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**PRINT + DIGITAL** 









# Is there value in RENOVATIONS?

According to Bank Negara Malaysia, applying for a personal loan for renovations is quite common. But it could be a bad idea! Find out why on Pages 6 and 7.









## **EdgeProp.my**

## The Edge Property Sdn Bhd

Level 3, Menara KLK No. 1 Jalan PJU 7/6, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia

## **EdgeProp.my**

**Managing Director/Editor-in-chief** Au Foong Yee

**Executive Editor** Sharon Kam Assistant Editor Tan Ai Leng **Deputy Chief Copy Editor** James Chong

Copy Editor Vanessa Gnanasurian **Senior Writer** Rachel Chew Writers

Natalie Khoo, Shawn Ng, Chin Wai Lun, Chelsey Poh Art Director Sharon Khoh Senior Designer Jun Kit **Designer** Rajita Sivan

For New Launches/Events/ Press Releases/News Tips editor@edgeprop.my Tel: (03) 7721 8211 Fax: (03) 7721 8280

ADVERTISING & MARKETING **Associate Account Director,** Advertising & Marketing

Heidee Ahmad (019) 388 1880 **Senior Account Manager** lan Leong (012) 359 1668 Cecilia Too (012) 319 7666

**Account Manager** Joane Tan (012) 377 2885 Joanne Mok (018) 272 0939

## Marketing Support & Ad Traffic

Madeline Tan (03) 7721 8218 email: marketing@edgeprop.my

**BUSINESS DEVELOPMENT** Manager Nimalen Parimalam Account Manager Stannly Tan Executive Nurfarah Diyana Mohd Firhad

PRODUCT DEVELOPMENT & CUSTOMER ADVISORY Senior Manager Elizabeth Lay Associate Omar Nawawi Ayesha Hannah Amer Ezani

For enquiries and listings support@edgeprop.my Tel: (03) 7733 9000

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## The Edge Malaysia

**Publisher and Group CEO** Ho Kay Tat

**FDITORIAI** Editor-in-chief Azam Aris CORPORATE

**Chief Operating Officer** Lim Shiew Yuin ADVERTISING & MARKETING **Chief Commercial Officer** 

Sharon Teh (012) 313 9056 **General Manager** Fong Lai Kuan (012) 386 2831 **Senior Sales Managers** 

Gregory Thu (012) 376 0614 Lim Sook Chin (012) 205 5986 **Creative Marketing** Chris Wong (016) 687 6577 **Head of Marketing Support & Ad Traffic** Lorraine Chan (03) 7721 8001

## **New enhancements** for Gamuda Land's **Kundang Estates**

A new access road and community hall were made available by Gamuda Land recently for its Kundang Estates boutique township project, which has a gross development value of RM628 million.

Kundang Estate general manager Lam Sew Chee said the company has invested up to RM14.5 million to enhance the area's infrastructure. Enhancements include the extension and widening of Jalan BBK Utama, adding a total of 800m in length and 100ft in width.

The new 8,000 sq ft community hall houses three badminton courts, a basketball court and six ping-pong tables, and can also be converted into an event hall.

Launched in December 2016, Kundang Estates is an 89-acre, low-density boutique residential development located in the town of Kundang, Selangor.

## **KPKT adjusts** abandoned housing project policy

The Housing and Local Government Ministry (KPKT) is fine-tuning the standard operating procedures (SOPs) on abandoned housing projects.

Its minister Zuraida Kamaruddin said that existing SOPs on handling abandoned projects were ineffective and time consuming.

Some 354 abandoned housing projects exist nationwide, with Selangor having the highest

"We try our best to save them by inviting and funding other develop-

## **Hannah Yeoh: Why no MACC action** on TRK despite conflict of interest?

Segambut MP Hannah Yeoh urged the Malaysian Anti-Corruption Commission (MACC) to take action over the controversial Taman Rimba Kiara (TRK) land case, accusing the graft busters of "not reacting" even with "clear" information about a conflict of interest provided by The Centre to Combat Corruption and Cronyism (C4).

Yeoh said that she, as well as the Taman Tun Dr Ismail Residents' Association (TTDI RA) and the former MP for Segambut had already lodged the report, but no action had been taken.

She added that C4 had also provided extra information about a conflict of interest involving former Federal Territories Minister Datuk Seri Tengku Adnan Tengku Mansor and current minister Khalid Samad

in the TRK development land case.

To recap, the developer – Memang Perkasa Sdn Bhd formed a joint venture with Yayasan Wilayah Persekutuan (YWP) to build eight blocks of high-end serviced apartments (comprising 1,766 units) and a 30-storey affordable housing block (comprising

350 units) on part of TRK land.

Meanwhile, lawyer and human rights advocate Datuk Ambiga Sreenevasan called the parties "disappointing" and "disgusting", for using the longhouse residents to further the agenda of a private developer.

ers to rescue these projects. Some developers come forward themselves (to rescue) and to obtain loan for the projects," said Zuraida.

## **WeWork Equatorial** Plaza launched

New York based co-working platform WeWork has officially launched its first co-working space in Equatorial Plaza, Kuala Lumpur.

The company is also looking to set up a new space in Mid Valley sometime this year.

Located in the Golden Triangle close to the Pavilion and Kuala Lumpur City Centre, WeWork's Equatorial Plaza space is also the largest in Southeast Asia to date and accommodates 1,900 members across five floors (18th to 22nd).

The company said the opening of the Equatorial Plaza space is in line with the target of growing to 19 locations with more than 13,000 desks across Southeast Asia within

## Mida to promote development along **ECRL**

The Malaysian Investment Development Authority (Mida) has established a team to promote the development of industrial parks, infrastructure, logistics hub and transit-oriented developments along the East Coast Railway Link (ECRL).

Mida said the team was established to facilitate, evaluate and review the implementation of economic accelerator projects (EAPs) along the ECRL corridor.

The team will strategise various action plans covering promotional activities and engagement with the relevant stakeholders including domestic industries.

According to Mida, the ECRL project, which will form the East-West rail transport network, is designed to stimulate commercial, logistics, import and export, as well as tourism development activities along the proposed alignment.

## trending

Date: May 18 (Sat)

Time: 9am to 12pm

Venue: Berkeley Uptown

Sales Gallery, Jalan Goh

Hock Huat, Kawasan 18,

41400 Klang, Selangor

Contact: (03) 9212 3068

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Events listed here will also appear on www.EdgeProp.my.



## **LAUNCHES + EVENTS**





## **Meridin East Mother's Day Berkeley Uptown Open Day** Celebration

Date: May 18 (Sat) Time: 11am to 4pm Venue: Meridin East Sales Gallery, Pasir Gudang, J10, Jalan Kong Kong, 81700, Johor **Contact:** (07) 291 3232 Join a special Mother's Day celebration by Mah Sing at Meridin East Sales Gallery and claim a free carnation flower stalk for your loved ones. Free entry for visitors who RSVP before May 16.



## **Forum Food Truck Eats** Date: May 18 & 19 (Sat & Sun)

Time: 11am to 10pm Venue: The Forum by Sunsuria, Setia Alam, Shah Alam, Selangor Contact: (03) 6142 2727 Tons of delicious food at Forum Food Truck Eats at Sunsuria Forum every weekend. Live buskers will be on stage every evening from Friday to Sunday.

## **Jelajah PR1MA** at Selangor

Date: May 17 to 19 (Fri to Sun) Time: 9am to 4pm (Ara Damansara); 10 am to 7 pm (Melaka and Kedah) Venue: PR1MA Sales Gallery, Ara Damansara; Tesco Melaka; Kulim Landmark Central, Kedah Contact: (03) 7628 9898 Enjoy discounts and rebates for PR1MA projects. Jelajah PR1MA will be at three locations simultaneously from May 17 to May 19.

## **Matrix Enrichment** Workshop

**Date:** May 18 (Sat) & 25 (Sat)



Time: 9am to 12pm Venue: Matrix Galleria @ Ara Sendayan, Seremban **Contact:** (012) 605 9885 Matrix Enrichment Workshop by Matrix Concepts Holdings Bhd will feature experts to share

## knowledge about tax guidelines, Feng Shui secrets as well creating wealth in different asset classes.

## **VIP Barking Day** x Gravit8 Furmily Run Date: May 25 (Sat)

Time: 3pm to 9pm Venue: Gravit8 Sales Gallery, 42100, Klang Contact: (03) 7661 8688 Join Mitraland for a fun run with your fur kids at the first pet-friendly lake park in Klang. Stand a chance to win cash prizes and pet products. Be among the first 100 registered participants to receive free door gifts.

## **All Seasons Park Property** roadshow Date: May 16 to 19 (Thur to Sun)

**Time:** 10.30am to 10.30pm Venue: Lower Ground Floor, Queensbay Mall, Penang **Contact:** (04) 229 1999



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## HBA appeals to Federal Court in Kondo Sri Istana EOT case

## BY NATALIE KHOO

PUTRAJAYA: The National House Buyers Association (HBA) representing 104 Kondo Sri Istana homebuyers has presented three appeals at the Federal Court today against the Controller of Housing (Controller) for granting an Extension of Time (EOT) to the developer.

The case was brought by the homebuyers against the Ministry of Urban Wellbeing, Housing and Local Government (KPKT) and developer BHL Construction Sdn Bhd.

HBA was represented by 12 lawyers led by Datuk Andy Wong, who undertook the Wong (third from right) with the HBA legal team.

Wong told the media that as a general rule, the powers of the Minister may not be delegated to the Controller unless it is expressly provided under the Act.

"Section 24 (2) of the Act expressly confers power to the Minister to make regulation for the purpose of prescribing statutory form for the contract of sale.

The Minister is also authorised to prescribe regulation for the purpose of regulating the terms and conditions of the contract of sale between the developer and purchasers.

It is not intended by Parliament to authorise the Minister to delegate the power to prescribe and to control and govern to the Controller," Wong said in his submission appeal.

Housing Development Regulation Act lated in the SPA.



1989, Section 24 (2) allows the minister to regulate the contract between the developer and the homebuyer.

To recap, the Kondo Sri Istana development located on Jalan Kuchai Lama was slated for completion in April 2016, 36 months from the date of the SPA.

However, the developer submitted an application to the Controller of Housing for an EOT for delivery of vacant possession (VP) on the grounds that there were complaints by nearby residents, stop work orders issued by the local authorities and an investigation conducted on the piling contractor.

Premised on a completion period of 36 months, there was a delay in the delivery of VP of the property in the time frame stipu- already been granted.

Section 24 (2) of the Act expressly confers power to the Minister to make regulation for the purpose of prescribing statutory form for the contract of sale. — Wong

On April 2016, the purchasers received a letter from the developer stating that they were not entitled for liquidated ascertained damage (LAD) as an EOT of 12 months had

application on July 2016, challenging Regulation 11(3) and also the EOT issued on Nov 17, 2015.

On March 30, 2018, the Court of Appeal ruled that KPKT must give homebuyers the right to be heard before developers are given an EOT to complete a project.

But the bench ruled and disagreed with the Kuala Lumpur High Court, saying that Regulation 11(3) of the Housing Development Regulation Act 1989 was not ultra vires or against the Housing Development Act (Control and Licensing) Act.

The five-member panel today was led by Chief Justice of Malaysia Tengku Maimun

According to Wong, the final judgement from the panel of judges is expected to be heard in about two months' time.

Meanwhile, the Attorney General's Chambers of Malaysia in their submission appeal said that the purchasers' appeal ought to be dismissed without the need for the government to answer any of the leave questions, on the grounds that the purchasers' judicial review application is premature as there was no decision made by the Minister and/ or the questions of law posed are academic or hypothetical in nature.

It was reported that there were some 304 cases of EOTs issued to developers as

The buyers then filed a judicial review This story first appeared on www.EdgeProp.my

## Ample supply of affordable homes but not in the right location, says Zerin

## BY CHELSEY POH

KUALA LUMPUR: The property market has a more than sufficient supply of affordable housing, but what is insufficient are the "right housing products" to cater to the high demand for affordable homes, says real estate agency Zerin Properties managing director and CEO Previndran Singhe.

"The oversupply is due to product mismatch as [some affordable housings] do not meet the requirements of homebuyers in terms of affordability, location and connectivity as well as quality, hence, affordable housing will remain as the main focus tions will enjoy good demand. of the government," he tells EdgeProp.my.

He observed that transit oriented developments (TODs) and transit-adjacent emerge are Bandar Malaysia, Tun Razak Exdevelopments (TADs), which offer lifestyle home features as well as convenience to commute to work, will continue to attract first-time homebuyers and have greater capital appreciation potential owing to increasing demand.

As more infrastructure projects continue to kick-off, Previndran sees many opportunities in both the primary and secondary markets in new areas or existing developments as accessibility improves and business activities become more robust.

At the moment, TODs and TADs are mostly concentrated in the Greater Kuala Lumpur area, but more are expected to come online lation increases. By 2020, one in 10 Ma-

with the upcoming East Coast Rail Link (ECRL) project as well as potential revival of MRT Line 3 and High Speed Rail (HSR) projects.

He expects that upcoming infrastructure projects such as MRT Line 2 and LRT 3 will unlock new growth potential along the routes and areas surrounding the stations.

For now, he notes that there are some good TOD and TAD projects affordable to M40 and B40 homebuyers, such as MKH Boulevard II, Aster Residence Cheras and Divo@The Zizz.

He believes that affordable homes priced at RM500,000 and below at strategic loca-

Thanks to mega infrastructure developents, other anticipated hot spots likely to change (TRX), Cyberjaya, Putrajaya, Cheras, Shah Alam and Klang.

Other potential hot sellers include landed properties in established and mature neighbourhoods (such as Damansara Heights and Bangsar), freehold terraced and semidee houses in gated-and-guarded developments, as well as high-rise residential units in areas popular with both expats and locals (such as KLCC, Mont'Kiara and Ampang Hilir).

On the other hand, retirement villages are another growing market as the demand is expected to grow as the ageing popu-



Previndran sees many opportunities in both the primary and secondary

Predominantly, buyers of retirement vil- for 49% of total value last year. lages are retirees and senior citizens who intend to move into smaller spaces in proximity to appropriate facilities and professional care. However, Previndran also notes that many in their mid-30s and 40s are looking at residential properties in the sub-urban areas as their retirement homes.

In Zerin's market outlook presentation, Previndran also points out that the property market has already stabilised.

According to National Property Information Centre, the Malaysian House Price Index remains on an upward trend, rising 3.1% year-on-year (y-o-y) to 193.3 points in 2018.

He also said that the local economy will likely remain steady this year, as macroeconomic fundamentals are still strong despite and Youth Housing Scheme.

domestic and external challenges.

The World Bank last month maintained its forecast for Malaysia's 2019 gross domestic product growth at 4.7%, the same level as the country's 2018 economic growth.

Data from the Valuation and Property Services Department shows that the property market saw 313,710 transactions in 2018, up 0.6% y-o-y. Total transaction value grew by 0.3% y-o-y to stand at RM140.33 billion.

The residential sub-sector recorded a 1.4% growth in volume to 197,385 units, making up 62.9% of total transaction volume. Value of residential properties transacted rose laysians will be aged 60 years and above. 0.4% y-o-y to RM68.75 billion, accounting

> Certain positive changes have been seen in the market, including the upcoming Residential Tenancy Act, which is currently being drafted and is expected to be implemented in two years. "The act will help in determining the affordable rental rate based on location, as well as laws to protect both tenants and owners since currently there is no tribunal for issues related to housing rental," Previndran elaborated.

> Meanwhile, the government has also kick started various initiatives to boost the local property market, including plans to facilitate better access to financing, such as FundMyHome, Rent-to-Own/Stay-to-Own, MyDeposit, My First Home Scheme

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BY CHIN WAI LUN

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ing for the latter.



LOW YEN YEING | EdgeProp.my

Kong: From a valuation

decorations or fittings

value of the property.

HARIS HASSAN | THE EDGE

point of view, fancy

will add little to the

to fork out more on

## Taking a loan to renovate homes -ABADIDEA?

r and Mrs B who were shopping for a 2-storey house in Kuala

Lumpur narrowed their choices down to two units located just

next to each other in an estab-

lished housing estate.

The first unit was newly and extravagantly ren-

Ironically, the first unit was priced at 10% less

"I did not like the major renovations in the first

"On the other hand, although the second unit

"Ultimately, I guess it is about taste and prac-

ovated. In contrast, the second was only renovated

than the other, yet, the couple had no qualms opt-

unit that we visited. My husband and I knew we

would need to spend substantially to hack down

the renovations [in the first unit], cart away the

had less renovations done, we liked what we saw.

ticality. The lesson I have learnt here is to never

assume that what we spend on renovating our

tate Agents and Property Consultants in the Private

Sector Malaysia (PEPS) president Michael Kong

Kok Kee says it is a common assumption among

homeowners that the value of a property will rise

[of the property]. Valuers will not take the full

in tandem with the cost of renovations.

property will enhance its value," adds Mrs B. Association of Valuers, Property Managers, Es-

debris and make good the place.

**Bank Negara: Bulk of personal** financing utilised for home renovations

high number of defaults in personal financing continues to be observed among borrowers who earn less than RM5,000 per month (the lower-income group) and among urbanites who have to deal with higher costs of living.

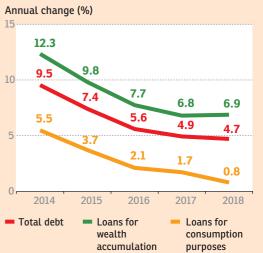
According to Bank Negara Malaysia's Risk Developments and Assessment of Financial Stability in 2018 report, about half of outstanding personal loan borrowings are from the lower-income group. The share of personal financing to total borrowings in the lowerincome group stood at 26.6%, almost double that of the average borrower (14.5%).

Bank Negara has observed that personal financing is used mainly for consumption purposes. More than one-third is for discretionary consumption expenditure to support lifestyle choices, which included the purchase of durable goods and expenses for weddings and festive seasons. This is similarly observed among distressed borrowers, which points to persisting behavior of spending beyond one's means, said the central bank in the report.

Also, close to half of personal financing was taken to accumulate assets, mainly to make down payments for house purchases and for business purposes. Notably, among distressed borrowers, personal finance borrowings included a significant share utilised for home renovations.

"Given that the appreciation of home values from such an expenditure may not always correspond to amounts spent on renovation, highly-leveraged borrowers may find themselves in a negative equity position with debt burdens they cannot afford," the report states.

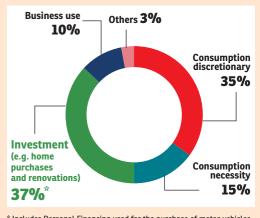
## **Growth of household debt** continues to moderate...



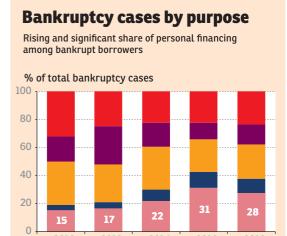
SOURCE: BANK NEGARA MALAYSIA

## **Investments formed bulk** of personal financing usage

From a 2018 survey conducted by Bank Negara of banking institutions and borrowers that sought assistance from Credit Counselling and Debt Management Agency (AKPK)



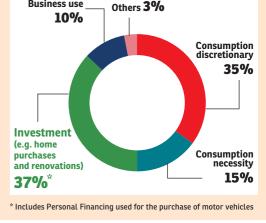
SOURCE: BANK NEGARA MALAYSIA



Residential properties \* Bankruptcy due to non-borrowing (e.g.: guarantor and failure to pay income tax)

SOURCE: MALAYSIA DEPARTMENT OF INSOLVENCY

Motor vehicles



## **Key observations on financial** literacy and capability in Malaysia

amount of the renovations into consideration. renovations. This could

The simple fact of the matter is that [most home be due to peer pressure.

"From a valuation point of view, fancy dec- Lim: The younger

orations or fittings will add little to the value generation tends

Based on Bank Negara's 2018 Financial Capability and Inclusion Demand Side Survey (FCI) 2018. Sample size: 3,394 Malaysians, aged 15 and above.

Most financial consumers

## lack understanding of financial concepts

and how financial products work beyond today. However, two in three consumers do not recognise this and 0-0 rate themselves as -000-HOO--Ohaving good financial knowledge. Poor

literacy and numeracy skills were particularly notable

The use of financial services is predominantly concentrated on deposit products

**52%** of respondents would find it difficult to raise RM1,000 immediately in

the event of an emergency (FCI 2015: 76%)

Financial consumers are enthusiastic about using mobile banking and internet banking, mainly for **money** transfers, bill payments and online shopping

24% of respondents would be able to sustain living expenses for at least three months or more after losing their income (FCI 2015:



18%), while only 10% of respondents would be able to do so for more than six months (FCI 2015: 6%)

**16%** of respondents are very worried about not being able to cover their living expenses in old age, especially among those aged 50 and above (FCI 2015: 33%)



renovations] are a matter of personal preference. For first-time buyers, opt for something affordable.

and practical. Take enlarging the living space of a [for renovations]," stresses Lim. home for instance, which is an acceptable form of renovation, compared to fancy fittings such as fountains," explains Kong.

He adds that renovations must also comply with building by-laws, or else they will not be factored into the valuation.

## Taking out a loan for home renovations - yes or no?

So, is taking out a loan to renovate our homes a good idea? President-elect of the Malaysian Institute of Estate Agents (MIEA) Lim Boon Ping discourages the practice. He believes that one should spend within one's means.

"Your first house is never your dream house. home renovations," says Ching.

"Valuers consider the market value — some- A few years later, you either sell or upgrade. I defithing which the market accepts as being tangible nitely do not encourage people to borrow money

Personal use Credit cards

He also reckons that home renovations are rather popular at present. "People have expectations especially young people. The younger generation tends to fork out more on renovations. This could be due to peer pressure. It is quite common for first-time [home] buyers to spend about RM50,000 to RM100,000 on home renovations," notes Lim.

Mortgage specialist Vincent Ching, who is the head of marketing for Ideal Mortgage Specialist Sdn Bhd opines that for personal financing, the banks do not restrict the actual use of the approved loans.

"The reason for the loan is mostly for [personal] consumption, which means borrowers are free to use the funds for whatever reason, and this includes

## You can build a house digitally now

BY SHAWN NG

ne challenging aspect of the building construction process is human error, resulting in defects and wastage of materials, among other issues.

But why worry about that when you can design a house digitally and leave most of the construction work to robots?

In Dübendorf, a suburb in Zürich, Switzerland, is a three-storey house dubbed DFAB HOUSE located at the top of the NEST building that was digitally planned and almost completely built with the help of robots and 3D printers.

NEST stands for Next Evolution in Sustainable Building Technologies and the building is a modular research and innovation building created by the Swiss Federal Laboratories for Materials Science and Technology (Empa) and Swiss Federal Institute of Aquatic Science and Technology (Eawag) where new developments and innovations can be tested and demonstrated robots and arranged in complex geometries under realistic conditions.

DFAB HOUSE is created with construction technology developed by ETH Zurich researchers in collaboration with industrial partners, according to Empa.

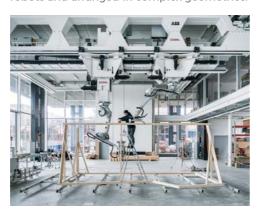
"In construction projects such as DFAB HOUSE, traditional construction methods meet new concepts of the digital world. The path from the digital drawing board to an actual building has challenged both scientists and industry experts. Through a constructive dialog, something truly visionary can now be put into practice; hopefully it will soon be used broadly in the construction industry," Empa CEO Gian-Luca Bona said in a press statement recently.

The 200 sq m home was officially opened in February this year following almost two years of research and construction which began in May 2017. Its first residents are



Above: The 3-storey DFAB HOUSE sits on top of the NEST building in Dübendorf, Switzerland

Below: Wooden frames in the house were fabricated with the help of two construction



partners of NEST who will use it as their residential and working spaces.

So what does its interior look like? The living room of the DFAB HOUSE reminds one of a scene from the science fiction movie guest researchers of Empa and Eawag and "Alien", with its unusual patterned concrete the shower trays via heat exchangers. On the

ceiling which was cast in 3D-printed formwork, and its curved concrete wall created by a construction robot.

True to its digital form, the three-storey house is also a smart one. Just say the right word and you could command the blinds to open or the kettle to start boiling.

The smart home system was installed by a consortium of companies. Its features include intelligent multi-stage burglar protection, automated glare and shading options, and the latest generation of networked, intelligent household appliances.

"However, DFAB HOUSE is smart not only in terms of home electronics, but also in terms of energy management — the photovoltaic modules on the roof supply on average one-and-a-half times as much electricity as the unit itself will consume, while an intelligent control system coordinates all consumption and ensures that no load peaks occur," the CEO of Empa said.

Another two start-up ideas accompanied by researchers from Empa and Eawag are helping to save additional energy. On one hand, heat from waste water which would otherwise be lost, is recovered directly in other hand, hot water flows from the pipes back into the boiler when not in use. This method not only saves energy and water, but also reduces the risk of bacteria growing in the pipes.

## A sustainable and efficient way to construct a house

With this pilot project, ETH Zurich wanted to examine how digital technologies can make construction more sustainable and efficient, while increasing the design potential.

"The design and planning of individual components were digitally coordinated, and these are manufactured directly on site according to the data. The conventional planning phase is no longer needed," ETH Zurich said on its website.

For example, Smart Slab, the technology that digitally planned the floor slab of DFAB HOUSE is able to save considerable amounts of material. It uses large-scale 3D sand printing to automate and optimise the fabricating of the formwork which is the most labour-intensive process in concrete construction.

The 295 unique 3D-printed formwork parts enable the plasticity of concrete to create a free-form, highly-optimised building component featuring intricate ornamental structures which create a rich architectural experience.

Empa added that these digital technologies open up new design possibilities. For instance, the two upper residential floors are characterised by wooden frames, which were fabricated with the help of two construction robots and arranged in complex geometries.

"The architectural potential of digital fabrication technologies is immense. Unfortunately, these technologies are scarcely used on construction sites. With the DFAB HOUSE, we are able to test new technologies hand in hand with industry and thus accelerate the transfer from research to practice," said ETH Zurich professor of architecture and digital fabrication Matthias Kohler.



## **COVER STORY**

Both Ching and Lim have seen their fair share of borrowers running into financial difficulties.

"I have seen people getting into financial trouble due to overspending on home renovations. I believe some of the reasons are due to the lack of planning, over-budgeting and engaging the wrong

"Some people might just rely on the interior designer or main contractor for the renovation of the house, who will usually delegate the work to subcontractors. If they [homeowners] are able to directly get the right person for the job, for example, getting an electrician yourself instead of relying on the contractor, this could save you some money," explains Ching.

Meanwhile, Lim claims to have come across quite a few abandoned renovation projects, be it for interior or external (structural) renovations.

He agrees that "renovation cost does not equate to value".

"Putting in RM100,000 will not net you returns of RM100,000 for your property," he stresses.

To this, Ching adds: "This is not how you do the math when it comes to valuation. It is a very subjective matter. Some valuers may consider structural fittings as added value [to the property]



**Ching: If homeowners** are able to directly get the right person for the job, this could save them some money.



but may disregard certain interior renovations."

Lim advises people to be practical and not overspend on luxuries. "What is fashionable and trendy now may not be so years later," he says.

## Why borrow?

However, there are some people who feel that boils down to being financially prudent. "Most fitaking on a loan for home renovations is justi- nancial consumers lack understanding of financial fied. Patrick Chin, a banker in his early 30s tells concepts and how financial products work beyond EdgeProp.my his rationale for taking out a loan today. However, two in three consumers do not to renovate his home.

"Ideally, I would not wish to take up a loan for this purpose as I do not like the idea of being in debt. However, as this will be a major renovation which will involve a significant sum of money and with marriage plans looming, I feel taking a loan is the most sensible choice.

"As long as the monthly instalment amount is comfortable, I believe taking a loan will greatly help to free up my finances for other equally important uses," says Chin.

He adds that his home has never been renovated since he bought it as a sub-sale back in 2012. "I consider it a good time now to welcome a fresh home makeover in order to bring back a sense of newness," says Chin.

He says he has no difficulty making repayments. "As long as you plan the right amount to borrow, the monthly instalment amount should be comfortable enough for repayment. Therefore, there is no [significant] change in my lifestyle."

Ultimately, Bank Negara Malaysia notes that it recognise this and rate themselves as having good financial knowledge. Poor literacy and numeracy skills were particularly notable," the central bank states in their report.

Ching dishes out some advice for homeowners (especially first-time buyers): "I would advise them to start planning for the renovation cost even before they purchase the property. Start by surveying and researching and getting quotations from various contractors for comparison, in order to know what to expect financially.

"I believe renovation spending should be limited to 10% to 20% of the purchase price. One thing to avoid is buying fancy furniture and fittings. Focus on suitability and sustainability of the items," says Ching.

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