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30%
Happy

6.5%
Unhappy

2.5%
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43%
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Wellness Tower draws
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More homes up for
auction but few takers



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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
Copy Editor
Geraldine Tan
Senior Writer Tan Ai Leng
Writers Rachel Chew, Natalie Khoo,
Shawn Ng, Lum Ka Kay
Art Director Sharon Khoo
Design Team Nurul Aida, Mohd Noor,
Maisarah Ali

For New Launches/Events/
Press Releases/News Tips
email: propertyeditor@bizedge.com
Tel: 03-7721 8211 Fax: 03-7721 8280

ADVERTISING & MARKETING

Associate Account Director,
Advertising & Marketing
Heidee Ahmad (019) 388 1880
Senior Account Manager
Cecilia Too (012) 319 7666
Account Managers
Megan Chee (011) 2433 4363
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: propertysupport@bizedge.com
GL: (03) 7721 8175/ 8172

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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
Kingston Low (012) 278 5540
Senior Sales Managers
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Gregory Thu (012) 376 0614
Kamaleen Parama (012) 394 4855
Michael Tan (012) 213 0252
Creative Marketing
Chris Wong (016) 687 6577
Head of Marketing Support & Ad Traffic
Lorraine Chan (03) 7721 8001



S P Setia's Elonia at Bukit Indah fully taken up

S P Setia Bhd's latest double-storey terraced housing project in Johor, Elonia at Bukit Indah, has been fully taken up since its official launch in April 2017.

Elonia comprises 100 freehold double-storey terraced houses of 20' x 70' and built-up of 1,770 sq ft, and priced from RM630,448, or RM356 psf.

"The overwhelming response received for Elonia shows that the underlying demand for mid-priced properties is still strong amidst the current market environment. The queue to select the units started a day before the actual launch," said Stanley Saw, the divisional general manager of S P Setia.

Elonia has a gross development value of RM71.3 million. Amenities nearby include a Jusco Regional Shopping Centre, Tesco Hypermarket, an array of restaurants, a convention centre and others.

JAG Bhd targets 50% revenue contribution from property development

JAG Bhd is aiming to achieve a 50:50 ratio of revenue contribution for its waste management and property development business in the next

IOI Properties Group Bhd has roped in Hongkong Land to jointly develop and manage 1.1ha of prime land located within Marina Bay and the Central Business District of Singapore.

In a statement on June 13, IOI Properties said it has signed a memorandum of agreement with Hongkong Land for the proposed project, subject to regulatory and other approvals.

Upon completion of the proposed joint venture (JV), IOI Properties will hold 67% of the JV company and Hongkong Land will hold 33%.

"We look forward to working with our partner Hongkong Land on this exciting new development, which will bring office space of the highest quality to Singapore's premier Central Business District," said Lee Yeow Seng, CEO of IOI Properties.

"Our new JV allows Hongkong Land to expand its portfolio of prime commercial properties in

IOI and Hongkong Land to jointly develop Marina Bay site

JOINT VENTURE CEREMONY
12 JUNE 2017



Marina Bay and demonstrates our long-term confidence in the Singapore property market," said Robert Wong, CEO of Hongkong Land.

IOI Properties had clinched the prime site for S\$2.57 billion (RM7.9 billion) in November last year.

The scheme envisaged comprises two office towers of 1.26 million sq ft of leasable space and a small retail podium of 30,000 sq ft.

five years or sooner, said its chairperson and executive director Datin Stacey Tan Siew Ching.

The company is planning to roll out two to three property projects in the next five years, she told reporters after the company's annual general meeting and extraordinary general meeting on June 14.

"We will be launching our maiden project towards the end of this year and we are looking for landbank and strategic acquisitions or partnerships," she said, adding that the company would be concluding some deals by end-2017.

JAG's maiden project is a mixed development on a 3.33-acre site in Kampung Jawa, Klang with a total gross development value of RM155 million to RM170 million.

Premium office tower Medini 9 to be completed next year

The superstructure of the first high-rise premium office building developed by Medini Iskandar Malaysia Sdn Bhd (MIM) in Medini City, Johor has been completed.

The completion of Medini 9's superstructure was marked by a topping-off ceremony on June 13 at the rooftop of the 21-storey building.

MIM said Medini 9 will be completed and operational sometime in 2018.

"Medini 9 is the first high-rise premium office building developed by MIM, located in Medini City, the Central Business District of Iskandar Puteri. I am delighted to announce the completion of the Medini 9 super-



structure, which will further boost the confidence level of developers, investors and prospects of Medini City. Our strong commitment to deliver good quality building in a timely manner has made it possible for us to celebrate this special occasion," said MIM managing director and chief executive officer James Tee in a statement.

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LAUNCHES + EVENTS



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

Superheroes at Tropicana property galleries

Date: June 17 and 18 (Sat and Sun)
Time: 10am to 4pm
Venue: Tropicana Metropark Property Gallery, No. 1, Jalan Delima 1/1, Subang Hi-Tech, Subang Jaya, Selangor
Contact: (03) 5636 6888
Venue: Tropicana Aman Sales Gallery, No. 2, Persiaran Aman Perdana 3, Bandar Tropicana Aman, Telok Panglima Garang, Selangor
Contact: (1700) 81 8868
In conjunction with Father's Day, Tropicana Corp Bhd has taken on a superhero theme at its property galleries. The event will feature 2D and 3D mosaic models, motorised models and brick games.

Damansara Heights bungalow open house

Date: June 17 and 18 (Sat and Sun)
Time: 11am to 5pm
Venue: 27, Jalan Setiabakti 9, Damansara Heights, Kuala Lumpur

Contact: (019) 232 2089
City Crest Realtors will be showcasing a 2-storey bungalow with a built-up of 4,910 sq ft in Damansara Heights.

Tropical fruit party at Trio Sales Galleria

Date: June 17 (Sat)
Time: 11am to 4pm
Venue: Trio Sales Galleria @ Bukit Tinggi Klang, Lot 82623, Jalan Langat / KS06, Bandar Bukit Tinggi 1, Klang, Selangor
Contact: (03) 3162 3322
Visit the Trio sales gallery and taste the Musang King durian and other local fruits for only RM2 admission fees at the tropical fruit party organised by S P Setia Bhd.



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Show house of Livia @ Rimbayu opens

Date: June 17 and 18 (Sat and Sun)
Time: 10am to 5pm
Venue: Bandar Rimbayu Show Gallery, No 1, Jalan Flora 3, Bandar Rimbayu, Telok Panglima Garang, Selangor
Contact: (1800) 22 8686
Located in the 1,879-acre Bandar Rimbayu township, Livia consists of 346 double-storey link homes. Phase 1 will comprise 118 units with built-ups of between 1,658 sq ft and 1,854 sq ft, with land size of 20 ft x 60 ft.

Launch of Manchester New Square

Date: June 17 and 18 (Sat and Sun)
Time: 11am to 6pm
Venue: The Westin Kuala Lumpur, 199, Bukit Bintang Street, Bukit Bintang, Kuala Lumpur
Contact: (03) 2260 0700, (012) 304 6887
Developed by Urban & Civic, Manchester New Square is a residential development located in Manchester city centre, UK. The development comprises three 12- to 15-storey buildings that house 351 apartment units. Prices are from £217,500 (RM1.18 million).



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Happiness IN the city INDEX 2017



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Malaysians get first dibs on S P Setia's Sapphire By The Gardens

BY NATALIE KHOO

MELBOURNE: S P Setia Bhd is launching the residential component of its latest and fifth project in Australia located on Exhibition Street, Melbourne this weekend. The launch will be held in Malaysia at the Setia International Centre in Kuala Lumpur.

Sapphire By The Gardens is the residential tower of By The Gardens, a mixed development comprising hotel, retail, office and residences. Sitting on a 4,140 sq m site, the 64-storey twin-tower development will feature a curving sky bridge on levels 45 and 46.

The residential tower offers 345 serviced apartment units with built-up sizes from 50 sq m to 660 sq m (538 sq ft to 7,104 sq ft). Prices range from A\$550,000 to A\$29 million (RM1.77 million to RM 93.3 million).

According to the CEO of S P Setia's Australian operations based in Melbourne, Choong Kai Wai, the unit sizes in Sapphire By The Gardens are generally 15% to 20% larger than the average apartment units in Melbourne. The gross development value is estimated to be A\$475 million.

"The majority of the units will be 2- and 3-bedroom units while 10% to 15% of the units will consist of 1-bedroom units," said Choong, adding that construction will begin at the end of this year.

The other tower at By The Gardens will house hotel Shangri-La By The Gardens with 500 rooms and three levels of amenities, including a sky lobby, restaurants, spa, fitness centre, swimming pool and ballroom. This will be the second Shangri-La



PICTURES BY S P SETIA BHD



Choong: The unit sizes in Sapphire By The Gardens are generally 15% to 20% larger on average than the average apartment units in Melbourne.

Sitting on a 4,140 sq m site, the 64-storey twin-tower development will feature a curving sky bridge on levels 45 and 46.

hotel in Australia after the first in Sydney.

"This is the last piece of land available that looks towards the UNESCO World Heritage Site, Carlton Gardens and the Royal Exhibition Building. One of the reasons Shangri-La was keen to set up a hotel here is because this project offers the concept of living in the city and by the gardens," Choong added.

He noted that the target market for this project includes local Melbournites aged 30 to 50, retirees, downsizers and offshore residents that frequent Melbourne, young professionals as well as first-time homebuyers.

Meanwhile, the architecture firms un-

dertaking this project are Fender Katsalidis Architects (FKA) and Cox Architects.

"We had a design competition to select the architects for this project. For the curving bridge, 46 young architects from FKA and Cox came up with the design choices for us," Choong said.

The developer will be retaining both the office and retail components. "We are looking at bringing in services such as childcare services, a wellness centre and chiropractic service. The childcare industry is a big business here, and we will look for an operator who is suitable," Choong offered.

The project is located near Melbourne

University, RMIT University, Royal Melbourne Hospital, Royal Victorian Eye and Ear Hospital, Carlton Gardens, Fitzroy Gardens and many established international communities such as Chinatown, the longstanding Greek Precinct and a bustling Vietnamese community.

The project is slated for completion at the end of 2021. Previous projects by the developer include The Fulton Lane and Parque Melbourne apartments, which have been completed and handed over. Meanwhile, the Maison Carnegie apartments and a mixed development on High Street Prahran is set to be completed by mid-2018 and mid-2019 respectively.

First commercial project at Eco Grandeur opens for sale

BY TAN AI LENG

PUNCAK ALAM: Eco World Development Group Bhd (EcoWorld) will be launching Esplanad, the first commercial project to be introduced in Eco Grandeur, Puncak Alam, Selangor this Sunday, June 18.

Esplanad has a gross development value (GDV) of RM170 million. It comprises 96 units of 2- to 3-storey leasehold shop-offices with sizes of 22 ft x 75 ft and 22 ft x 80 ft.

Eco Grandeur divisional general manager Ho Kwee Hong said the two-phase Esplanad project is expected to be completed by end-2019 or early 2020, together with the first residential phase in the township.

"The first phase of Esplanad will offer 72 units for sale, while we plan to launch the remaining units one or two months later," she told TheEdgeProperty.com.

The selling price of the first phase starts from RM1.29 million for the intermediate units that face a future commercial area and lake, to RM4.2 million for the corner 3-storey units facing Jalan Meru Tambahan and Persiaran Puncak Alam.

Divided into four rows, Esplanad is part

of the 200-acre Eco Grandeur City commercial centre in the 1,400-acre township which carries a GDV of RM9 billion.

Eco Grandeur City comprises a hotel, medical centre, office towers, international schools, serviced apartments, and a mall with a convention centre and art centre.

Eco Grandeur City will be filling the gaps for the local community's needs and bring vibrancy to Puncak Alam.
— Ho

The Eco Grandeur township is accessible via five major highways — the Guthrie Corridor Expressway (GCE), KL-Kuala Selangor Expressway (LATAR), North-South Expressway and two upcoming highways, which are under construction, namely the proposed Damansara-Shah Alam Expressway (DASH) and the West Coast Expressway (WCE), which will be completed by 2019.

"Esplanad sits on a tract located between Jalan Meru Tambahan and Persiaran Puncak Alam. The strategic location is close to LATAR, GCE and WCE, and has the potential to grow as a standalone commercial hub," Ho said.

"Since Eco Grandeur unveiled phase 1 of its residential component in September last year, the township has attracted buyers from Puncak Alam, Kota Damansara,



LOW YEN YONG / TheEdgeProperty.com

Sungai Buloh, Kepong, Rawang, Setia Alam and Klang.

"Most of them are buying for future own-stay, while others foresee the township's growth potential once the commercial projects in the township kick off. Others are eyeing the student accommodation market as Universiti Teknologi Mara is only about 1km away from Eco Grandeur," she added.

Ho said the 14,000-acre Puncak Alam has a population of 250,000 today.

"As population grows, there will be a rising need for conveniences and amenities. Eco Grandeur City will be filling the gaps for the local community's needs and bring vibrancy to Puncak Alam," she offered.

Meanwhile, the Eco Grandeur Labs project located next to the Eco Grandeur sales gallery will see its first tenant INK Library Café opening its doors in July. The project offers 15 retail lots for rental. Each lot has a built-up size of 1,000 sq ft.



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Lumi Tropicana's Wellness Tower draws serious buyers

BY RACHEL CHEW

PETALING JAYA: Wellness Tower, the third serviced apartment block at Lumi Tropicana by Thriven Global Bhd, has already received tremendous response from prospective buyers ahead of its upcoming launch planned for end-July.

According to the developer, it has already sold most of its 150 "VIP Passes" on offer, which reflected the strong interest from keen buyers. The VIP Pass gives its owner top priority in unit selection scheduled for July 1. An official launch is slated for July 29.

The gross development value (GDV) of the tower is estimated at RM220 million. It consists of 186 serviced residences with built-ups ranging from 862 sq ft to 1,509 sq ft.

Wellness Tower is one of four blocks of serviced residences at the Lumi Tropicana mixed development in Tropicana, Petaling Jaya which was first launched in 2015. The four 35-storey towers are above a 3-storey podium featuring the commercial retail segment known as the Marketplace on the ground floor and 62 Small-office Home-office (SoHo) units on the first floor. The second floor houses a 3-acre facilities deck. Both the Marketplace and the SoHos offer double-ceiling heights.

As many as 372 serviced residences in Play Tower and Action Tower were launched at end-2015 and 1Q2016 respectively, while Lumi SoHo was launched in June 2016. To-date, all the non-bumiputera units from these launches have been sold.

Lumi Tropicana sits on a 6.4-acre leasehold plot next to the upcoming Lien Hoe LRT station. The development is a Green Building Index Gold-certified development carrying a GDV of RM886 million.

"We have been receiving many queries



Ghazie (left) and Tan with Lumi Tropicana scale model.

about Wellness Tower after the successful sell-out of all the non-bumi units in Play Tower and Action Tower, as well as for the Lumi SoHo units in Phase 1. This made us decide to preview Wellness Tower slightly earlier than scheduled. To keep this exclusively to serious buyers only, the marketing team came up with the idea to sell the VIP Passes," Thriven's Lumi Collections sales and marketing advisor Tan Justin told TheEdgeProperty.com.

He attributed the good response to the direct view of the Tropicana Golf and Country Resort's golf course from the Wellness Tower, as well as its price point.

"Selling price starts at RM930 psf while the average selling price in the vicinity is around RM1,200 psf to RM1,300 psf. We also provide all

the fittings like storage space, kitchen cabinet, wardrobe, and home appliances such as air-con, microwave, water heater, washing machine and even lights and plaster ceiling," Tan said.

Thriven group managing director Ghazie Yeoh Abdullah said this is in line with the developer's corporate value.

"As a listed company, we need to ensure there is profit from every project that we do. However, we never want to earn and go. We want to build, sell and stay to ensure the value of our product and brand. We always leave some money on the table so the buyer can gain profit too. And from there, we can build the brand following," Ghazie told TheEdgeProperty.com.

Besides the 3-acre facilities deck, each of the

four towers will have its own Sky Terrace with themed facilities for all residents. For example, in Wellness Tower, there is a gym, yoga and Pilates area, self-spa zone with steam baths and sauna room while in Play Tower, there is a music room, theatre, study room and children jungle zone, Ghazie shared.

He stressed that all the facilities will be fully equipped. Maintenance fee is at 30 sen psf.

"We will also provide hotel-like services, such as housekeeping, gym tutor, and event catering services, so it will generate income for the Joint Management Body (JMB) in the long term," he said. "What we are trying to build is not mere buildings — it is an ecosystem of an international full-fledged serviced residence."

Meanwhile, the developer has also come up with a novel way to manage the Marketplace. Rather than renting or selling the space, it will be partnering F&B companies and retailers instead.

"Not only do we want to control who and what businesses to bring in but also the overall design of the Marketplace. We will be sharing profits with our partners; this is also a way to increase income for the JMB," he shared, adding that Thriven is currently in talks with a restaurant chain.

He added that the Marketplace will serve not only the residents but also the neighbourhood as well as LRT riders to the area.

Lumi Tropicana is slated for completion by 2020, with the first two towers and the Marketplace expected to be ready and operational by June 2019.

"We plan to launch the last block, Business and Lifestyle Tower, in 1Q2018. However, if Wellness Tower is sold out early like the first two towers, we may push the launch date forward," Ghazie said.

CWK Group banks on MRT for Wisma Aman Elite in Cheras

BY SHAWN NG

KUALA LUMPUR: The upcoming phase 2 of the mass rapid transit (MRT) Sungai Buloh-Kajang Line has prompted CWK Group to kick-start its commercial project known as Wisma Aman Elite in Cheras, Kuala Lumpur.

Located on a 1.5-acre of land along Jalan Desa Aman 1, the freehold project has a gross development value of RM140 million. It is being undertaken by a subsidiary of CWK Group — CL Elite Developer Sdn Bhd.

The land was previously rented out to a used-car dealer before the company decided that it is time to develop the site, CWK Group and CL Elite Developer director James Chan told TheEdgeProperty.com.

The oil palm plantation player, who also has a property development business, believes now is the best time to develop the land as the upcoming phase 2 of the MRT Sungai Buloh-Kajang Line is poised to have a positive impact on the surrounding area.

When completed, Wisma Aman Elite will comprise three levels of basement carpark, 14 blocks of 5-storey shopoffices and a 13-storey office tower, said Chan.

The 5-storey shopoffice units have a gross floor area of between 9,935.2 sq ft and 13,153.6 sq ft while the 13-storey office tower will have a total gross floor area of 85,401.5 sq ft.

LOW YEN YEING | TheEdgeProperty.com



Chan: Our principal business is in the plantation sector but we have also diversified into the property development segment.

"Our principal business is in the plantation sector but we have also diversified into the property development segment with some projects, such as Sri Kasturina condominium in Bangsar, Strawberry Park Resort at Cameron Highlands and Taman Desa Aman.

"The reason why we wanted to develop this land is because of the upcoming Taman Mutiara MRT station, which is only about 400m away from our development," Chan explained.

The Taman Mutiara MRT station is one of the stations along the 51km MRT Sungai Buloh-Kajang Line, which will be fully operational by next month. Phase 1 of the MRT Line, which covers the stations from Sungai Buloh to Semantan, began operations in December last year.

CL Elite Developer is selling the en-bloc shopoffices from RM5.98 million onwards. As for the office tower, the developer is looking



at renting the building out at a rate of about RM2.50 psf.

"We are going to lease it out to potential companies who will need the whole building — maybe colleges and businesses that require large spaces. There are a few parties who are considering taking up the building," he shared.

He noted that one of the key selling points of the project is its strategic location.

"All shopoffices and the office tower are facing the main road, which offers good exposure to the future businesses that take up shop here. We are targeting professional firms, financial institutions and business owners who want to have that kind of premium frontage," he said.

"In addition, there will be 211 covered car park lots available in the project, which is something rare in the area," he added.

Recently launched on May 19, five of the 14 shopoffice units have been sold so far. Due to the encouraging response in a slow market, Chan said the developer is targeting to sell all the remaining units over the next 12 months.

"We still own some pockets of land in Desa Aman and Jalan Yap Kwan Seng, but we are conservative on the business and want to ensure the risk is minimal and manageable before we start developing these lands," said Chan.

CWK GROUP



UEM Sunrise to delve into long-term property management

BY TAN AI LENG

For most property owners, once the defects liability period of the property is over, they are left to cope on their own with any construction flaws.

However, property developer UEM Sunrise Bhd wants to be the exception, as it plans to play a major role in managing its own projects long beyond the development stage. Such a vision requires a holistic approach from design and construction to future maintenance, to ensure the sustainability of the projects for decades.

"From the very beginning, we will be thinking about adding value and making sure things work in our developments because we will be the one managing the building or development for the next 10 years or more," says UEM Sunrise chief operating officer (commercial) Raymond Cheah.

Cheah tells TheEdgeProperty.com that UEM Sunrise is not new to property management — its wholly-owned subsidiary SCM Property Services Sdn Bhd was formed over 40 years ago and has been managing over 90% of UEM Sunrise's residential and commercial developments.

In fact, SCM also manages some properties built by other developers. In total, it has 22 projects or 10,000 units of properties under its care in the Klang Valley. Outside Malaysia, SCM manages UEM Sunrise's developments in Australia such as Aurora Melbourne Central as well as Durban Point in Durban, South Africa.

Cheah estimates that by the end of this year, there will be another 2,000 units or three to five projects in the Klang Valley that will be managed by SCM.

A blue ocean market

As high-rise living and mixed developments become more popular, Cheah expects a rise in demand for professional property managers.

In fact, the property or facilities management sector in Malaysia has been growing and enjoyed a 7.3% growth in 2015 from the previous year.

Data showed that Malaysia's facilities management sector in 2015 was estimated to value at about US\$4.6 billion (RM19.6 billion) with US\$2.24 billion worth of services under in-house management and US\$2.36 billion by outsourced service providers.

Those involved in facilities management in 2015 made up about 1.3% of the total workforce of 14 million people from all sectors.

According to the Global Facilities Management Report 2016 released in September last year, the global facilities management market was estimated to be worth US\$1.12 trillion in 2015.

Noting the growth, Cheah says



The award-winning Solaris Dutamas has the ability to attract footfalls all day.

MOHD IZWAN MOHD NAZAM | TheEdgeProperty.com



"After due diligence, we have signed up two new projects recently with more enquiries coming in" — Paul

SCM is well prepared to tap into this blue ocean market.

"In Malaysia, the ratio between in-house and outsourced management still remains at about 50:50, but overseas, such as in Singapore, the property manager will outsource 60% or 70% of the services to other service providers and the in-house team will manage the other 30% of the facilities," he says. As such, he sees great opportunities for SCM to expand its share in the local property management market.

At end-April, SCM had signed service agreements with eight local real estate agencies to provide all-in-one property management services to existing owners of SCM managed-properties including tenancy management.

SCM's property and facilities management general manager Paul Richard told TheEdgeProperty.com on the sidelines of the signing ceremony then that the company had

SUHAIMI YUSUF | TheEdgeProperty.com



"There is increasing demand for professional property management services in Malaysia." — Cheah

received quite a number of enquiries from owners of non-UEM Sunrise properties to manage their properties.

"After due diligence, we have signed up two new projects recently with more enquiries coming in," he said.

SCM was the property manager for several properties that won awards at TheEdgeProperty.com Malaysia's Best Managed Property Awards 2017 including Mercu Summer Suites, 28 Mont'Kiara and Solaris Dutamas, all located in Kuala Lumpur. Its parent company, UEM Sunrise, was named winner of TheEdgeProperty.com Editor's Choice Award: Exemplary Community Builder.

Mixed development as a sustainable model

Having been in the market for over 50 years, UEM Sunrise has built not only homes and offices, but also

mixed developments.

Solaris Dutamas and Solaris Mont'Kiara have been the commercial jewels in its crown for their one-of-a-kind mixed development concept that blends retail, open space, office and residential elements in one.

"A mixed development is actually a very sustainable model. The diverse elements complementing each other attract different crowds, thereby creating vibrancy to the development," he offers.

For instance, the 17-acre Solaris Dutamas — which comprises close to 2 million sq ft of retail space, offices and residences, as well as an open podium for live performances and public activities — has the ability to attract footfalls 24/7.

For residents and people who work here, they can enjoy the convenience and amenities without driving out, while business owners will also benefit from the mix of shoppers, residents and working population in Solaris Dutamas.

The art and creative elements in the Publika mall at Solaris Dutamas also attract people who appreciate art. With nine art galleries, Publika has become an art and creativity incubation centre for local artists.

Cheah estimates there are about 20,000 people in Solaris Dutamas during the day, excluding the shoppers and visitors that are estimated at 5,000 during weekends. And during special events, more will throng the place.

Since its launch in 2011, the retail shoplots in Publika have seen their average capital appreciation double from RM500 psf to RM1,000 psf.

Besides economic vibrancy, Cheah says connectivity is equally important for a development to be sustainable as it will attract repeat customers, not only for work or business, but also for leisure.

Transparency and communication

In managing a multi-million sq ft mixed development with different stakeholders, Cheah emphasises that the most important part of property management is managing people.

"From our past experience, transparency, communication and enforcement are the keys to ensure good management. We need to make sure there won't be any misinterpretation on the rights or usage of common areas," he stresses.

For the property manager, it is important to set up the house rules and put everything on the table, be transparent and communicate with the management committees.

For example, some properties managed by SCM clearly state that short-term leases of less than a month are prohibited. This enables the management to monitor and stop any residents from breaking this regulation.

As the developer, UEM Sunrise ensures that SCM is involved in its project planning, to ensure the entire development is well designed for sustainability of its future maintenance.

"People are more well informed these days and no one wants to be left behind. We have observed there are more owners who take the initiative to work with their developers or managements in maintaining their property, as they realise good property management could enhance their property value," he says.

He notes that people's mindsets have changed, and they are looking at value enhancement rather than focusing on savings on monthly service charges. This allows greater flexibility for managers to work with owners.



Life in the city? Could be better!

BY NATALIE KHOO



Demographic of the participants



Total of
1,796
participants took
part in this survey



983 participants

55%



813 participants

45%

The statement "I am so happy!" could mean very different things to different people. For a student who often struggles with exams, happiness is passing one with aces. For another, who lives in the rural interiors of Borneo, happiness is not needing to trek through a jungle for miles to go to school.

According to the Merriam-Webster dictionary, happiness can be defined as a state of well-being and contentment or a pleasurable or satisfying experience.

So when the question "Are you happy living in the city?" popped up, what do you think the majority would reply, keeping that definition in mind?

There is a reason for asking that question. According to a report published by the World Bank, it is estimated that about 90% of Malaysians will be living in cities by 2050. In 2015, another World Bank report titled "East Asia's Changing Urban Landscape: Measuring a Decade of Spatial Growth" noted that Malaysia stands out in East Asia for its rapid urbanisation.

"Its urban population increased during the period of 2000 to 2010 from 10.2 million to 15 million, making it among the more urbanised countries and economies in the region in demographic terms, after Japan, the Republic of Korea, Singapore, Taiwan and China.

"Malaysia is also among the country with the fastest rate of urban population growth at 4%, surpassed only by Lao PDR or Laos, Cambodia (both of which have much smaller urban populations), and Vietnam," the report noted.

There is certainly no denying that city living is going to be increasingly common moving forward.

Hence, TheEdgeProperty.com partnered Lafarge Malaysia to initiate TheEdgeProperty.com-Lafarge Happiness in the City Index 2017, a survey that was conducted over a period of one month from April 28 to May 28 to find out if Malaysians living in the Klang

Valley, Penang and Johor Bahru are happy in the cities they are living in and what could be done to make their living quality better. The three cities were picked as they were the fastest-growing cities in Malaysia.

The online survey on TheEdgeProperty.com garnered a total of 1,796 respondents with a majority of 1,274 respondents from the Klang Valley, 321 from Penang and 202 from Johor Bahru. Most of the survey participants are aged between 25 and 44 with a fixed salary (64%), and have lived in the city for more than a decade.

Sentimental lot

So here's what they have to say.

Overall, when asked how they feel about living in their respective cities, close to half of the respondents said they were "happy" and "very happy" living in the city. Well and good, but a significant 43% of the respondents found living in the city merely "tolerable" while the rest were just not happy.

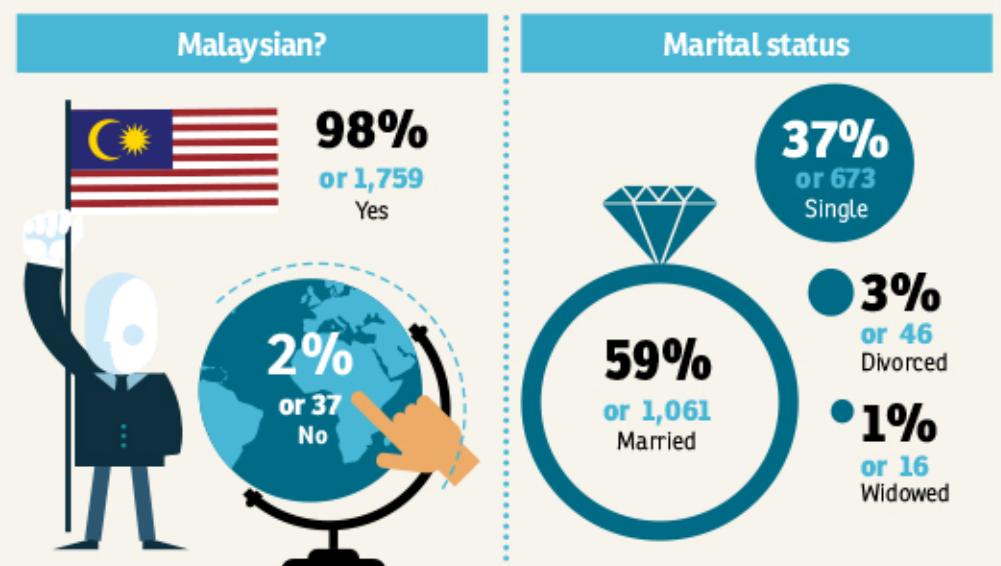
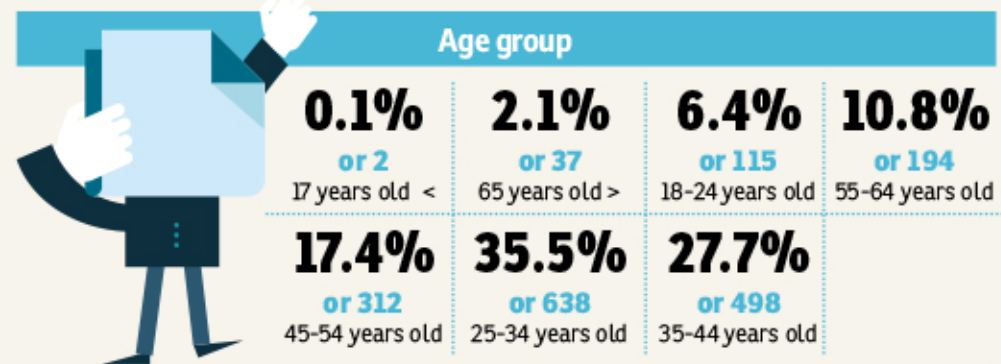
But no matter how they feel about living in the city, they do feel some attachment to the city they live in, as more than 70% of respondents said they have a strong attachment to the city. This could possibly be due to the fact that close to 80% of the respondent have stayed in their respective cities for more than 10 years.

Despite the sense of attachment they feel for their cities, some 60% of respondents said they would consider moving out from the city, with a majority of them wanting to leave the country and move overseas!

The Pearl of The Orient was the top pick for a location in Malaysia if they were to move while Australia was the most popular country to migrate to.

And it is no surprise to find that many city folks feel the stress of the city life despite the sense of freedom they get at the same time. City centres are usually where most businesses and offices are located, hence the feeling of stress from the workplace coupled with the fast pace of life in the city.

CONTINUES ON PAGE 10



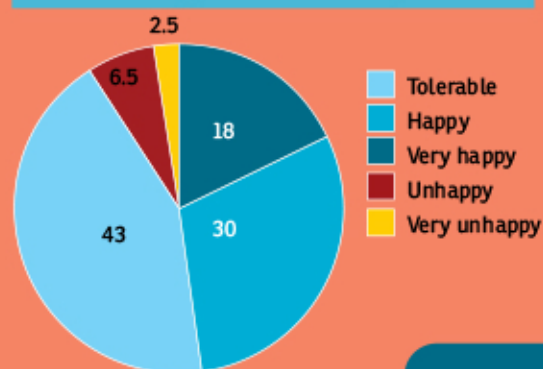
Education		
Type	No. of participants	% of participants
Less than high school	48	3
High school or equivalent	157	9
Attended college/university	364	20
Associate degree	36	2
Bachelor's degree	805	45
Master's degree	243	14
Professional degree	123	7
Doctorate degree	20	1



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

Are you happy? What will make you happier?

Happiness in the city



Feelings about the city**

Type	No. of participants	% of participants
Attachment	1,166	65
Freedom	783	44
Stress	750	42
Pride	473	26
Solitude	403	22

And more than
70%
of them feel
attached to
the city

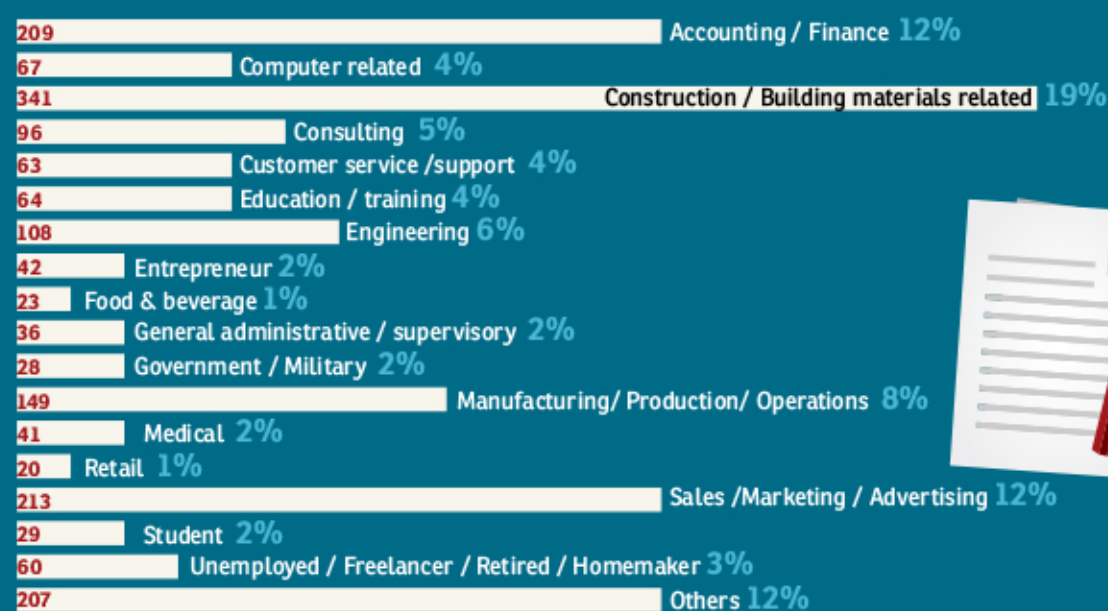
Close to
50%
of the respondents
are happy living at
their cities

Strong attachment
to the city

73%
or 1,309
Yes

27%
or 487
No

Profession



What do you love most about the city? **

73%
or 1,312
Leisure
activities

68%
or 1,214
Accessibility

63%
or 1,124
Job
opportunities

36%
or 649
Family-friendly

36%
or 643
Good
accommodation

20%
or 365
Historical
significance

However, cost of living and safety remains a concern**

82%
or 1,472
Cost of living

77%
or 1,383
Safety

61%
or 1,087
Air pollution

30%
or 544
Noise pollution

23%
or 418
Accessibility

22%
or 392
Job opportunities

** Percentages do not add up to a 100% due to the fact that participants are allowed to choose more than one answers for the question.

Move or stay?

More than half of the urbanites want
to move away from the city

Consider
moving from
the city

60%
or 1,052
Yes

40%
or 713
No

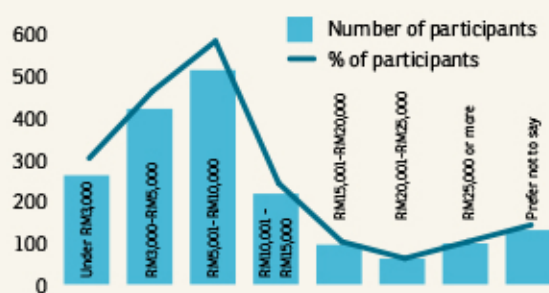
Meanwhile, Australia tops the chart for
an overseas location - seeing some 209
respondents wanting to move there.

Type	No. of participants	% of participants
Australasia	209	14
Asia Pacific	110	8
Europe	74	5
North America	29	2
Middle East	3	0.2
Central/South Asia	3	0.2

These are the
places they would
want to move to.
Penang is the winner
if one were to move in
Malaysia. Well, how
could one resist the
city of yummy food?

** Percentages do not add up to a 100% due to the fact that participants are allowed to choose more than one answers for the question.

Monthly income



Household members

No.	No. of participants	% of participation
1	118	7%
2	313	17%
3	359	20%
4	418	23%
5	296	16%
6	159	9%
7	72	4%
8	26	1%
9	16	1%
10	19	1%

Almost half
of them want
to move
overseas

15%
or 153
The suburbs

49%
or 514
Overseas

17%
or 179
Rural area
(village or
small town)

20%
or 206
Another city
in Malaysia

Type	No. of participants	% of participants
1. Penang	245	17%
2. Perak	215	15%
3. Klang Valley/Selangor	178	12%
4. Johor	108	7%
5. Malacca	63	4%
6. Kedah/Perlis/Langkawi	57	4%
7. Negeri Sembilan	50	3%
8. Pahang	45	3%
9. Sabah/Sarawak	41	3%
10. Terengganu/Kelantan	17	1%

COVER STORY



Our cities have potential to improve

FROM PAGE 8 Leisure amenities and accessibility

On the positive side, what cityfolks love most about living in the city are the leisure activities and the accessibility it offers. The latter could be in reference to the latest additions and improvements in public transportation that are taking place in the Klang Valley such as the massrapid transit (MRT) system, which will see the MRT Line 1 from Sungai Buloh to Kajang completing soon. On July 17, the Sungai Buloh-Serdang-Putrajaya line is set to start operations. Meanwhile, in Penang, the very much anticipated Penang Transport Master Plan is currently in the works. On Penang Island, there are four transit lines that are being proposed including the Bayan Lepas light railway transit (LRT), the Air Itam monorail, the Tanjung Tokong monorail and the tram system in George Town's heritage centre. On the mainland, there are three transit lines being proposed including the Georgetown-Butterworth LRT line, monorail from Raja Uda to Bukit Mertajam/Alma with a bus rapid transit (BRT) extension to Kepala Batas and Kulim and BRT from Permatang Tinggi to Batu Kawan.

When it comes to leisure activities, urbanites spend their time frequenting shopping malls. Our city malls fulfil more than just our shopping needs. Klang Valley, for instance, is host to one of the region's largest malls, 1 Utama Shopping Centre. According to the National Property Information Centre, the total retail space in Malaysia has steadily increased from 6.34 million sq m in 2002 to 13.83 million sq m in 2015.

Worried about high cost of living and safety

It is no surprise too that Malaysian urbanites are currently most concerned about the cost of living, followed closely by safety issues. This also tallied with their perception of the cities in a decade's time, as they expect a more densely populated city that will require an even higher cost of living. Only 15% of respondents see it as a safer place to live.

Big or small? Affordable or not?

On the size of their homes, urbanites seem to prefer a larger property in the suburbs, while smaller properties in the city also attract some interest (45%). The respondents were almost equally split when it comes to buying a property in the city with 51% saying it is difficult while the rest said it was easy. However, in terms of pricing, almost three quarters of survey participants said properties in the cities mentioned were not reasonably priced.

According to a report by Khazanah Research Institute in 2015 titled "Making Housing Affordable", it noted that at the national level, median house prices were 4.4 times of median annual household income in 2014. An "affordable" market is said to have a "median multiple" (median house prices as a multiple of median annual household income) of 3 times. Places such as Kuala Lumpur and Penang saw median house prices at 5.4 times and 5.2 times, signifying a "seriously unaffordable" market.

Slowly but surely

Although we may not be quite there yet, 80% of respondents believe that our cities are currently still undergoing transformation and have potential to improve.

To make our cities more liveable, the most important attribute a city should have, according to 50% of respondents, is an effective integrated transportation system. An integrated transport system is especially vital in the city, as most of the working population needs to travel around the city centre for work. An efficient transport system will ensure that one's daily schedule is maximised.

A liveable and happy city is not something built overnight, but instead requires hard work and perseverance over time. It is, after all, a collaborative effort needed by all relevant stakeholders — be it the citizens, policymakers or private organisations. We should all play our part to build liveable, sustainable and happy cities for the future generation.

Buying a property in the city

Is bigger always better?

Trade-off between size and location



55%
or 977

Larger property in the suburbs

45%
or 788

Smaller property in the city

Is it hard to buy a property in the city?

49%
or 860
Easy

51%
or 905
Difficult

Are properties in the city reasonably priced?

12%
or 218
Unsure

16%
or 279
Yes

72%
or 1,268
No

What is the future of the city

Perception of the cities



80.1%
or 1,414
Under transformation

13.4%
or 237
World class city

6.5%
or 114
Dilapidated



What makes a city liveable?

Rank	Important attributes of a liveable city	No. of participants	% of participants
1	Integrated transportation system	888	50.3
2	Higher income and job opportunities	289	16.4
3	High quality housing	239	13.5
4	Environmentally friendly	234	13.3
5	Beautiful buildings	114	6.5

Perception of cities in 10 years' time**

Rank	The cities in 10 years...	No. of participants	% of participants
1	Higher cost of living	1,626	92
2	More densely populated	1,496	85
3	Larger urban sprawl	1,440	82
4	More beautiful	565	32
5	Greener	426	24
6	Safer	258	15%

** Percentages do not add up to a 100% due to the fact that participants are allowed to choose more than one answer for the question.

What about the 6% of urbanites who think that cities are dilapidated? What contributes to their feelings on this? **

83%
or 95
Poor town planning

42%
or 48
Abandoned buildings

40%
or 46
Pollution

8%
or 9
Vandalism



Taking stock of how we feel

The results from TheEdgeProperty.com-Lafarge Happiness in the City Index 2017 give an idea about how cityfolks view our cities and how they can be improved. TheEdgeProperty.com and Lafarge Malaysia, partners in this survey, believe there is no one-size-fits-all solution and urge all to come together to build a happier city.



Thierry Legrand — Lafarge Malaysia CEO
"We are very excited about the results of this survey as they provide us with an index that measures how happy urbanites are with their cities. Malaysia, like the rest of the world, is going through rapid urbanisation and it is important for us to take stock of what matters to us living in cities in order for us to collaborate to contribute towards building better."

Thierry Legrand — Lafarge Malaysia CEO

"We are very excited about the results of this survey as they provide us with an index that measures how happy urbanites are with their cities. Malaysia, like the rest of the world, is going through rapid urbanisation and it is important for us to take stock of what matters to us living in cities in order for us to collaborate to contribute towards building better."

Shirley Low — Lafarge Malaysia director of marketing

"I'm delighted with the good response and would like to thank everyone who participated in our survey. Connectivity and high-quality housing are among the top attributes that people look for in their cities and safety remains a top concern. The best way to address this is for all stakeholders — government, town planners, developers, architects, en-



Shirley Low — Lafarge Malaysia director of marketing
"Low: Connectivity and high-quality housing are among the top attributes that people look for in their cities and safety remains a top concern."

gineers and service providers like Lafarge — to come together at the planning and design stage where we can all contribute our knowledge and experience. Only then can we make a real difference and build better as an industry.

With this happiness index, I look forward to conversations on how we can make our cities better and happier, supported by data that capture the sentiments and wish list of urbanites."



Au Foong Yee — TheEdgeProperty.com managing director and editor-in-chief
"Au: Without a doubt, deliberate and continuous conversations are demanded of all stakeholders entrusted with the building of cities."

Au Foong Yee — TheEdgeProperty.com managing director and editor-in-chief

"Are you happy living in the city? What would it take to give you the desired state of mind?"

A one-size-fits-all answer is not realistic; we are individuals with varied upbringing and confronted with differing demands. What is urgently needed is a holistic approach towards the planning of cities. Such is the clear message

from respondents to the survey for the inaugural TheEdgeProperty.com-Lafarge Happiness in the City Index 2017. Connectivity, safety, quality housing, affordability, job opportunities and leisure activities generally sum up the wish list of most respondents, though not necessarily in this order.

So, where do we start? For instance, how do we future-proof buildings from the onslaught of artificial intelligence — now at the core of massive investments of leading tech, data and e-commerce giants of the world? What will be the impact of driverless vehicles on the usage of multi-storied carparks of high-rise buildings?

It's all in the planning and design. Without a doubt, deliberate and continuous conversations are demanded of all stakeholders entrusted with the building of cities."



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FEATURE

More homes on auction but few takers

BY TAN AI LENG

The number of homes that went under the hammer has been rising over the last few quarters, reflecting the overall property market slowdown. But for auctioneers, the auction market has been woefully uneventful with little interest from bidders. Is there cause for concern?

According to data from online auctions listings platform Auctionguru.com, auction residential properties have risen 14.4% to 6,225 cases in 1Q2017 from 5,442 cases recorded in the same period last year. In terms of value, the figure has climbed 31% to RM1.8 billion from RM1.375 billion in the first quarter of 2016 (1Q2016).

The uptrend has been gradual since 2Q2016, following a steep fall of 17% to 5,442 cases in 1Q2016, from 6,543 cases in 4Q2015.

In 2Q2016, there were 5,505 cases, a slight increase of 1.16% from the previous quarter. The figure climbed 5.7% the following quarter with 5,818 auction cases. In 4Q2016, the number had risen to 6,154 cases worth RM1.797 billion. In 1Q2017, the volume and value of auction cases increased slightly by 1.15% and 0.3%, respectively.

Last year, a total of 22,919 homes worth RM6.26 billion went under the hammer compared with 19,132 cases valued at RM3.66 billion in 2015. There were 24,806 cases worth RM4.1 billion in 2014.

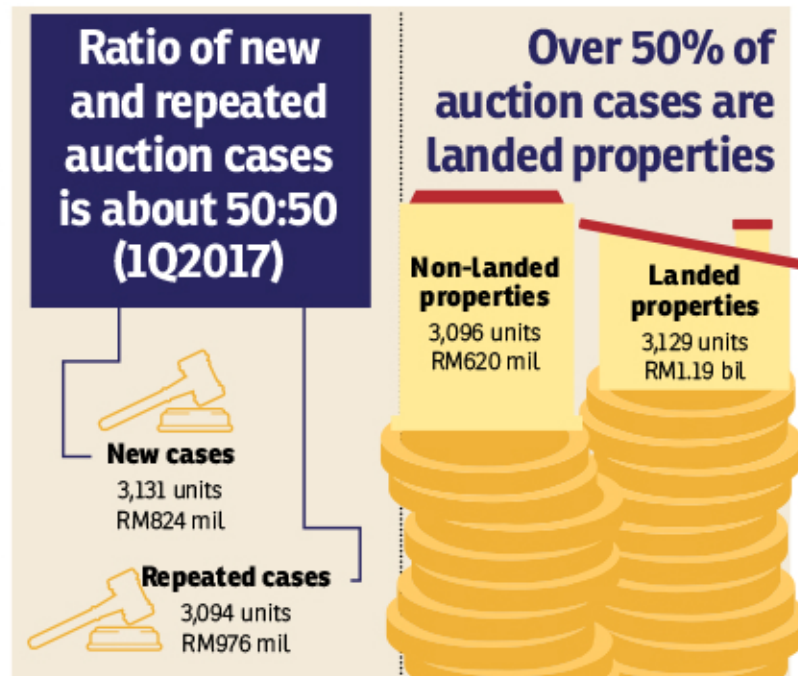
Overall, comparing annual figures, the number of auction cases has been decreasing over the past three years. There were 26,101 properties worth over RM9 billion put up for auction in 2016 compared with 28,750 valued at RM7.63 billion in 2015. In 2014, there were 35,577 cases worth RM7.9 billion.

Auctionguru.com executive director Gary Chia tells TheEdgeProperty.com that although there are more residential properties on offer for buyers, the market has been lacklustre as buyers are cautious and are staying on the sidelines. He notes that not only has the crowd that attends the auction events become smaller, but the number of bidders has also shrunk.

"I have seen some good deals in the [auction] market as some properties have seen their reserve prices go significantly lower than the market price, especially high-rise properties in Kuala Lumpur city centre, but they still face difficulties in finding buyers," he says.

For instance, a 2,444 sq ft apartment at The Troika in KL city centre was put up for bid with a reserve price of RM2.4 million in January this year with an average price of RM948 psf, which is 22.6% lower than its average transaction price of RM1,272 psf in 2016, according to TheEdgeProperty.com data.

Another example is a 3,750 sq



ft serviced apartment at The Oval in KL city centre, that had a reserve price of RM4.1 million in January this year (RM1,093 psf), which is about 16% lower than last year's average transaction price of RM1,306 psf.

"During market boom times, it's normal to see more than 20 bidders for one property, but now, it would be lucky if five to six people would bid for one property as it has become a norm now to see just one or two bidders, or sometimes none," he adds.

The report also showed that among the 6,225 auction cases in 1Q2017, about 50% or 3,094 properties are repeat cases, which means that these properties have been put up for auction for two times or more. Notably, there were 3,131 new cases valued at RM8.24 billion registered in 1Q2017 alone.

Chia believes the current slumber will continue into the subsequent quarters due to the cascading effect emanated from the secondary market, where more property owners will be selling to realise their capital gains and restructure their investment portfolio.

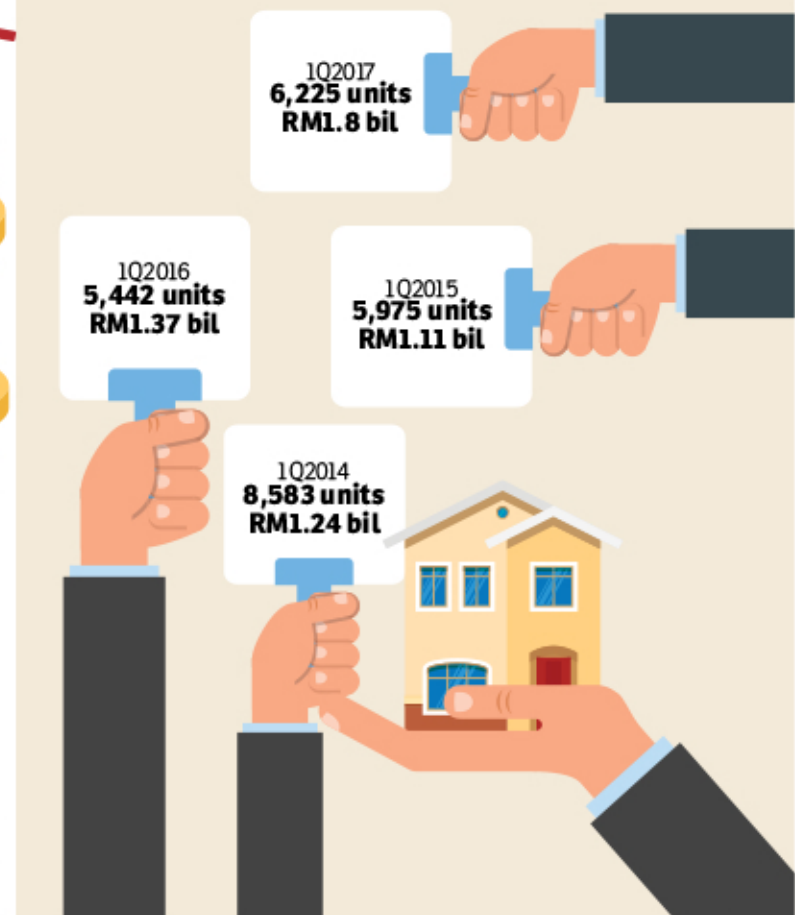
"Thus, market supply will in-



"Cautious buyers are reluctant to make their bids in the auction hall." — Chia

crease and it will be harder for owners to cash out. Consequently, some of the property owners who encounter financial constraint may eventually be forced to abandon their monthly financial commitment for their leveraged properties," he explains.

Residential properties put up for auction surged 14.4% yoy in 1Q2017



Selangor, Johor and Perak top the list

Among all the states and federal territories — including Putrajaya and Labuan — Selangor, Johor and Perak have topped the list with the highest number of properties that went under the hammer in 1Q2017.

Selangor dominates with 2,272 properties worth RM784 million being put up for auction, making up about 36% of total auction cases in 1Q2017.

Johor and Perak registered 817 cases worth RM227 million and 656 cases worth RM128 million, respec-

tively, making up about 13% and 11% of the total cases. Putrajaya, Labuan and Perlis have the least number of auction cases, with just 6, 8 and 12 auction cases, respectively.

In terms of value, Selangor, KL and Johor led the pack. KL had 484 properties worth RM336 million, while Penang had 558 properties valued at RM128 million put up for auction in 1Q2017.

Chia notes that Selangor has recorded the highest number of foreclosures in the residential property segment as the state is highly developed and is the most densely populated in Malaysia. Therefore,

Selangor, Johor and Perak recorded the highest cases of foreclosure properties in 1Q2017

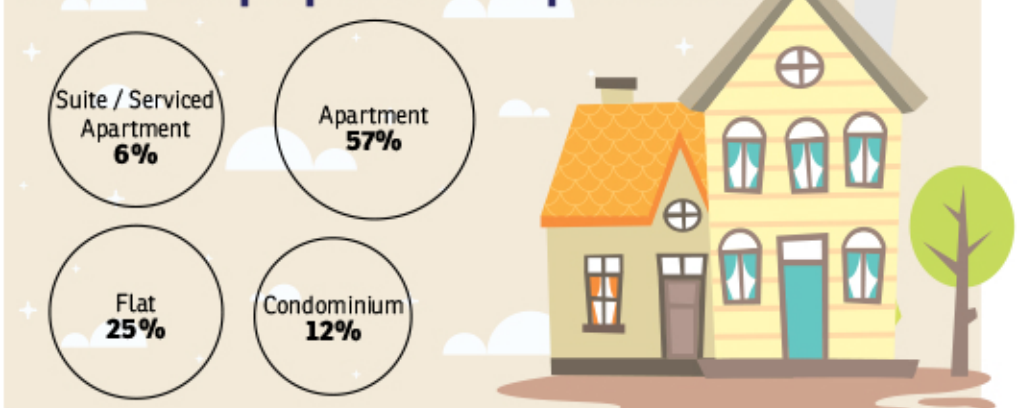




Over 80% of the auction landed residential properties are terraced homes



More than half of the auction non-landed residential properties are apartments



property transactions in the state will tend to be higher.

He also spotted a rising number of luxury landed homes and newly completed high-rise homes being put up for auction.

"Our records showed that quite a number of units at The Raffles Suites located at Bandar Uda Utama in Johor, which was completed about one year ago, were being foreclosed in 1Q2017.

"Some of the reserve prices stipulated for units in that property were almost equal to or below the initial purchase price," he notes.

According to Auctionguru.com's records, the first auction of a unit from The Raffles

Suites was seen in January, and since then, there have been 32 units put up for auction.

Launched in 2013, the 311-unit freehold condominium was selling from RM389,400, or an average of RM570 psf. The recent auction listings in May showed that the reserve price is about RM467 psf.

A more realistic approach to market price

Chia opines that the reserve price of an auction property more or less reflects the real value of the property.

"The reserve price is based on bank valuation where the land value and future

growth potential are the main considerations," he explains.

For luxury properties that were set at an exorbitant price previously, their price valuation will be challenged if their future growth potential is questioned.

"However, the reserve price may not always go downwards, even for repeated cases. In some cases where the property is located in prime areas, the reserve price can increase in tandem with the land value," he emphasises.

For example, a 3,294 sq ft duplex condominium in One KL located at Jalan Pinang, KL city centre has a reserve price of RM4.25 million, or an average of RM1,290 psf, in

February this year. TheEdgeProperty.com transaction price data showed that One KL's average selling price in 2016 was at RM984 psf.

Chia perceives the current situation positively as such market "adjustments" are necessary for the market to recover. He opines that the local residential market is relatively resilient and the segment is fairly shielded from economic fluctuations.

"Challenging business conditions, coupled with negative sentiments on the local front, may prolong the expansion of the foreclosure market. However, for bargain hunters, there are more opportunities on the market," he concludes.

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Discovering "Buy" in the property investment quadrant

BY CHRIS TAN



The rule of life is simple: When you know better, you can always do better. It's exactly the same in property investment — a seasoned investor must always strive to increase choices and options so that he or she is flexible enough to make the most out of any situation. The key, therefore, is to start with what you can do with property as an asset class in your diversified investment portfolio. Survival of the fittest is the golden rule in any competition; always aim to keep yourself in the game for as long as you can.

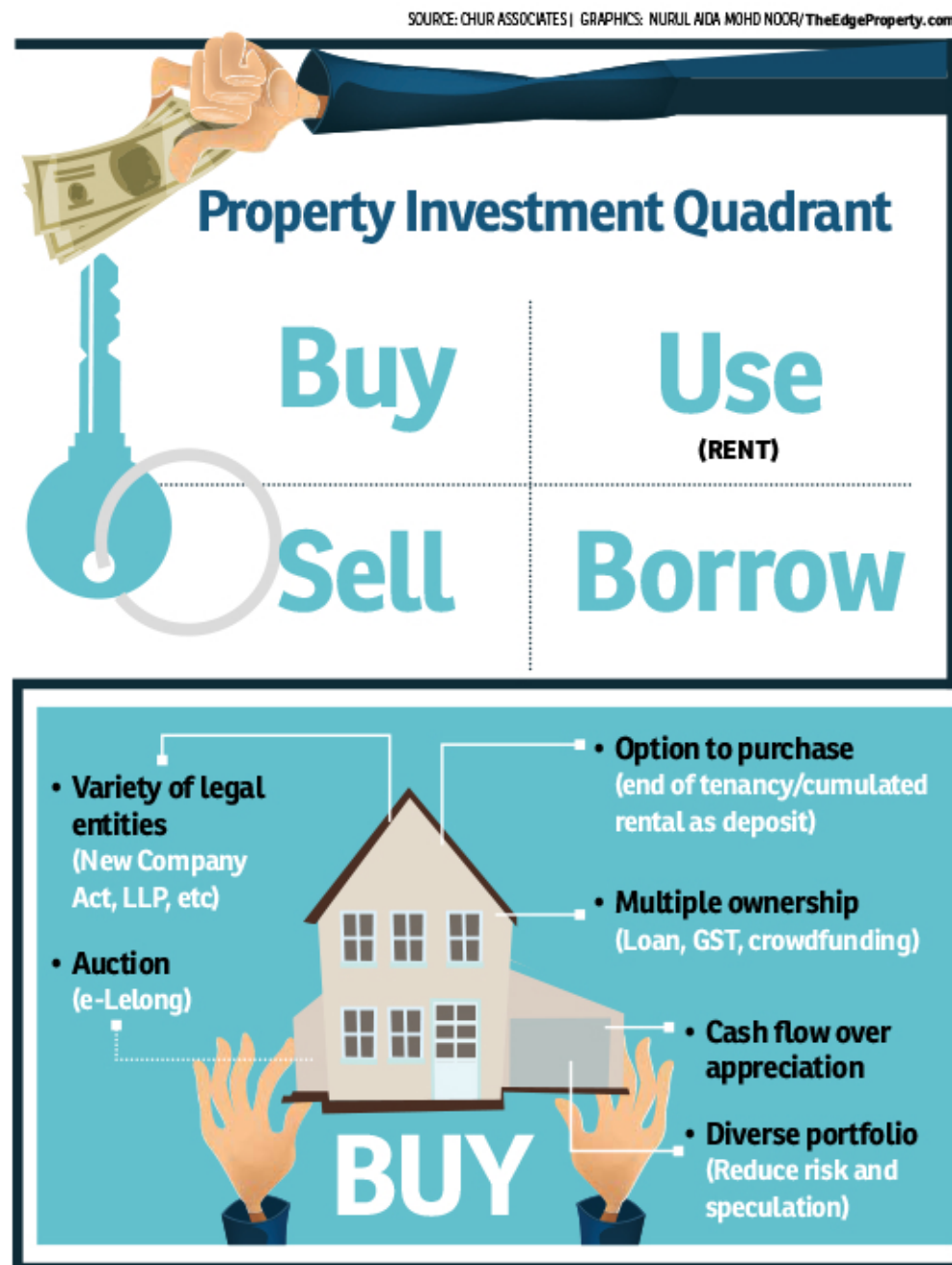
Mirroring Robert Kiyosaki's acclaimed Rich Dad's Cashflow Quadrant, I humbly put forward my parody adoption of the same in Property Investment Quadrant (PIQ). Like Kiyosaki's "ESBI" in Employment, Self-employed, Business and Investment, my quadrant is "BSUB" in the four actions that you can really do with your property investment, namely Buy, Sell, Use (Rent) and Borrow.

This is therefore the first of a four-part series addressing the "Buy" in the PIQ. Here are some unconventional suggestions to buy (acquire) property in light of the current challenging environment and some new trends as well as developments in law. These are by no means exhaustive and in no particular order in matching your risk portfolio and your unique requirements.

1. Option to purchase

Lately, the intended first-homeownership regime promoted by the government has taken a twist. From the affordable prices and little or no money down to assist first-time homebuyers through public intervention, it is now "rent to own" and also urban transit housing from the last two national budgets tabled. The government, through their intelligence and their action, is recognising the disparity between the disposable income and the increasing home prices amid the already alarming household debts.

Investors can easily capitalise on this unique trend by replicating "rent to own" in the secondary market to offer such an option to tenant-turned-purchaser in the long run. They can consider a higher rental with premium for part or whole of it to be accumulated as the deposit in the long run for the eventual purchase. This will allow the tenant-turned-purchaser longer time to improve his or her income to secure the eventual bank loan, indirect saving of the deposit to even procurement of potentially favourable purchase price at the start of the tenancy, as well as the increased degree of certainty of continuously staying in the same premises without moving. The landlord will also enjoy less speculation with a potential purchaser in place beforehand, to even a tenant who takes more "ownership" of the premises for the likelihood of eventual ownership. It's a win-win solution for all that is equally applicable for commercial, retail or industrial properties.



2. Multiple ownership

Property investment has long been a very individual thing in the past, or at best limited to the closest of family or friends. Affordability in prices in the past has certainly played a part in cultivating this behaviour. The lone ranger that hunts successfully like a tiger before will learn a new skill to hunt in a pack just like the lions. Embracing both the pros and cons of multiple ownership of a single property is essential for any investor.

Multiple sources of income or higher accumulated income of the purchaser as well as the ability to offer more purchasers guarantors would be most welcomed by banks as better risk management in giving loans. Different combination of owners for non-residential property would also accord some flexibilities and benefits in GST.

Of course, these benefits have to be balanced with proper documentation to address certain fundamental issues and decision-making processes.

Investors can even explore the regulated regime in crowdfunding to invest in property, either in equity or the more recently approved Peer to Peer. Property investment with total strangers is no longer a dream.

3. Variety of legal entities

The recent changes in law in the diversity of legal entities available for property own-

ership have also increased the possibility of implementing multiple ownership discussed above. Today, investors can buy properties under their personal name, a combination of a few personal names, public and private limited companies (in the new structures offered under the new Companies Act 2016), limited liabilities partnership (LLP) and even trust companies.

This gives investors more options in structuring their property investment. LLP is a hybrid of a common law partnership with the benefits of a separate corporate entity with limited liability — a Sdn Bhd can now be with a single shareholder and a single director and an annual general meeting is only optional. These changes bridged the gaps between Corporate Malaysia and the modern first world to ensure our competitiveness in attracting investment.

A word of caution to the most contemporary property investors: A lot of banks, relevant authorities as well as fellow investors are still not familiar with the new company structures especially LLP. Be prepared to make some adjustments along the way to make the most out of these new changes.

4. Diverse portfolio

"Never put all your eggs in the same basket" is still a ringing truth as the fundamental of risk management. As investors are acquiring more properties, they need not be all the same type

of properties. A diverse portfolio is favoured, whether it is of different price range that targets different strata of users or buyers, or simply the different usage from residential, commercial, industrial, retail, agricultural or land properties. It can get even more sophisticated in a single element in a mixed-use development.

There can even be sophistication in terms of land tenure. From the conventional freehold and leasehold, we now have this unique concept of lease right in Medini Iskandar as well as the uncharted waters in new territory like the very ambitious Forrest City in the south.

Most investors started in the residential property and slowly move up the price bracket to the narrower top of the investment pyramid and become adventurous, going into non-residential sectors. Do not fall into the trap of believing that all properties are the same, as residential property investments are the most elementary of them all.

While you are encouraged to have diverse portfolio in property investment, you should also increase your capabilities and resources along the way.

5. Auction

Auction or bank foreclosure proceedings are most often perceived as a lower entry into the property market. However, it also means a higher level of complexity as banks are only interested in recovery, and a lot of issues with the property are left to the investor on a "buyer beware" basis. Reading into the details of the proclamation of sales is absolutely essential.

One initiative in this type of property acquisition is the court's attempt in executing online bidding through a system of "e-lelong". Recently, the pilot test of the system scheduled for April 2017 in the High Court of Kuantan has been postponed. Let's keep an eye on this development as it will make court foreclosed properties more accessible to all.

6. Cash flow over appreciation

We are now in the era of "lower yield, higher return" of property investment. From the 12% annual return on investment two decades ago, we are now effectively looking at returns higher than interest rates on fixed deposits offered by conventional banking, especially in urban Malaysia. Even then, cumulative appreciation is getting slower than the last 10 years.

Investors must therefore be very cautious in selecting property investments, with great importance placed on positive cash-flow to ensure that they stay in the game long enough.

You do better when you know better — and yes, you can always know better. Watch out for part 2 and keep track of the entire four-part series.

If you have any property-related legal questions for Tan, please go to the Tips section of TheEdgeProperty.com.

Chris Tan is a lawyer, author, speaker and keen observer of real estate locally and abroad. Mainly, he is the founder and now managing partner of Chur Associates.

Disclaimer: The information here does not constitute legal advice. Please seek professional legal advice for your specific needs.

Applauded moves

What do you appreciate most about your property's management? The question, posed to various homeowners across the Klang Valley, elicited a range of answers which can serve as useful pointers to better manage a property, be they landed or non-landed, strata or non-strata. Though the list highlighted here is contributed by residential proprietors, many of the practices can apply to commercial properties too.



1 Retrofitted security

Multi-tier security systems may be common for current projects, but for most developments that were completed beyond a decade ago, some refurbishment may be required to cater for the new or upgraded security systems and fittings.

A resident shares that his apartment development, completed more than 15 years ago, had only one level of security — the guard house. Past that, anyone was free to enter any unit through the open lift lobbies on the ground floors. Not surprisingly, break-ins were frequently reported.

Subsequently, the management organised the collection of adequate resources to install the CCTV and access card system. This involved fitting tempered glass walls around each of the four lift lobbies, rewiring works and upgrading the lifts.

The residents are very grateful over how their management has put in so much effort to reinforce their buffers against unwelcome intruders, and at a reasonable fee too.

"We used to pay only the maintenance fees. Now they add in the building fund of RM22.60 every month, which I think is still cheap considering how they've upgraded the whole apartment," shares the grateful resident.

2 Value enhancement

The dedication of a management committee can play an instrumental role in determining the value of your property.

"One Sunday morning, I was driving out when I saw a few of my Residents Association (RA) committee members working under the hot sun. They were bosses of their own companies with various subordinates, yet they had no qualms about getting their hands dirty to plant some flowering shrubs around our new signage," relates Lau, a semi-dee proprietor.

She reveals that her development is right across a bungalow enclave that displays a very prominent signage. To avoid being eclipsed, the industrious RA committee worked on beautifying the surroundings of the semi-dees. One of their efforts was the signage erected on a visible spot along the main road. "Though not as big as the bungalows, it is a very attractive signage painted in elegant colours, skirted by a flowerbed," Lau enthuses.

Other proactive initiatives by the committee were adding spikes around the perimeter walls to keep out trespassers and organising regular get-togethers to strengthen community bonding. They also managed to get the Selangor state government to sponsor a playground and water fountain on a pond within its grounds.

Besides that, they are working very closely with the local councils and Prolintas to create a second access road out and request for an interchange on the SUKE highway.

"My unit, bought at RM620,000 (Type B), fetched RM1.2 million in November 2011, even though it was sparsely furnished," a resident revealed.

Overall, the development has enjoyed a very impressive capital appreciation of almost 100% from its sixth year onwards, compared with only 30% for the bungalows opposite by the same developer, notes the RA President, Ben Wong. He adds that his own unit, bought at RM720,000 (Type A) in 2005, is worth RM2 million now, according to a licensed valuer.

The 113-unit semi-dee residence also enjoys higher occupancy compared to its neighbour, which only features 35 bungalow units.

3 A new coat of colour

To Ng, what he appreciates most is the repainting of the 19-storey condominium where he resides. Handed over in 2001, the façade plainly bore the years of defence against the natural elements. A brand new condo that rose adjacent to it further amplified its defeated appearance.

Finally, in 2013, the management invested a portion of money from the sinking fund to give the building a new coat of weather-resistant paint. The restoration was so distinctive that Ng's friends couldn't help commenting on how modern his project looked. In fact, first-time visitors could not differentiate which condo was newer — the neighbouring one was only about one year old then.

4 Disrupting decibels

While having fun, many tend to be unaware of the passing of time. Lim once faced this problem with his next door neighbour, whose party activity was still audible past 1am. His baby, though sleepy, certainly did not find the loud acoustics lulling. Recalling the incident, Lim says he is most appreciative of the efficient intercom system installed by the management. It connects all the 400 landed residences to the security directly, and within minutes, the security was right at his neighbour's doorstep. Lim and his family managed to get a good night's sleep without his neighbour knowing which resident had complained.

In another incident, occupants in a 30-storey high-rise development had their peace disrupted when an event organiser set up an open-air speaker system angled directly at the condo. Although located some 500m away, the rock bands

and wannabe singers could be heard as clear as a bell. Not every resident appreciated the free performance, especially when it was repeatedly blared for days way past bedtime. In a move much appreciated by the residents, the management lodged a police report on behalf of the residents, even though the problem was beyond its perimeters. The next night, the band stopped by 11pm. Subsequently, the speakers were repositioned away from the condo, and a win-win situation was achieved.

5 Pragmatic approach

A condo management earns about RM3,000 a month through the lease of 10 parking bays. The property manager, who doubled as a committee member because he was also a resident, was in charge of the collection. When the accounts were drawn up, it was discovered that the manager had pocketed more than RM10,000 from this revenue. He claimed the money had been loaned to another resident who was in trouble.

"After due consideration, the committee decided not to report to the police but to give him time to pay back," says Chan, a resident there. Several months passed without any repayment. The chairman then had no choice but to post the issue in the residents' chat group. Under pressure, he finally settled the debt. What Chan appreciates is the pragmatic approach in which the management resolved the matter. "If we had taken the matter to court, it could have drained more time and resources," he muses.

6 Saved from termites

There may be nothing extraordinary about periodical fogging against mosquitoes, because it is a regulation by the authorities. Even extermination against cockroaches and ants is not an uncommon practice.

However, when it comes to termites, it is a different ball game altogether, especially when they raid a non-landed development.

A condo owner related how his management won the battle against the white ant army a few years ago. The termites had possessed units from the lowest floor to the 10th floor in a vertical invasion (the same unit number of each level), turning wooden floors and doors to crumbs. To counter the attack, the management drilled 60 to 70 holes on the whole ground floor level (car park) and poured in the termiticide through them. It was repeated after five years. The resident is now happy to say that the termites have been kept at bay after that.



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