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may come to a
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Elmina Interchange in Shah Alam opens

The new Elmina Interchange officially opened to the public on Jan 8. It will give Sime Darby Property's City of Elmina township residents and Guthrie Corridor Expressway users better access to various parts of the township and its surrounding areas while improving traffic during peak hours.

Sime Darby Property invested RM66 million to build the interchange. The launch of the interchange was officiated by the Malaysian Highway Authority director-general Datuk Ismail Md Salleh, accompanied by Secretary

of Development and Implementation for Ministry of Works Datuk Embok Masek Md Taher, Prolintas Group CEO Datuk Mohammad Azlan Abdullah and Sime Darby Property chief operating officer Datuk Wan Hashimi Albakri Wan Ahmad Amin Jaffri.

Looking ahead, Sime Darby Property has lined up a slew of new product launches within its City of Elmina for 2018, including a Rumah Selangorku affordable housing project, semi-detached units in Denai Alam and double-storey linked units in Elmina Green phase 1B.

**Yong Tai signs agreements for one million tickets of Encore Melaka show**

Yong Tai Bhd has signed offtake agreements with six travel agencies for a total of one million tickets annually for the Impression Series — Encore Melaka show, which is scheduled to premiere by the second quarter of this year.

At the signing ceremony held in Kuala Lumpur on Jan 8, Yong Tai CEO Datuk Wira Boo Kuang Loon said the agreements are for a period of three years.

The Encore Melaka performance will be held in a 360-degree rotating auditorium located within the Impression City in Melaka, which has a GDV of RM7 billion.

Meanwhile, Yong Tai has also signed agreements with the Bank of China, Kirin Financial Group Ltd and



Agile Motion Sdn Bhd. The facilities agreement with the Bank of China will see the bank extend RM100 million to the company to part-finance the construction of the Encore Melaka theatre while the heads of agreement signed with Kirin Financial Group — a member of Hong Kong-listed Kirin Group Holdings Ltd — will see the group be the lead arranger for the investment of at least RM400 million to develop projects within Impression City.

As for the agreement with Agile Motion, the company will design, supply, deliver and install an integrated system of smart-city services for Impression City.

**LAUNCHES + EVENTS****Tour of The Clío Residences****Date:** Jan 13 and 14 (Sat and Sun)**Time:** 10.30am and 2.30pm**Venue:** IOI Galleria @ IOI

Resort City, Lebuhr IRC, IOI

Resort City, Putrajaya

Contact: (03) 8947 8899

Book a private tour of The Clío Residences, a serviced apartment in IOI Resort City by IOI Properties Group Bhd. Slots are limited.

Potato Wharf exhibition at JW Marriott**Date:** Jan 13 and 14 (Sat and Sun)**Time:** 11am to 7pm**Venue:** Level 4, Bintang 6,
JW Marriott Kuala Lumpur, 183,

Jalan Bukit Bintang, Kuala Lumpur

Contact: (03) 7839 5555

Situating in Manchester's

Castlefield district, Potato Wharf

is an apartment development

by Australia-based Lendlease.

Find out more about the project

at an exhibition organised by

Hartamas Real Estate Sdn Bhd.

DP Architects' exhibition at PAM Centre**Date:** Jan 19 to Feb 28 (Fri to Wed)**Time:** 9am to 6pm**Venue:** PAM Centre, 99L, Jalan

Tandok, Bangsar, Kuala Lumpur

Contact: (014) 224 3296

DP Architects Sdn Bhd will be organising its inaugural international exhibition titled "A Common Line | One Global Studio" to showcase its portfolio in the context of its architectural history and development of urban landscapes around the world.

**Ayer Holdings plans two new residential launches in 2H18**

Plantation and property group Ayer Holdings Bhd (formerly known as TAHPS Group Bhd) is looking to launch two new projects in its Bukit Puchong township in the second half of this year, said group CEO Eugene Khoo.

The two upcoming residential projects, one landed and one non-landed, will be priced at about RM600,000 or RM400 psf.

"Our target is the mass market. I believe the market will improve in the second half of 2018 because of better market sentiment, which is expected to be driven by positive economic growth," Khoo said after the unveiling of the company's new real estate brand "AYER" on Jan 10.

"When we reached our centen-

nial year 11 years ago in 2007, we changed our name (from The Ayer Hitam Planting Syndicate Bhd) to TAHPS Group as the original name was quite a mouthful. Since then, we realised we needed greater clarity as many continued to call us Ayer Hitam or Bukit Hitam, which is our subsidiary and developer of Bukit Puchong.

"As we reached 110 years as a corporation last year, we decided to re-brand ourselves into a brand that all stakeholders can immediately identify and for us to differentiate ourselves further," he said.

He added that AYER is a real estate group with a track record of timely delivery and a history of steady growth.

**WHAT'S IN IT FOR YOU IN 2018?**

Will the year of the Dog be better? Find out at Joey Yap's Feng Shui & Astrology Live Seminar 2018

Date: Jan 27-28, 2018**Time:** 10am-5pm**Venue:** Plenary Hall,
Kuala Lumpur Convention Centre

Also download Joey Yap's latest book *The Thriver's Guide 2018* for free at www.joeyyap.com/edgeprop

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If you have any real estate-related events, email us at editor@edgeprop.my. Events listed here will also appear on www.EdgeProp.my.

Launch of Azira at Bandar Bukit Raja**Date:** Jan 20 (Sat)**Time:** 10am to 5pm**Venue:** Bandar Bukit

Raja Sales Gallery, Jalan

Gamelan 1E, Bandar Bukit

Raja, Klang, Selangor

Contact: (03) 3361 7288

Sime Darby

Property will be

launching 111

units of 20ft by

75ft 2-storey link

homes dubbed

Azira in Bandar Bukit Raja.

The Azira homes are situated

close to a 125-acre town park.

Food, Fit, Fun with Glomac**Date:** Jan 20 and 27 (Sat)**Time:** 10am to 3pm**Venue:** Menara Glomac,

Glomac Damansara, Jalan

Damansara, Kuala Lumpur

**Contact:** (03) 7723 9101

Join Glomac Bhd to experience fun activities while enjoying free health checks by KPJ Healthcare. The developer is also giving out attractive incentives to homebuyers, including a free smart phone upon signing of a sale and purchase agreement.

Learn about fintech at BBCC**Date:** Jan 27 (Sat)**Time:** 1pm to 4pm**Venue:** Bukit Bintang City

Centre Sales Gallery, 2, Jalan

Hang Tuah, Kuala Lumpur

Contact: (03) 3270 2525

Join Eco World Development Group Bhd to learn about financial technology (fintech) and get to know how fintech revolutionised businesses globally.

Oversupply may come to a head in 2018, warn industry experts

BY SHAWN NG

PETALING JAYA: The overall property market has been depressed by shrinking demand and oversupply across the residential and commercial property sectors, said industry experts.

The commercial property market was more challenging last year than the previous year with the retail property segment feeling the impact more than the office segment due to the rising cost of living and prudent spending by consumers, Knight Frank Malaysia Sdn Bhd managing director Sarkunan Subramaniam told EdgeProp.my.

"The overall outlook for 2018 is expected to remain relatively similar to 2017 although the improving oil and gas sector may provide a breather for the office market moving forward.

"Greater growth in the digital economy coupled with the rising popularity of co-working and serviced office segments augur well for the commercial office sector," he added.

Sarkunan will be giving his views on the Klang Valley office market at the upcoming 11th Malaysian Property Summit organised by The Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS).

The summit will be held on Jan 23 at the Sime Darby Convention Centre in Kuala Lumpur. EdgeProp.my is the media partner.

The summit also features Savills (Malaysia) Sdn Bhd deputy executive chairman Allan Soo, KGV Property Consultants Sdn Bhd executive director Samuel Tan, Valuation and Property Services Department (JPPH) director-general Nordin Daharom, PEPS president and CBRE | WTW managing

KENNY YAP | THE EDGE



Sarkunan: The overall outlook for 2018 is expected to remain relatively similar to 2017.

LOW YEN YEING | EdgeProp.my



Soo: Retail supply will go past last year's 62 million sq ft or 8 sq ft per capita.

PATRICK GOH | THE EDGE



Tan: Serviced apartments that are currently under construction are expected to be completed in 2018 or 2019.

director Foo Gee Jen, PPC International Penang Sdn Bhd executive director Mark Saw, TRX City Sdn Bhd CEO Datuk Azmar Talib and MCA Belt and Road Centre deputy executive chairman Datuk Joseph Lim.

Savills' Soo, who will be focusing on the retail property segment and the impact of e-commerce at the summit, also foresees tough days ahead for the commercial property sector.

However, he noted that there is a silver lining in that new fashion and F&B tenants have been and are coming into the Malaysian market including from Dubai, China and Bangkok while co-working space companies have come into the Klang Valley to take up large office spaces last year.

"2018 will be another year of consolidation amidst further increase in supply in both the retail and office sectors. Retail supply will go past last year's 62 million sq ft or 8 sq ft per capita.

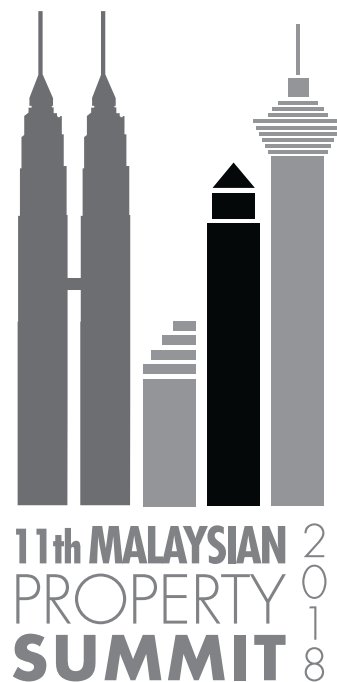
"But there will be new retailers seeking to

establish themselves in Malaysia. The prospect of a robust market in the future will increase as retailers treat Malaysia as a critical point in their regional expansion," Soo said.

Meanwhile, he added that office space rental will weaken as the oil and gas sector continues to be challenging while the financial sector is shedding jobs. However, some demand for office space in the Klang Valley may come from those who are attracted to the Tun Razak Exchange (TRX) development and the buildings along the mass rapid transit (MRT) route.

In Johor, the property market in the southern region is expected to see a greater influx of serviced apartments in the next 12 to 24 months, according to KGV Property Consultants' Tan who will be sharing about Johor's outlook at the summit.

"Moving forward, more serviced apartments that are currently under construction are expected to be completed in 2018 or 2019. This



will add pressure to the already oversupplied market," he said, adding that market forces will have to take their course to find a balance.

"In the lesser locations, prices and rentals may have to decline while in the better locations and properties with better designs and concepts, the prices will still be sustainable," Tan opined.

In order to tackle the issue of oversupply of high-rise residential properties in the state, owners could opt for home-sharing businesses while developers could convert their buildings into hotels, he suggested.

For more details on the summit, go to www.peps.org.my.

Hillcrest Gardens offers GBI-Gold Hillcrest Heights, Puchong Utama from RM588 psf

BY RACHEL CHEW

PUCHONG: Hillcrest Gardens Sdn Bhd will be launching its latest high-rise residential project at its township Taman Puchong Utama in Puchong, Selangor this weekend.

Hillcrest Heights is located on a 7.58-acre freehold site in Taman Puchong Utama and has a GDV of RM387 million.

Comprising two blocks of 37 storeys each, the project offers 510 condominium units that come with a minimum of two car park bays per unit. There are three design layouts to choose from — 1,011 sq ft (2+1 bedrooms), 1,248 sq ft (3 bedrooms) and 1,367 sq ft (3+1 bedrooms). The selling price is from RM595,000 or RM588 psf onwards.

"The development is freehold. There is limited freehold land remaining in Puchong for development. It is also a low-density project with only 67 units per acre.

"The low-density nature of Hillcrest Heights offers an exclusive and luxurious feel to the development, without the extravagant

IMAGE BY HILLCREST GARDENS

An artist impression of Hillcrest Heights



luxury property price tag," Hillcrest Gardens executive director Frank Goon told EdgeProp.my.

He added that the project also boasts a Green Building Index (GBI) Gold rating. "It is not common for developments of this pricing to offer such sustainable features normally only found in higher-end projects."

Goon: The development is freehold. There is limited freehold land remaining in Puchong for development.



Its main design concept features an internal air-well in the tower core to facilitate natural air flow with cross and vertical ventilation. The back areas of each unit (for cooking, drying of clothes and air-conditioning system) will be consolidated at the central core.

"This will help keep the building facade neat and clean, and help the warm air to rise at the central core. The energy from the air-conditioners will help dry clothes and for the bigger units, the use of a heat exchanger air-conditioning system will produce free hot water," said Goon.

Meanwhile, the project features facilities such as tennis court, swimming pool, badminton hall, fitness centre, yoga deck, barbecue area, herb garden plaza, function room, playground and Jacuzzi.

The project is also equipped with fibre optic broad-

band telecommunication, centralised satellite master antenna for TV with Astro HD capability, RFID access control, two-way audio intercom and CCTV surveillance system.

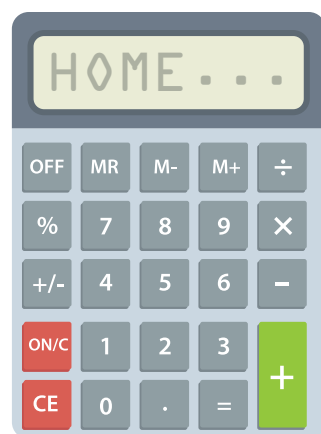
Amenities in the area include shopping malls, a RAPID bus transport hub, schools, a hospital and a light rail transit station.

According to previous reports, the project was supposed to be launched by 2016. Commenting on the delay, Goon said the construction of the Rumah Selangorku at Taman Puchong Utama had taken priority. Besides, the developer had also decided to upgrade the design of Hillcrest Heights to achieve the GBI Gold Certification, which was successfully obtained in September 2017.

"In view of the postponement, the company took the opportunity to rebrand in line with its emphasis on green buildings. This resulted in the change of the project name from Puchong Heights to Hillcrest Heights," said Goon.

The project is slated for completion in December 2021.

COVER STORY



COUNT THE COST OF BUYING A PROPERTY



1 Lawyer fees

Lawyers charge a professional fee to prepare the SPA and loan facility agreement which will entail the handling of the necessary documents. Tan notes that the legal fees are regulated by a prescribed scale rate under the Solicitors Remuneration Order, based on the purchase price set in the SPA. One must also note the way fees are calculated for primary property purchases.

The rate of legal fees is the same for all the states in Peninsular Malaysia but the legal profession in the Borneo states are regulated differently under the respective states' bars.



Scale of fees for secondary market property purchase

PROPERTY PRICE (RM)	RATE (%)
First 500,000	1.0
Next 500,000	0.8
Next 2,000,000	0.7
Next 2,000,000	0.6
Next 2,500,000	0.5
> 7,500,000	≤ 0.5

If the property price is RM2,000,000

LEGAL FEES (RM)	
First 500,000 @ 1%	5,000
Next 500,000 @ 0.8%	4,000
Next 1 mil @ 0.7%	7,000
Total legal fees	16,000

Fees for primary property purchase regulated under HDA 1966

PROPERTY PRICE, X (RM)	RATE (%)
50,000 ≤ X	RM300 (min)
50,000 < X ≤ 250,000	75% of scale fees
250,000 < X ≤ 500,000	70% of scale fees
500,000 < X	65% of scale fees

If the property price is RM2,000,000

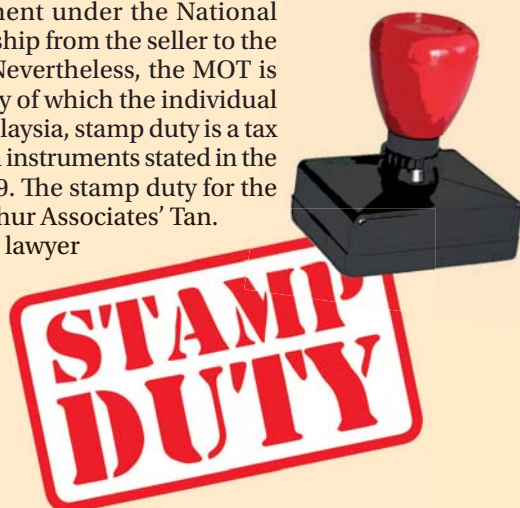
LEGAL FEES (RM)	
First RM500,000 @ 1% @ 65%	3,250
Next RM500,000 @ 0.8% @ 65%	2,600
Next RM1 mil @ 0.7% @ 65%	4,550
Total legal fees	10,400

**Tables and examples provided by Chur Associates*

2 Transfer instrument – Memorandum of Transfer (MOT) stamp duty

The MOT is a transfer instrument under the National Land Code 1965 for transfer of ownership from the seller to the buyer after the signing of the SPA. "Nevertheless, the MOT is only applicable for transfer of property of which the individual title/strata title had been issued. In Malaysia, stamp duty is a tax charged on a variety of different written instruments stated in the First Schedule of Stamp Duty Act 1949. The stamp duty for the MOT is payable under the Act," says Chur Associates' Tan.

Before the stamp duty is paid, the lawyer will ensure that all the necessary responsibilities by the seller are fulfilled including his or her obligation to pay off current unsettled fees such as management fees, sewerage fees and so forth. Once all the outstanding debts are cleared, the lawyer will submit the MOT and relevant documents to the land office for registration.



BY NATALIE KHOO

First-time homebuyers often think they are ready to sign on the dotted line when they find their savings and monthly income are enough to cover the down payment and monthly instalments of their purchase. What is often overlooked, however, are the additional costs they need to, or may want to, fork out for their new acquisition.

Obviously, the most sizeable sum a homebuyer will spend on would be the price of the property itself, which often begins with the down payment upon signing of the sale and purchase agreement (SPA).

The down payment — which is conventionally, but not always, 10% of the property price — will have to be paid to the seller. This is applicable for both primary and secondary properties. In the case of secondary properties, the down payment will be less the booking fee paid.

According to managing director of Chur Associates Chris Tan, booking fees are not charges, but part of the purchase price which is normally 2% to 3% of the price, and are only allowed for the purchase of secondary market properties.

For primary market properties, it is stipulated under Regulations 13 of the Housing Development (Control and Licensing) Regulation 1989 that the "collection of such booking fees is an offence" which can entail a fine and/or imprisonment.

It is also stated that for primary market properties regulated under the Housing Development (Control and Licensing) Act 1966 (HDA), no booking fees can be collected.

However, what happens if the prospective buyer's loan is not approved? Can the

seller actually forfeit the booking fee? In the case of secondary properties, Tan says it is dependent on the terms of the SPA.

As for the purchase of primary properties, Tan says if the purchaser's loan application is rejected due to his/her ineligibility, the developer can forfeit 1% of the purchase price from the deposit provided the failure to obtain a loan is not due to default or delay on the part of the homebuyer. Otherwise, the forfeiture sum shall be 10% to 20% of the purchase price, depending on the stage of completion of the property and type of properties (build-then-sell, sell-then-build, strata or landed).

Therefore, he advises purchasers to check and confirm their loan eligibility before signing the SPA.

Following the down payment, the buyer has to be prepared to pay the differential sum between the down payment and the approved loan amount, in case he or she does not get 90% of the latter.

After all that however, there are also statutory charges which, after you've gone through the list, can be quite substantial.

"Normally, the charges for primary and secondary properties include legal fees, stamping fees, land office instrument registration fees, bankruptcy and insolvency searches, land search charges, transportation charges, printing charges, loan documentation fees [if the buyer is taking a home loan], statutory declaration affirmation fees, telephone and facsimile charges and miscellaneous charges," offers Tan. Some charges differ between a primary and secondary market property.

So, if it's your first time buying a property, make sure you are not blindsided and do set aside some dough for these other expenses.

LOW YEN YEING | EdgeProp.my



Chris Tan, managing director of Chur Associates.

Properties priced below RM300,000

100% stamp duty on MOT (payable to the Inland Revenue) is remitted for the homebuyer**/1% to be paid on the first RM100,000, 2% to be paid on remaining RM200,000

Properties priced between RM300,000 and RM500,000

RM5,000 stamp duty on MOT is remitted from total stamp duty**/1% to be paid on the first RM100,000, 2% to be paid on remaining RM400,000

Properties priced above RM500,000

1% to be charged on the first RM100,000, 2% to be charged in excess of RM100,000 but not exceeding RM500,000, 3% to be charged on the balance in excess of RM500,000

***Only applicable to first-time homebuyers, which means the individual has never owned any residential property including one which is obtained by way of inheritance or gift which is held either individually or jointly.*



3 Stamp duty for facility agreement (principal copy)

A facility agreement is an agreement where a lender, such as a bank, sets out the terms and conditions on which it is prepared to loan money to the borrower.

Properties priced less than RM300,000**	100% stamp duty on facility agreement is remitted **/ RM5 for every RM1,000 of loan amount or 0.5% of the loan amount
Properties priced from RM300,000-RM500,000**	RM1,500 stamp duty is remitted from total stamp duty **/RM5 for every RM1,000 of the loan amount or 0.5% of the loan amount
Properties priced above RM500,000	RM5 for every RM1,000 of loan amount or 0.5% of the loan amount

**Only applicable to first-time homebuyers which means the individual has never owned any residential property including one which is obtained by way of inheritance or gift which is held either individually or jointly

4 Mortgage insurance

There are two kinds of mortgage insurance available in the market — mortgage reducing term assurance (MRTA)/mortgage decreasing term assurance (MDTA) and mortgage level term assurance (MLTA).

While it is not necessary to buy mortgage insurance, they offer peace of mind in the event of an illness, disability or death by helping to settle the outstanding home loan. Some of the main differences between the MRTA and MLTA is that the former sees the sum insured reduced according to the loan tenure; is usually financed into the home loan; and comes in the form of a lump sum

payment, while the latter sees the sum insured remain the same on a fixed value sum assured basis; is self-financed; and paid periodically.

How much you pay for the insurance depends on factors such as the monthly mortgage you are paying, the loan tenure as well as your age. The MRTA would be suitable for those who are single and without family members depending on them as the beneficiary of the insurance will be the bank in the event of any tragedy.

However, if you have many dependents, it would be best to opt for the MLTA as the pay-out would be to your beneficiary or to you directly.



	MRTA	MLTA
Compulsory?	No	No
How does it work?	The sum insured will gradually decrease with the loan tenure.	The sum insured remains the same on a fixed level. Regardless whether this is your first or 10th year paying for the insurance, the amount insured remains the same and a fixed amount of premium have to be paid until the end of the loan tenure.
Premium payment	A lump sum is given and usually lumped into home loan.	Payment is made periodically either annually or monthly and self-financed.
Transferable?	No	Yes
Pay-out	Payment will be issued to the bank.	Payment will be issued to you or your nominee.
Premium amount	Low	High
Suitable for	Individuals who already have medical and life insurance and have fewer dependents as the beneficiary will be the bank. Insurance will pay the bank loan and the beneficiary will receive the home	Individuals who have more financial dependents as the beneficiary will receive the home and cash
Cash value	Zero. At the end of the loan tenure, the cash value is RM0.	A fixed cash value guaranteed throughout the loan

5 Valuation fees

Valuation fees have to be paid if you are purchasing properties in the secondary market. A valuation company will be appointed to evaluate the market value of the property before the application for credit takes place.

PROPERTY PRICE	(%) OF VALUATION FEES
Up to the first RM100,000	0.25
For the next residue up to RM2 mil	0.2
For the next residue up to RM7 mil	0.167
For the next residue up to RM15 mil	0.125
For the next residue up to RM50 mil	0.1
For the next residue up to RM200 mil	0.067
For the next residue up to RM500 mil	0.05
For the next residue over RM500 mil	0.04

Checklist for first-time homebuyers

	PROPERTY TYPE	
	Primary market	Secondary market
DURING EXECUTION OF THE SPA		
Deposit (including booking fees, if any)*	✓	✓
Legal fees and disbursement for SPA	✓	✓
Legal fees and disbursement for Loan Agreement	✓	✓
BEFORE COMPLETION OF THE SPA		
Valuation fees (if applying for loan)		✓
Stamp duty for MOT or Deed of Assignment	✓	✓
Mortgage insurance	✓	✓
Differential sum between the balance purchase price and the loan amount	✓	✓
UPON DELIVERY OF VACANT POSSESSION		
Home insurance	✓	✓
Maintenance fees and sinking fund	✓	✓
Quit rent	✓	✓
Assessment tax	✓	✓
Indah Water	✓	✓
Renovation cost (optional)	✓	✓

*collection of booking fees before signing of SPA is prohibited for property governed under the Housing Development (Control and Licensing) Act 1966

6 Utility bills

Ever wondered where all your waste goes after you flush? In Malaysia (except for Sabah, Sarawak, Kelantan and Johor), Indah Water Konsortium is responsible for operating and maintaining the underground sewerage pipelines as well as the treatment plants. For this service, houses that are connected to a public sewage treatment plant are billed RM8 a month while houses with individual septic tanks are billed RM6 per month.

7 Renovation and furnishing cost

Perhaps you'd like to extend the kitchen or the bathroom. Some new homes do not come with kitchen cabinets and wardrobes, while others such as sub-sale properties come with older models that need an upgrade. On top of that, you may also want to consider getting furniture and fittings such as sofa sets, beds, dining furniture, fans and lights.



8 Property assessment tax

Also commonly referred to as cukai pintu, this tax is collected by the local authority for the construction and maintenance of public infrastructure under its area of jurisdiction such as upgrading works, road repairs and cleaning services. The payment is made in two instalments annually between Jan 1 to Feb 28 and Jul 1 to Aug 31 every year. Generally, a 4% rate is imposed on the residential units' annual rental value while a 10% rate is imposed on commercial units.

Assessment rates are governed by the Local Government Act 1976 whereby the state authority is conferred the right to determine the tax.

"The rate imposed is regulated differently from state to state. Under Section 140(1) of the Act, assessment of the annual rental shall be based on the returns of the area, situation, quality, use and rent thereof. The rate charged varies according to the properties' classification (residential/commercial/industrial/land)," Tan clarifies.

9 Quit rent

Also known as cukai tanah, this form of tax is paid once a year to the relevant land office by May 31 annually. The amount paid varies by state. In Kuala Lumpur, the quit rent is about RM0.35 psf per annum while in Petaling Jaya, the quit rent is about RM0.325 psf per annum. For strata-titled properties, the quit rent can be paid to the joint management body (JMB) or management corporation (MC), which will then be forwarded to the land office.

10 Maintenance fee

If you live in a gated-and-guarded community or a strata property, you will need to pay a monthly maintenance fee to the JMB/MC. The fee covers maintenance of common areas such as gardens, gyms and pools which are not part of the owner's parcel but for common usage. The maintenance fee is usually calculated on a per sq ft basis.

11 Home insurance

Houses are also susceptible to dangers such as natural disasters, vandalism and theft.

In Malaysia, there are generally three kinds of home insurance — the homeowners' fire insurance policy which covers losses or damages caused by explosion from gas for domestic purposes, homeowners' fire and lightning; insurance policy which covers loss and damage to fixtures, fences, walls and gates from events such as theft, flood and burst pipes and finally, the householders' insurance policy which covers household contents including moveable possessions as well as fatal injury coverage on the person insured.

As in life insurance, there is a wide range of premiums, which will depend on the value of the house, the kind of coverage you want, the type of home and so on.



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Pulau Indah's time to shine

CBD PROPERTIES

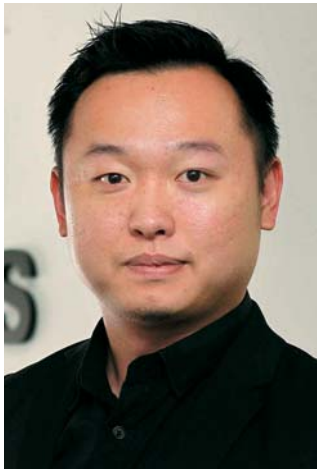
BY RACHEL CHEW

Wong: With the ECRL, it will save about 30 hours of shipping time from China via Malaysia to Europe.



KENNY YAP | THE EDGE MALAYSIA

Teo: One of the reasons for the dramatic land price appreciation at Pulau Indah Industrial Park is because it has only one developer and therefore have the ability to decide the price points.



KNIGHT FRANK

Sim: There are still limited road access from Pulau Indah to parts of the Klang Valley and Shah Alam while Pulau Indah offers limited land for future expansion.



Klang is known not just for its seafood, but the world-class Port Klang. According to the World Shipping Council, Port Klang is the world's 12th busiest port in 2015.

Port Klang is divided into two ports — Northport and Westport. Northport has a historical tradition dating back to more than 100 years. It is a well-established port located on the mainland, about 15km from the town centre of Klang. Meanwhile, Westport is a rather young port located on Pulau Indah, about 25km away from Klang.

According to CBD Properties Sdn Bhd real estate negotiator Robin Wong, the establishment of Westport and the development of Pulau Indah began in 1994 with its master developer Central Spectrum (M) Sdn Bhd.

The development of the Pulau Indah Industrial Park is divided into three major phases. Phases 1 and 2 have been launched since the 1990s and have since been fully sold. Phase 1 is mostly occupied by heavy industries while phase 2 is designed to be a halal hub.

According to the developer's website, as of 2016, more than 500 companies have set up operations in the industrial park including Ramly Burger, Oleon and Felda.

In August last year, Central Spectrum announced that furniture retailer IKEA will be investing RM908 million to set up a new regional distribution and supply chain centre in Pulau Indah. It will be the world's third-largest IKEA distribution centre.

According to Wong, phase 3 has three sub-phases of its own. Phase 3a was launched last year while phase 3c was launched in 2016 at about RM60 psf. The current selling price is as high as RM70 psf," says Wong.

Central Spectrum's website stated that the company plans to roll out the last phase, phase 3b, sometime this year.

"I was told that the selling price in phase 3b will be higher because of strong demand," Wong notes.

The strong demand for industrial land in Pulau Indah, he adds, is partly attributed to the improvements in the area's accessibility.

The opening of the South Klang Valley Expressway (SKVE) in 2013 has improved



Some of the available plots in Pulau Indah Industrial Park



F&N and Westport are among the companies operating in Pulau Indah.



the connectivity from Pulau Indah to the northern parts of Malaysia. Before SKVE, the major highway was Shah Alam Expressway, which links the island to various places in the Klang Valley.

The announcement of the construction of the East Coast Rail Link (ECRL) and China's One Belt One Road (OBOR) has also drawn investment interest into Pulau Indah.

"With the ECRL, it will save about 30 hours of shipping time from China via Malaysia to Europe," Wong explains.

The limited supply and higher land prices in Northport have also pushed demand for Pulau Indah's industrial plots over the past two to three years, he adds.

However, this does not mean interest for Northport has waned, says Zilin Properties Sdn Bhd founder Teo Zi Lin — neither does it mean that Pulau Indah is the only alternative.

"There are also industrial areas in Meru, Kapar and Telok Gong, which are closer to

highways than Pulau Indah," shares Teo who is also an industrial property specialist.

Most factory owners and investors prefer Northport for its location and price growth. "You will not have problems reselling a factory or land in Northport, but if you drive through Pulau Indah today, you will still see many empty plots there," he notes.

Prices trending up

According to Teo, the current asking price for Pulau Indah Industrial Park phase 3c is around RM75 psf.

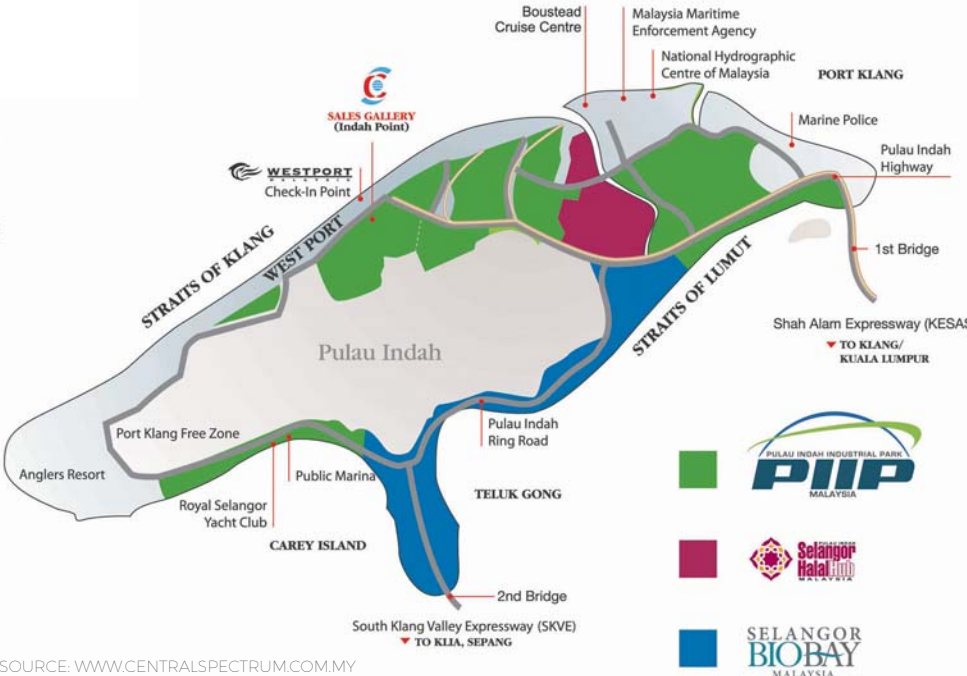
"However, based on my own data collection, the latest primary transaction at phase 3c is about six months ago, and the deal was closed at RM60 psf," Teo offers.

Meanwhile, the current average sub-sale asking prices are at RM60 psf for those with main road frontage and RM50 psf for those on the inner roads, observes Teo.

Nevertheless, there is no doubt that land

Transacted prices of industrial lots at Pulau Indah Industrial Park

TRANSACTION DATE	LAND SIZE (ACRES)	TRANSACTION PRICE (RM PSF)
April 2015	2.38	38
June 2015	2.05	38
June 2015	2.55	39
July 2015	8.29	37
August 2015	13	45
September 2015	4.5	58
December 2015	2.56	46
December 2015	2.04	55
February 2016	2.72	67
August 2016	1.68	59



prices in Pulau Indah have appreciated significantly over the years.

“About four years ago, the average transacted price was RM35 psf, but today it is about RM60 psf. That is an appreciation of over 70% within four years. I think that is impressive,” he says.

CBD Properties’ Wong says the industrial plot prices in Pulau Indah are catching up with Northport’s current prices of RM70 to RM80 psf.

“I believe Pulau Indah’s prices will outgrow Northport’s in three to five years, given the strong catalyst in the form of the OBOR and ECRL, as well as the good management of the area.”

As Pulau Indah Industrial Park is planned and developed by one master developer, the industrial area is more organised and have better facilities and maintenance compared with Northport, according to Wong.

“Northport was established way before Pulau Indah by different developers or factory owners themselves, so there is no one to maintain upkeep for the overall entire area. The road system in Pulau Indah Industrial Park is well planned and maintained by the developer. There are also green spaces,” offers Wong.

However, while Teo agrees that Pulau Indah Industrial Park is better planned and more organised, he believes the current asking prices are already on the high side and may not outgrow the prices in Northport.

“The market will need some time to digest the current asking prices. I believe one of the reasons for the dramatic land price appreciation at Pulau Indah Industrial Park is because it has only one developer and therefore have the ability to decide the price points,” says Teo, citing the transacted prices of between RM50 to RM60 psf although the asking price is around RM70 psf.

According to data from Knight Frank Malaysia, the transaction of industrial land in Pulau Indah Industrial Park from 2015 to 2016 ranges from RM38 psf (April 2015) to RM67 psf (February 2016).

The challenges

Knight Frank Malaysia executive director for capital markets Allan Sim says there are some challenges that may cap the industrial land price appreciation at Pulau Indah.

“There are still limited road access from Pulau Indah to parts of the Klang Valley and Shah Alam while Pulau Indah offers limited land for future expansion,” Sim notes.

Another challenge that Sim raises is the land quality. “Much of the land is reclaimed land and mangrove swamp previously. In view of the soft soil condition, piling and building cost may be slightly higher for storage warehouses that require higher floor loading,” he says.

Nevertheless, Pulau Indah Industrial Park does attract constant demand especially from those involved in the food processing, pharmaceutical and cosmetic sectors.

According to Sim, its remaining phase — phase 3b — has about 100 acres while an upcoming development by Central Spectrum in Pulau Indah known as Selangor Bio Bay consists of about 1,000 acres.

“Selangor Bio Bay will cater to the biotechnology industry including components such as manufacturing as well as R&D. Besides its hassle-free procedure, it is also expected to attract investors looking to capitalise on the halal status to be eligible to apply for special tax incentives,” he shares.

Sim is also optimistic about the outlook for master planned industrial parks as the demand and requirements of factory owners are changing.

“We foresee the trend changing in the near future as newer and more modern industrial properties are being introduced, such as gated-and-guarded industrial parks or logistics parks, which would attract more multinational companies and investors’ attention.

“Tenants are no longer looking for conventional warehouses, but are starting to look at the ‘build-to-suit’ concept, where properties are customised and built to specifications and requirements,” Sim concludes.

Property managers will now be regulated under BOVAEP



BY LUM KA KAY

KUALA LUMPUR: Property managers are now required to register themselves with the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP) following an amendment to Act 242 now known as the Valuers, Appraisers, Estate Agents and Property Managers Act 1981. The amendment was passed on Oct 17, 2017 and gazetted on Jan 2, 2018.

Previously known as the Board of Valuers, Appraisers, Estate Agents Malaysia (BOVAEA), BOVAEP will now regulate registered property managers for strata properties in Malaysia.

According to Urban Wellbeing, Housing and Local Government Minister Tan Sri Noh Omar, there are 19,923 strata developments with more than seven million people currently living in strata communities in the country.

“Strata living will be the future lifestyle of Malaysians as land cost will increase and land is scarce nowadays, leading to more vertical developments.

“Hence, holistic control and regulation are needed not just in the development aspect but also for property management,” Noh said during his speech at the launch of BOVAEP yesterday.

The launch of the registry was jointly officiated by Noh and Minister of Finance II Datuk Seri Johari Abdul Ghani as BOVAEP is a joint effort between two ministries under the National Blue Ocean Strategy (NBOS). BOVAEP is under the purview of the Ministry of Finance.

Prior to the amendment of the act, only registered valuers are allowed to conduct property management.

Meanwhile, BOVAEP president Nordin Daharom noted that the amendment of Act 242 had taken almost 13 years.

“The responsibilities of the property manager are indeed very challenging because they will need to manage all kinds of situations, and be wise with various parties apart from possessing technical expertise to solve problems.

“It is of emphasis that property managers need to be ‘Jacks of all trades’ to maintain that respect for the profession,” Nordin said in his welcome speech at the launch.

According to Nordin, BOVAEP will provide training courses to registered property managers to ensure they have sufficient knowledge in related laws and regulations as well as standard practices.

“Property managers will also be introduced to the latest edition of the Malaysian Property Management Standards that could help them have good property management practices,” he said.

Practising property managers are given a one-year grace period to register themselves with the board by filling in Form C which can be obtained from <http://lppeh.gov.my/WP2016/forms>.

Strata living will be the future lifestyle of Malaysians as land cost will increase and land is scarce nowadays, leading to more vertical developments.

— Noh Omar

According to the deputy director general of Valuation and Property Services (Operation) Dr Zailani Mohd Isa, there are about 5,000 unregistered property managers in the country, based on BOVAEP’s estimation.

“There are currently about 1,200 registered property managers/valuers now and we hope all 5,000 unregistered property managers will register themselves with us over these 12 months,” she told reporters at a press conference after the launch of the registry.

She said the grace period was offered to allow property managers with good track records to be regulated by the board.

“Beyond this one-year grace period, property managers will have to go through a very stringent process to have themselves formally recognised under BOVAEP which involves the requirement of a degree in property management as well as formal training under a registered property manager.

“The registration of property managers is a liberalisation of the property management exercise. Everybody can enter the industry now, provided that they meet the criteria set by us. Before that, only valuers can conduct property management but now it is opened up to all,” she added.

The penalties that will be faced by unregistered property managers include admonishment, suspension and fines from RM10,000.

Read the full story on www.EdgeProp.my



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WHY The goal of the awards is to raise the bar on Malaysian property management practices while benchmarking against the best-in-class operations globally.

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