the public to celebrate this "Fantaschick CNY" with delicious Chinese cuisine, Chinese orchestra performances, lion dance and God of Prosperity appearance.Celebrate Year of the Fire  
Rooster at Canary Garden'Slow but steady'  
take-up for 8scape  
Residences  
in Johor

Kepong Industrial Park Group, better known as KIP Group, has seen 80% of the non-bumi units at its 8scape Residences development in Taman

Sutera, Johor Bahru sold, said KIP Group director Valerie Ong.

Launched in 2014, the condominium project is located in between two established townships in JB — Taman Sutera and Taman Perling. 8scape has a gross development value of RM822 million.

The 9.2-acre development offers 1,255 condominium units housed in four towers with built-up sizes ranging from 808 sq ft to 1,654 sq ft (for dual-key units). The selling price averages about RM550 psf, with the minimum price from RM450,000.

"Construction has reached 35%. We believe once construction reaches 60%, all the units will be snapped up as most people will feel more confident when they see the physical building," she added.

8scape is located within the vicinity of zone A in Iskandar Malaysia, which is also a part of JB city centre.

Construction of RM1.2 bil Qi City in  
Bandar Meru Raya has begun

Green Venture Capital Sdn Bhd (GVC), a subsidiary of Wawasan Qi Properties Group (WQIP), has commenced construction work on the Qi City development in Bandar Meru Raya, near Ipoh in Perak. It is slated for completion by 2020.

Spanning 26 acres, Qi City is a RM1.2 billion mixed development. It is also the first-of-its-kind fully integrated education hub in Malaysia, said GVC.

According to WQIP in a statement, Qi City comprises an 840-bed teaching hospital, condominiums, a lifestyle mall, a convention centre that can cater up to 1,500 people, hotel suites and the Quest International



University Perak campus, a subsidiary of WQIP.

For the residential component, there will be three 25-storey blocks, offering 768 condo units with built-ups between 780 sq ft and 1,338 sq ft while the penthouses (18 units) will be around 2,121 sq ft.

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to download for free

painting, CNY paper cutting and origami as well as cookie decoration sessions.

Big Fun Day at  
Bandar Rimbayu

Date: Feb 12 (Sun)

Time: 10am to 6pm

Venue: The Arc Bandar Rimbayu, No 1, Jalan Flora 3, Bandar Rimbayu, Telok Panglima Garang, Selangor  
Contact: 1800 22 8686

IJM Land will be hosting the Big Fun Day at Bandar Rimbayu with activities such as a horse joy ride, God of Prosperity appearance, acrobatic lion dance and Astro artists' performances. The highlight will be an 88-foot yee sang toss. Light refreshments will be served.





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High Park Suites  
Sales Gallery,  
Kelana Jaya  
T. 03 7886 0688

**BUKIT BANTAYAN**  
Sales Gallery,  
Kota Kinabalu  
T. 088 254 436

**horizon hills**  
The Cove Show Unit,  
Iskandar Puteri  
T. 07 232 3433

**GAMUDA**  
GARDENS  
Gamuda Gardens  
Sales Gallery,  
North Sg Buloh  
18 February 2017  
3pm - 8pm  
T. 6014 234 8537

**Kundang**  
Estates  
Kundang Estates  
Sales Gallery,  
North Sg Buloh  
19 February 2017  
10am - 5pm  
T. 03 6034 2882

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Gamuda Walk,  
Kota Kemuning  
25 February 2017  
11am - 4pm  
T. 03 5122 1055



**C**rowdfunding is not something new for present-day retail and technology startups that need funds to kick-start their businesses. However, the idea of crowdfunding in the real estate industry, to fund the development of property projects in particular, seems rather far-fetched and difficult to realise.

Equity crowdfunding platform CrowdPlus.asia chief operating officer (COO) Bryan Chung has been approached by many real estate industry players about raising funds through crowdfunding. But they often give the idea a pass after knowing the limited fund size that they could raise.

As crowdfunding is still new in the Malaysian market, Chung says, the Securities Commission (SC) has established a framework for equity crowdfunding (ECF) to protect investors.

In the framework, the SC has set the amount of capital raised through ECF to be limited to RM5 million where the issuer is only allowed to raise a sum of up to RM3 million within a year through a single ECF platform. Nevertheless, the additional sum of RM2 million can be raised the following year.

"For real estate projects, the current limit is RM3 million to RM5 million which is clearly not sufficient for any property development," he tells TheEdgeProperty.com.

According to the definition by the UK Crowdfunding Association, crowdfunding is a way of raising funds by asking a large number of people for a small amount of money each to finance a business, project or venture into a business.

There are three methods of crowdfunding: donation/reward crowdfunding, debt crowdfunding (also known as peer-to-peer lending (P2P lending)) and equity crowdfunding.

People who participate in donation or reward crowdfunding are considered as donors who contribute the money for a social or encouragement purpose to help the small business or individual accomplish their targets, such as a charity project or for operating funds for small businesses. Some donors might receive the end-product from the business owners while others may not receive anything in return.

Meanwhile, debt crowdfunding allows for the lending of money bypassing traditional banks. Investors could receive their money back with interest.

On equity crowdfunding, investors are buying a share in the business, project or venture. The returns depend on the profitability of the business.

**It's not just about funding property developments**  
Apart from the limitations to



# WAYS CROWDFUNDING CAN BE APPLIED IN REAL ESTATE

BY TAN AI LENG



Ng: There are many aspects in crowdfunding that developers or business owners could explore.



Chung: Equity crowdfunding has limits on the fund size, making it less appealing to developers.

the fund size, P2P Venture Sdn Bhd COO Kristine Ng says lack of knowledge is another reason that the idea of crowdfunding is not being considered by many companies.

However, Ng, who has handled more than 20 crowdfunding projects, sees great potential for this in the real estate sector. Although there are limitations on crowdfunding, Ng says there are areas that property developers or business owners could explore.

"For example, if developers are

already given lending licences to provide housing loans to homebuyers, real estate crowdfunding may be a way for them to raise funds to finance the mortgage loan scheme," she suggests.

She notes that there are investors who are interested in investing in real estate but are not interested in purchasing physical assets.

This group of investors currently have a choice of either investing in real estate investment trusts or buying shares of listed property development compa-

• **Lack of knowledge** in crowdfunding

• **Peer-to-peer** lending could be quite costly for start-ups

• **Trust issues** — Young developers without track records may have difficulty in gaining confidence of investors

• **Insufficient fund size** — Equity crowdfunding fund size restricted to between RM3 mil and RM5 mil

nies through the equity market. "There are other ways as well.

For instance, small business owners could raise funds through P2P lending to purchase the properties for business purposes. There are many crowdfunding activities that

the property development industry could explore," adds Ng.

P2P lending, in simpler terms, is where an investor lends to businesses or individuals via online platforms that match lenders with borrowers.

## Why is crowdfunding not popular with developers?

## Possible ways to use crowdfunding in real estate industry

As suggested by consultants



**1** As a reward programme for loyal customers by letting them participate in a crowdfunding programme for certain projects

**2** If developers are allowed to provide housing loan to home buyers, real estate crowdfunding might be a way for them to raise fund to finance the mortgage loan scheme

**3** Small business owners could raise funds through P2P lending to purchase properties for their businesses.

SOURCE: TheEdgeProperty.com | GRAPHICS: NURUL AIDA MOHD NOOR



## Global real estate crowdfunding activities are growing

Chung says real estate crowdfunding activities have gained momentum overseas such as in Europe, the UK and Middle East.

"In Asia, Singapore has crowdfunding platforms that focus on real estate, including for the financing of development projects, buying land bank or investing in income-yielding assets," he adds.

These platforms include CoAssets Ltd, FundPlaces established by Ferrell Asset Management Pte Ltd, and DomaCom Ltd. The annual returns range from 3% to 20%, depending on the property types.

Among them, CoAssets is on route to listing on the main Australian Securities Exchange in September 2017 and has raised S\$6.72 million (RM21.04 mil-

lion) in a public offering.

Back in Malaysia, crowdfunding in the real estate sector is taking baby steps with RE/MAX Malaysia putting up 6% of shares of Malaysia's trademark licence holding company Kellerhof International Sdn Bhd for equity crowdfunding. RE/MAX is one of the largest real estate network operators based in the US.

The equity crowdfunding exercise has seen all 80 lots of shares fully subscribed raising RM400,000 in operational capital for the company.

However, RE/MAX Malaysia founder and regional director Andre Keller stresses that the main objective of the ECF is not about fund-raising but to let more people know about the

RE/MAX brand and get more industry players to join them.

This is also the first real estate-related crowdfunding activity in Malaysia, and it is handled by CrowdPlus.asia.

Chung, who is in charge of the deal, also stresses that besides being an avenue to raise funds, crowdfunding could also become a marketing or brand-building tool for business owners, especially property developers who want to increase their exposure or reward their loyal customers.

"For instance, developers could offer a crowdfunding programme on certain projects to let loyal customers have the opportunity to invest and tap into the company's growth," he adds.

SOURCE: TheEdgeProperty.com



## Raising funds through crowdfunding

TYPES OF CROWDFUNDING	HOW?	RETURN?
Donation/reward crowdfunding	Not for investment purpose; donate money to help small businesses or individuals to accomplish their goals	No return expected. Possibly some products from the owners when they succeed.
Peer-to-peer lending (P2P)	Investors lending money to business owners	Investors could receive their money back with interest.
Equity crowdfunding	Buying a share in the business, project or venture	Depends on the profitability of the business

## Newcomer exploring possibility

A newly formed property development company — Oxbridge & Mak Group (O&M) — is looking at the possibility of raising funds through crowdfunding.

The company is collaborating with the landowner, Abadi Baiduri Sdn Bhd, to jointly develop a mixed development in Sungai Besi, Kuala Lumpur, with an estimated gross development value of RM300 million.

O&M chairman Alan Mak says the company wants to raise an investment fund of up to RM10 million in 1H2017 and another RM20 million in 2H2017 to jumpstart the development.

"We are exploring various fund-raising platforms, including crowdfunding, to enable the wider public to be involved in the development," he says.

As the fund size is limited, Mak notes that equity crowdfunding might not be viable at present and is considering to initially raise funds through debt lending.

### Evaluate risk appetite before investing

Like any other investment tool, Ng from P2P Venture warns that investing through crowdfunding also has its risk although the returns could be rather attractive.

"For P2P lending, the returns range from 5% to 18%. But one

must bear in mind, the higher the returns the higher the risk. In any investment, always balance your investment portfolio and do not put all your eggs in one basket," she adds.

Chung from CrowdPlus.asia concurs that investing in crowdfunding is like investing in a business, whereby there is no guarantee on returns of investments.

He foresees real estate crowdfunding to be one of the avenues for small developers to seek funding, but for this to be realised, the Securities Commission needs to have a new set of guidelines for developers, especially on the limitations of the fund size.

He says it will be a game-changer if property developers are allowed to raise funds through crowdfunding as a developer with a good track record and development land in good locations will be an attractive investment for many.



## 10th Malaysian Property Summit to focus on sustainability of property market

BY SHAWN NG

PETALING JAYA: Rising interest rates in the US have sparked concerns that it will impact the rest of the world including Malaysia's property sector.

The US stance on interest rates will have down-the-line implications on the property markets in other countries, including the property market and real estate investment trusts in Malaysia, said Khong & Jaafar Sdn Bhd managing director Elvin Fernandez.

The US Federal Reserve had increased the interest rate in the Decembers of 2015 and 2016. "This time they are suggesting that for 2017, there could be two or three rate hikes and this is also possibly because the new administration of the US is pushing for a more aggressive fiscal policy and there are implications to interest rates rising when fiscal policy is relied on more heavily," said Fernandez.

Hence, the theme for the 10th Malaysian Property Summit this year would be "Property as it moves into an era of possible rising global interest rates".

The annual summit is organised by The Association of Valuers, Property Managers, Estate Agents and Property

Consultants in the Private Sector Malaysia (PEPS). It will be held on Feb 23 at Sime Darby Convention Centre, Kuala Lumpur.

Speakers at the summit will be sharing insights on the Malaysian property industry in order to uphold its long-term sustainability and efficiency, said Fernandez who is the summit's organising chairman.

"The speakers for this summit are practising valuers and real estate professionals and, as such, they will be bringing their deep understanding of the property market in their presentations," he said, adding that PEPS is aiming to have as many as 500 attendees this year.

The speakers include the Finance Ministry's Valuation and Property Services Department director general Dr Rahah Ismail, Kenanga Investment Bank Bhd head of equity research Sarah Lim, Knight

Frank Malaysia Sdn Bhd executive director Teh Young Khean, Savills (Malaysia) Sdn Bhd executive director Allan Soo, past president of Real Estate and Housing Developers' Association (Rehda) Datuk Ng Seing Liong, Raine & Horne International Zaki + Partners Sdn Bhd senior partner Michael Geh, Landserve (Johor) Sdn Bhd executive director Wee Soon Chit, Rahim & Co International Sdn



Fernandez: The speakers will be bringing their deep understanding of the property market in their presentations.



Ng's talk will be dealing with how cost can be reduced in order for property prices to be brought down to more palatable levels.

Bhd research and strategic planning director Sulaiman Akhmad Mohd Saheh and Taylor Hobbs principal consultant Liaw Lam Thye.

Topics include an update and outlook of the residential market, retail market, Klang Valley office market, and property markets in the northern, southern and eastern economic regions as well as Sabah and Sarawak.

"We have in fact taken extra pains to get the speakers to go into some substantial depth,

insofar as the fundamentals affecting each of the sectors are concerned," said Fernandez.

As the local property market will continue to be challenging this year, with negative internal and external factors haunting the industry, industry players should look for innovative approaches.

One particular segment of the summit, which is a talk by Rehda past president Ng, will be dealing with how cost can be reduced in order for property prices to be brought down to more palatable levels in the medium to long term.

With the aid of discounted cash flow (DCF) models, the objective can be accomplished, said Ng.

"A properly constructed DCF model can show this clearly and this is what we intend to do for the coming summit," he said.

However, it still boils down to a concerted move by all stakeholders towards lowering compliance cost to the bare minimum and moving towards the greater use of IBS (Industrialised Building System), he noted.

For more details on the summit, go to [www.peps.org.my](http://www.peps.org.my).



TheEdgeProperty.com is giving readers a chance to win a ticket worth RM1,088 to the summit. Go to [www.TheEdgeProperty.com](http://www.TheEdgeProperty.com) to find out how.



# Buying your next property

BY SHAWN NG

**Y**ou have secured your first home and are living comfortably there but you're probably thinking about buying a second property for investment. After all, putting your money in real estate is considered one of the safest and best forms of investment.

"Property is one of the best investment options because it has many merits," Malaysian Institute of Estate Agents vice-president Lim Boon Ping tells TheEdgeProperty.com. Not only is it a stable investment, investing in property can add to your source of income and act as a hedge against inflation.

Besides rental income, a property can also achieve 4% to 5% average capital appreciation over the long term and offset inflation in Malaysia, which is about 4%.

On the other hand, buying a property involves a large amount of cash so if you want to buy a second property, you may become tight on cash with limited liquidity, he cautions.

So how do we deal with the issue of financing? Similar to when you bought your first home, one could go the usual route of getting a mortgage.

"Having good payment behaviour for loans, additional sources of income, reserved substantial savings and paying tax duly are all crucial factors which will help investors get a higher LTV (loan-to-value) ratio from banks," CEO and co-founder of SkyBridge International Adrian Un shares.

He urges buyers to always maintain a good credit profile as it is crucial in the process of obtaining loans. "With banks' tightening on lending policy, if your Central Credit Reference Information System report is good, and you've got all the docu-



Lim: Investors must ensure they have enough holding power to deal with situations when there are no buyers/tenants for their property.



Un urges buyers to always maintain a good credit profile as it is crucial in the process of obtaining loans.

ments ready, then your chance of getting a loan will be higher."

## Refinance your first property

Meanwhile, you could try to refinance your existing property or properties, he suggests. What could be saved from the refinancing, could be used to finance the second or third property.

"However, it is best to do the refinancing early as the process may not be easy and may take some time," he advises.

If the bank takes longer than expected in the refinancing process, investors may not get their money in time, resulting in the deal for the new property purchase falling through.

Un also reminds investors of Bank Negara Malaysia's (BNM) guidelines since 2013, whereby any cash-out from mortgage refinancing would be capped at a 10 years' tenure.

"The borrower will have to pay higher monthly instalments as the loan repayment period is shortened to 10 years. So, they should assess their financial status before refinancing," warns Un.

For those buying their third property and above, since 2010, BNM has implemented a maximum LTV ratio of 70% on the third mortgage.

Housing loans for the first and second units, on the other hand, are not affected, and the present prevailing LTV levels by individual banks apply, based on their internal credit policies.

The regulation has limited the purchasing power of third property homebuyers, but Un reveals that some banks have come up with other options.

"There is one bank that will approve the third mortgage with a higher LTV ratio under a guarantor scheme, Un explains, but declines to reveal the name of the bank.

"For example, a buyer can ask his or her spouse, who has a lower income and no mortgage to his or her name, to come in as a guarantor for the new mortgage. The bank may then approve the loan

could be many property investment opportunities, but people in the industry usually "will have the first bite", Un points out.

"If someone from the 'outside' wants to have a taste, they should get connected with agents and ask them to look for great deals in the market, but they have to be very specific about the price and location," he adds.

However, buyers who plan to buy their second and third properties for investment must prepare back-up plans in order to deal with unexpected events, he counsels.

"If the property can't secure a tenant, you must have an alternative or a back-up plan. You should also have enough income that could sustain you for at least six to 12 months."

## Location

Meanwhile, Lim reminds buyers the main factors to consider when buying a property for investment.

"The first factor is location. Buyers should study the community, amenities and developments near the property.

"Second, assess the tenant demand in that area and estimate how long it will take to lease out the house.

"Then, look at the potential rental yield and pricing of the property. If you buy the property at a very high price but only manage to rent it out at a low rental, you might not be able to handle the monthly instalments and may fail to hold the property for at least a few years to enjoy capital appreciation.

"Finally, keep an eye on the property management if you're buying a strata property because a bad management will cause the value of the property to decline, and vice versa."

While buying properties within a well-planned development sounds like the right choice, investors need to be aware of the costs involved, Seow warns.

"Investors may have to fork out some money for renovation and furnishing before gaining rental returns. These are expenses that should not be ignored."

One also has to think about how long it will take before the investment will reap returns. "There are many things that need to be considered, including monthly instalments, mortgage reducing term assurance (MRTA) and the overnight policy rate," says Seow.

Lim says investors must ensure they have enough holding power to deal with situations when there are no buyers or tenants for their property.

"Also, investors should invest judiciously and always buy MRTA or MLTA (mortgage level term assurance), especially when buying residential properties, to prevent them from becoming unnecessary liabilities to their next of kin in case of unforeseen circumstances.

SOURCE: TheEdgeProperty.com | GRAPHICS: NURUL AIDA MOHD NOOR

**12 Tips for a new property investor**

- Regard it as a long-term investment
- Draw up a proper financial plan
- Always maintain a good credit profile and payment record
- Have sufficient holding power or savings
- Have insurance
- Expect the unexpected and have back-up plans
- Understand the risks involved
- Do not go on a messy buying spree
- Avoid complicated property schemes
- Learn about related laws, taxation, mortgages, accounting and financial planning
- Get connected with industry experts
- Beware of the maximum LTV ratio on purchase of third property

KENNY YAP | TheEdgeProperty.com



Seow reminds investors to assess their financial status and have a proper financial plan.

with a LTV ratio higher than 70%," Un discloses.

## Joint purchase

Another option is to do a joint purchase with family members or siblings who are not restricted by BNM's rule. One could also refinance existing properties to the spouse's name before applying for a new one or apply for the new mortgage under a company.

Meanwhile, VKA Wealth Planners head of financial planning Lawrence Seow reminds investors to assess their financial status and have a proper financial plan.

"When people buy their second and third properties for investment, they usually forget that they are getting more loans, which will increase their financial burden," he says.

He does not recommend group purchasing as it is risky and could get complicated.

"I have my reservations on property group purchasing schemes. The members in the group have different financial standings and expectations on investment returns. Furthermore, if one of the group members passes away, it will affect the whole plan," he explains.

## Be prepared with a back-up plan

In the current slowdown, there



# Aspire to become a real estate agent? Study first!

BY LUM KA KAY

There is a common misconception that being a real estate agent (REA) requires little academic qualifications. The truth is, to be a registered REA, a lot of time and effort must be invested to be qualified and recognised by the Board of Valuers, Appraisers and Estate Agents Malaysia (BOVAEA).

This is because a career in the real estate industry entails more than just selling houses. An REA has to be well-versed in the process of selling and buying properties, financing options and property-related regulations.

Several industry veterans have pointed out to TheEdgeProperty.com that the industry is suffering a talent shortage.

Heritage Shield Real Estate Sdn Bhd CEO and immediate past president of the Malaysian Institute of Estate Agents K Soma Sundram notes: "According to our statistics, there are only 1,938 registered estate agents while negotiators have exceeded 20,000. The number of estate agents coming into the market is very low. [The figure] is only 40 to 50 [REAs] every year," he laments.

The training and development arm of Hartamas Real Estate, Hartamas Academy Resources Sdn Bhd's marketing and training manager David Wu concurs, saying there is

a real need for more REAs to serve the public in their real estate needs.

"At present, we are in severe shortage of REAs in the country. Against a population of over 31 million people, the ratio is one estate agent to every 12,415 people," he notes.

### Stringent requirements for REA

Meanwhile, BOVAEA Estate Agency Practice Committee chairman Eric Lim says one of the main deterrents could be the long process and stringent requirements imposed by BOVAEA to obtain the practising authorisation.

Any person over the age of 18 is eligible to be a real estate negotiator (REN) where he or she must be attached with a registered firm on a full-time basis and attend a two-day course, Negotiator Certification Course by BOVAEA-approved training providers, adds Lim.

"In order for an REN or anyone else to become an REA, he or she must obtain the BOVAEA Diploma in Estate Agency or any other diploma or degree by other higher institutions accredited by BOVAEA.

"Generally, it takes a minimum of two years to obtain the diploma from BOVAEA," he says. After obtaining the diploma, candidates are required to undergo two years of practical training under the supervision of an REA and submit their work log to BOVAEA. Upon the

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HARTAMAS ACADEMY



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UCSI COLLEGE



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### Benefits of being an REA

- **Authorisation** by BOVAEA to practise real estate
- **Qualification** to establish own agency firm
- **Permission** to recruit up to 30 RENs
- **Higher** professional fees

completion of the practical training, the probationary REA must then attend an oral interview conducted by BOVAEA.

"Basically, it takes an average duration of 4.5 years for one to obtain the licence," Lim points out. "Nonetheless, we expect to see the number of REAs in Malaysia increasing in the near future."

Lim also adds that the regulatory body has also evolved in recent years to enable more qualified tal-

ents to join the industry.

"Many people from different kinds of industries and fresh graduates are joining the real estate industry as a main career instead of a secondary source of income.

"We have also been seeing a sharp increase in the number of candidates taking the Written Estate Agents Examination Part I and Part II as well as related courses run by other higher institutions," says Lim.

"A real estate agent plays a vital

role in advising clients on matters pertaining to property investment, real property gains tax, charges and payments, property-related laws and regulations, the rights and covenants of clients, and helping clients to make a sound decision in their property purchase.

"As such, the academic qualifications gained are essential because they ensure that the REA is trained and well-versed in property-related fundamental knowledge," he stresses.

### Perks of being an REA

An REA is usually the principal or the director of a real estate firm, notes Lim. "So they are supposed to supervise all the RENs and ensure they adhere to all the compliances," he adds.

This is because an REA has the authority or licence to set up his or her own agency firm. The said authority that is vested on the REA also permits him or her to recruit up to 30 RENs to work under him or her.

"Should an REA have no plans to establish his or her own firm, he or she may join other agencies which could utilise his or her REA licence to increase the firm's REN recruitment. In return, the REA will be paid a certain monthly allowance. Also, an REA is also entitled to a higher commission rate than an REN," explains Lim.

Meanwhile, UCSI College CEO and president Professor Dr Mabel Tan notes another primary reason that people venture into the real estate field is job flexibility.

"This is because they don't want to be tied down to a nine-to-five office job, as there is [more] freedom in working during weekends or evenings [when one chooses to]. Also, it is about taking charge of one's own life and becoming one's own boss. A third reason is to achieve financial independence quicker as the monetary returns depend on how hard one works.

"There is also no retirement age — one can work for as long as one wants to. And last but not least, currently there are very few REAs in the industry, so the demand is really very good," says Tan.

### Optional academic pathways to REA

UCSI College has partnered with Hartamas Academy to roll out the Executive Diploma in Real Estate (EDRE), which is recognised by BOVAEA and the Malaysian Qualifications Agency, with its first cohort of students who will graduate in two and a half years.

Graduates are eligible to apply to be probationary estate agents and sit for the Test of Professional Competence. EDRE graduates are also exempted from Part 1 and Part 2 of the BOVAEA Estate Agent Written Examination.

"Throughout the programme, we have organised sharing sessions by top industry personnel to prepare and network with these students. So the networking among classmates, lecturers and top industry experts is strong as the industry is all about good networking," elaborates Tan.

She notes that most of the EDRE students are practising real estate negotiators who want to become REAs.

### What it takes to become a real estate agent (REA)

- 1 Must be a Malaysian citizen or permanent resident (PR) holder
- 2 SPM certificate with a minimum of three credits (in either Maths, Science, Commerce or Accounts) and two passes.

SOURCE: TheEdgeProperty.com | GRAPHIC: NURUL AIDA MOHD NOOR

- 3 Pass the Estate Agent's Written Examination Part I and II conducted by BOVAEA or obtain a diploma or degree from higher learning institutions accredited by BOVAEA
- 4 Register with BOVAEA as a Probationary Estate Agent (PEA)
- 5 Undergo practical training under the supervision of an REA (supervisor)
  - One year for those with a degree qualification accredited by BOVAEA
  - OR • Two years for those who pass BOVAEA written examination or Diploma holder from any higher learning institutions accredited by BOVAEA
  - Maintain a work diary for all activities conducted, to be endorsed by the supervisor
- 6 After the completion of the practical training, to submit the followings to BOVAEA
  - Task 1 – On agency process
  - Task 2 – On a marketing proposal
- 7 Register for the Test of Professional Competence (TPC)
- 8 Attend an oral interview to be conducted by a panel of interviewers from BOVAEA
- 9 Having passed the TPC, BOVAEA will then grant the authority to practise and issue certificates upon receiving the required fees.
- 10 You are then qualified as an REA



## Mini food dreams



PICTURE COURTESY OF SIOW



Some of the Chinese New Year dishes created by Siow.

BY NATALIE KHOO

At first glance, you would probably think, oh that looks pretty delicious! On a closer look, you will realise they may look delectable, but they are not edible. If you are looking for a unique twist to your Chinese New Year decorations instead of the same old ones year in year out, miniature food may be your answer. Eric Siow, a graphic designer and also a certified pastry chef who hails from Kuala Lumpur, shares with TheEdgeProperty.com on how he stumbled into this miniature food-making industry.

"Sometime in 2006, I relocated to Singapore [from Malaysia] for a better job opportunity. I was working as a senior graphic designer during that time and as a creative person, I always looked forward to learning something extraordinary. I learned food

miniature from a local miniature teacher in Singapore in 2011 where she made mostly local food such as curry mee, prawn mee and nasi lemak. After a couple of lessons with her, I was obsessed! In 2012, I quit my full-time job, stepped out of my comfort zone and pursued my advanced diploma in patisserie. As a full-time French pastry student, I had more time to practise miniature craft. I gained ground and slowly got noticed," says Siow, who also holds a Bachelor of Arts (Honours) from the UK.

**The obvious challenges are the lack of publicity and misconception about clay craft. — Siow**

Siow notes that although there are similarities between miniature and life-size food model-making in terms of their realistic-looking, mouth-watering, and durable characteristics, both are very different in terms of processing, the methods and the materials used.

"I am not very keen on learning 1:1 scale food — the size is big and



I don't have space to display them. Technically it's not easy to make, and the cost is very high, which is why it is not so much of a hobby. Because of the scale (1:12 international standard scale) [of miniature food], the challenge is to make it small and at the same time look as realistic as the actual food. One of the things I love is seeing people wonder whether they are edible or not," says Siow.

"First, I need to be sure of what I want to make. I will do my research before starting by visual reference online or actually looking and eating the real food to see what the ingredients are inside, while studying the texture and colours," explains Siow, adding that some dishes take about three to four hours to make while some may take days.

Siow does not restrict himself to only using clay as his primary tool as it may not create the finishes he wants but he will never use edible materials for his craft-making as it may turn mouldy.

The cost also varies depending on what kind of craft he makes.

"I try to control the cost of each creation, whereby some simple

miniatures cost as low as RM1-RM2, or up to RM5-RM10. However, if I make a nostalgic showpiece (for example a Satay stall), the cost could reach at least RM200-RM300 or more," says Siow.

As much as it is exciting for Siow, he notes that it is not always a smooth ride.

"The obvious challenges are the lack of publicity and misconception about clay craft. People think it is a child's play/hobby, or a cheap craft that people normally see at a flea market sold at RM10 for three pieces. The general public often overlooks the sophistication of miniature clay craft and, in other words, people are not willing to spend money on them," says Siow.

Siow currently conducts workshops and sculpting lessons regularly in Malaysia and Singapore where he teaches students from the basic level all the way to the advanced level.

What if you have no time to take the classes but want a piece of his work anyway? The good news is you can buy them.

"Normally I will keep and display

most of my food miniatures at home, and also use them as samples/prototypes to show customers. People love to see the real thing instead of just pictures. Occasionally, I participate in art fairs or hobby expos. I do sell some of my ready-made miniatures but if my customers can wait for new creations, I will remake them," Siow explains.

Siow notes that no two pieces look the same, especially for food such as prawn mee and nasi lemak.

Moving forward, he hopes to be able to work on more conceptual or contemporary miniatures as well as on retro/vintage showpieces.

"My next plan is to build a street of the local pasar malam [night market] scene. In the next two years, my goal is to spread awareness on clay craft in Malaysia. Besides that, I hope to promote my miniatures to tourists by working with the Malaysia Tourism Board; collaborate with corporations, potential designers/artists or organisations; and to be involved in charitable events. Perhaps, I can have my own mini personal exhibition when I am ready," says Siow.

