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Building management key to value appreciation

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WHY

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

WHAT

Opened to all strata and non-strata buildings managed either in-house or by any property manager. The Awards comprises three categories — Residential, Commercial and Mixed development.

HOW

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Developers can withdraw 80% of deposit after CCC issued effective Nov 11

Property developers will now be able to retrieve 80% of the 3% developer's deposit once the Certification of Completion (CCC) is obtained. The remaining 20% will be returned after the defects and liability period. This took effect from Nov 11, said Minister of Urban Wellbeing, Housing and Local Government Tan Sri Noh Omar at the Real Estate and Housing Developers' Association (Rehda) annual dinner on Tuesday (Nov 29).

Previously, developers would only be returned the 3% deposit after the defects and liability period. The 3% deposit is the estimated cost of construction of a housing development and is paid to obtain a developer's licence.

Meanwhile, Rehda president Datuk Seri Fateh Iskandar Mohamed Mansor also noted in his speech that the past months have been challenging for the industry as it has been adversely affected by global economic instability, the falling ringgit and the drop in crude oil prices.

MK Land resumes mammoth Perak project after decade-long halt

MK Land Holdings Bhd is resuming development at its 3,000-acre mixed development Bandar Teknopolis Perdana (formerly known as Lembah Beriah) in Perak, after

halting the project following the launch of the first phase of residential homes 10 years ago.

The project was placed on the back burner, as the property developer had issues finding and providing strategic access to the site, according to its chief executive Lau Shu Chuan.

The group is now looking at kicking off the next phase of the project, which will entail the development of a campus and industrial properties, on completion of the Alor Pongsu elevated interchange by PLUS Malaysia Bhd earlier this year, Lau told reporters after the group's annual general meeting on Nov 29.

MK Land has just obtained approval from the Kerian District Council to rename the development to "Bandar Teknopolis Perdana".


S P Setia regrets pedestrian link bridge collapse

Developer S P Setia Bhd has expressed its deepest regret over the pedestrian link bridge collapse near Mid Valley City, Kuala Lumpur on Nov 30 (Wednesday).

In the incident, one worker died and five others were injured while another remained unaccounted for when search and rescue operations were called off on Thursday, said S P Setia


Sime Darby Property partners Turner International

Sime Darby Property has signed on Turner International, an international construction services company, as its project and construction management consultant for the design, quality and delivery of three Sime Darby projects.

Turner International's role includes advisory and consultancy for Cantara Residences at Ara Damansara, Quarza Res-

idence at KL East as well as an integral part of Jendela, an upcoming integrated project at ALYA Kuala Lumpur.

Cantara Residences comprises 888 units of serviced apartments and 13 commercial units while Quarza Residence comprises two residential towers with 254 units each and 607,519 sq ft of retail space. Meanwhile, Jendela consists of three blocks of 565 residential units and 27 retail units. Turner International's role will also include design and engineering management.

Meanwhile, Jauhari said Sime Darby Property is targeting RM2.5 billion in sales this financial year ending June 30, 2017 with the launch of some 3,000 units of homes. "For 1Q of our financial year [starting July 1, 2016], we have launched some 550 units of homes with a 70% take-up rate so far.

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LAUNCHES + EVENTS


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

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Good Coffee Day by Pantai Sentral Park

Date: Dec 4 (Sun)
Time: 10am to 5pm
Venue: ICE Gallery at Pantai Sentral Park, No 2, Jalan Pantai Sentral 1, Pantai Sentral, Kuala Lumpur
Contact: 1 800 88 0456
Organised by IJM Land, visitors to the Good Coffee Day can enjoy coffee tasting sessions, fruit ice cream, Japanese waffles and homemade nougat. The highlight of the event will be a coffee workshop by the academic director of Barista Guild Asia, Daniel Liew.

Lock and Roll Fiesta

Date: Dec 3 and 4 (Sat and Sun)
Time: 10am to 6pm
Venue: Icon City, No 1 Jalan SS8/2, Sungai Way, PJ
Contact: (011) 3129 1616
The Lock and Roll Fiesta will showcase Mah Sing Group Bhd's completed properties that are available under the Group's "Lock and Roll" innovative deferred financing plan. The Christmas-themed fiesta will



have fun activities such as a chariot ride and a vertical airborne adventure that will take you up two storeys in the air. Chris Tan of Chur Associates will also be giving a property investment talk at 11.30am and 3.30pm on both days.

Furry Friends FunFest

Date: Dec 3 (Sat)
Time: 6pm to 10pm
Venue: Setia Welcome Centre, Subterranean Penang International Convention and Exhibition Centre, Jalan Tun Dr

Awang, Bayan Lepas, Penang
Contact: (04) 641 2255
S P Setia Bhd is organising a Furry Friends FunFest, offering opportunities for guests to spend some time with their furry friends. Besides dog shows and a pet adoption campaign, guests can check out S P Setia's latest projects.

A Jolly Sierra Christmas

Date: Dec 3 (Sat)
Time: 6pm to 9pm
Venue: IOI Galleria @ 16 Sierra, Puchong South, Selangor
Contact: (03) 8944 9999
IOI Properties celebrates the year-end festivities with a scrumptious Christmas dinner and Christmas carolling at their new Sculpture Park in 16 Sierra.

Sunway Velocity preview

Date: Dec 3 and 4 (Sat and Sun)
Time: 10am to 5pm
Venue: Sunway Velocity sales gallery, V02-G-02 & 03, Lingkaran SV Sunway Velocity, Jalan Peel, Kuala Lumpur
Contact: (017) 964 0700
Sunway Velocity Mall



opens on Dec 8 but there is a chance to see it before that at the preview, where you can experience the connectivity and enjoy the panoramic KL city view at the sky garden.

RE/MAX Premiere

Date: Dec 8 (Thurs)
Time: 10am
Venue: Sunway Nexis, 3rd floor, No 1, Jalan PJU 5/1, Kota Damansara, Petaling Jaya, Selangor
Contact: (03) 6150 8088
CrowdPlus.Asia & RE/MAX will be presenting a talk on how you can invest in the biggest real estate agency in the world as well as a talk on how technology will change the way we practise real estate in Malaysia. Admission is free but registration is needed.



Building management key to value appreciation

BY NATALIE KHOO

PETALING JAYA: Maintaining a property is part and parcel of the investment required for the preservation and potential appreciation of the property, said Nippon Paint Group Malaysia managing director Yaw Seng Heng.

“A property will only take care of its owners and inhabitants as much as the efforts placed into maintaining it,” he told TheEdgeProperty.com.

A well-managed property conveys an image of capital preservation and good governance that ultimately increases its value as well as that of the surrounding area, he emphasises.

Yaw explains that a well-managed property is reflected in its façade and there must always be a focus on a “continuous improvement” philosophy, ensuring that buildings are constantly updated with newer facilities and technology. Sustainability is also a key component. Having efficient energy and water management, ensuring a comfortable thermal level and constantly improving the indoor air quality are examples in managing a property’s sustainability footprint, Yaw said.

“Over the years, there has been an increase in the building of high-rise developments but due attention has not been given in ensuring that the properties continue to reflect the value they are commensurate with. Thus, it is critical that properties, be they commercial, mixed-use developments or residential, are well managed to attract buyers, investors as well as tenants,” he said.

Nippon Paint Malaysia is one of the partners of TheEdgeProperty.com Malaysia’s Best Managed Property Awards 2017. The other partner is Panasonic Malaysia. The Awards is now open for submissions until Jan 16, 2017.

There are three categories of awards — residential, commercial and mixed-use developments. Entries are open to all stratified and non-stratified buildings, managed in-house or by property managers.

Nippon Paint Malaysia is giving a RM500 paint voucher for each submission and a RM10,000 paint voucher to each winner.

“We are proud to be part of this strategic collaboration with TheEdgeProperty.com in the country’s maiden awards focusing on recognising existing buildings that place significant efforts in their maintenance and operation,” said Yaw.

“Looking at the judging criteria, I am glad to say that the likely winners are not those with the most funds at their disposal, but those that are effectively managed within a given budget,” he added.

“The property industry has always been overshadowed by glitzy launches of new developments. These awards will be a needed catalyst in elevating the standards of Malaysian property management,” he said. Nippon Paint Malaysia is continuously driving trends and thought leadership that can move the industry ahead in terms of practices, solutions and innovation, he added.

Yaw hopes property managers see their task as a responsibility that influences the overall capital appreciation of a specific property.

“Our hope is that more conversations on property management can be sparked by these awards, and a clear awareness that a property has a longer-term inherent value that needs to be continually harnessed.

“I truly look forward to recognising deserving winners. It is my hope that these winners will be able to inspire their peers to elevate the standards of built properties in Malaysia,” he summed up.

TheEdgeProperty.com managing director and editor-in-chief Au Foong Yee said the interest in the awards since the call for submissions was made two weeks ago is testimony to the urgent



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MALAYSIA’S BEST MANAGED
PROPERTY AWARDS 2017



The key to continued investibility of a property lies in its quality property management. — Au



This Awards will be that needed catalyst in elevating the standards of Malaysian property management. — Yaw

need for excellent management practices.

There is no doubt that Malaysia’s vibrant property development activities, which are attracting the attention of foreign investors and tenants, necessitate best-in-class property management practices globally, she said.

“A sound property investment does not start and end with the purchase of a real estate with just a good location and an aesthetically pleasing or luxuriously-designed building. The key to continued investibility of a property lies in the quality of its property management and this is especially true for the high-rise residential and commercial developments,” Au said.

She notes that whether quality management of a

development can be sustained is determined, to a large extent, during its architectural and design stage. This is where developers have a vital role to play.

“With TheEdgeProperty.com’s Malaysia’s Best Managed Property Awards, we hope Malaysia will emerge a preferred global address as we compete as a real estate investment, living and commercial destination,” she added.

The awards are supported by The Malaysian Institute of Professional Property Managers, Building Managers Association of Malaysia, Malaysian REIT Managers Association and The Edge Malaysia.

The winners will be announced on April 2017. Visit www.theedgeproperty.com or call (03) 7721 8289 for more information on the awards.



First phase of Eco Ardence 85% sold since September launch

BY SHAWN NG

SHAH ALAM: Eco World Development Group Bhd's (EcoWorld) Eco Ardence in Shah Alam has already chalked up a take-up rate of 85% for its first phase since its launch in September this year, said its president and CEO Datuk Chang Khim Wah.

Eco Ardence is a 533-acre freehold township development with a gross development value (GDV) of RM8.58 billion. It is a joint venture between EcoWorld and Cascara Sdn Bhd. The entire township is expected to be completed in eight to 10 years.

The project's first phase features 432 semi-dees and bungalow homes priced from RM1.3 million, said Chang at the official opening of Eco

Ardence's sales gallery two days ago.

"Response for Eco Ardence has been very encouraging as it is an ideal township for upgraders," Chang said, adding that the company will be able to cater for more homebuyers with the sales gallery up and running.

EcoWorld targets to achieve a 100% take-up for Eco Ardence by October next year, said general manager Liew Tian Xiong.

"There will be four phases of landed residences in the project and we are going to launch phase 2 and 3 in the first half of 2017 (1H2017) and 2018, respectively," he said.

Similar to phase 1 of Eco Ardence, phase 2 will comprise semi-dees and bungalows with prices starting from RM1.3 million to RM3 million.



Kee Sin (second from the right) looking at the scale model of Eco Ardence with CEO of OCBC Malaysia Ong Eng Bin (left), director of Cascara Sdn Bhd Mohd Nadziff Bustari (third from left), director of Cascara Tan Sri Che Md Noor Mat Arshad (fourth from left), Chang (fifth from left), founder and adviser of OBYU Holdings Sdn Bhd Tan Sri Bustari Yusuf (sixth from left) and Affin Bank head of Large Corporate Datuk Wong Kim Wah (right).



(From left) Prakash and Tian Xiong at the official opening of the Eco Ardence sales gallery.

EcoWorld head of project planning, development and implementation Prakash Prasannan pointed out that the company is also considering to launch the commercial component of Eco Ardence in 1H2017, subject to market conditions.

Meanwhile on the opening of the 13,500 sq ft Eco Ardence sales gallery, EcoWorld chairman Tan Sri Liew Kee Sin said the full-fledged gallery will help serve its

customers better and showcase the project to its full extent.

The project is accessible via four major highways — the New Klang Valley Expressway, Federal Highway, ELITE Highway and the Guthrie Corridor. Through these highways, Eco Ardence is 11km to Klang, 16km to Subang Jaya, 18km to Petaling Jaya, 24km to Damansara, 30km to Kuala Lumpur and 52km to KLIA.

First real estate equity crowdfunding in Malaysia

BY TAN AI LENG

PETALING JAYA: Kellerhof International Sdn Bhd, which owns the master trademark licence for RE/MAX in Malaysia, is inviting interested investors to join the company through an equity crowdfunding exercise which offers up to 6% of the company's shares to potential investors.

The US-based RE/MAX, LLC is one of the largest real estate network operators globally, with 7,000 offices and about 110,000 sales agents worldwide. It has a presence in over 100 countries and had expanded to Malaysia early this year through Kellerhof International, which has exclusive rights to operate and open RE/MAX offices and branches in Malaysia.

RE/MAX Malaysia regional director Andre Keller said 6% of the shares will be divided into 80 lots with an investment fund of RM5,000 each. If all the lots are subscribed, it could raise up to RM400,000, he added. The proceeds will be used as the compa-



(From left) RE/MAX Malaysia chief financial officer Amanda Goh, chairman Alex Gomez, Keller and chief technical officer Taco Heidinga are looking forward to expanding RE/MAX's footprint in Malaysia.

ny's operational capital. Selected investors could enjoy a minimum 6% dividend per year on the invested amount for the first three years.

Every lot comprises 800 redeemable convertible preference shares (RM6.25 per share) that

could be converted into ordinary shares of the company after three years. The equity crowdfunding exercise will be unveiled on Dec 8.

"This is the first real estate equity crowdfunding in Malaysia. Through this programme we hope

to let more people know about the RE/MAX brand. We also look forward to inviting real estate investors to join us," Keller told TheEdgeProperty.com.

"The needs of the new generation workforce has changed. It

is very hard for the company to retain talent. Letting the younger generation co-own the company through equity crowdfunding could be a way to retain talent," he said.

To achieve this objective, Kellerhof International will select the potential investors. "Investment opportunities will be open to all but priority will be given to investors who are interested to become our members or who could create more value to RE/MAX Malaysia," said Keller. Interested investors can register their interest through the RE/MAX Malaysia website.

According to Keller, RE/MAX Malaysia currently has four branches in Malaysia, one in Johor Bahru and three in the Klang Valley.

"We are looking at expanding in Malaysia by introducing the RE/MAX brand to local real estate agencies and working with them by setting up RE/MAX branches in Malaysia," he said. The company is targeting eight more branches next year via collaborations with local real estate agencies.

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Tips on how to inspect a property and avoid buying a lemon

BY SHAWN NG

Today, some properties are built very quickly but you have to know that speed can kill quality — Lee



One man's meat is another man's poison. The overcast economic climate may have caused property prices that have seen steep hikes in the past to moderate but this could mean greater opportunities to pick up good bargains.

However, remembering that good things usually don't come cheap, industry experts are cautioning buyers against jumping into a deal without proper inspection.

According to Architect Centre Sdn Bhd, one in every five newly completed properties has some kind of major faults such as in plumbing, roofing or water-proofing. This could consequently lead to extra expenses for repairs and maintenance.

Architect Centre is a joint venture between the Malaysian Institute of Architects and Australian service provider Archicentre Ltd. It provides property inspection and building advisory services to the Malaysian public.

The figure was reported in 2009 but it still applies to the industry today, Architect Centre accredited building inspector and trainer Anthony Lee Tee tells TheEdgeProperty.com, citing the rapid pace of property development as one of the factors affecting the quality of construction work.

"The quality of properties sold by some developers have improved significantly but the majority of developers are still delivering substandard properties. Overall, we still see the same statistics of one in every five," he says, adding that there are some unscrupulous developers out there who use low-quality materials to profiteer.

"Today, some properties are built very quickly but you have to know that speed can kill quality. So if you want good quality, you cannot rush it," he continues.

The intense competition in tendering for construction jobs and the increase in cost of construction materials have also contributed to the current situation, he says. "This is why some quality of properties falls short of the price demanded."

Nevertheless, most developers and contractors would not want to become the black sheep in the industry, notes Lee. "On the bright side, quality is getting better today as good developers and contractors continue to improve their work."

Defects liability period

After being handed over the keys to a new property, the first thing the owner should do is to check for defects during the defects liability period, which is governed by the Sale and Purchase Agreement.

The defects liability period for residential property is usually 18 months after vacant possession whereas for other types of property it is usually 12 months, Lee says.

"The defects liability period covers defects due to shrinkage, leaks, cracks and workmanship. However, for stratified properties, the huge issue is defects in common areas which are usually not reported or identified within this period," he notes.

Lee points out that there are also a rising number of old properties on the secondary market and if they are not well-maintained, defects in older properties could pose serious problems as the safety of owners could be at stake.

"Sometimes people know there is a defect or some things need to be repaired but they just ignore it and when something happens they give all kinds of excuses," he says. For instance, he has seen a strata property management with limited maintenance funds place a Milo tin under a leaking ceiling to collect water.

"It may seem like a small leak but it could be a very serious problem. I'm seeing a lot of this kind of things in my work inspecting properties," he shares.

Based on his observation, the most common defects are cracks and leaks on walls, floors and roofs. "There are also issues with electrical safety, which is the most serious problem we are currently seeing."

He says that the electricity regulations in Malaysia are very good but there is a lot of shoddy workmanship when it comes to electrical installations, which will result in incidents of breakdowns and short circuits.

Buying a property is usually the largest investment one would ever make, so it is crucial for buyers to be informed before buying into the asset, Lee counsels. "Property defects will kill the value of a property, not to mention the fact that they could cost people's lives as well," he says.

Hence, homebuyers are advised to do their research and homework by checking out and surveying every aspect of the property before they purchase or right after vacant possession of a new property, he concludes.



SOURCE: TheEdgeProperty.com + Architect Centre | GRAPHICS: NURUL AIDA MOHD NOOR

Garden

- The condition of fences and gates for rusts and corrosion and if any water is "ponding" inside the frames.
- House perimeter drains are not cracked or in disrepair affecting proper discharge flow of rainwater.
- Cracks and bulging in the walls and slopes.

Concrete floors

- Concrete cancer indicated by surface cracks and rusty exposed steel bars.

Walls

- Wall plastering has to be flat and smooth and without any cracked egg shell pattern which may indicate wall-plastering failure.
- Brick walls for signs of dampness.
- Tap solid brick walls for a hollow sound or a change in tone. Both could indicate a plastered or rendered over patch-up of a significant dampness problem.
- Lightly tap walls and tiled surfaces with screwdriver handle. A hollow sound could mean loose plaster or tiles.

Roof and roof space

- The roof line — wavy roof line may indicate a structural problem.
- Valley and eaves guttering are free from holes and rust.
- Signs of bird droppings, urine or excrement odour within ceiling and roof spaces.
- Illegal and damaged electrical wiring in the roof space.
- Leaks from water tanks in roof space.

Electrical systems

- All light switches and power points work.
- Use the tester on all power points to ensure the outlets are correctly wired.
- Signs of burns around switches, fittings and fuses.

Light and ventilation

- Excessive condensation and mould growth on windows and walls.
- Source of musty smells. The causes could be: roof leaks, lack of insulation or often a combination of these.
- Windows can be opened.
- Broken window panes.

General

- The structural condition and water-tightness of rooms and walls of garages and sheds — rust stains and cracking of concrete may indicate concrete cancer.
- Water stains on timbers and metal sheeting.
- Fire hazards, loose or broken power points and badly-wired electrical fittings.
- Appropriate room layout, orientation to the sun, views, neighbours, traffic noise and, if not optimal, whether the house can be improved at an affordable cost.

Plumbing system

- All plumbing fittings for cracks or leaks.
- Water pressure in hot and cold water taps.
- Partially fill the bath or laundry tubs and observe whether the water drains away properly.
- Water stains or damaged paint on walls and windows may indicate lateral dampness due to leaky or burst pipes. Buried water pipes (underground and within walls) built approximately before 1995 in Malaysia were of steel galvanised pipes which may rust over time.

Before signing on the dotted line, look out for these

Ceilings

- Cracks or signs of movement at the cornices.
- Water stains and mould growth which could indicate excessive condensation or roof leaks.

Renovations and extensions

- If the house has recently been renovated, or if extensions have been carried out, check with the local council to ensure that a building permit was obtained as illegal alterations could become your responsibility.

A checklist before buying a property

 Workmanship compliances	 Compliance with sale & purchase agreement	 Lights + ventilation
 Types of construction materials used	 Illegal renovations	 Electrical safety
 Doors, windows + locks	 Dampness + leaks	
 Cleanliness	 Cracks + settlement	 Termites + pests
 Plumbing	 Roofing	
 Water pressure	 Sanitary fittings + wares	 Slopes + retaining walls

FEATURE



Larger land sites put up for auction

BY TAN AI LENG

The total value of land plots put up for auction in the first nine months of 2016 (9M2016) has almost doubled from the total value recorded during the same period last year, according to data compiled by online auction house AuctionGuru.com.my.

Although the total volume of land cases has decreased to 639 in the first three quarters of 2016 from the 770 cases put under the hammer during the same period last year, the total value of these cases has surged to RM1.19 billion from RM582 million.

AuctionGuru.com.my executive director Gary Chia says land is always in demand and one seldom finds large parcels of land being put up for auction as most land could easily be sold on the normal market.

He says there were some large plots of land in strategic locations with attractive reserve prices put up for auction this year.

These included a 338.5-acre leasehold land in Gua Musang, Kelantan with a reserve price of RM7.67 million and a 235-acre leasehold land in Selayang, Selangor with a reserve price of RM120 million.

"The main reason these lands were put up for auction is because of defaults on loans by financially straddled companies or owners," he says.

He noted that most investors or developers are taking a wait-and-see approach in landbanking due to the current soft market condition. Thus, financial institutions are disposing the lands via auction or through tender.

In the first three quarters of 2016, Chia has noticed that both the number and value of auction land cases have seen a gradual rise. In 3Q2016, there were 236 land cases worth about RM540 million while there were 214 cases worth RM347.9 million in the previous quarter. In 1Q2016, there were 189 land cases worth RM304.5 million.

Comparing 9M2016 with the same period last year, the total value of auction land has jumped 105%.

As the market outlook remains challenging, Chia says property developers are cautious about launching new projects or accumulating land as they want to maintain a healthy cash flow.

"Nevertheless, despite the market uncertainties, demand for land is always strong. Buyers are just waiting and hoping to get the best land deal in this gloomy property market," says Chia.

Indeed, in current market conditions, developers and investors should take the opportunity to look for good land deals in the auction market, he tells TheEdgeProperty.com.



Chia expects more high-end properties in prime areas being put up for auction due to the challenging market conditions.

Overall market in 3Q2016

Overall, the Malaysian property auction market has seen a total of 19,163 properties worth about RM6.39 billion going under the hammer in the first nine months of this year. This works out to an average of 2,219 properties a month. In terms of volume, the number of auction cases has decreased 10.9% or 2,337 properties from 21,500 cases worth RM5.26 billion recorded in the same period in 2015.

For 9M2016, 85% of the auction properties were from the residential segment while commercial and land cases made up 11% and 4%, respectively.

In 3Q2016 alone, there were 6,827 properties put up for auction worth a total of RM2.01 billion made up of 5,818 residential properties and 773 commercial properties as well as 236 land cases. Of the three segments, residential properties had the highest value at RM1.63 billion followed by land cases at RM540 million and commercial properties at RM510 million.

Looking forward, Chia anticipates more land to be put up for auction if the property market remains sluggish.

He also expects more high-end properties in prime areas being put up for auction due to the challenging market conditions.

"New housing launches are moving towards the affordable segment to cater to current market needs. The holding power of high-end property owners will be challenged as buyers will have more affordable choices in the market," he says.

Chia advises property investors to exercise caution in making their buying decision as the overall property market is expected to remain subdued, especially for commercial and office buildings due to pessimistic business sentiments and constraints on household income.

"However, deeply undervalued properties may emerge during this period of adjustment which will attract investor interest," he says.

In the first 9M2016, 19,163 properties worth RM6.39 bil were put up for auction



The value of auction lands in the first 9M2016 has jumped 105% to RM1.19 bil



Central and northern region remained the highest

During the quarter under review, the central and northern regions were the top two regions with the highest number of auction properties.

The central region saw 3,633 properties worth RM1.65 billion being put up for auction while the northern region had 1,749 properties worth RM410 million put up for bids.

In East Malaysia, the number of auction cases has increased to 638 properties valued at RM194 million, compared to 468 properties worth RM109 million in 3Q2015.

The southern and east coast region's auction markets have seen 665 properties (worth RM377 million) and 142 properties (worth RM52 million) being put up for bids.

For the first nine months of this year, the northern, central and southern as well as the east coast regions have seen a downtrend in the number of auction cases except for East Malaysia.

In East Malaysia, the number of properties increased to 1,446 in 9M2016 from 1,099 cases in the same period last year. Total value of the auction properties also surged 74% to RM468 million from RM268 million.

In 9M2016, there was a reduced number of auction properties (354) in the east coast region but the total value of auction properties increased significantly to RM166 million, a jump of 80% compared to RM92 million for the same period last year.

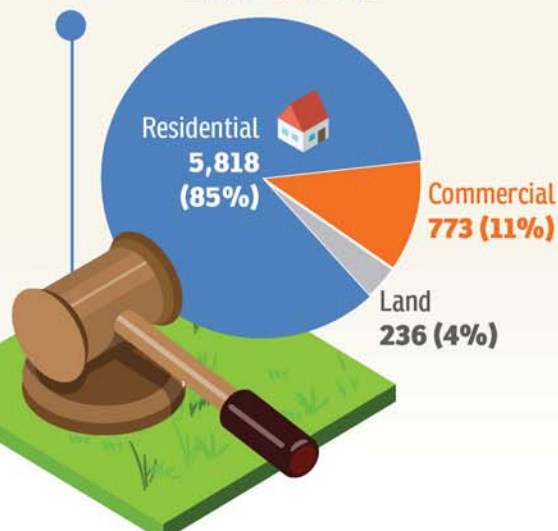
The value of auction properties in the southern region also rose 35% to RM808 million from RM595 million during the same period last year. The region had 2,062 auction cases in 9M2016.

In the central and northern regions, values also rose 29% and 21%, respectively. There were a total of 10,382 cases of auction properties worth RM4.52 billion from the central region, while the northern region had 4,919 properties worth RM1.09 billion.

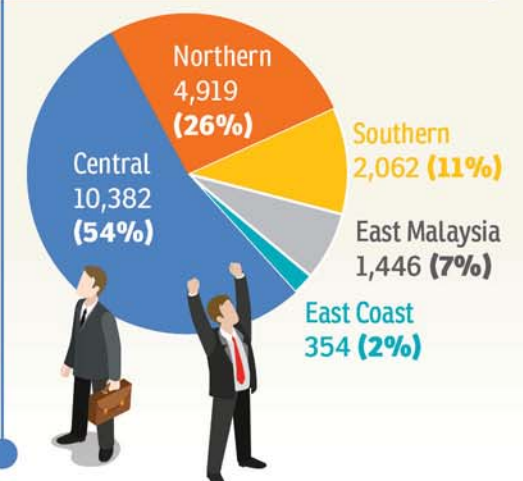
In 3Q2016

6,827

properties put up for auction worth a total of **RM2.01 bil**



The central and northern regions have the highest number of auction property in the first 9M2016



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Co-agency arrangements — trending now in a slow market

BY LUM KA KAY

Recently, there has been a rising trend in the real estate industry where real estate agents join hands to seal a deal. From what used to be every man for himself during better times of the market, the current slow market has prompted many real estate agents and negotiators from different agencies to work together.

The Malaysian Institute of Estate Agents (MIEA) terms this as “co-agency” arrangements.

“We used to say ‘co-broke,’ but come to think of it, ‘broking’ isn’t a legitimate term for legal agents, hence we prefer ‘co-agency,’” its current president Erick Kho tells TheEdgeProperty.com.

Kho says one of the reasons for this trend is the economic slowdown. However, just like anything else, there are pros and cons when it comes to a co-agency arrangement, says Kho.

Benefits

“The first major benefit would be speed. People who are new to the real estate industry don’t have a lot of listings. Through this co-agency arrangement, these newbies can get help from other agencies by working together and closing the deal within a shorter

Kho: As long as the agents hold on to trust and integrity, a co-agency arrangement will work well.



period of time than doing it on their own.

“It helps even more in such challenging times to move deals along a bit faster. So you may see more of this happening in the industry,” he says.

Associate director of Hartamas Real Estate Sdn Bhd Christopher Chan concurs, saying that nowadays almost half of the transactions are done through co-agency arrangements.

“For consumers, they will like it because this speeds up the whole process as there are more options for them — doesn’t matter whether you’re buying or selling a property. Because if an agent agrees to a co-agency arrangement, you can tap into the resources of the other agents,” he says.

PICTURES BY HARIS HASSAN | TheEdgeProperty.com

Chan: ‘Chemistry’ plays a crucial role in a co-agency arrangement.



Disbenefits

The obvious price that real estate agents and negotiators have to pay for such joint arrangements is the splitting of professional fees, say both Kho and Chan.

Both also stress that when entering into a co-agency arrangement, it is important for the negotiators and agents involved to be clear with the terms and conditions to avoid disputes.

Chan advises them to find out about the table of professional fees for the particular deal before entering into the co-agency agreement. He also urges agents to do their due diligence on the listed property.

“Under such an arrangement, an agent

or negotiator who has a buyer or tenant will talk to the listing agent/negotiator who has properties listed for sale or rent to see if they’re able to do a co-agency agreement. So the thing to look out for is to ensure that the listing agent has a genuine listing in the first place, because there are times when you’re talking to a listing agent who doesn’t have a bona fide listing.

“It’s also important to check the availability of the property and its selling price or rental as the price discussed may be different from what is being advertised. These are things that an agent has to find out from the listing agent,” Chan points out.

Last but not least, Chan notes that “chemistry” plays a crucial role in a co-agency arrangement as well because if both parties cannot get along, it will be difficult to proceed with the entire arrangement.

MIEA’s Kho believes that as long as the agents/negotiators hold on to trust and integrity, a co-agency arrangement will work well and, ultimately, benefit the whole industry.

As for property owners, both Kho and Chan say they will not be affected by the co-agency arrangement.

“As a consumer, regardless a buyer or seller, it really doesn’t affect you at all, because this arrangement is done between one real estate agency firm and another,” says Chan.

JUST IN!



ELECTROLUX INTRODUCES THE ULTIMATECARE WASHING MACHINE

Global home appliances company Electrolux has introduced nine new models of front-load washers and washer-dryers to cater to the modern consumer’s needs for low temperature washing.

Electrolux Malaysia general manager Koh Soh Hoie said the new Electrolux UltimateCare System front-load washing machines and washer-dryers were developed based on feedback from customer focus groups in various countries.

The UltimateCare range boasts the pat-

ented UltraMix Technology which pre-mixes the detergent with water before spraying the dissolved solution into the drum. It further uses the Jetspray System to ensure the whole load is washed evenly.

Meanwhile, the Vapour Action feature removes 99.9% of allergens at 40°C water temperature.

“The Electrolux UltimateCare range of washing machines reflects a home’s need for efficiency, cleanliness and comfort,” he added.

The UltimateCare range of front-load washers are available in over 1,000 retail stores nationwide from December.



(From left) Electrolux Malaysia marketing director Wendy Ho, Koh and category product manager Yung Chee Ling introducing the new UltimateCare System products.



IT'S MORE THAN JUST A BED

Storage spaces are becoming more precious as home unit sizes get smaller especially for those living in city centres. Multi-storage furniture could be the solution for those looking for that much needed space to keep their things.

Home furnishing products manufacturer and retailer Index Living Mall offers a wide range of multi-functional furniture which helps homebuyers optimise the space they have in their homes while giving the interior a stylish modern look at the same time.

Its “Click Idea” multi-functional bed comes with an attached wardrobe and dresser as well as “hidden” multi-purpose storage space under the bed.

Stylish multi-functional furniture that offers users more storage space.



It also features sliding desks for working, dining or as a bedside table; side cabinets; bed steps; show cabinet, magazine storage and side rails with pockets.

The multi-functional bed and other furniture are available at Index Living Mall stores located at IOI City in Putrajaya, Aeon Mall in Shah Alam and Aeon Mall in Kota Bharu, Kelantan.

Disruptive trends in the building and property industry

When Spotify emerged in 2006, music distribution businesses were sorely affected — after all, who would buy digital music for RM2 apiece when you could get it for free on Spotify? Then came Airbnb, which put a dent in the global hotel industry because now every home can double up as a hotel too. In recent years, ride-sharing services have taken many streets by storm. In Malaysia alone, Uber and GrabCar have significantly reduced our need for taxis, causing a major uproar within the cab driver community.

With the advent of technology, consumers have definitely enjoyed many benefits ranging from convenience and comfort to lower prices and more choices. But it's not all a bundle of joy on the other side of the fence where traditional businesses once thrived, because new innovations also come with a very disruptive side — one that could be very costly for outdated industries.

The reality is that the wave of innovation-based and technology-driven changes isn't subsiding anytime soon. In fact, it is picking up momentum even in the building and construction industry.

Building Information Modelling

Bringing the building industry into the future is Building Information Modelling (BIM), a digital system to help architects, engineers and builders plan, design, construct and manage buildings more efficiently and cost-effectively.

Gone are the days when the construction of a building goes through a linear workflow, where the architects pass on their ideas to the engineers, who in turn pass on their designs to the contractors, and so forth. This traditional design process poses various limitations, such as the lack of coordination

and communication between each level of the workflow, which can be easily resolved with BIM.

BIM introduces an integrated design approach that transforms 2D drawings into 3D models. This leads to the rising implementation of 3D printing which enables architects to visualise complex structures in a physical form before bringing a project to life.

A stellar example of how BIM has worked in favour of new mega structures is the Shanghai Tower, the world's second-tallest building, which employed 3D modelling to visualise the tower's iconic twisting shape and dual-skinned façade. Gensler, the American-based design and architecture firm for Shanghai Tower, is also the mastermind behind the world's first full-scale 3D-printed office building in Dubai.

From designing a skyscraper to reimagining the structure of entire townships, BIM enables multiple collaborators to work on a project from the initial stage and make informed decisions about the building design, construction time, costs, resources, logistics and more.

Prefabricated construction

The construction site is also changing with the growing adoption of off-site prefabrication or modularisation where various modular components of a building are manufactured and assembled in an off-site location before being transported to the construction site. Once regarded as a radical approach to the building industry, off-site prefabrication is now widely accepted as a viable method for increased productivity and greater efficiency. A case in point is the Mini Sky City, a mixed-development in Hunan, China comprising a 57-storey skyscraper that was completed in just 19 days with the use of modular construction methods.

Offering a potential solution to common issues associated with the construction process, prefabricated construction is not affected by adverse weather conditions, therefore accelerating construction time and lowering labour costs. It helps to provide an alternative means of production to overcome the shortage of skilled labour while ensuring consistency of workmanship and quality of materials.

Green building

Globally, the construction industry contributes to a large amount of energy and resource consumption. As the world becomes more environmentally conscious, there is rising demand for properties with green features. This inadvertently causes developers to opt for sustainable materials and practices in their property developments.

In this regard, green building certification plays an important role to ensure a building reduces its carbon footprint by using ener-



3D modelling was used to visualise Shanghai Tower's iconic twisting shape.



UK's Wembley Stadium has made the switch to LED lighting.



The Mini Sky City in Hunan, China was completed in 19 days using modular construction methods.

gy, water and materials efficiently over its entire life cycle. Concurrently, it also governs accountability and integrity in building practices.

Innovative coatings

Due to the move towards sustainability, conventional building materials, building processes and construction methods are seeing lots of disruption with the emergence of innovative building materials. In the paints and coatings industry, Nippon Paint Malaysia has come up with products that are effective in ensuring optimal indoor environmental quality, which is one of the six key criteria of the Green Building Index. Its paints also feature low to non-VOC (volatile organic compound) materials, leading to healthier spaces for which to live and work.

The coatings expert's technological innovations have also resulted in paints that can recreate a plethora of textures and effects.

LED lighting

LED technology is hardly a new kid on the block, but the building industry was slow to catch up on the trend until recently. Today, LED lighting is increasingly being used to

replace incandescent, fluorescent and halogen bulbs in buildings old and new. The decision to migrate to LED lighting is a practical one for developers, thanks to significant savings in energy and maintenance costs.

LED lighting is also extremely versatile for a wide spectrum of building types and functions, from highlighting art installations to powering up large stadiums. Various sports facilities around the world have already made the switch to LED lighting, including the Allianz Arena in Munich, Corinthians Stadium in Sao Paulo, Cairo International Stadium, and Wembley Stadium in the UK.

With highly customisable colour-changing capability, seamless integration with technology and competitive pricing, the future looks bright for LED lighting.

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Inject a mix of industrial and zakka style into your home with less than RM10,000

BY SHAWN NG

Have you ever been stressed out about how to improve your home environment through design while worrying about the cost? Perhaps you can get a few useful tips from Zoe Chan, a software engineer who only spent less than RM10,000 to spruce up a home filled with industrial and Japanese zakka style.

Both Chan and her husband, who works as a piano tuner, do not have design background, but they managed to bring stunning interior design into their first home — a 980 sq ft apartment in Seri Baiduri, Setia Alam.

The couple started to plan the design when they bought their home, spending some time to do research, setting direction and survey for material sources.

The cosy and tidy unit is filled with indus-

trial-style lighting and zakka style furniture. The bulk of the work was done by the couple over a period of seven to eight months, which includes research, planning, sourcing and renovation, Chan tells TheEdgeProperty.com.

“Our home is a mix of industrial and zakka style as we really love industrial style and Japanese culture; we also seek ideas when we travel.

“We did all the work except the kitchen part because we could not find a contractor that understood what we wanted, so we actually drilled the ceiling to install wires and removed a ceiling fan to install these industrial style light bulbs,” Chan explains.

Chan adds that instead of copper pipe, they sprayed polyvinyl chloride (PVC) pipes into copper colour and use it to cover the wires. “We chose PVC pipes over copper pipes as the latter is very costly and has a



Chan: Do not be afraid of failure, the process is very fun and you will have good memories of your efforts.

smaller diameter, which will not look as nice as PVC pipes.”

She notes that the bookshelf in the workroom and the cabinets in the living room are all do-it-yourself (DIY) as well. “We only spent RM1,000 to get the wood pallet from a friend and made the furniture by ourselves.”

On the other hand, the kitchen was built

with help from Chan’s father-in-law, who owns a hardware shop.

“My father-in-law helped us to find a worker who built the concrete kitchen countertop and made the spaces below, then we bought cupboards from Ikea and put them into the openings.

“Except the cupboards, the kitchen cost

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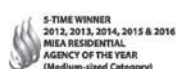
PROPERTY HIGHLIGHTS

Category of Land Use	>>	Industrial
Tenure	>>	Leasehold
Land Area	>>	Approximately 4,315 square meters (1.07 acres)
Current On-Site	>>	2-storey structures (estimated built-up area of 7,000 square feet)

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01

ZOE CHAN



02

01: Simple furniture is used to inject zakka style into an apartment.

02: Go for long-lasting material such as steel, wood and stone.



03



04



05

only RM1,000, so this is why we love cement and concrete because they are very cheap and solid," she enthuses.

Overall, the couple spent less than RM10,000 on interior design, which took them about five months to complete. Including decoration and furniture, the total cost came to around RM30,000.

Chan says it does not cost a lot of money if one uses DIY. However, she strongly suggests investing in good material as it will last longer.

"My husband and I grew up in a traditional Chinese family and we've seen furniture

broken gradually, so we started to look for long-lasting materials, such as steel, wood and stone," she adds.

"There are many home and decoration fairs here in Malaysia, so you can compare the pricing and find the one with the lowest price."

Chan points out that one should set the direction and budget before looking for materials that match with one's design style, such as wood, lightbulbs and cupboards.

"Do not be afraid of failure, the process is very fun and you will have good memories of your efforts," she concludes.

03: The couple bought some wood pallets to make the cabinet in the living room.

04: They drilled the ceiling and removed a fan to install the industrial style lighting.

05: The kitchen built with cement and concrete costs only RM1,000.

LURKING ENEMIES IN YOUR HOME



GARDEN

The terminators

BY RACHEL CHEW

In Malaysia, property damage caused by termites is actually much more common compared to fire and flood, according to Rentokil Initial Malaysia managing director Carol Lam and technical director Juliana Soo. This is because our tropical environment and high humidity encourages the growth of termites.

"Termites cause an estimated RM40 million in property damage a year in Malaysia alone! There are 200 different species of termites in Malaysia, but about 90% of property damage in Malaysia are caused by the *Coptotermes* species," Lam and Soo

tell TheEdgeProperty.com, citing a study on "Urban Pest Control: A Malaysian Perspective" by Vector Control Research.

Termites feed on wood 24 hours a day without sleeping. A termite infestation can quickly lead to costly repairs and structural failure. An average termite colony could consume up to 5g of wood per day, which is approximately 8lb over two years.

Termites live underground and they would travel miles to forage for wood, which is their main food source. They are attracted to damp and moist environments.

The queen termite is an egg-laying machine that lives more than 25 years and produces up to 1,000 eggs a day or more than nine millions eggs in her lifetime.

Damage to health and property

Termites cause an estimated **RM40 mil** in property damage a year in Malaysia alone.

How to inspect?

Homeowners can look out for tell tale signs such as **cracks/hollow sounds, winged termites/discarded wings, mud tube/soiled substances around the house** and **spongy floor** (especially those with wooden flooring).

Prevention

➤ Remove tree branches, debris, cellulose materials and dead leaves around the property.

➤ Repair leaking taps and pipes to reduce moisture build-up in wooden fixtures.



➤ Use only termite-treated wood in garden beds, retaining walls or fence posts.

➤ Don't allow climbing plants or bushy gardens to grow against wooden structures.

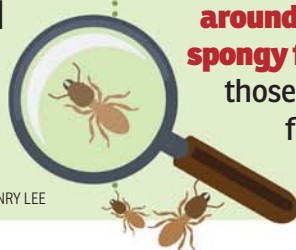
➤ Ensure all wood scaffolding is removed after construction.

➤ Consult a professional — DIY methods may lead to higher repair and elimination costs.



ONE termite queen alone can create **30 colonies** and it only takes **ONE colony** to destroy a home

SOURCE: TheEdgeProperty.com | GRAPHICS: HENRY LEE



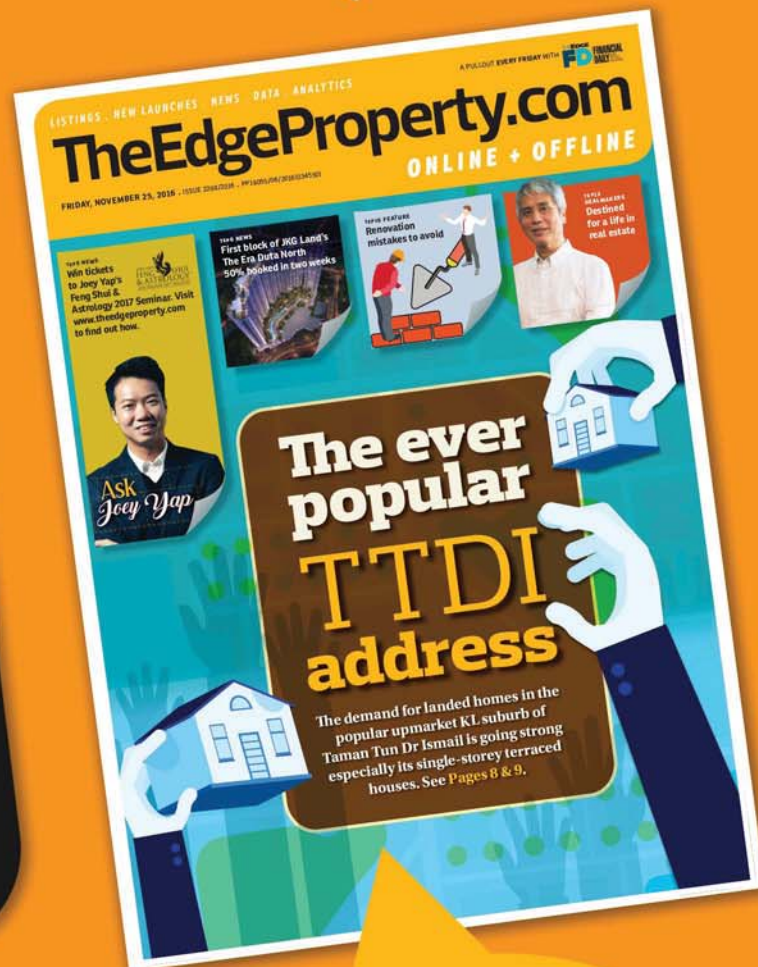
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