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GET THAT



STRATA



Some non-landed residential unit owners have yet to have their home strata title issued after more than a decade. What can they do? See Pages 4 and 5.

TITLE



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Malaysian retail industry grew 2.6% in 1Q18

The Malaysian retail industry recorded a growth rate of 2.6% in retail sales for the first quarter of 2018 (1Q18), according to the Malaysia Retailers Association (MRA).

In a statement on Wednesday, MRA said the Malaysian retail market has remained subdued early this year.

However, it is hopeful that businesses will recover by 2Q18 with a projected average growth rate of 6%.

"The change in the ruling party after the general election on May 9 is expected to boost consumers' confidence level and increase their willingness to spend.

"At the same time, the largest festival in Malaysia, Hari Raya, will be celebrated in June," it said.

MRA added that Retail Group Malaysia has adjusted the 2Q18 retail growth rate from 3.7% (estimated in March 2018) to 6.3%.

"This new estimate took into consideration the tax holiday in June as well as the Hari Raya celebration. Higher expenditure from tourists is also expected during this period," it said.

The projected retail sale growth rate of the Malaysian retail industry in 2018 by Retail Group Malaysia has also been revised upwards from 4.7% (estimated in March 2018) to 5.3%.

PM: Govt hopes to ease bank loan terms for first-time homebuyers

There will be a new mechanism to facilitate the bank loan application

Matrix Concepts mulls affordable housing venture in Indonesia

Matrix Concepts Holdings Bhd is considering tapping into Indonesia's affordable housing market within three years.

Its managing director and CEO Datuk Lee Tian Hock said the company is now in talks with a property developer based in Jakarta to explore the potential opportunity.

"Indonesia is an up-and-coming country in Asean; we [Malaysians and Indonesians] speak the same language. Their population is eight times more than Malaysia's and their per capita income is on the rise, plus the Indonesian government is very supportive of foreign investments. These are all the reasons we are looking at expanding to Indonesia," Lee told EdgeProp.my after a mock cheque handover ceremony of its RM3 million donation to Tabung Harapan Malaysia (THM) at the



Finance Ministry on Tuesday.

This is part of the company's overseas expansion plan. It recently signed a Memorandum of Understanding with PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia, to jointly develop an Islamic financial district in Pantai Indah Kapuk 2, Jakarta.

In 2016, the public-listed company had launched M Carnegie in Melbourne, Australia.

On its RM3 million donation to THM, Lee said Matrix Concepts is now in talks with associate partners and contractors to raise another RM2 million to be donated to the fund.

process for young Malaysians purchasing their first properties, Prime Minister Tun Dr Mahathir Mohamad said on Wednesday.

"We found that banks are too strict with housing loans and this makes it difficult for people to own a house.

"We would need to review the current process and certain mechanisms will be introduced to ease the procedure," he said.

Earlier, Housing and Local Government Minister Zuraida Kamaruddin said the ministry will be discussing with the Ministry of

Finance and Bank Negara Malaysia to relax current lending guidelines and enable more homebuyers from the B40 and M40 groups to secure housing loans.

PPR owners given 90 days to evict foreign tenants

Owners of People's Housing Project (PPR) units currently renting out their units to foreigners have been given 90 days from Tuesday to evict them.

Housing and Local Government Minister Zuraida Kamaruddin said PPRs were built for Malaysians, hence ownership and tenants should be limited to Malaysians.

The move was also one of the ministry's efforts to improve the PPR community environment and improve homeownership among the B40 and M40 groups.

She added that the ministry's officers will be distributing circulars to inform all PPR unit owners about this and owners who refuse to comply could be fined or have their unit ownership revoked.

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**LAUNCHES + EVENTS**

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

IFURNITURE Home Fair**Date:** June 8 to 10 (Fri to Sun)**Time:** 11am to 10pm**Venue:** IDCC Convention Centre, Jalan Pahat 15L/L, Seksyen 15, Shah Alam, Selangor**Contact:** (010) 232 3400

This three-day event offers products such as kitchen cabinets and appliances, kitchen hoods and hobs, interior decor fittings, electrical appliances, TV cabinets and many more.

Contact: (016) 228 8691 / (016) 228 9150

Organised by CSI Prop, the event will feature investment opportunities in the UK's commercial serviced offices sector including a new investment offer in Liverpool. Located in the city centre, the purpose-built office development with high-end centre management services is newly completed.

**Penang Food Festival****Date:** June 9 and 10 (Sat and Sun)**Time:** 3pm to 10pm**Venue:** EcoWorld Gallery @ Eco Sanctuary, Lot 41296, Persiaran Eco Sanctuary, Telok Panglima Garang, Selangor**Contact:** (03) 3344 2525

Organised by Eco World Development Group Bhd, the Penang Food Festival will

feature more than 50 stalls serving your favourite Penang dishes and snacks, plus souvenirs, performances, photo opportunities and more.

**Mexican Mania @ Tropicana Aman****Date:** June 9 and 10 (Sat and Sun)**Time:** 11am to 5pm**Venue:** Tropicana Aman Property Gallery, 2, Persiaran Aman Perdana 3, Bandar Tropicana Aman, Telok Panglima Garang, Selangor**Contact:** (1700) 81 8868

Organised by Tropicana Corp Bhd, the event will give you the opportunity to savour Mexican delicacies such as burritos, quesadillas, cheeseburgers and nachos. New homebuyers also stand a chance to win a free car with purchase of a property at this award-winning township.

Hari Raya Children's Colouring Contest**Date:** June 10 (Sun)**Time:** 11am to 2pm**Venue:** Market Street 2, Straits Quay, Jalan Seri Tanjung Pinang, Tanjung Tokong, Penang**Contact:** (04) 899 5228

School holidays are coming. If you're looking for fun things for your kids to do, hop over to Straits Quay's Hari Raya Children's Colouring Contest and win cash vouchers up to RM150!

Building inspection training courses by Architect Centre**Date:** June 29 and 30 (Fri and Sat)**Time:** 8.30am to 5pm**Venue:** PAM Centre, 99L, Jalan Tandok, Bangsar, Kuala Lumpur**Contact:** (03) 2202 2866

Architect Centre, a subsidiary of the Malaysian Institute of Architects, is organising building inspection training courses. The basic course will be held on June 29 at RM1,000 per person while the two-day advanced course on June 29 and 30 will be for a fee of RM2,000 per person.





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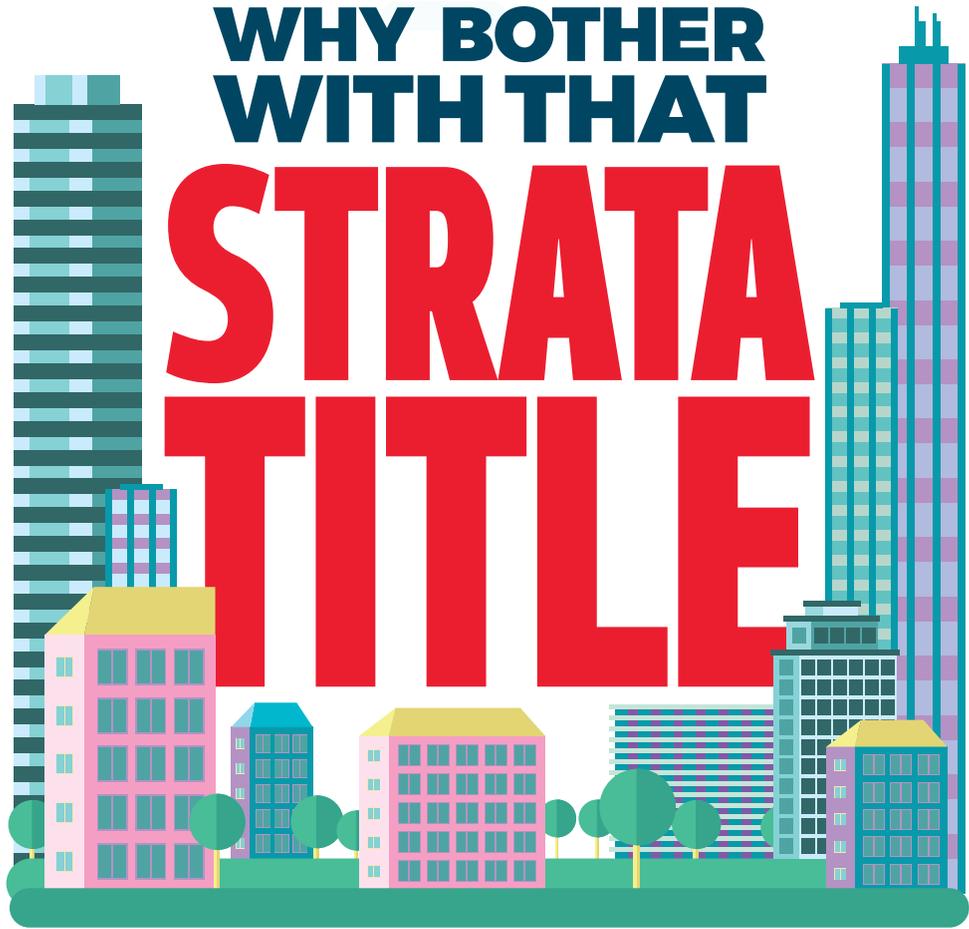
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WHY BOTHER WITH THAT STRATA TITLE



BY LUM KA KAY

Like a will, the absence of a strata title is usually not felt until you need to dispose of your property. The simple process of selling a stratified unit could turn into a journey as impeding as the infamous Bangkok traffic jam just because of the lack of a strata title.

For the uninitiated, a strata title is the document that states the ownership of a strata property. It gives owners the control of the individual units of high-rise properties and strata landed ones.

Beyond being an ultimate proof of ownership, a strata title is a dealing instrument when it comes to certain processes involving the property, says National House Buyers Association (HBA) honorary secretary-general Chang Kim Loong.

“As long as strata titles have not been transferred, the land and common property are still owned by the developer.

“Should the project be abandoned — if the developer company goes under liquidation or becomes insolvent, for instance — before strata titles have been obtained, the unit owners would have to go through some trouble such as dealing with the liquidators or they might eventually have to pay for the application of strata titles themselves,” he tells EdgeProp.my.

Chang adds that when buying a secondary property without a strata title, some financial institutions might be reluctant to finance such purchases. If both the buyer and seller are to go ahead with the transaction, he advises both parties to engage their own lawyers to ensure protection.

However, vendors of newly completed developments may not encounter any hassle arising from the want of a strata title. This is because with the enforcement of the Strata Titles (Amendment) Act 2013, strata titles are to be issued upon vacant possession (VP) of the property. Hence, prolonged delays in issuance of strata titles are mainly experienced by owners of units in older projects that were handed over before the amendment Act was enforced in June 2015.

Previously, under Section 8 of the Strata Titles Act 1985, developers were to apply for individual strata titles within six months from the issuance of the Certificate of Completion and Compliance or other compulsory

circumstances as facilitated in the same Section of this Act, HBA's Chang points out.

Regulation in force but not enforced

While there are regulations to ensure strata titles are duly issued, Chang laments that the enforcement of the law is somewhat lacking.

“Under Clause 12 of the sale and purchase agreement (SPA) (Schedule H), developers are statutorily bound to apply for strata titles expeditiously at their own cost and expenses. How often has this been dealt with efficiently by the developers?

“We read of warnings from all sources on charging developers in court for not applying for strata titles, but in reality and honestly speaking, how many developers have been charged for breaching this provision of the Act?

“One can think of various reasons developers do not see the urgency in applying for strata titles. One is that enforcement is slack, and threats of charges in court have so far remain threats. Unless purchasers make a complaint, nobody would know if strata titles have been applied or transferred to the owners,” says Chang.

Will the value of your property be affected?

Marcus Hwang of Marcus Hwang & Co law firm says the value of a property will not be affected by the non-availability of a land title or strata title.

“There is no implication or difference in respect of ownership and the rights of the owner whether the title is issued or not. Banks do provide the same margin of financing for both properties with or without strata titles. There is no criteria that a title must be first obtained for high margin of financing.

“The difference is only in the documentation of transfer for the ownership. If the title or strata title has been issued, the mode of transfer will be a Memorandum of Transfer, which is required to be registered with the respective Land Registry or Land Office.

“As for properties without strata titles, the mode is an assignment, wherein upon the full stamp duty paid on the Deed of Assignment, all rights title and benefits derived from the principal SPA will be assigned to the new purchaser, technically acknowledging the new purchaser as the rightful owner.

“In other words, this Deed of Assignment will assign all interest, rights and obligations of the property from the seller to the buyer if the said property does not have a strata title,” he explains.

However, Hwang concurs that long-standing cases where land or strata titles have not been issued for as long as 20 years, or in cases where the developer has wound up, banks will be reluctant to give higher margin for loans or will decline the financing outright.

He also agrees that the current provisions are strong enough to protect homebuyers. “However, only timely and consistent enforcement can ensure homebuyers receive the protection that the law intends,” he says.

Guide for the lost

So, if you still have not gotten your strata title, what do you do? Commissioner of Buildings (COB) head for Ampang Jaya Muhammad Noor Isman Ismail shares that in the case where the property developer has gone bankrupt, the insolvent party will have to appoint a liquidator to make an application for the strata title from the Land Office. Any additional cost will be borne by the strata owner.

Additional costs include surveyors' and consultancy costs to appoint an architect to draw up a new planning design of the building as well as other administration costs. The COB acts as the mediator in resolving the issue.

Property owners would, first of all, need to check whether a strata application has been filed and whether a book of strata register has been opened. If the book of strata register has been opened, property owners will have to appoint a lawyer to manage the application of strata titles.

Muhammad Noor Isman observes that most of the time, a developer's failure to issue strata titles to homeowners is due to lack of monitoring and enforcement by authorities as well as some developers' tendency to pursue profits.

“To overcome this issue, strata laws such as the Strata Titles Act 1985 (Act 318), the Housing Development (Control and Licensing) Act 1966 (Act 118) and Strata Management Act 2013 (Act 757) have replaced the Strata Titles Board established in the 1990s,” he points out.

The Department of Director General of Land and Mines (JKPTG) under the

SUHAIMI YUSUF | THE EDGE



Chang says when strata titles are not transferred, the land and common property are still owned by the developer.

MARCUS HWANG



Hwang: Banks provide the same margin of financing for both properties with or without strata titles.

Ministry of Natural Resources and Environment says the existence of properties without strata titles was a result of previous loopholes in the law, its director general Datuk Seri Sallehuddin Ishak tells EdgeProp.my.

“JKPTG is working closely with all state land administrations, industry players and non-governmental organisations to deal with this issue through a committee under JKPTG.

“Affected homeowners are advised to report their cases to the respective state Land and Mines Office so that enforcement can be made under Section 8 or Section 20 of the STA towards the original proprietor for failure to apply for the strata title.

“For strata properties where the developers have wound up, homeowners should deal with the appointed liquidator to apply for their strata title on behalf of the original proprietor. Nevertheless, they could approach the respective Land and Mines Office for consultation and advice as each case is different and might need different solutions,” he says.

Hwang concurs: “Purchasers are to revert to their respective devel-

Five reasons why you need a strata title

1. As ultimate proof of ownership
2. As a dealing instrument for instances of charging to banks for loans
3. To facilitate disposal of property, should you wish to sell it, so that you don't need to pay the consent fees to the developer
4. To be able to get involved when the management corporation is formed by owners of the units in the subdivided building to maintain and manage the property
5. As final proof of the built-up area of your unit and ultimately your apportionment of the share in the total aggregate units





MUHAMMAD NOOR ISMAN



Muhammad Noor Isman: Lack of monitoring and enforcement has led to delays in strata title issuance.

LOW YEN YEING | EdgeProp.my



Sallehuddin: Affected homeowners are advised to report their cases at their respective land office.

opers. In cases where the developer has been liquidated or wound up, the purchasers can then revert to the court's appointed liquidator."

Likewise, HBA's Chang advises property owners who have yet to obtain their strata titles to bring the issue up in their annual general meeting or with the joint management body so the issue can be highlighted to the Land Office.

Strata title to come with VP

Meanwhile, JKPTG's Sallehuddin says the Strata Titles (Amendment) Act 2013 has now sealed previous loopholes that had contributed to the delay in issuance of strata titles.

"Now, developers must ensure that any issues arising from land matters are resolved before they could apply for the Advertising Permit and Developer Licence to sell their properties.

"Nevertheless, JKPTG is always ready to improve the law from time to time to safeguard strata owners and buyers and keep it relevant at all times," he affirms.

Based on the amended Act, strata titles are now supposed to be issued upon VP.

However, noting that the amended Act was only enforced on June 1, 2015, JKPTG explains that only projects approved after the date will be enforced with the stipulation of VP with strata title.

"It is expected that the first batch of issuance of VP with strata title will start from 2018 onwards," adds Sallehuddin.

The Strata Management Act 2013 has also established the Strata Management Tribunal, with jurisdiction to hear any claims not more than RM250,000.

An offence will be liable to a fine of not less than RM10,000 but not more than RM100,000 or imprisonment for a term not exceeding three years or both and, in the case of a continuing offence, to a further fine of not less than RM100 but not more than RM1,000 for each day during which the offence continues to be committed; and the court may order the original proprietor to apply for subdivision of building or land within a period specified in the order.

Strata Ownership Special Fund

The Department of Director General of Land and Mines (JKPTG) under the Ministry of Natural Resources and Environment has established a Strata Ownership Special Fund (Tabung Khas Hak Milik Strata) to aid property owners in the process of strata title application for buildings that are categorised as "special buildings" as stated in Section 4 of the Strata Titles Act 1985 (Act 318), with a focus on low- and medium-cost housing schemes.

The RM12.8 million fund was proposed by the Ministry to be included in the Second Schedule of the Financial Procedure Act 1957. It was tabled and approved by Parliament on April 5, 2018.

It is hoped that the fund could help resolve problems faced by owners in about 136 special building schemes housing 25,761 parcels in Peninsular Malaysia including Wilayah Persekutuan Labuan within five years' time, says JKPTG director general Datuk Seri Sallehuddin Ishak.

According to JKPTG, "special buildings" are old buildings that were either occupied before June 1996 (automatic classification by Act 318) or any building occupied from June 1996 up to April 11, 2007 (classified as such by the state authority).

"These special buildings do not have strata titles due to land, legal and proprietors' issues that have hindered their applications to be

approved, such as erroneous building plans, accrued land rent or the proprietor/developer was adjudged as bankrupt," he says.

The list of schemes categorised under special buildings that are fit to be funded with this special fund were proposed by state governments through the 1 Negeri 1 Skim (1N1S) programme, initiated by JKPTG and the Ministry in 2011.

Since the establishment of 1N1S and with the joint efforts of state governments, proprietors and buyers, the programme has successfully helped to issue 13,718 strata titles to strata parcels in these special buildings in Peninsular Malaysia.

"Apart from 1N1S, the government through JKPTG has made several amendments to Act 318 since 2007 to ensure that the application of strata titles for special buildings is simplified and that similar issues that had plagued special buildings will not take place again in future.

"The list of special buildings that are fit to be funded will be shortlisted and approved by the Special Board of Strata Title Fund.

"Due to an overwhelming amount of special buildings with high cost to endure, this preliminary fund might not be able to solve each and every special building case in Peninsular Malaysia including Labuan. Nevertheless, it is a great start to this long-standing hitch," he says.



NEWS

Bina Puri to launch two projects worth RM500m

BY SHAWN NG

KUALA LUMPUR: Bina Puri Holdings Bhd is set to launch two projects worth RM500 million this year, said group executive director Datuk Matthew Tee.

"We have not stopped on our rollers. We are still launching and planning. I think it [the outlook for the property market this year] should be good because it cannot get any worse already.

"There has not been much upside in the sector since 2012, so we hope that with the abolition of the Goods and Services Tax, the sentiment will improve. I believe things will only get better and there will be only upside in the property sector," he told the media at the topping-up ceremony of the Opus serviced apartment in Kuala Lumpur on June 5.

First up of the new launches will be phase 2 of The Valley, comprising 1,600 acres of homestead development in Karak, Pahang. It is expected to be launched over the next few months.

With a GDV of RM150 million, phase 2 spans about 400 acres and is already 15% to 20% booked to date, said Bina Puri Properties Sdn Bhd advisor to the board Datuk Ng Kee Leen.

The 200-acre phase 1 recorded a take-up rate of 80% to 90% and is selling at RM5 to RM6 psf while phase 2 will be selling at about RM7 psf, added Bina Puri Properties executive director Ng Keong Wee.

The sizes of each plot of land range from 1 to 2 acres in phase 1 while most of the land



LOW YEN YEING | EdgeProp.my

(Fourth from left) Hoong, Tee, Kee Leen and Keong Wee with the project partners at the topping-up ceremony of Opus serviced apartment.

plots in phase 2 will range between 5 and 10 acres, Keong Wee added.

"When we launched this development, we were targeting those who were in their 40s and 50s but to our surprise, there were also youngsters who were 20 to 30 years old buying the land plots to do their own farming," he noted.

Bina Puri will also unveil a RM350 million condominium development on a 3.5-acre freehold site in Cheras Pertama in the third quarter of 2018, said Dave Hoong, director of Star Effort Sdn Bhd, which is a subsidiary of the developer.

"Instead of going for affordable small units, we are trying to offer larger units for upgraders. We are going for sizes that range from 1,600 sq ft to close to 2,000 sq ft but selling at affordable prices. So, we are looking at below RM1 million for a rather large unit," he said.

He added that the yet-to-be-named

condominium development will comprise 398 units.

As for Opus, the topping-up ceremony for the project marks a great milestone for Bina Puri, said Tee.

"The two towers of Opus that we have been planning since 2012 are now standing at 136m.

"This is a project that we are proud of because we know it will become one of the most unique and prominent developments in Kuala Lumpur with a stunning view of the new iconic landmark in Malaysia, PNB 118," he said.

He added that besides PNB 118, the residents of Opus can also enjoy the view of three other iconic skyscrapers in the city centre: KLCC, KL Tower and Exchange 106.

Located on a 1.38-acre freehold site at Jalan Talalla, Kampung Attap, Opus is a RM430 million serviced apartment project housing 357 units in two 32-storey towers.

With built-ups from 704 sq ft to 1,153 sq ft, the units are selling at RM1,500 to RM2,100 psf, according to the developer.

To date, 92% of the project has been taken up, with 15% of the buyers from Hong Kong, 15% from China and with the remainder being locals.

"We are currently studying a further increase in prices of the last remaining 25 units as Opus is the single nearest project to PNB 118," Tee revealed.

Opus is situated about 200m away from PNB 118 and there will be a link bridge connecting the project to the upcoming 118-storey skyscraper.

Launched in June, 2015, Opus is targeted for completion by December, which is three months ahead of schedule.

The development is being undertaken by Star Effort.

This first appeared on www.EdgeProp.my.

FEATURE

All we want is to live in a safe environment



BY SHAWN NG

In the recently concluded Lafarge-EdgeProp MYHOME survey, about 59.8% of the nearly 14,000 respondents stated their preference to live within gated communities with amenities.

What kind of amenities are we talking about? Of the preferred amenities within the community, jogging trails took the lead (52.7%), followed by children's playground (51%) and swimming pool (50%).

Being able to live and enjoy leisure and recreational activities outdoors in a safe and secure environment sounds ideal; hence, the findings from the survey come as no surprise.

The choice for gated communities reflects Malaysian homebuyers' concerns about security and to have peace of mind at all times whether they are indoors or outdoors, says S P Setia Bhd executive vice-president Datuk Tan Hon Lim.

However, contrary to popular belief, living in a gated community does not guarantee a completely safe environment all the time, he says.

"Thus, residents and property managers must collectively come together and take proactive steps to build a safe community," he adds. For instance, measures must be taken to ensure that the security system is always in good working condition, that proper security personnel are hired and that any suspicious activity is reported.

"There are many ways to enhance safety and security. In our flagship township, all the precincts in Setia Alam are safeguarded by perimeter fencing and natural barriers such as hedges and streams. The single access point is closely monitored by security guards. This goes to show that with good planning, we can ensure that not only is the safety aspect taken care of, but it is also done in an aesthetically-pleasing way," he says.

Indoor safety

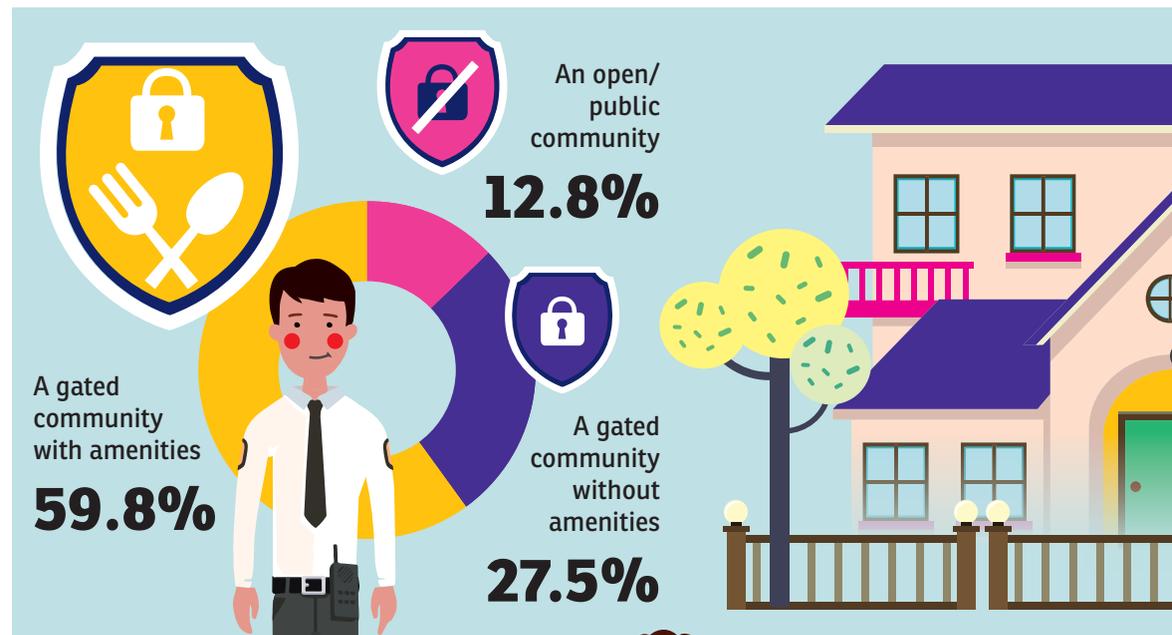
While you'd want to feel safe while taking a stroll around your neighbourhood, you'd also want to be safe when you're at home or within the premises of your condominium.

People tend to forget the many potential safety hazards within our homes or buildings. In fact, we are probably unaware of most of them.

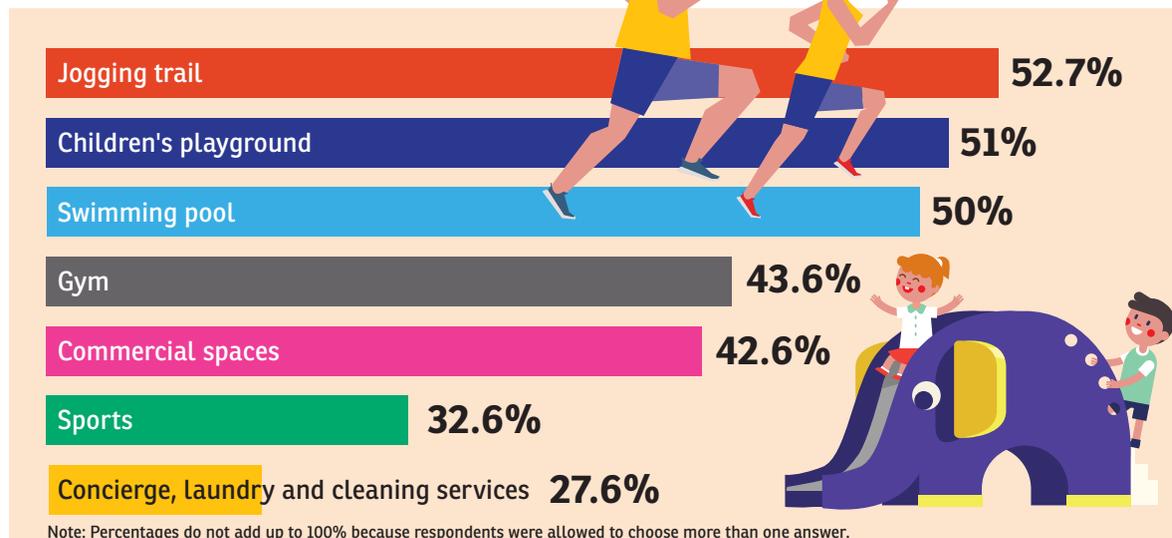
Architect Centre Sdn Bhd accredited architect and trainer Anthony Lee Tee points out that there are plenty of safety hazards that can be found both in the outdoor common areas or facilities as well as within the home.

"Ill-conceived and poorly maintained facilities and common areas such as dilapidated children's playground equipment and wir-

Where do we want to live in?



What kind of amenities do we want within the community?



PICTURES BY LOW YEN YEING | EdgeProp.my



Lee: Do regular checks on the appliances that are left on or on standby mode 24/7.



Tan: Residents and property managers must come together to build a safe community.



Gross says it is vital for shared spaces to be designed and built with the right materials.

ing for outdoor lighting and water pumps will create safety hazards. They could also contribute to mosquito infestation and body injury," he says.

On top of that, some facilities might not have been built with the right materials and thus create safety and sustainability concerns.

"As shared spaces in communal living are becoming more common today, it is vital that the spaces are designed and built with the

right materials to ensure suitability, safety and durability," says Lafarge Malaysia Bhd president and CEO Mario Gross.

He cites walking pathways and jogging tracks as examples. "[These] should be designed to be non-slippery with no trip hazards, especially for young children and the elderly. There should not be missing pavers or tiles.

"Lafarge has a product called Hydromedia, which is a pervious

concrete. It is perfect for use in jogging trails, bike lanes and even pathways of the children's playground, as it allows rainwater to flow right through the material into the ground. Thus, there is no water ponding or slippery surfaces. It is already being used in many public parks around the country," he offers.

Good quality appliances

Meanwhile, when it comes to choosing appliances, 71% of the MYHOME survey respondents chose good quality appliances over those that are basic and functional (18%) or luxurious ones (11%). This also reflects their wisdom in choosing safe and lasting household appliances.

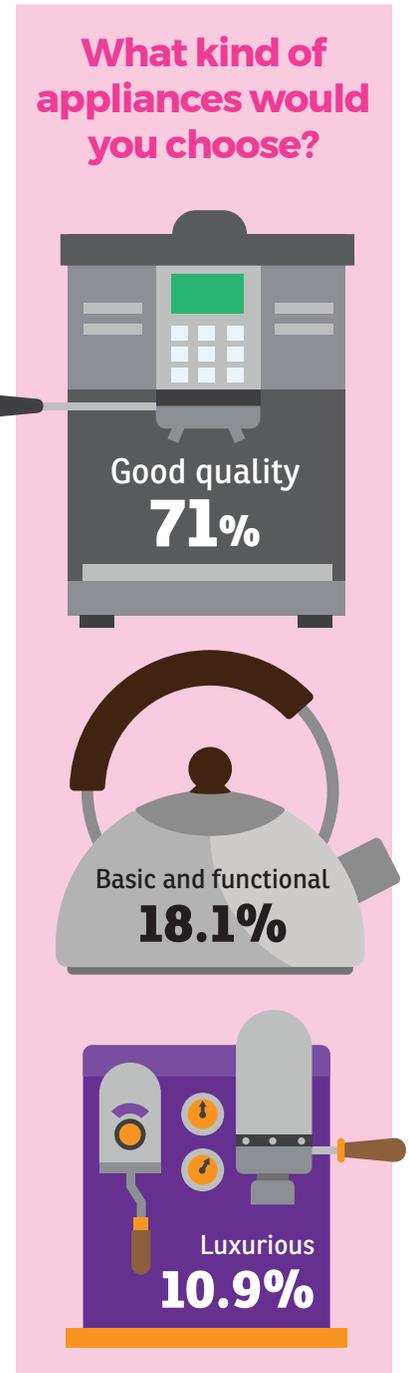
However, Lee highlights that sometimes, electrical appliances that we thought are safe can be unsafe too if not installed or maintained properly, and cites instant water heaters as example which can cause electrocution.

Many sources of home fires are due to electrical overloading or

faulty electrical installations, he notes. "So do regular checks on the appliances that are left on or on standby mode 24/7 — for example, prayer altar lights, computer modems or routers, TV sets, handphone chargers and refrigerators. Instead of leaving them on standby mode, form a good habit of switching them off."

According to Lee, considerations for future maintenance, repairs and replacement (MRR) must be incorporated in the design specification, selection of materials and construction of a property from day one.

"MRR should not be an afterthought. An award-winning property with skin-deep beauty that does not consider the MRR early or does not incorporate MRR as part of their DNA will invariably decay. In many instances, a decaying property will become unsafe and lose its value and yield. On the other hand, a property that incorporates MRR will be cheaper and easier to manage and maintain in the long run," he says.



SOLUTIONS TO BEST MANAGED PROPERTY

GOING DIGITAL

in building management

Artificial Intelligence, big data, the Internet of Things — they are becoming regular terms in our vocabulary. As in all areas, the application of these new technologies is now moving towards property management, but are Malaysian building managers and property owners ready to embrace them?

BY TAN AI LENG

Building Management Association of Malaysia (BMAM) member Dr Suntoro Tjoe acknowledges that constructing a high-quality building is not easy, but to ensure that it is in mint condition all the time is an even tougher job.

This is because building management involves meticulous attention to detail and, most of the time, the processes are dull, repetitive and dangerous — such as temperature monitoring, CCTV monitoring, safety equipment checks, as well as facade cleaning and re-painting.

To make these processes easier and improve building management efficiency, inventors and manufacturers have come up with various innovations. Some of the readily available technologies include building automation systems that help to auto-manage heating, ventilation, air-conditioning and lighting, and fire detection.

Similarly, Artificial Intelligence and machine learning can be used to enhance the living comfort of a building's occupants. For instance, there are advanced systems that can be connected to all the existing controllers in the building or premises, and have the ability to analyse and automatically respond to changes based on data derived from the users' habits.

Hampered by cost

Despite the clear competence of these technologies in raising efficiency and effectiveness, the applications are not widely used in local projects. Why is this so?

Suntoro, who was also a judge at EdgeProp Malaysia's Best Managed Property Awards 2018, notes that the initial cost can be a deterrent to their popularity.

He cites, for instance, the application of technologies like the Building Management System (BMS) and Building Control System (BCS) for optimal air ventilation, energy conservation and better security may be a good thing, but they also incur expensive life-cycle cost.

"Most of the system providers only offer a one-year warranty. The joint management body, management corporation or building owners would need to enter into a maintenance agreement with the system provider after the warranty period. The maintenance fees of these systems are costly and do not include the replacement of broken parts," he explains.

He reveals that the annual maintenance cost of some commercial buildings in Kuala Lumpur city centre that use the BMS and BCS can go up to a whopping RM2 million.

Besides this, the building owner or building manager may encounter difficulty in finding replacement parts, as most of them still

need to be imported. It may even be impossible to get the parts if a system is considered obsolete in the market.

"Ironically, most building owners or building managers will eventually go back to basics and manage the buildings manually as it's still the most cost-efficient way for most properties, for the time being," he adds.

Nevertheless, Suntoro believes that sooner or later, as Artificial Intelligence and big data usage becomes more popular and readily available, Malaysia will move towards incorporating more technologies in building management.

Suntoro is also the managing director of Meadow Facilities Sdn Bhd, which provides integrated property and facility management services. The company presently manages assets worth more than RM3 billion in Malaysia. He has more than 30 years of experience in the field.

The return factor

For commercial buildings or mixed developments, the main consideration of whether to allocate the budget for technology highly depends on the return on investment.

Suntoro says that more often than not, incorporating technologies involves a higher capital outlay.

The benefits of energy savings and building sustainability with the use of technology, for instance, may not be attractive enough for property developers to adopt the green technology — unless they own and use the building in the future or if they can reap significant returns from it in the near term, such as a boost in sales or attracting multinational companies (MNC) as tenants.



Suntoro: As Artificial Intelligence and big data usage gets more popular, Malaysia will sooner or later move towards that direction in building management.

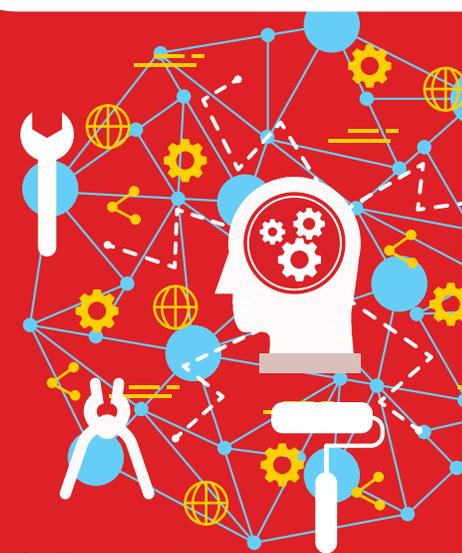
MNCs tend to be more environmentally conscious and are willing to pay more to lease a unit in Grade A buildings or buildings that comply with green building standards. In this case, building owners or developers will invest in these aspects to target such tenants.

As for large new shopping malls, building owners are more willing to invest in new technologies that can help reduce energy and water consumption, because one of the major costs in such buildings is electricity charges, which may reach up to 35% of the total monthly operating cost, says Suntoro.

Start from simple steps

According to Suntoro, a big portion (around 60% to 70%) of the maintenance fees collected from residents or occupants go to utilities — electricity and water, as well as manpower — security, housekeeping and administration cost.

If the cost of electricity and water could



Challenges in applying technology in building management

- High maintenance cost
- Replacement parts, depending on the system, may be costly and hard to find
- Lack of skilled staff to manage the system



be lowered, the savings can be used for other upkeeps — for instance, replacing high-energy consumption appliances with newer energy-savings appliances.

He says not all technological solutions are expensive. Managements can start with simple steps like replacing old fluorescent lights with LED lights in common areas; installing motion sensors in gardens, common area toilets or car parks; and using heat pump water heaters to reduce maintenance cost.

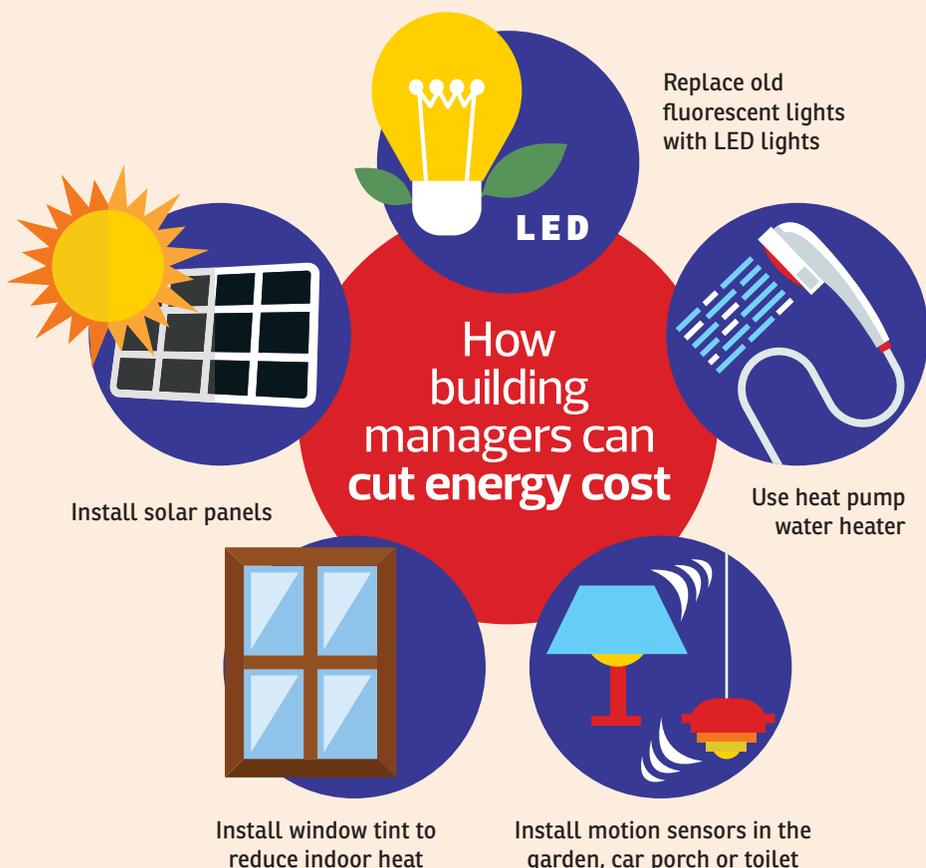
Winners of the recent Edgeprop Malaysia's Best Managed Property Awards 2018 such as Mont'Kiara Palma, Sri Penaga Condominium and Mont'Kiara Aman are already using simple technologies such as LED lights, timers for pumps, lift inverters and motion sensors to reduce energy consumption, cites Suntoro.

However, awareness about the importance of good property management and maintenance is still low in the country, what more the use of technology in building management.

He admits that it will take some time for people to understand the importance of using technologies for better building management, but owners could start by setting out a medium- to long-term plan to achieve such goals towards greater sustainability.

"To start with, get approvals for a higher sinking rate through an annual general meeting or extraordinary general meeting, followed by the determination in collecting such sinking fund from all parcel proprietors and then making sure the collected fund does not disappear before the implementation of those plans," he counsels.

He stresses that the process may take a few years before anyone could see the end result, but with perseverance and determination, the target can be achieved.



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