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Sunway Property to develop Sunway Velocity TWO

Sunway Property has acquired a 8.45-acre prime land along Jalan Peel, Kuala Lumpur to develop Sunway Velocity TWO.

"We are delighted to have this strategic landbank which will be developed as Sunway Velocity TWO, directly opposite Sunway Velocity, and will serve as an extension to Sunway Velocity," said managing director of Sunway Bhd's property development division for Malaysia and Singapore Sarena Cheah during a business update by the developer in KL.

With an estimated gross development value of RM2 billion, about 70% of Sunway Velocity TWO will be for its residential component, complementing the current Sunway Velocity, which consists of 75% commercial units.

The property division of Sunway Bhd is also looking to launch RM2 billion worth of properties this year.

According to Cheah, this will amount to between 10 and 12 launches in 2017. Some 70% of the launches will be residential properties with about 50% of them priced below RM1 million.

IOI Properties to launch up to RM2.5 bil worth of projects in 2017

IOI Properties Group Bhd is looking to launch property projects worth an estimated gross development value of RM2 billion to RM2.5 billion in 2017, said chief executive officer Lee Yeow Seng.

"We are quite spread out. We have ongoing projects in Singapore, Klang Valley, Johor and Xiamen (China)," he told reporters after the group's extraordinary general meeting.

Lee said sales contribution is now evenly spread between the local and overseas market, which bodes well for the developer as the local property market slows.

Last November, IOI Properties announced that its wholly-owned subsidiary, Wealthy Link Pte Ltd, had successfully tendered for a 1.09ha plot in Central Boulevard in the city state for S$2.57 billion (RM7.96 billion) from Singapore's Urban Redevelopment Authority.

IOI Properties said that this new addition to its landbank is an opportunity for the group to venture into prime office development in Singapore's central business district.

The Riyang at Kuchai Lama targets families

Suntrack Development Sdn Bhd's latest residential development, The Riyang, aims to attract families looking for spacious units.

The high-end condominium project offers units with built-ups starting from 1,477 sq ft.

"Our 212 condo units are sized between 1,477 sq ft and 1,884 sq ft with one exceptionally large unit measuring 2,798 sq ft.

"The units are priced from RM550 psf which translates to RM830,000 to RM1.2 million," said Suntrack CEO James Tan at a media briefing on the project.

The project with a gross development value of RM251 million sits on 2.03 acres of freehold land in Happy Garden. It will be officially launched this weekend.

BBCC unfazed by office supply glut

The developer of Bukit Bintang City Centre (BBCC) is unfazed by the office supply glut in the Klang Valley.

Datuk Richard Ong, chief executive of the project's developer, BBCC Development Sdn Bhd, told reporters that offices within the RM8.7 billion integrated development on the former Pudu Prison site in Kuala Lumpur have numerous advantages, especially in terms of public transportation.

"We are not at all concerned or worried about that [the office supply glut issue] because this project has a lot of unique [selling points] like the transportation system, which is very important for people who work in offices," he explained.

"Secondly, we are a fully integrated development. We have a mall, entertainment, hotels and apartments. These will increase the [project's] traction and attractiveness," he added.

He was speaking after signing an agreement to lease with Zepp Hall Network Inc, which will be a tenant within BBCC's entertainment hub.

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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.

Continew official launch

Date: Feb 18 and 19 (Sat and Sun)
Time: 10am to 5pm
Venue: Continew Sales Gallery, 249, Jalan Tun Razak, KL
Contact: (03) 2142 3666
Continew is a mixed development by Ibraco Bhd that consists of two residential towers sitting above a commercial space. Refreshments will be served.

Mah Sing's Garden Residence CNY Celebration

Date: Feb 18 (Sat)
Time: 11am to 5pm
Venue: Garden Boulevard Sales Office @ Garden Plaza, Persiaran Garden Residence 2, Cyberjaya
Contact: (012) 239 5749
The Chinese New Year celebrations continue at Mah Sing's Garden Residence. Enjoy delicious Chinese cuisine, an acrobatic lion dance, God of Prosperity appearance, Chinese instrumental performance and egg decoration workshop for kids at the event.

CNY open house at Tropicana Heights

Date: Feb 18 and 19 (Sat and Sun)
Time: 9.30am to 6.30pm
Venue: Tropicana Heights Property Gallery, Off Jalan P6/2, Bandar Teknologi Kajang, Semenyih
Contact: (018) 323 8818
Join in the festivities at Tropicana Heights and take the opportunity to view its Park Villas showhouses. Feng shui master Kenny Hoo will also be giving a talk at 12pm on Feb 19.

Opening of One Cochrane Sales Gallery

Date: Feb 18 (Sat)
Time: 11am to 5pm
Venue: One Cochrane Sales Gallery, Jalan Cochrane, Lot 1246, KL
Contact: (03) 2141 9044
Boustead Property invites all to the grand opening of One Cochrane Residences Sales Gallery to find out more about the upcoming freehold condominium development.

Gamuda Land CNY celebrations

Date: Feb 18 (Sat)
Time: 3pm to 8pm
Venue: Gamuda Gardens Sales Gallery, North Sungai Buloh, Rawang
Contact: (03) 6034 2882

Date: Feb 19 (Sun)
Time: 10am to 5pm
Venue: Kundang Estates Sales Gallery, North Sungai Buloh, Rawang
Contact: (03) 6034 2882
Gamuda Land invites the public to its Gamuda Gardens and Kundang Estates sales galleries to enjoy activities such as acrobatic lion dance performances, fortune reading, stage performances, pony rides and exciting family games. Gamuda Gardens will also officially open the doors to its sales gallery on Feb 18.

The Red Rooster Celebration

Date: Feb 19 (Sun)
Time: 10am to 5pm
Venue: ICE Gallery @ Pantai Sentral Park, No 2, Jalan Pantai Sentral 1, Pantai Sentral, KL
Contact: (1800) 88 0456
IJM Land's Pantai Sentral Park will be celebrating the Year of the Rooster with a variety of fun activities, including a lion dance, tea appreciation demonstrations, tea leaf readings and other fun activities.

Malaysian Youth Architecture Symposium 2017

Date: Feb 17 and 18 (Fri and Sat)
Time: 8am to 6.30pm
Venue: PAM Centre, 99L, Jalan Tandok, Bangsar, KL
Contact: (03) 2202 2866
Organised by the Malaysian Institute of Architects (PAM), the two-day event themed "Reawakening-activating the youth" seeks to formalise a platform for young professionals in the field to activate emerging leaders, discuss current and strategic issues and content creation. It features seven main events including a two-day forum featuring 10 speakers and an exhibition that looks at art and architecture.

Publisher and Group CEO
Ho Kay Tat

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Second tower of KIP's Core SoHo Suites set for launch in March

BY TAN AI LENG

KUALA LUMPUR: Integrated property developer Kepong Industrial Park Group (KIP Group) plans to launch the second tower of Core SoHo Suites in Kota Warisan, Sepang in March.

According to its director Valerie Ong, the first block of Core SoHo Suites, Tower B, which was launched in Sept 16 last year had received good response with a take-up rate of over 80%. "Currently, a substantial number of buyers have signed the sale and purchase agreement," Ong told TheEdgeProperty.com. The company expects sales to reach 90% in the first quarter of this year.

The 3.2-acre Core SoHo Suites has a gross development value of RM140 million. The freehold SoHo (Small-office Home-office) development comprises two blocks — Block A with 288 units and Block B with 178 units. The unit built-up size is 450 sq ft while the minimum selling price in Tower B starts from RM238,800 or an average of RM530 psf. Ong said the second block will see the unit selling price increasing by about 5%.

The SoHo project is part of a 39-acre development called KIP Sentral @ Sepang. It is KIP Group's latest development which also comprises Core Avenue, a 76-unit retail outlet, and KiP Mall Kota Warisan.

Core SoHo Suites is located near various landmarks such as Horizon Village Outlet, Mitsui Outlet Park, Sepang F1 circuit and Kuala Lumpur international airports.

Although the Malaysian property market outlook remains challenging this year due to the weak market sentiment and difficulties in securing housing loans, Ong said properties that are in the range of RM200,000 to RM300,000 with good growth potential in terms of capital appreciation and rental yield will appeal to buyers.

Ong also opined that the availability of higher learning institutions has become one of the main catalysts for Kota Warisan's development.

The development is situated near renowned universities such as INTI International University, Nilai University College, University Sains Islam Malaysia, Lim Kok Wing University of Creative Technology, Multimedia University and Xiamen University Malaysia Campus.

Ong: Potential tenants like students and working people are looking for cosy small units with easy access to amenities rather than a big house.

PICTURES BY HARIS HASSAN | TheEdgeProperty.com

KIP GROUP

Artist's impression of KIP Sentral.

"We foresee great potential for student and university staff accommodation. Our development is about a 10-minute drive to Xiamen University Malaysia Campus. Currently, it has a few hundred students but we believe in two years' time, the student population will double," she added.

Xiamen University Malaysia welcomed its first batch of 187 students in February last year and the second intake of 300 in April. Together with a third intake in September, Xiamen University Malaysia is expected to have about 1,400 students, of whom 500 are from China.

The second phase of the campus' development is ongoing and will be completed by 2020. Upon completion it would be able to accommodate 10,000 students.

Besides students, Ong said, those working at KLIA and KLIA2 are looking for small and cosy units located near their workplace.

"For these reasons, the 450 sq ft units at the Core SoHo Suites have met their requirements including proximity to their workplace or universities as well as being close to various amenities," she added.

Ong observed that the current rentals for high-rise residential properties in the area range between RM900 and RM1,500 a month.

With the SoHo Suites being complemented by Core Avenue and KiP Mall Kota Warisan, which is slated to welcome the public in 2Q2017, Ong expects the SoHo Suites to be able to fetch a monthly rental within the market range.

Cloudy outlook for malls

BY SHAWN NG

PETALING JAYA: The outlook for the retail sector is expected to remain flattish this year due to multiple negative factors, said Savills (M) Sdn Bhd managing director Allan Soo.

The retail sector performance has been going south since 2013 and with the weakening ringgit reducing margins for most retailers, poorer sentiments, smaller disposable incomes and a double-digit drop in sales turnover last year, 2017 is expected to be more of the same, he told TheEdgeProperty.com.

"The retail industry is consolidating and the impact is that new malls are finding it hard to fill up and A-list tenants are elusive while terms are becoming more in favour of tenants," Soo said, adding that the market is seeing a reversal in fortunes from the early 90's when tenants were chasing landlords.

In addition, the rising cost of construction, an uncertain market, the rising oversupply of malls, a dilution in retail sales turnover, intensified competition for tenants, and drop in rents for new malls are dragging down the retail market.

Soo believes yields will compress further, perhaps to below 5% for malls in city centre locations and below 6% for those located in the suburbs.

As such, he urged developers and mall owners to relook at the payback period and internal rate of return for their malls and revise the feasibility studies for proposed malls.

"Developers will now have to consider the first term of tenancy as a build-up, with rents at least 20% to 30% below rack rental values," he added.

However, now is probably a good time to sell retail properties including malls, Soo said.

"Some funds are eyeing retail malls and we can expect at least one major transaction this year," he offered.

Soo will be talking more about the "Retail market performance and outlook" at the 10th Malaysian Property Summit 2017 organised by the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS) on Feb 23 at Sime Darby Convention Centre, Kuala Lumpur.

Another speaker at the upcoming summit will be Kenanga Investment Bank Bhd head of equity research Sarah Lim, who will provide insights into the "Landed residential market performance and outlook".

Lim expects the landed residential property market this year to continue facing challenges of a weakened economy and a tight lending environment.

Soo: The retail industry is consolidating and the impact is that new malls are finding it hard to fill up.

PATRICK GOH | TheEdgeProperty.com

Lim expects the landed residential property market this year to continue facing challenges.

"I don't think there are any major catalysts for the overall property market, including the landed residential market this year, because the whole market has slowed largely due to our economy going at a slow pace while banking liquidity is tougher to come by," she said.

She expects the overall property transactions to be relatively flat this year, after declines in the past two years.

"In 2017, I think the market would be quite close to the bottom but I don't expect it to suddenly turn around and start moving up very fast, so I would say it is going to be flat and slightly weak," she added.

With the theme "Property as it moves into an era of possible rising global interest rates", the 10th Malaysian Property Summit will feature other prominent speakers including the Finance Ministry's Valuation and Property Services Department director general Dr Rahah Ismail, Knight Frank Malaysia Sdn Bhd executive director Teh Young Khean, Landserve (Johor) Sdn Bhd executive director Wee Soon Chit, Khong & Jaafar Sdn Bhd managing director Elvin Fernandez, Rahim & Co International Sdn Bhd research and strategic planning director Sulaiman Akhmady Mohd Saheh and Taylor Hobbs principal consultant Liaw Lam Thye.

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

NEWS

TCS Arcadia banking on its proximity to education institutions in Bandar Saujana Putra

BY NATALIE KHOO

SELANGOR: TCS Group Holdings Sdn Bhd is set to officially launch its serviced apartment development TCS Arcadia on Feb 18 at Bandar Saujana Putra, Kuala Langat, Selangor.

The two 30-storey towers house a total of 460 units on a 3.3-acre leasehold land. The project has a gross development value (GDV) of about RM280 million.

The units will have built-ups ranging from 816 sq ft to 976 sq ft. The 816 sq ft unit has two rooms and two bathrooms while the 973 sq ft and 976 sq ft units will come with three rooms and two bathrooms. The starting price for the units are from RM408,000. A 10% bumiputra discount will also be given for bumiputra buyers, said TCS Group managing director Datuk Tee Chai Seng.

TCS Arcadia has access to five expressways namely the North South Expressway Central Link, South Klang Valley Expressway, Shah Alam Expressway, Damansara-Puchong Expressway and Maju Expressway. It is only 2km away from the Putra Heights LRT station which connects to Kelana Jaya and the Ampang Line.

It is a mere 15-minute drive from Putrajaya IOI City Mall, 10 minutes from Cyberjaya and Putrajaya and is located within walking distance to the MAHSA University and MAHSA International School as well as the Saujana Business Park.

"The main campus of MAHSA, which is located on Jalan Universiti, is currently relocating to Bandar Saujana Putra which will bring in more than 12,000 students to the vicinity by September.

"We believe that despite the slow market, there is a need for housing in this area to cater to parents who are buying for their children to stay, or even for the teachers and staff who are going to work here. This is why we are going ahead with our launch," Tee told TheEdgeProperty.com.

He noted that the project has received encouraging response from people already living in the area as well as the developer's previous customers.

Ooi: We have another upcoming project in Bandar Saujana Putra, TCS Lakeview, which we hope to launch end of this year.

PICTURES BY MOHD IZWAN MOHD NAZAM | TheEdgeProperty.com

Units in TCS Arcadia will have built-ups ranging from 816 sq ft to 976 sq ft.

TCS Arcadia is the group's fourth project. It has previously launched and completed three projects all in Bandar Saujana Putra namely Saujana Permai, Saujana Prima (both offer 2-storey link houses) and Saujana Avenue (shophouses).

During the launch of TCS Arcadia, the developer will bear the fees of the sale and purchase agreement and loan. It will also provide two free parking lots for every buyer. Buyers will only have to pay an upfront booking fee of RM2,000. The developer will also be giving a 3% rebate for early bird purchasers.

The serviced apartment development features 29 types of facilities including a tennis court, swimming pool, gymnasium, yoga deck, BBQ area as well as an aqua gym. The project will also have 24-hour security and an intercom system.

The project also comprises 43 units of shops and retail lots at the ground and first floor but the developer noted that they are not for sale.

"We are keeping the retail units so we can bring in quality tenants for the residents of TCS Arcadia as well as the residents who are living in the vicinity. We are in talks with several potential tenants now," said TCS Group general manager for property and construction James Ooi.

Aside from TCS Arcadia, the group also plans to launch TCS Lakeview, also in Bandar Saujana Putra, this year end, comprising 296 apartment units with built-ups of 1,150 sq ft to 1,600 sq ft.

"The price for a unit is estimated to be around RM650,000 and above and will suit slightly bigger families," said Ooi.

Other projects by TCS Group in the pipeline include the Blue Valley Eco Garden comprising apartment units located on a 70-acre site at the Gateway of Cameron Highlands project, TCS Hillpark at Puncak Jalil near Pavilion Bukit Jalil City comprising 160 units of 3-storey semi-dee homes and 178 units of apartments with a total GDV of RM500 million and a JV project of highrise apartments comprising 1,500 units in Bandar Saujana Putra.

Real estate industry must stay relevant or risk being left out

BY LUM KA KAY

SELANGOR: To hop on the digital disruption bandwagon, there are many possible ways that the real estate industry could work with relevant tech start-ups.

"For example, with data insights provided by tech start-ups, property developers can make an informed business decision by determining the kind of developments they should undertake to meet consumer demand," cited Celcom Planet Sdn Bhd (11street.my) senior manager for seller and strategic business division Bernard Lee.

"On the other hand, consumers are able to find and get the best deals at their convenience and needs with optimisation algorithm tools provided by tech start-ups," he told TheEdgeProperty.com.

Lee will elaborate more on this at this year's Malaysian Annual Real Estate Convention (MAREC'17) on March 3 and 4 at Setia Alam Convention Centre in Shah Alam, Selangor. The convention is organised by the Malaysian Institute of Estate Agents (MIEA).

In his presentation entitled "IT start-ups: friends or foes?" Lee said he would look into the pros and cons of digital start-ups and what property agents and negotiators could expect in the market.

"While traditional property marketing methods are still very much alive today, digital marketing can be used to influence and interact with prospects and customers.

"We see a very large number of agents and negotiators utilising online property portals and social media as key components to their property marketing strategy largely because consumer behaviour has changed considerably over the last decade, with 90% of property buyers making their searches first on the Internet before any other form of media as it is both instantaneous and convenient," said Lee.

He added that his talk will also touch on the millennial property buyers' trends and behaviour as well as their expectations from property agents today.

"We have come to a point where agents and negotiators must leverage tech to stay relevant in the game or be left out in this fast-moving 'bullet train' of opportunity," he said.

Yap: Technology is not able to solve human problems like price negotiations or disputes.

Lee: There is no one-size-fit-all solution when it comes to digital transformation.

According to Lee, there is no one-size-fit-all solution when it comes to digital transformation.

"Hence, they [property developers and agents] need to understand these property-related tech start-ups' business propositions, and their consumers' demographic and reach, prior to defining their go-to-market approach and strategy for their property portfolios.

"With these in mind, it is also possible for property developers or agents to venture into expanding their sales channel to e-commerce platforms in the near future. E-commerce marketplaces like 11street place an emphasis on customer segmentation through data analytics and property developers will be able to leverage this for an optimised and targeted marketing," he noted.

Meanwhile, the upcoming MAREC'17 will also see William Yap Training Coaching and Services founder and trainer William Yap speaking about the implications of augmented reality (AR) and virtual reality (VR) in real estate.

"Agents can utilise VR to give their potential buyers a better experience of a property regardless of where the buyers are. It also gives them [agents] another marketing avenue to showcase their listings with a 360-degree view or virtual property tour instead of relying on photos only.

"Meanwhile AR can assist agents to make floor layout plans effortlessly or to incorporate virtual furniture, floor tiles or even different wall colours for a real environment on their smart devices to give a better viewing experience to potential clients on the spot," he says.

Yap is not worried that property agents might go obsolete one day, as technology is not able to solve human problems like price negotiations or disputes.

"It's not as simple as adding a property into your shopping cart and clicking 'OK' to pay with your credit card.

"And many people don't have the time and resources to sell their own property due to their job commitment, location or other circumstances, hence the service of a real estate agent is still required.

Technology, in his opinion, will get the agents' work done faster and better, enhance potential buyers' buying experience and equip owners with data needed to achieve good results. "It may refine their role but it won't replace them," he says.

Themed "Transforming your real estate business in a changing era", MAREC'17 will feature other speakers from various industries, including start-ups, to talk about adapting to changes in this digital era. For more details on the convention, go to miea.com.my/marec17.

More foreign real estate investment in Malaysia expected in future, says JLL

BY RACHEL CHEW

KUALA LUMPUR: International real estate services provider Jones Lang LaSalle (JLL) foresees more foreign investors putting their money in Malaysian real estate in the next 6 to 12 months.

JLL Property Consultants Pte Ltd Singapore and Southeast Asia managing director Christopher Fossick told TheEdgeProperty.com that foreign investors are ready to invest in Malaysia's real estate market.

"For institutional investors, they are waiting for the ringgit to be more stable. The government predicted that the ringgit will average at the RM4.20 level against the US dollar this year, so I think in the next 6 to 12 months, we will see real estate investors gradually coming back into the Malaysian market," Fossick said.

The ringgit has been weakening against the US dollar since November 2016. It plunged to RM4.4675 on Nov 24 and marked a new low since the Asian financial crisis in January 1998.

In December, the ringgit inched to the RM4.50 level before hovering between RM4.40 and RM4.45 since the new year.

"Although Malaysia has strong fundamentals, currency fluctuations have kept institutional investors away because currency hedging is very crucial for them. No businessman wants to do business at a loss or at a high risk. After all, there are more promising options for returns while waiting for the Malaysian currency to be stable," said Fossick.

Nevertheless, he added that foreign investors are also concerned with the oversupply issue in certain property segments. "Some of them will wait a bit longer for supply to come down."

He said many foreign investors like Malaysia for its population size, demography, urbanisation, stable economic growth and its real estate growth potential.

"Malaysia is one of the fastest growing economies in the region. Even if there are many headwinds, it has maintained at least 4% GDP (gross domestic product) growth. That is stronger than many nations in the current environment filled with uncertainties.

"It is also an open economy [which makes it] very easy for foreigners to invest here," Fossick explained.

He believes that the current volatility of the ringgit is temporary.

"What's crucial in a long-term real estate investment is sustainability," he said.

In the short term however, while the backdrop sounds good, people cannot decide when to go in. "Currency fluctuation is one thing, the transparency of laws as well as what returns they can get in the investment are the things that are holding people back," Fossick stressed.

On the overall real estate sector in Asia, he believes there will be more foreign investment in the region over the next decade.

"When you look at the total volume of property transactions in Asia, Australia probably has the most outer region investors right now. I think investors from outer regions are more familiar with Asia nowadays. There are a lot of opportunities here even during such difficult times. We shall see more outer region real estate investors coming in to Asia gradually in the next 10 years," he noted.

This includes Malaysia which he said will catch the eyes of outer region investors. "No one country can stay at the top forever," he added.

According to Fossick, besides strong fundamentals, Malaysia is in a strategic location and offers attractive real estate investment opportunities. "It could be one of the most popular real estate investment destinations in the coming years," he offered.

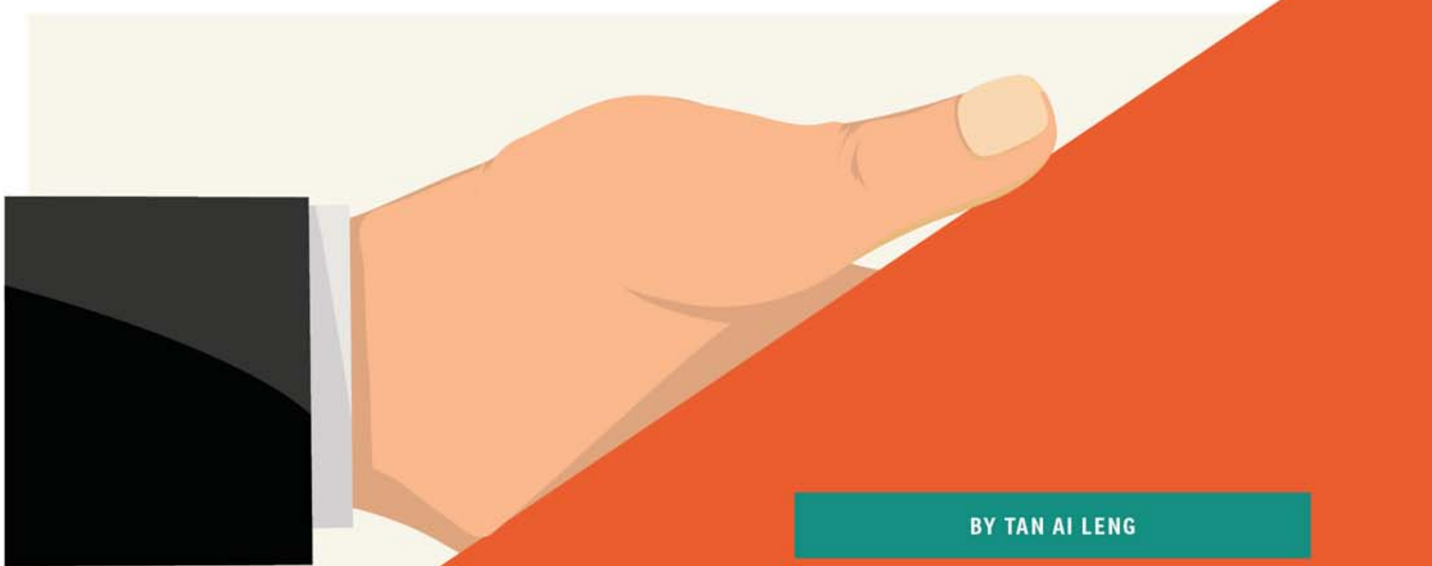
Meanwhile, on a not so bullish note, JLL Malaysia country head YY Lau said people will continue to delay their property purchase decisions in the first half of this year.

"The first half will be confusing and uncertain, and it will be quiet. We will also see people taking their time to make purchase decisions as we saw last year. No one knows what will happen in the second half, but new infrastructure, such as the MRT (mass rapid transit) system, will create a buzz. Besides that, I think office and retail properties will do well this year," Lau said.

SUHAIMI YUSUF | TheEdgeProperty.com

Fossick: Currency fluctuations have kept institutional investors away because currency hedging is very crucial for them.

COVER STORY



BY TAN AI LENG

ENSURING A SMOOTH INHERITANCE

For most Asians, owning a piece of real estate or property means owning a legacy in the form of an asset which a family can pass on through the generations. When parents buy a property, they often have their children in mind. However, the process of inheritance can be difficult, especially when there is no will. A will must be executed for easier facilitation of the process of inheritance.

Although most property owners understand the significance of a will, it is often not a priority on their to-do list, says VKA Wealth Planners head of financial planning Lawrence Seow.

"No one likes to think about their own deaths or about what would happen to their loved ones when faced with such an event," he tells TheEdgeProperty.com.

With or without a will, one could still inherit a property, but there is of course a difference. "With a will, it is like driving on a tolled highway while the latter is like driving on a regular congested but toll-free road," Seow explains.

"Without a will, the governing laws will decide who is entitled to the inheritance. This means it will take a longer time for the next-of-kin to receive the estate of the deceased," he says, adding that the court will appoint an administrator to take charge of the inheritance process and in order to produce the Letter of Administration, two sureties (or guarantors) must be available.

Founder of PW Tan & Associates Dominic Tan notes that currently Malaysia does not have any form of death tax, estate duty or inheritance tax.

Nevertheless, the legal process takes time before the ownership of the inherited assets can begin.

"This is especially true for those who are not familiar with the relevant legal procedures and tax considerations. What's worse is that you have to go through bureaucracy and red tape whilst spending a copious amount of time and money just to get your hands on what is supposedly yours to begin with," he adds.

Three possible scenarios

The three conditions under which a deceased can leave his or her assets are termed as testacy, partial testacy and intestacy, Tan says.

In a testacy, the deceased has left a valid will, whereby the assets will be distributed according to the terms of the will.

Under partial testacy, the deceased has left a will but it does not include his entire estate. As such, the assets stated in the will shall be distributed accordingly while the other assets will be distributed according to the Distribution Act 1958 (DA 1958).

The third scenario is intestacy, which is when the deceased has not left a valid will. Under such conditions, the properties of the deceased will be distributed according to the DA 1958.

Tan stresses that in any event, a "personal representative" (PR), either an executor or an administrator, needs to be appointed to oversee the winding up of the deceased's estate.

Tan: A well-drafted will demonstrates one's love for the beneficiaries.

Seow: All debts in the estate including income taxes must be cleared before distribution.

"Where there is a valid will and a proving executor, probate may be granted to the executor appointed in the will. If there is no proving executor, the Court will appoint an administrator to handle the process," he says.

"The administrator, who is appointed to manage the estate, doesn't inherit anything unless he or she is also a beneficiary, but he or she will be responsible to pay all the deceased's debts before proceeding with the distribution of assets," he explains.

According to the DA 1958, the property of the deceased person, without a will, will be distributed to his or her immediate family members — parents and spouse followed by issue (children or descendants of the children who have passed away).

If a person dies leaving no immediate family member, the property will go to his or her siblings, who will share the property equally. If there are no siblings, the grandparents or other relatives will inherit the properties.

If a person passes away leaving none of the above, the property will go to the government.

Liability issues

Inheriting a property may sound like a windfall, but there are some legal implications and liability issues that the heir needs to take note of.

Before any of the beneficiaries can receive the inheritance, the administrator (or executor) will need to clear the debts of the deceased's estate under the Probate and Administration Act 1959.

"All debts in the estate including income taxes must be cleared and finalised before any distribution is carried out. That means using any movable assets to offset the debts in the estate," Seow of VKA explains.

This is where estate planning comes in. Experienced licensed financial planners can provide in-depth advice on how to optimise debt management with the proper debt cancellation plans, insurance trust, Mortgage Reducing Term Assurance (MRTA) or testamentary trust to provide proper instructions to the administrator.

Seow notes that aside from the loans attached to particular properties which one inherits, other types of debts such as personal loans and business loans will be included as well.

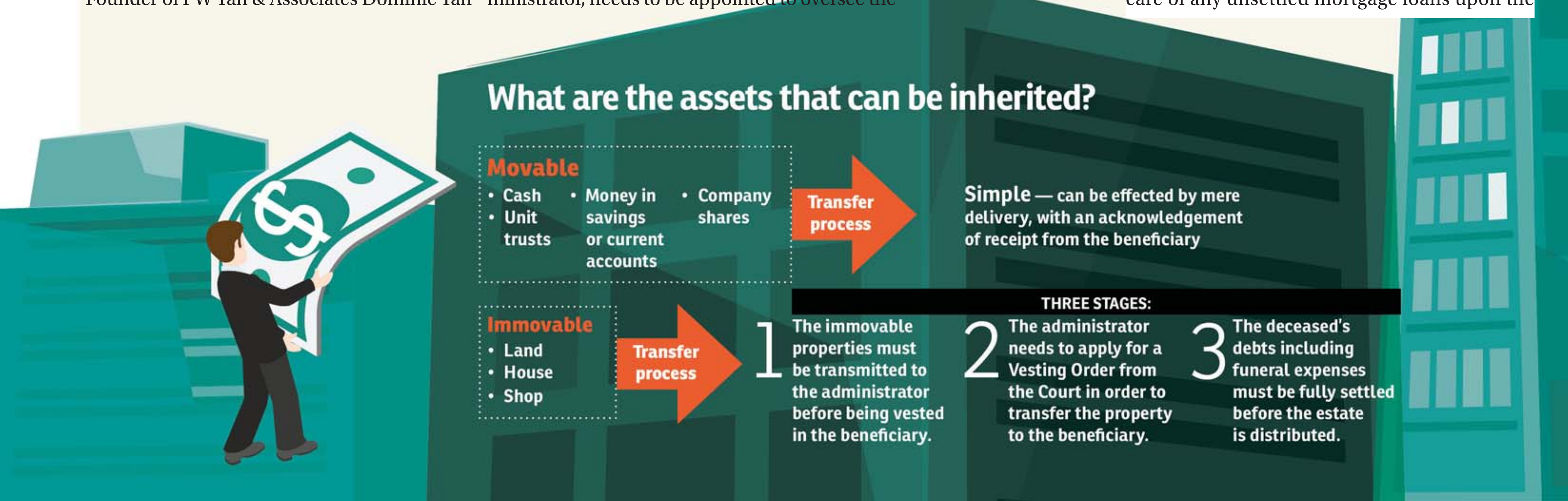
Estate planning for better protection

"With estate planning, the clients are doing a simulation of the whole process by identifying areas which may face financial failures if not addressed properly," he says.

According to Seow, estate planning serves two purposes: preservation and protection. Hence, it is not only about distribution. It helps beneficiaries to inherit the property and not the debts, otherwise the creditors will seize the property and put it up for auction. Hence, beneficiaries may gain nothing in the end.

Tan from PW Tan & Associates concurs that if the estate is insufficient to cover all the debts, the beneficiary may end up inheriting nothing.

However, he says most immovable properties these days are covered by MRTA or Mortgage Level Term Assurance (MLTA), which will take care of any unsettled mortgage loans upon the



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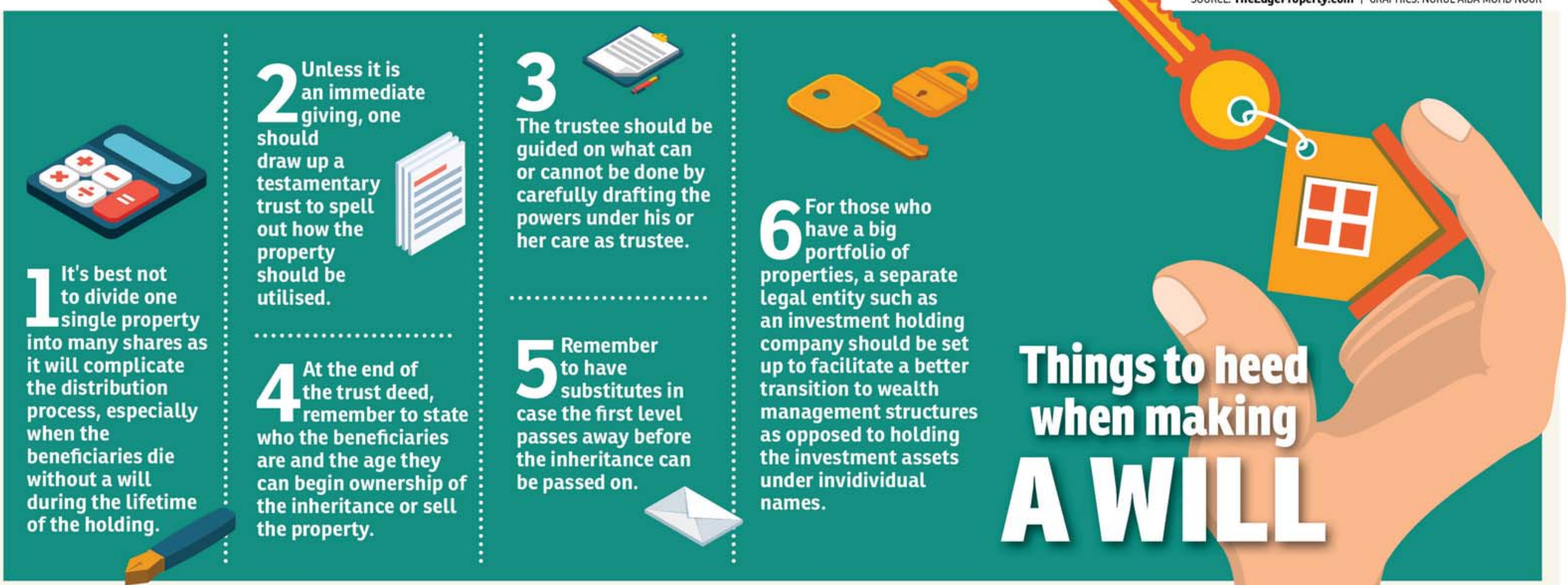


decease of a property owner.

"Thereafter, the administrator may commence the process of redeeming the property from the financial institution where the property is mortgaged and have such property transferred to the intended beneficiary," he explains.

Refinancing as another way to inherit the property

Mortgage refinancing can also be done by the beneficiary to shift the liability for repayment to the beneficiary.

However, refinancing is subject to the bank's consent. If the bank withholds its consent for any refinancing, no transfer or sale can be done until the beneficiary has fully settled the outstanding loan sum.

Meanwhile, according to the Association of Chartered Certified Accountants (ACCA) Malaysia, if one wants to sell the deceased's property, it will be subject to Real Property Gains Tax (RPGT).

"The administrator of the property has the duty to inform the Inland Revenue Board (IRB) of the demise of the deceased individual in a prescribed form under s74(3)(a) of the Income Tax Act and s14(4) of the RPGT Act," states the ACCA Malaysia website.

The IRB will then issue any assessment or additional assessment (related to the deceased individual or in respect of any disposal of real property by the deceased individual) within three years after it receives the notification.

Setting a will

To avoid any family dispute over the distribution of assets and to make the inheritance process easier, Tan advises property owners to prepare a valid and enforceable will, or give away the properties during one's lifetime via a "Deed of Gift".

"A well-drafted and legally enforceable will could ensure that your wishes as to how to distribute your assets after your death are respected thereby reducing related conflict among your family and relatives while minimising the risk of having your will challenged for lack of clarity or on technical grounds," Tan explains.

Besides this, it also demonstrates one's love for the beneficiaries by minimising the hassle that they have to go through to reap the benefits of one's assets.

"You may draft your will yourself, but in order to ensure that your will is drafted clearly and is legally enforceable, it is advisable to seek the services of professional will-writers or qualified lawyers," cites Tan.

In drafting the will, Seow advises one not to divide the property into many shares.

"The more ownerships there are to a single property, the more complicated the decision-making [process] is when the time comes. Things can get even more complicated if any of the beneficiaries were to pass away during the lifetime of the holding and the beneficiary himself or herself did not have a will. The question would then be who would inherit the deceased beneficiary's share of the estate when the owner eventually dies. A new set of beneficiaries may be invited into the property," he explains.

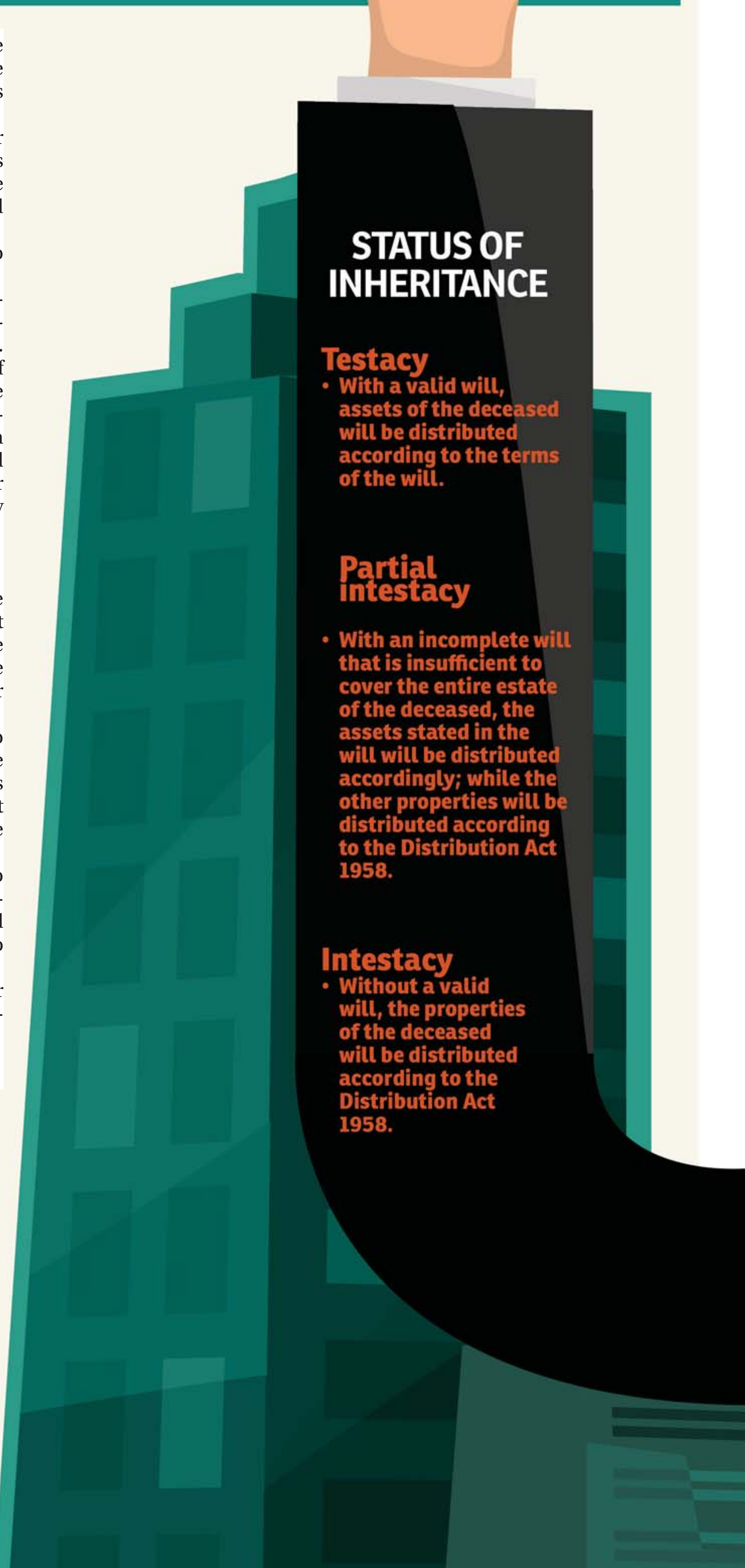
Draw up a trust

Unless it is an immediate giving, Seow adds, one should draw up a testamentary trust to spell out what the property would be used for. The trustee should be guided on what can and cannot be done by carefully drafting the powers under his or her care as trustee.

"At the end of the trust deed, one needs to mention who the beneficiaries are and the age they can inherit or sell the property. Also, always have substitutes to the property in case the first level passes away before the inheritance can be passed on," he stresses.

Meanwhile, for those who have a large portfolio of properties, especially ultra high-net-worth individuals, it is advisable to set up a separate legal entity such as an investment holding company to hold their investment assets.

Seow explains that by doing so, it will allow for a better transition to wealth management structures to hold the wealth for future generations.



FEATURE

JPPH venturing into new frontiers

BY NATALIE KHOO

Newly appointed Valuation and Property Services Department (JPPH) director general Dr Rahah Ismail is certainly qualified for the job. Having taken over from Datuk Faizan Abdul Rahman in October last year, Rahah is not only a valuer by training and profession, she also holds a doctorate degree in Housing Development and Finance, a master's degree in Urban Land Appraisal and a bachelor's degree in Surveying (Property Management).

"I joined JPPH back in 1980 in Johor. I actually wanted to be a quantity surveyor at that time but my brother advised me to try being a valuer because there were more fields in which I could work in such as in an agency, or along the lines of a consultancy. I took his advice," recalls Rahah.

Soon after she started working, she realised the need to equip herself even more as a professional in the real estate industry and decided to continue with her studies at a higher level. "I saw that our nation was developing at a very fast pace. I knew I had to keep up with its progress and to do that I would need to keep raising my knowledge and skills. So I decided to pursue my master's and doctorate degrees after that," says Rahah, who is also the president of the Board of Valuers, Appraisers and Estate Agents Malaysia (BOVAEA).

Previously, she was the deputy director general of valuation (technical), director of valuation and property services in the states of Johor and Selangor, director of the National Institute of Valuation as well as the chair for the Valuation Practice Committee and the Test of Professional Competency Committee of BOVAEA. She is also a fellow of the Royal Institution of Surveyors Malaysia and the Royal Institute of Chartered Surveyors.

JPPH's new endeavours

As the new head of JPPH, Rahah certainly has some plans in mind that she would like to realise all with the aim of bringing JPPH's performance a notch higher. While some of these plans are not new, they are plans that she would need to see through in their implementation.

"One of the things we are currently working on is the cleaning up of housing rental data as we are looking to hopefully start selling them on a transaction basis sometime in April this year, to coincide with the launch of our Property Market Report.

"The thing is, rental data can actually be easily obtained. However, if you want to sell the data to the public, you need to make sure it is quality data so they need refining. We are now working closely with the Inland Revenue Board of Malaysia (IRD) to ensure that the data provided to us is complete with no missing gaps," she explains.

The department's source of rental data comes from the stamped tenancy agreements from the IRD. The agreements are supposed to be filled by property owners — in the PDS 49(A) form, either manually or online via the Stamp Assessment and Payment System.

Besides that, Rahah also notes that the government has recognised intellectual property (IP) owned by the government as a new source of wealth for the government, but the problem is, she says, IP is not an asset that can be collateralised.

"We are currently working closely with the Intellectual Property Corporation of Malaysia to pool together IP valuers and business valuers to see how we can monetise these assets.

"We need to collaborate with the right bodies that have this source of information and we have to also bring in the regulatory bodies to monitor IP valuation," she adds.

Under a restructuring process which commenced in August last year, the immediate past director general, Faizan, had formed an informal division to deal with IP and business valuations. Talks were also

SHAHRIN YAHYA | TheEdgeProperty.com

Rahah says the property industry may hopefully see some market recovery in 2018.

initiated with Universiti Malaya about getting IPs from the university valued.

Meanwhile, JPPH is also working with the Malaysian Remote Sensing Agency to conduct geo reference of properties.

"We want to avoid fraud. For instance, certain parties may claim that a property is at a certain location but it is actually not in that location or claim that the building was built 10 years ago but in fact it was never there in the first place. With geo referencing of properties, you can check easily, based on historical data, whether the property was even there in the first place without having to go on the field and this will help a lot when it comes to court cases," Rahah explains.

"Of course, all of these plans are big plans, but there is a need to start somewhere and to lay out the foundation for the work to progress further," she adds.

Market recovery

Rahah views 2017 as a year of price consolidation for the property industry and it may hopefully see some market recovery in 2018.

"Ups and downs in the economic environment are nothing unusual. During busy times, everyone just needs to find out where the opportunities are and which markets are still active to bank on. During the 1997 Asian Financial Crisis, there was a lot of noise about overhang units. No doubt those were difficult times, but when I was on the ground visiting developers, some of them told me they were not worried because they were cash rich and they believed the bad times would eventually pass," she offers.

She notes that such "difficult times" have also seen more developers becoming innovative and coming out with new concepts and new ideas to ride through the storm.

"For instance, developers are coming up with smaller home units to cater to the demand from homebuyers. You have the SoHos (Small-office Home-offices) and SoVos (Small-office Virtual-offices) which have sprouted in the market. Although they may have a higher average price psf, when buyers are looking for affordability in terms of absolute pricing, these types of products may appeal to them," she says.

According to her, the property market is still very much driven by the residential sector, so the housing market will remain stable as there is always a need for homes.

"Property launches have slowed down with more developers taking a cautious approach so we will see the market consolidating with home prices rising not as drastic as before but at a slower pace. There will be certain housing sectors such as the more affordably priced segment seeing stronger demand while the higher-end housing products will see a slowdown in demand. We will not see a drop in house prices overall, and we are hoping that won't take place as it will severely affect investors.

"Market recovery will not happen overnight. It needs time, so hopefully we see signs of recovery in 2018," she offers.

All of these plans are big plans, but there is a need to start somewhere and to lay out the foundation for the work to progress further. — Rahah

HARIS HASSAN | TheEdgeProperty.com

PR1MA's new measures to aid home ownership

BY LUM KA KAY

It is only the second month into 2017, but Perbadanan PR1MA has already announced policy changes and introduced a special financing scheme for its 1Malaysia People's Housing (PR1MA) programme in order to "enable more people to own a house under the programme," it had said.

In January, Prime Minister Datuk Seri Najib Razak spoke of two changes to PR1MA. One was to raise the eligibility level from a household income level of RM10,000 to RM15,000 and the second was to shorten the moratorium on PR1MA house sale and rental from 10 years to five.

Meanwhile, on track with the Budget 2017 proposal of a step-up end-financing scheme for PR1MA homebuyers, the corporation had on Feb 14 announced details on the scheme's implementation.

According to PR1MA, 60% of its homebuyers had to give up their booked units due to problems with end-financing, prompting the corporation to shift its focus to helping them secure a home loan.

The new scheme known as the Special PR1MA End Financing Scheme (SPEF) is established in collaboration with Bank Negara Malaysia, the Employees Provident Fund (EPF) and four local banks — Maybank, CIMB Bank, RHB Bank and Ambank.

While these measures are meant to ease the financing process and enable more people to own a home under PR1MA, what should homebuyers consider before signing themselves up?

SHAHRIN YAHYA | TheEdgeProperty.com

Lee hopes that banks will not compromise on the credit quality of borrowers.

HARIS HASSAN | TheEdgeProperty.com

Yeah: The increased eligibility may worsen the supply-demand gap.

Special PR1MA End Financing Scheme (SPEF)

Under SPEF, not only will homebuyers have access to larger loan amounts where banks will take the loan applicant's EPF Account 2 monthly contribution into consideration when calculating the final eligible loan amount, their financial burden will also be eased slightly as only interest needs to be paid for the first five years.

Homebuyers who opt for the step-up end-financing scheme can choose to do it with or without the EPF Account 2 withdrawal option. However, those who prefer the latter should note that one can only make a withdrawal from EPF Account 2 once, at least until their PR1MA loan is settled. In other words, their EPF Account 2 will be ring-fenced, as described by EPF.

Executive director of Socio-economic Research Centre of The Associated Chinese Chamber of Commerce and Industry Malaysia Lee Heng Guie says although the intention is to raise the chances of getting a loan, he also hopes that banks will not compromise on the credit quality of borrowers.

"Given the rising household debt [in Malaysia], maintaining the loan quality is very important," Lee tells TheEdgeProperty.com.

Borrowers also need to think long term and consider whether they would be able to repay the loan after five years.

"Paying only interest for the first five years will surely ease homebuyers' financial burden but they need to make sure they can service the loan on time when the principal amount kicks in (after five years)," he adds.

Lee also advises homebuyers to take a step back before committing to buying a house.

"At the end of the day, the question is: are you ready to have a long-term [financial] commitment to own a house?

"Even if a house is at an affordable price range, you have to factor in your income level as well as your cost of living. As you see, more than 60% of PR1MA applicants were rejected by banks for their loan application, meaning that banks, having assessed their credit profile, think that they are not financially ready to own a home.

"If you're unable to own a house now, you can always think about renting first until you're ready and more financially stable," he says.

Reduced moratorium

Meanwhile, on the five-year moratorium, Sunway University Business School economics professor Dr Yeah Kim Leng considers it too short and this may encourage speculative activities.

"Halving the moratorium period could encourage speculative purchases. Many, including those who were previously quite happy living with their parents may be tempted to own a PR1MA home to cash in on the potential upside," says Yeah. To prevent speculation, he suggests that houses should be resold to PR1MA at cost within the 10-year holding period.

On the other hand, he admits that a shorter holding period will give buyers greater financial flexibility especially in monetising the price gains either for upgrading or for reducing their debt. "[And] for those whose work takes them to other places, the shorter period is [also] more flexible for them to relocate and unwind their home asset," he notes.

PR1MA said the banks have agreed to the shorter moratorium and that it will allow homebuyers to upgrade their homes quicker as they need not hold on to the property for a decade.

What is PR1MA?

PR1MA is the abbreviation for Perumahan Rakyat 1Malaysia or 1Malaysia People's Housing Programme.

It was formed under the PR1MA Act 2012 to plan, develop and construct housing for middle-income households in key urban areas.

Houses are priced between RM100,000 and RM400,000.

Built-ups for terraced homes are approximately 850-1,850 sq ft while apartments are 600-1,200 sq ft.

PR1MA homes must be owner-occupied (owners are not allowed to sell, rent out, or transfer ownership of their homes in the first five years of ownership).

Who is eligible?

- Malaysian citizens
- Single or married, age 21 and above
- Individual or combined household income (husband and wife) of between RM2,500 and RM15,000 monthly
- Owns not more than one property, between you and your spouse (if any)

7 steps to owning a PR1MA property

1 **Register first.** Create an account at **www.pr1ma.my** to fill the required information and to upload documents (identity card, latest bank statement or salary slip).

2 **Get notified!** You will be notified whenever there is a launch of PR1MA projects at your preferred locations. Launched projects will also be published in the media and on the website (**www.pr1ma.my/pr1ma_homes.php?lang=en**).

3 **Apply for the project of your choice.** Application for developments that are open for registration is necessary. Balloting for the projects is not an automatic process.

4 **Go through the balloting.** A balloting exercise will be conducted for successful applicants. You will then be invited for a unit selection session.

5 **Get the finances ready!**

i) **End-financing:** Select from PR1MA's panel banks for an end-financing package. Under the PR1MA "step-up" financing scheme, you can access EPF Account 2 for housing withdrawal.

ii) **Rent-to-own (RTO) scheme:** If your loan is rejected, you may be considered for an RTO scheme.

iii) **Care by PR1MA** (Insurance coverage for home ownership)

PR1MA tenants under RTO scheme

If death or permanent disability strikes, your family can continue staying in your home rent-free for up to a year. PR1MA also provides funeral expenses for its RTO tenants and for Muslims, this includes expenses for Badaal Haji.

Other PR1MA homeowners/registrants

PR1MA homeowners will receive a premium rate reduction of 10%-15%. The MRTT/MRTA gives extra coverage for personal accidents as well as funeral expenses.

6 **Sign the Sale and Purchase Agreement:** The SPA will be signed between the developer, PR1MA and the homebuyer.

7 **Get the keys!** Handover of vacant possession will be done upon completion of the house. With the issuance of Certificate of Completion and Compliance, the property will be officially handed over to the homebuyer.

SOURCE: PR1MA

Meanwhile, the corporation has submitted a proposal to the government for the moratorium to commence from the issuance date of the Certificate of Completion and Compliance and not when the land title is transferred to the end-purchaser. It said this was to discourage buyers from selling PR1MA homes for monetary gains, leading to speculative activities.

However, Lee who also thinks the five-year moratorium is too short, notes that most people who are looking to genuinely own a home under PR1MA, are looking to occupy the property for a longer period.

"Even if it is to give buyers a chance to upgrade their homes in five years, it is a bit too short a time for them to save enough to upgrade. A 10-year period is actually more suitable for homebuyers," he adds.

Increased eligibility

According to Lee, loosening the eligibility by increasing the monthly household income from RM10,000 to RM15,000 will certainly attract more first-time homebuyers to consider PR1MA homes.

He thinks that RM15,000 is "just right" to cater to the target group. "I believe they raised the eligibility as they took into account those who are living in urban areas due to the higher cost of living in those areas," he says.

CONTINUES NEXT PAGE

FEATURE

PICTURES BY ENGEL AND VÖLKERS/BLOOMBERG

This US$6.9 mil villa comes with its own private island

01

02

01 Melody Key.

02 The main house has three stories and an elevator.

03 The island is completely off the grid.

04 Melody has a freshwater pool.

Sometime in 2014, French-born, Dubai-based, real estate developer Blaise Carroz decided to buy his own island. "Since I was a kid, I dreamed of owning an island," he said. "And it was the perfect spot for family vacations."

The spot, Melody Key, is a small patch of land in the Florida Keys. Over his career, Carroz has been adept at developing high-end properties for the international wealthy, but the island he found needed almost no intervention. It was previously owned by Nick Hexum, lead singer of the band 311. In 2011, Hexum sold it to a British developer, who made extensive updates to the property before selling it to Carroz. By then, the only things it really needed were a few touches to the interior décor.

The island has about three acres of walkable land and an equal amount of submerged land, plus a 3,500 sq ft main villa that comes with three bedrooms and three full baths, kitchen, large living room, and an elevator servicing all three floors. The property also has a freshwater pool and an outbuilding that stores the island's kayaks, sailboats, and snorkel equipment.

In satellite photos, Melody Key seems to be at an almost swimmable distance — it's not; don't try — from Summerland Key. It is reachable only by boat. Because the land surrounding the island is so shallow, the maximum size of a boat is 35 ft, Carroz said. "It's not like you can hire a big yacht in Miami and come down and moor the boat there for a few days." Travel time from island to shore, where there's a dedicated parking spot for the island, is about 10 minutes.

When Carroz purchased the property, he lived on the other side of the planet (he has since relocated to Florida), but he wasn't concerned about maintenance. "It's totally off the grid," he said. "We produce our own power with solar panels, and our water is taken from the sea with our desalination system." There's a backup generator, and the island is proofed for storms. "When you live there," he said, "you're a new-age Robinson Crusoe."

Yet Melody Key doesn't quite run itself. "Just like if you own a car, you have to maintain it," he said. "But it's not a big deal, as long as you take it seriously." Taking it seriously, in his case, entailed hiring a full-time caretaker for the island to handle equipment and shuttle guests back and forth. Aside from the caretaker's salary, Carroz said monthly maintenance costs ran from US$2,000 (RM8,912) to US$3,000 monthly — about US$30,000 a year. (Property tax for the island isn't included.)

Carroz was able to offset the maintenance and caretaker's salary by renting it out: He charged US$1,375 a night for a minimum of six nights. ("It's a legal restriction," he explained, "so that we aren't in competition with local hotels.") Still, he said, "that's a very reasonable rate, less than a suite in a five-star hotel."

Ownership of the island, then, at least in Carroz's telling, is a seamless, almost dreamy experience where everything is provided and effectively pays for itself. There are, he admitted, a few pitfalls: Melody Key doesn't have a beach — it's surrounded by 400-year-old mangroves —and the island is "rich in wildlife," which Carroz considers a plus: We have some iguanas coming there every year to lay eggs, and we have a couple of osprey, who spend all the winter there," he said.

Still, Carroz has put the island on the market, offering it with Engel and Völkers for US$6.9 million. "I now have five children, and it became a bit small for us," he said. "When I purchased the island, it wasn't from a professional point of view. Selling it for a profit wasn't my aim at all."

Will he buy a larger island to accommodate his family? "I'm not planning to purchase another island," he said. "But I have a lot of other projects." — *Bloomberg*

03

04

Supply-demand gap concern

FROM PREVIOUS PAGE

However, Yeah has a different view as the increased eligibility may worsen the supply-demand gap. Citing data by the Malaysian Department of Statistics, Yeah notes that the median gross monthly income of the middle 40% of Malaysian households is around RM6,100 based on the 2014 Household Income Survey.

"Widening the eligibility to RM15,000 will defeat the purpose of affordable housing to the masses given that the current PR1MA applicants exceed the number of houses to be constructed by about five times.

"It will only worsen the supply-demand gap. The higher income range is best left to private developers," he says.

The verdict

Overall, both economists agree that SPEF will help more PR1MA homebuyers get home loans but they hold concerns that the shortened moratorium period will invite speculative buyers.

"At the moment let's see how these new measures will fare, especially in terms of increasing loan approval rates," Lee says.

"As PR1MA continues to increase its supply [of affordable houses] and evenly distribute the houses across all states, this [programme] will [help] stabilise current property prices," he concludes.

SOURCE: PR1MA

Special PR1MA End Financing Scheme

Monthly income	Conventional loan	Step-up financing	Step-up financing + EPF
RM2,500	RM95,000 (P + I = RM448 / month)	RM116,700 (I for Y1 – 5 = RM448) (P + I for Y6 = RM666)	RM162,100 (I for Y1 – 5 = RM625) (P + I for Y6 = RM925)
RM3,000	RM187,000 (P + I = RM880 / month)	RM228,600 (I for Y1 – 5 = RM880) (P + I for Y6 = RM1,305)	RM283,200 (I for Y1 – 5 = RM1,096) (P + I for Y6 = RM1,615)
RM3,500	RM257,000 (P + I = RM1,211 / month)	RM305,900 (I for Y1 – 5 = RM1,211) (P + I for Y6 = RM1,744)	RM369,000 (I for Y1 – 5 = RM1,463) (P + I for Y6 = RM2,108)
RM4,000	RM347,000 (P + I = RM1,618 / month)	RM408,700 (I for Y1 – 5 = RM1,618) (P + I for Y6 = RM2,331)	Max RM440,000 (I for Y1 – 5 = RM1,906) (P + I for Y6 = RM2,509)

*P = Principle, I = Interest, Y = Year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HOME IDEAS

The hottest trends from London Design Festival (Part 1)

Great interior design ideas from the design capital of the world

BY RAYMOND LEE

Last Sept 17 to 25, more than 400 London Design Festival (LDF) exhibitors took over the UK capital. Scores of designers presented their latest collections and wowed visitors with their amazing artistry and creativity.

The festival also provided the design community the opportunity to explore emerging concepts and materials. Unlike at Milan's Salone del Mobile, where exhibitors offer finished products for sale, here at the LDF, many of the products showcased were not fully developed for retail yet but were exciting ideas waiting to happen.

In 2016, the festival comprised five official shows and seven "design districts" around the city.

Among them, I had the chance to visit Decorex, 100% Design and Luxury Made — three large-scale shows designed specifically for the interior design and decorating trade industry.

In this first of a two-part series, I have picked out some trends and ideas that caught my eye during my visit.

Watch this space for the next instalment of more interesting interior trends from the design capital of the world.

Raymond Lee is an interior designer and founder of Xceptional Interiors. He can be contacted at email: raymond@xceptional-interiors.com or check out www.xceptional-interiors.com

Angles

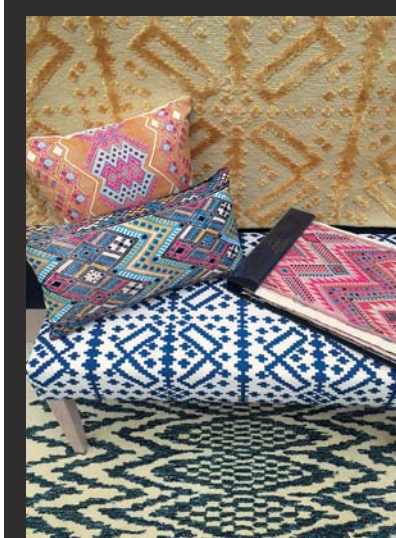
Modern angular-shaped and accented creations were on trend including Tom Faulkner's pieces which were stunning to say the least. An award-winning British outfit, the brand is known for its beautiful handmade tables, chairs, lighting and accessories.

With highly polished surfaces and worked in various metals, wood and glass, Faulkner's pieces often feature strong architectural lines and distinctive shapes.

Ethnic and handcrafted

Eye-catching ethnic prints and patterns were also brought to the forefront of modern design as seen on fabrics by A Rum Fellow which was founded by Caroline Lindsell and Dylan O'Shea. Their creations often feature handwoven fabrics designed in the studios in London but made in the hills of South America. Most of the textiles are created by skilled Mayan artists interpreted in classic ethnic motifs with modern contemporary colours.

Meanwhile, Joanna Bird showcased a number of ceramic art spotting ethnic touches from artists such as Pippin Drysdale and Jaejun Lee, each showcasing handcrafted works which were stunning in their simplicity.



PICTURES BY RAYMOND LEE

Inspired past

One of the highlights at Decorex was the Sir John Soane's Museum booth which provided a launch platform for its licensing partners to showcase their design-led products which are inspired by the museum's vast collection that goes across a broad range of categories — from interior design products, to home furnishings and garden ornaments.

Licensed products promoted awareness of the museum and generated valuable income. All profits were returned to the museum and used to support its continued work. Curated by influential interior designer and architect Ben Pentreath, this year's booth was absolutely captivating. The Haddonstone's (one of UK's leading manufacturer of fine garden ornaments and architectural stonework) replica bust of Soane's Inigo Jones was a standout for me.

It was also a delight to see IVO Prints working with the Kew Botanic Library & Archive to celebrate the vital processes and biodiversity of nature.

This collection featured hand silk screen prints on 100% linen and linen/cotton for use as drapes, blinds and wall mounted panels. Selected designs were also available as non-woven wallpapers.

Art deco luxe

The art deco trend continues to make a strong statement at many shows and it was no different at the London fairs last autumn. French fabric house Casamance featured many nostalgic motifs and colours of the European jazz era in warm golden tones contrasting with bold aquamarine shades. The trend was also reflected in tableware including fine bone china by Royal Crown Derby. It introduced a new elegant tea set that was really stunning. Named "Oscillate", these pieces were hand finished in 22 carat gold and will make a truly handsome addition to any collection.

Also making an impact was Ecart International's collection of furniture and lighting pieces designed in the early 20th century by the likes of Eileen Gray, Mariano Fortuny and the late modern designer Andree Putman.

Nordic style

Several brands showcased at Decorex took on the cool Scandinavian look. Sebastian Cox's Bayleaf Collection was designed and made at his South East London workshop with each piece handmade from British wood. The collection celebrated the colours, grain patterns and unique differences present in the diverse, home-grown timbers.

From France, Harto of Paris showcased pieces that were charming and wont to make a lasting impression on anyone while the Alki collection combined ancestral tradition in furniture-making with modern technology to create a contemporary style that hinted of Scandinavia.

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