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FRIDAY, FEBRUARY 24, 2017 . ISSUE 2356/2017 . PP19055/06/2016(034530)

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GRANDEZZA  
LUXURY MANSIONS

*The*  
**BIG PICTURE**  
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26 Feb 2017 · 11am

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**ECOWORLD**  
CREATING TOMORROW & BEYOND

# Upgrading Lifestyles at Eco Sanctuary



The Grandezza viewing deck offers a stunning view of the project.

Since it first emerged in the mid-to-late 1990s in Shah Alam, Selangor, Kota Kemuning has flourished into a self-contained township with a population of more than 100,000 and growing.

The ebb and flow of real estate hot spots in recent years have shifted the focus to the southern region of the Klang Valley but Kota Kemuning and its surrounding vicinity in the south western corridor is fast gaining traction as the next suburban hot spot.

Although the original township master plan of Kota Kemuning has reached the tail-end of its development, it is now set to welcome a new wave of growth. A few prominent developers have already set their sights on transforming the south of Kota Kemuning into a major growth corridor in the region.

While Kota Kemuning itself spans about 1,800 acres, the south of Kota Kemuning covers more than 3,000 acres made up of secondary forests in addition to rubber and palm oil estates. In the pipeline, however, are upcoming gated-and-guarded township developments by top property developers in the country including Eco Sanctuary by Eco World Development Group Bhd (EcoWorld).

There is no doubt that the presence of key developers

and their collaborative efforts in the area are helping to spur the growth of the region and build momentum towards capturing a market for their new township developments here. The total of each of the separate township developments in the south of Kota Kemuning is expected to produce more than 24,000 residential units to attract a population of up to 130,000 in the next 10 years.

Within easy reach from Kuala Lumpur city centre, Kota Kemuning is currently served by a network of major expressways and arterial roads which lead to neighbouring townships and various spots within the Klang Valley. It is accessible via the Shah Alam Expressway (KESAS), Kemuning-Shah Alam Highway (LKSA), South Klang Valley Expressway and North South Expressway Central Link (ELITE), which easily connect to Shah Alam, Subang Jaya, USJ, Petaling Jaya, Puchong, Cyberjaya and Putrajaya.

Connectivity to the new developments in the south of Kota Kemuning has been improved with the introduction of a main trunk road leading directly to KESAS and LKSA. Accessibility will be further enhanced with the completion of a connection to the ELITE link this year and the West Coast Expressway in 2018/19. With these in place, residents in the south of Kota Kemuning will have the benefit of living in close proximity to a myriad of facilities and amenities,

including commercial areas, banks, medical facilities, education institutions, the Bukit Kemuning Golf & Country Resort and the Kota Permai Golf & Country Club.

## Taking living to the next level

When Kota Kemuning was first established, its population mainly consisted of Generation X and baby boomers, particularly young couples who were planning to start a family or with growing children. Today, this demographic has evolved into an affluent, well-educated and mature market who are mostly in their 40s, 50s or 60s.

“Based on our purchasers’ profile, we see an upgrader market looking for lifestyle offerings like gated-and-guarded developments with enhanced security features, clubhouse with full-fledged facilities and green spaces which they can conveniently access,” reveals Ho Kwee Hong, Divisional General Manager of Eco Sanctuary.

## Eco Sanctuary

Recognising the needs of an upgrader market, developer EcoWorld started the development on Eco Sanctuary, a 308.7-acre leasehold project with a gross development value (GDV) of RM8 billion.

Eco Sanctuary is a gated-and-guarded eco-themed haven which emphasises green spaces and a healthy lifestyle. It features seven precincts and a commercial hub offering a curated line-up of residential and commercial properties including landed homes, mid to high-rise residences, shopoffices, a strip mall and an abundance of green spaces.

A dedicated clubhouse is available in each gated-and-guarded precinct within Eco Sanctuary boasting modern architecture, swimming pool, timber deck and a glass-walled gym.

Delivering unique features that have unmistakably become hallmarks of EcoWorld township projects, the luxury enclave of Eco Sanctuary is teeming with lush landscapes and stunning views at every turn. Among them are the signature towers at the main entrance, the tree-lined roads with bicycle and pedestrian paths, the majestic gazebos and the back-lane gardens over an undulating terrain.

To create a tranquil and nature-infused ambiance, Eco Sanctuary is designed to retain much of the verdant splendour of its natural environment, including a central



The grand entrance statement is an EcoWorld signature feature.



The modern clubhouse at Grandezza.



An artist's impression of Grandezza super bungalow Altimo 80' x 125'.



An artist's impression of Grandezza bungalow Rico 60' x 100'.

lake and the transplantation of 700 maturing trees comprising 50 species to all boulevards and main roads within the development, with the help of the Forest Research Institute of Malaysia. Green spaces make up for more than 30% of the entire development.

In terms of accessibility, Eco Sanctuary brings seamless connectivity to its residents with a direct connection to the ELITE expressway, putting residents just a 25-minute drive to the Kuala Lumpur International Airport as well as convenient access to Putra Heights, Subang Jaya and Puchong. By 2019, Eco Sanctuary will also become the designated exit point of the West Coast Expressway, which connects Taiping, Perak to Banting, Selangor.

**The best of eco luxury**

Built upon the seamless integration between landscaping, architecture and luxury resort living with a green approach, Eco Sanctuary presents itself as a modern-day sanctuary. This notion is best represented by Grandezza, the jewel of Eco Sanctuary, which features an eco-themed master plan with emphasis on privacy and an enhanced green living experience.

Grandezza's collection of luxury homes comprises semi-detached homes, zero-lot bungalows, bungalows and super bungalows with built-ups ranging from 2,903

sq ft to 6,075 sq ft. Each home features modern tropical architecture with Cubism influences and comes with a deep cantilevered balcony and a linear garden spanning 30ft to 100ft along the back of the homes. The spacious homes feature open-plan layouts that seamlessly merge the indoor and outdoor, while features such as double-volume ceilings welcome natural light and ventilation into the interior spaces.

Each home is equipped with a 3R (Reduce, Reuse, Recycle) nook that offers residents the convenience of incorporating 3R practices into their daily lives. Additionally, the super bungalows come with a sentry post and a driver's room to cater to the needs of the residents.

At the heart of Grandezza is a 22,000 sq ft clubhouse, designed to emulate a luxury resort which mirrors the modern Cubism-inspired architecture of the Grandezza homes. Built on an elevated landform to offer sweeping vistas of the landscape, the clubhouse comes with a 30m swimming pool with a Jacuzzi and timber deck as well as an elevated gym.

Launched end of 2016 and slated to be ready in September 2019, Grandezza is the final landed gated-and-guarded precinct in Eco Sanctuary with the lowest density in the township. It consists of only 260 units (of which 160 units are semi-detached homes) across 68 acres with a GDV of RM700 million.

**Planning for tomorrow**

Upgrading lifestyles does not only constitute expanding living spaces. "Downsizing is also a form of upgrading, especially for empty nesters. At the same time, smaller homes with comprehensive facilities also appeal to single professionals, couples and young families, explains Ho.

Considering current trends where families love to travel and children are more independent and prefer living on their own, The Parque Residences at Eco Sanctuary may just be what they are looking for. The low-density luxury condominium development is designed with a resort-like environment and supported by expansive greenery. Available are a variety of layouts that range from 516 sq ft to 1,388 sq ft, including double-volume living spaces and dual-key units, and which are complemented with deep balconies

and ample windows for natural lighting and ventilation.

The Parque Residences boasts 42,000 sq ft of innovative facilities, including a private clubhouse, swimming pool, 360-degree garden, herb garden, forest park, fruit orchard, entertainment room, multipurpose hall complete with gourmet kitchen and terrace, multipurpose sports court, spa, steam room, café, as well as an indoor and outdoor gym, among others.

A highlight of the facilities within The Parque Residences is the Eco Sanctuary Care Hub, making it the first residential development in Malaysia to provide onsite care and wellness services to its residents. Eco Sanctuary Care Hub is a collaboration with Managedcare (a wholly-owned subsidiary of Aged Care Group Sdn Bhd) to provide the convenience of accessing care administration and wellness services, such as a 24/7 nurse-on-call service and a care manager to attend to any care service request. "Wellness has become increasingly important in today's fast paced lifestyle. With the establishment of the Eco Sanctuary Care Hub, we hope to make living in Eco Sanctuary a more wholesome experience," says Ho.

The Parque Residences with a GDV of RM379 million comprises two phases; the first phase was launched in 2016 with 594 units across three 20-storey and 25-storey blocks. It spans a total of 27 acres, of which 12 acres are dedicated to green spaces. The second phase will be launched in 2018 with 494 units.

**Spurring commercial growth**

Providing an extension of the commercial activities in Kota Kemuning is Eco Sanctuary City. The 62-acre project is poised to meet the various lifestyle needs with a plethora of facilities, including lifestyle shopoffices, a strip mall, office tower, convention centre, service apartments and hotel, wellness centre, education hub and more.

Among the first developments to be unveiled within Eco Sanctuary City is the first phase of Eco Somerset lifestyle shopoffices, which consists of 88 two-storey and three-storey units with built-up sizes between 3,000 sq ft and 6,000 sq ft. Eco Somerset offers a premier retail and business address in the heart of Eco Sanctuary City. Another Care Hub centre will be established in the commercial precinct of Eco Sanctuary City upon its completion in 2018.

"The commercial sector in Kota Kemuning has been developing aggressively for the past 10 years, but we have identified a gap to cater to the niche market of Eco Sanctuary," says Ho. To ensure the sustainable growth of commercial activities that fulfil the needs of its future residents, EcoWorld is offering complimentary commercial "match-making" services to help investors find the right tenants to occupy the commercial units.

The entire development of Eco Sanctuary is estimated to take eight years with a completion date in 2022 thus bringing into fruition the transformation of the south of Kota Kemuning into a perfect living environment.



Eco Sanctuary Care Hub.



The Parque Residences clubhouse.

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Developer: ECO SANCTUARY SDN. BHD. (1076483-V) | Sales Gallery: Lot 41296, Persiaran Eco Sanctuary, 42500 Telok Panglima Garang, Selangor DE | Developer License No: 14050-3/10-2017/0892(L) | Validity Period: 23/10/2015 - 22/10/2017 | Advertising & Sales Permit No: 14050-3/10-2017/0892(P) | Validity Period: 23/10/2015 - 22/10/2017 | Land Tenure: Leasehold (99 Years - Expiry 09/11/2110) | Land Encumbrances: HSBC Bank Malaysia Berhad (127776-V) | Approving Authority: Majlis Daerah Kuala Langat (MDKL) | Building Plan Reference No: MDKL/JKB/2/4/1112 (13) | Expected Completion Date: October 2018 | Total Unit: 1088 (Block A, B, C, D, E & F), Block A - Total Unit: 82 (Type A), 15 (Type B), 20 (Type C), 7 (Type D), 21 (Type E), 21 (Type F), 21 (Type G), Block B - Total Unit: 82 (Type A), 15 (Type B), 20 (Type C), 7 (Type D), 21 (Type E), 21 (Type F), 21 (Type G), Block C - Total Unit: 98 (Type A), 18 (Type B), 24 (Type C), 8 (Type D), 24 (Type E), 24 (Type F), 24 (Type G) | Built Up Minimum: 516 sq ft, Maximum: 1,388 sq ft | Minimum Price: RM397,000, Maximum Price: RM1,097,800 | Type of Property: Condominium | Restriction of Interest: The land can be transferred, leased or charged with prior approval by the State Authority | 7% Discount for Bumiputra

# GRANDEZZA

LUXURY MANSIONS

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## PENANG'S TOP LANDED housing projects

Which landed housing projects on the island have seen the highest growth in recent years? **See Pages 6 and 7.**



**TEP4 NEWS**  
Value of overhang units in the primary residential market up 80% y-o-y



**TEP9 FEATURE**  
The five toughest properties to sell



**TEP10 FEATURE**  
Is Malaysia ready for reverse mortgage?



**TEP12 HOME IDEAS**  
Tricks to create an illusion of a spacious home



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## Eco World International signs key IPO deals

Eco World International Bhd (EWI) has signed three key agreements with GuocoLand Ltd (GuocoLand), the Employees Provident Fund (EPF), Permodalan Nasional Bhd (PNB) and six banks for its initial public offering (IPO) exercise.

The first agreement is a share subscription agreement with GuocoLand, in which GuocoLand will take up a 27% stake in EWI's enlarged issued and paid-up capital, EWI president and CEO Datuk Teow Leong Seng said.

The agreement marks the entry of GuocoLand, a member of Hong Leong Group, as one of three strategic investors together with Eco World Group Development Bhd (EcoWorld) and EcoWorld chairman Tan Sri Liew Kee Sin, added Teow.

A retail underwriting agreement



was also signed with CIMB Investment Bank Bhd (CIMB), Maybank Investment Bank Bhd (Maybank) and Hong Leong Investment Bank Bhd as joint managing underwriters and joint writers; and with Alliance Investment Bank Bhd, AmlInvestment Bank Bhd and RHB Investment Bank Bhd as joint underwriters.

Meanwhile, EWI has entered into a master cornerstone placement agreement with the IPO's joint global coordinators namely CIMB and Maybank as well as EPF and PNB as cornerstone investors.

The cornerstone investors have agreed to subscribe an aggregate of 140.4 million IPO shares or more than 30% of the IPO shares allocated as part of the institutional offering, comprising 449.459 million IPO shares and representing 18.7% of its enlarged issued and paid-up share capital.

The signing of the three agreements will be followed with the issuance by EWI of its prospectus in respect of the IPO, which is expected next month.

volatile material pricing and unpredictable currency exchange rates in the current business environment.

"We would like to help them manage this by processing their payments every two weeks," he said. "In return, we expect our contractors to put their best people on our job and deliver quality work for our project."

## Sime Darby Property launches 'Big 5' promotion

Sime Darby Property is offering first-time homebuyers and loyal customers discounts with its "Big 5" promotion for selected properties located in five of its townships in the Klang Valley and Negeri Sembilan.

Launched on Feb 17 and ending on May 31, the promotion includes discounts ranging from 5% to 10%, upfront PRIME or double PRIME discounts, as well as a one-year complimentary Astro subscription pack-

age. PRIME is a loyalty and reward programme offered to its homebuyers.

"We hope the Big 5 promotion will inspire potential

homebuyers to find their ideal homes that truly reflect who they are," said Sime Darby Property managing director Datuk Jauhari Hamidi.

Participating properties are East Residence in ALYA Kuala Lumpur, The Veo in KL East, Castilla, Siphonia and Siphonia 2 in Chemara Hills, Saujana Impian's The Brymwood and Villa Safira, as well as Planter's Haven.



## UEM Sunrise to develop offices, apartments on MCOBA land in Seputeh

Sunrise Innovation Sdn Bhd, a wholly-owned subsidiary of UEM Sunrise Bhd, will undertake a mixed development project on the Malay College Old Boys Association's (MCOBA) land at Jalan Seputeh, Kuala Lumpur to redevelop a new office building, a banquet hall with a capacity for 1,200 people and two blocks of serviced apartments.

The development agreement

was inked by both parties recently.

The initial gross development value for the project is more than RM750 million. The unit sizes for the serviced apartments will range from 1,100 sq ft to 1,500 sq ft.

"We are very excited to embark on this synergistic venture with MCOBA. Seputeh is a mature residential neighbourhood, connected to KL city centre and other urban areas through Jalan Syed Putra and would appeal to city dwellers due to its proximity to amenities and commercial hubs such as Mid Valley City and KL Sentral. The development will become a new landmark for the locality," said UEM Sunrise's managing director and CEO, Anwar Syahrin Abdul Ajib.



## BKP to shorten payment period for contractors

Niche developer Bukit Kiara Properties Sdn Bhd (BKP) has recently announced that the processing of their contractors' payments would be changed from once a month to every two weeks.

The initiative aims to assist contractors to maintain a healthy cash flow during these challenging times, and to encourage them to deliver better quality for BKP's VERVE® Suites KL South project, said BKP group managing director Datuk NK Tong during its Business Associates Dinner recently.

Tong said many business associates are facing a tight cash flow,

trending  
now

## LAUNCHES + EVENTS



If you have any real estate-related events, email us at [propertyeditor@bizedge.com](mailto:propertyeditor@bizedge.com). Events listed here will also appear on [TheEdgeProperty.com](http://TheEdgeProperty.com).

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## Unveiling of Trio show unit

**Date:** Feb 25 (Sat)  
**Time:** 6pm to 10pm  
**Venue:** Trio Sales Galleria, Lot 82623, Jalan Langat/KS06, Bandar Bukit Tinggi 1, Klang, Selangor  
**Contact:** (011) 1212 2535 / (017) 385 2735  
S P Setia Bhd will be unveiling the show unit of its Trio mixed development in Klang with fun-filled family activities such as a lion dance, 3D photo booth, food bazaar, fireworks, lucky draw and others.

## Art and Architecture Symposium

**Date:** Feb 25 (Sat)  
**Time:** 3pm to 5pm  
**Venue:** Pertubuhan Akitek Malaysia, 99L, Jalan Tandok, Bangsar, Kuala Lumpur  
**Contact:** (03) 2693 4182  
Organised by PAM or the Malaysian Institute of Architects in conjunction with the opening reception of Khoo Sui Hoe @ PAM Centre, the symposium features talents from the

architecture and design industry including Datuk Seri Lim Chong Keat, Jalaini Abu Hassan, Hijjas Kasturi, Datuk Hajeedar Abdul Majid, Pamela Tan Poh Din and Dr Tan Loke Mun.

## Funbruary at Cybersouth

**Date:** Feb 26 (Sun)  
**Time:** 10am to 5pm  
**Venue:** Cybersouth Property Gallery, Dengkil, Selangor  
**Contact:** (019) 243 5071 / (019) 683 4995  
MCT Bhd is bringing fun to families for the entire month of February. Spend the day frolicking in the sun doing fun activities. Snacks and meals will be served.



## Jade Square @ Jade Hills soft launch

**Date:** Feb 25 and 26 (Sat and Sun)  
**Time:** 10am to 5.30pm  
**Venue:** Jade Hills Sales Gallery, Persiaran Jade Hills Utama, Jades Hills, Kajang, Selangor  
**Contact:** (03) 8741 0707  
Gamuda Land introduces Jade Square, a new commercial landmark at its Jade Hills township in Kajang. It comprises 2- to 3-storey retail spaces. Refreshments will be served.

## Grandeza show village opens @ Eco Sanctuary

**Date:** Feb 26 (Sun)  
**Time:** 11am  
**Venue:** Eco Sanctuary, Lot 41296, Persiaran Eco Sanctuary, Telok Panglima Garang, Selangor  
**Contact:** (03) 3344 2525  
Eco World Development Group Bhd invites all to visit the show village featuring its Grandeza project at Eco Sanctuary. The



project offers double-storey bungalows and semi-dees.

## Exclusive launch of St John's Place, Manchester

**Date:** Feb 25 and 26 (Sat and Sun)  
**Time:** 11am to 6pm  
**Venue:** Level 2, Straits Boardroom, Westin Hotel, Kuala Lumpur  
**Contact:** (012) 3260 8000 / (012) 908 6318  
Situated in the heart of UK's Manchester city centre and directly adjacent to Spinningfields — the central business district of Manchester — St John's Place is slated for completion by 3Q2020. Prices start from £227,500 (RM1.26 million) for a 1-bedroom apartment.

# TRIO

BY SETIA



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# Value of overhang units in the primary residential market up 80% y-o-y



BY NATALIE KHOO

KUALA LUMPUR: Some RM8.27 billion worth of completed homes on the primary market have gone unsold as of the third quarter of 2016 (3Q2016).

This marks an 80% rise in the residential overhang value compared with RM4.6 billion a year ago.

"This huge rise in value is mainly contributed by properties in the RM500,001 to RM1 million segment which saw an increase in value of 141% from RM956 million in 3Q2015 to RM2.3 billion in 3Q2016," revealed Valuation and Property Services Department director general Dr Rahah Ismail.

For properties above RM1 million, the total value of overhang units rose by 87.7%, from RM2.04 billion in 3Q2015 to RM3.83 billion in 3Q2016," Rahah added.

She said this when giving an overview of the Malaysian property market to participants 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), yesterday.

Meanwhile, in terms of volume, overhang units rose by 46%, from 9,747 units in 3Q2015 to 14,193 units in 3Q2016. There were 62,812 completed units as at 3Q2016, up 37.6% on a y-o-y basis.

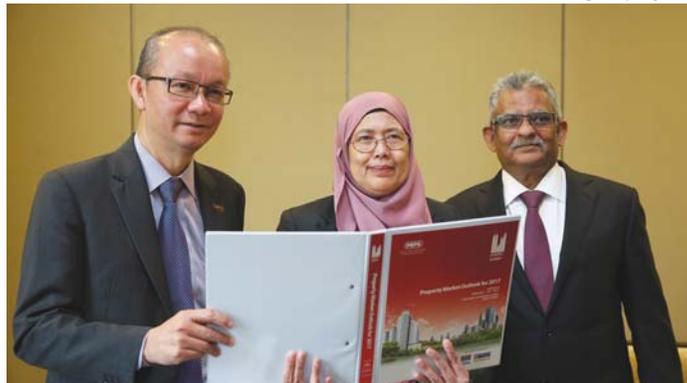
"Even though there was an increase in both unsold completed units and completed units, the ratio of the unsold completed units to completed units remains in the normal range of about 21%-22% similar to previous years," Rahah noted.

Condos and apartments (1,238 units)

## Residential overhang units in Malaysia (3Q2013-3Q2016)

Price range	Completed units				Unsold completed units				Overhang value (RM mil)			
	3Q 2013	3Q 2014	3Q 2015	3Q 2016	3Q 2013	3Q 2014	3Q 2015	3Q 2016	3Q 2013	3Q 2014	3Q 2015	3Q 2016
RM50,000 or less	7,721	5,670	2,557	3,213	1,532	922	419	433	62	39	16	17
RM50,001 - RM100,000	12,088	7,639	6,554	7,632	3,459	1,856	1,231	1,492	288	153	101	119
RM100,001 - RM150,000	5,774	7,226	3,611	4,438	1,271	1,391	818	909	162	180	107	123
RM150,001 - RM200,000	5,413	4,590	4,230	4,570	1,540	1,049	929	899	263	184	161	158
RM200,001 - RM250,000	3,635	3,991	5,266	3,996	830	1,046	1,132	913	193	237	258	209
RM250,001 - RM300,000	3,248	4,430	3,288	4,303	818	1,033	1,025	1,316	225	283	285	370
RM300,001 - RM400,000	3,832	3,784	5,202	4,603	967	716	1,031	1,367	341	255	373	504
RM400,001 - RM500,000	2,226	3,544	2,909	4,824	563	555	658	1,437	248	249	301	639
RM500,001 - RM1,000,000	3,174	4,220	6,836	17,413	633	984	1,425	3,344	433	664	956	2,304
More than RM1,000,000	4,612	3,851	5,201	7,820	1,610	629	1,079	2,083	2,755	1,117	2,042	3,827
<b>MALAYSIA</b>	<b>51,723</b>	<b>48,945</b>	<b>45,654</b>	<b>62,812</b>	<b>13,223</b>	<b>10,181</b>	<b>9,747</b>	<b>14,193</b>	<b>4,968</b>	<b>3,361</b>	<b>4,598</b>	<b>8,267</b>

PICTURES BY SAM FONG | TheEdgeProperty.com



(From left) Foo, Rahah and Fernandez at the 10th Malaysian Property Summit 2017 organised by PEPS, yesterday.

make up the highest number of overhang units followed by flats (283 units), terraced homes (218 units), cluster homes (129 units), semi-detached homes (118 units), detached homes (68 units) and townhouses (15 units).

She also noted that the sales performance of properties (ratio of properties sold within nine months to new launches) in the primary market has worsened to 27.4% for the period of 1Q2016 to 3Q2016 as opposed to 41.9% for the period of 1Q2015 to 3Q2015.

"Only properties in the price range of

## Residential market may pick up soon, says Kenanga

BY RACHEL CHEW

KUALA LUMPUR: Residential property transactions may pick up soon as Malaysia's residential property absorption rate has hit a 14-year low, according to Kenanga Investment Bank Bhd head of equity research Sarah Lim.

"The bottoming effect can be seen. Malaysia's residential absorption rate is now at a 14-year low while the major states are seeing nine to 10-year lows," Lim said during her presentation 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) at Sime Darby Convention Centre yesterday.

Kenanga's data showed that the current overall residential absorption rate is at a new low of 3.5%, compared with the 10-year average of 4.5%. Lim also stressed that all major states are seeing similar trends.

"This is largely due to affordability issues exacerbated by a mismatch of product pricing and tighter banking liquidity in the sector," Lim said in her presentation entitled "Landed residential market performance and outlook".

She explained that the absorption rate



Lim: If history is going to repeat itself, transactions are likely to start levelling off.

calculation is based on transactions divided by the total existing supply and incoming supply. The higher the rate, the better the market is.

Meanwhile, citing Kenanga's population analysis, she said the incremental population of base demand, such as those who are turning 30 years old or first-time homebuyers, has gone back to pre-2007 levels now.

"This also means that overall residential transactions are similar to pre-2007 levels. If history is going to repeat itself, transactions are likely to start levelling off," she said.

However, she does not see any major catalyst for recovery yet.

"The sector will need strong economic boosters, such as a commodity rally or sharp increase in foreign direct investment, or easing of banking sector liquidity to the sector or policies that address affordability issues. Nevertheless, we do not see these really happening yet," Lim explained.

She foresees the value of transacted residential units this year to be marginally weaker at -2% year-on-year.

"We also expect Malaysia's house price index to grow at a low single-digit in 2017. The exception is Selangor because of high urbanisation rates," Lim shared.

Among all the landed residential property types, Lim also noted that semi-detached/detached homes, especially in the Klang Valley are usually the best performers in the long run — with a capital appreciation per annum of 14% (Kuala Lumpur) compared with 12% for terraced homes.

"Although it appears that terraced homes may be the best bet for the long run, during bull times, semi-detached/detached homes offer better price appreciation and they are often the best performers," she noted.

Commenting on the current trend in the landed residential property sector, Lim mentioned that townships seem to be the trend. "So, is buying earlier in a township a good investment bet? It may appear so but you should take into consideration your holding power because there will be multiple new phases and very low to no yields at the beginning. High capital appreciation occurs only when there is sizeable population mass," she said.

## Mall oversupply situation to take at least three years to improve

BY SHAWN NG

KUALA LUMPUR: The retail mall market is expected to take three to four years from now to improve as more malls open in the next few years adding to the oversupply in retail spaces, said Savills (Malaysia) Sdn Bhd managing director Allan Soo.

He told the audience at the 10th Malaysian Property Summit 2017 that the industry has been hindered by multiple challenges including reduced tourism, implementation of the Goods and Services Tax (GST), retailers' margins being reduced due to the weakened ringgit, poor market sentiment and shrinking disposable income.

In addition, the rise in construction cost, higher cost of advertising and promotion, and additional capital expenditure of providing rent-free periods for tenants have also impacted mall developers and operators, he added.

Held at the Sime Darby Convention Centre, the summit was organised by the Association of Valuers, Property Manag-



RM200,001 to RM250,000 saw an increase in sales by a huge margin from the others signifying that there is still a strong demand and opportunities for affordable properties in this tough market condition," said Rahah.

Homes below RM300,000 took up about 69.6% of the secondary market share during the period between 1Q2016 and 3Q2016 in terms of volume while the same segment of properties took up about 46.5% of the primary market share.

Currently, secondary market properties make up about 82% of the total property market.

"You can see that the secondary market is still holding strong," said Rahah.

Meanwhile, PEPS president Foo Gee Jen, who was also present at the event, noted that the property market is currently stable, with a 5.3% annual price rise in the Malaysian Housing Price Index in 3Q2016 (preliminary figure) although it saw a dip as opposed to a year ago at 7.4% y-o-y.

"People are always asking when the market will recover, but in actual fact the property market is actually stable. Of course, it is not like those times when there were double-digit growth but I feel that this is a more sustainable growth. Prices of homes are holding. The growth needs to be in tandem with the growth in salaries of the population as well. If it keeps growing at double digits, how can people afford to buy houses when their salaries do not increase at the same rate?" said Foo.

Summit organising chairman Elvin Fernandez noted that the residential market will not collapse so easily as it is made up of many individual and genuine buyers.

"These buyers are unlike investors. The small amount of speculators will unlikely impact the property market that much so as to cause a major drop in prices," he noted.

# Teega @ Puteri Harbour to start handover process from end-February

BY NATALIE KHOO

ISKANDAR PUTERI: UEM Sunrise Bhd is set to see the handover of its serviced apartments and offices at its mixed development Teega @ Puteri Harbour (Teega) in Iskandar Malaysia, Johor by the end of this month.

Teega was launched in 2012. It comprises Teega Residences, a 35-storey tower that offers 736 serviced apartment units with sizes ranging between 886 sq ft and 4,457 sq ft; Teega Suites, a 35-storey tower that offers 556 serviced apartment units with sizes ranging from 485 sq ft to 1,621 sq ft; Teega Tower, a 26-storey tower with 51 office suites with sizes ranging from 2,103 sq ft to 2,363 sq ft as well as a 4,888 sq ft Sky Café; and Teega Walk, a 2-storey retail component with 28 units ranging from 515 sq ft to 3,341 sq ft.

"Our residences and offices are more than 95% sold. The remaining apartment units left for sale have built-ups ranging from 485 sq ft to 4,457 sq ft with prices from RM500,000 to RM5.37 million. Meanwhile, Teega Walk is currently open for lease. [The focus will be] on food and beverage and convenience shops," UEM Sunrise CEO and managing director Anwar Syahrin Abdul Ajib told TheEdgeProperty.com.

He noted that although they are not able to disclose the list of tenants yet, residents can look forward to a strong mix of quality operators.

According to Anwar, early buyers of Teega would have seen a capital appreciation of about 40% from the launch price back in 2012

Anwar: Teega has its own distinctive appeal as it offers a unique waterfront living.



PICTURES BY UEM SUNRISE

Teega @ Puteri Harbour is 95% sold to date.

(RM700 psf) to about RM1,000 psf currently.

"Teega has its own distinctive appeal as it offers a unique waterfront living, coupled with its strategic location and close proximity to leisure and recreational attractions, education hub and ferry terminal. It is highly accessible by road and sea as it lies adjacent to the Puteri Harbour International Ferry Terminal, the Indoor Theme Park, Marina Satellite Clubhouse as well as the Johor state's administrative centre — Kota Iskandar," Anwar explained.

It is within a 5 to 10 minute drive from the Coastal Highway, the North-South Highway and the Malaysia-Singapore Second Link. It is also located 3km from the Raffles American

School and Marlborough College Malaysia and 5km from EduCity.

Common facilities include the outdoor lap and spa pool, yoga terrace and tai chi zone, floating gym, wellness path, tennis court, herbs garden, children's playground, multi-purpose function hall, car-washing bay as well as CCTVs. "The units have spacious balconies for views of the public and private marina," said Anwar.

Also at Puteri Harbour, phase 1 of the developer's 394-acre Estuari township, the Estuari Gardens, which comprises terraced homes, is expected to be completed in the second half of 2017.

area of 8 sq ft per capita and in some areas like Petaling Jaya, it is more than 16 sq ft per capita," he said.

Going forward, there are another seven megamalls that will open progressively, including MyTOWN Shopping Centre, Empire City, TRX, Pavilion Bukit Jalil, Pavilion Damansara and Paradigm Mall in OUG, which will push up the retail space in Greater Kuala Lumpur to about 73 million sq ft in 2019 from 60.21 million sq ft as at end-2016, he added.

Soo pointed out that incoming supply will be a big issue for the market even if demand increases.

"As such, we won't see a better time for the market in the next three to four years. It will take more than three years to improve," he said.

He believes the rental and occupancy rate for new malls will be depressed in the future.

According to Savills' data, the average occupancy rate in Greater KL was down from 91.7% in 2012 to 89.2% as at end-2016.

"Is it a good time to build malls? The quick and short answer is no, because now is a time for us to sit back and look at the figures to think of the next move, unless you are building a different mall that targets specific tenants," he said.

However, Soo reckons that now is probably a good time to sell malls as more funds and overseas retailers are interested in investing in the market.



Soo: Incoming supply will be a big issue for the market even if demand increases.

ers, Estate Agents and Property Consultants in the Private Sector Malaysia. Soo's presentation was entitled "Retail market performance and outlook".

He noted that over the past few years, the higher plot ratio on commercial land has resulted in more commercial developments, thus creating more retail supply.

Currently, there is a total of 160 malls and hypermarkets in the Klang Valley, including seven megamalls namely, Suria KLCC, Pavilion KL, Mid Valley, Sunway Pyramid, 1 Utama, IOI City Mall and Sunway Velocity Mall, he said.

"We have reached a retail mall floor

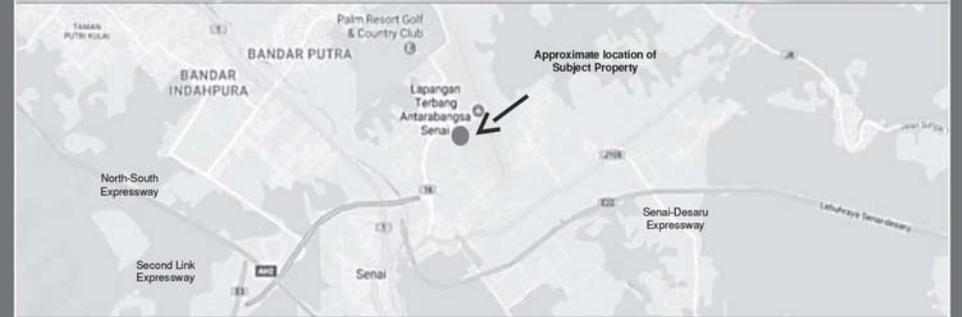
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**W**ith the hubbub on the softened property market, not even Penang, especially Penang Island, known for its land scarcity and extravagant property prices, is spared. However, in this snail-paced growth, what can Penang offer to homebuyers and investors?

According to data from the National Property Information Centre (Napic), as at 3Q2016, the overall volume of transactions had declined 13.4% y-o-y with 4,382 transactions recorded in 3Q2016 as opposed to 5,060 transactions a year earlier. Total value of transactions in Penang had also dropped accordingly by 10.1% y-o-y to RM2,152 million compared to RM2,393 million in 3Q2015.

Executive director of PPC International Penang Sdn Bhd Mark Saw says the cooling measures introduced by the federal and state governments have affected Penang's property market performance over the past three years, as evident from Napic's data.

Executive director of PA International Property Consultants (Penang) Sdn Bhd Michael Loo concurs that the property market in 2016 had further consolidated with the overall sales activity on a downtrend since 2015.

"It could be due to various reasons such as the strict loan approvals for end-financing, and the cautious sentiments over the economic slowdown which have prompted developers to defer their launches and push back plans for development," says Loo.

When will the market recover? Executive director of Landserve Penang Sdn Bhd, Ooi Choon Seong does not foresee a recovery this year, but expects no price reduction overall due to the rising cost in building materials and land for new property launches.

On the other hand, Saw is more optimistic. "Based on historical property cycles, we can anticipate that the market has stabilised and an upward swing is expected in due course for the second half of 2017," he says.

Indeed, the real estate consultants think this is a good time to go bargain-hunting. Loo, for instance, points out that some property owners who are facing liquidity problems may be prepared to cash out at low prices.

"With fewer buyers, sellers may be more willing to compromise. A price adjustment between 5% and 10% is expected. Price correction is a healthy development in a property cycle when prices have reached the peak," Loo opines.

While the landed housing market on Penang Island has slowed with prices facing a correction, there are housing areas that are faring better than others.

Based on data collated by TheEdgeProperty.com, the terraced housing projects or areas on Penang Island with the highest compound annual growth rate (CAGR) between 4Q2012 and 3Q2016 based on their average transacted prices were Sunway Aspera, Teluk Kumbar Heights, Island Park, Taman Saw Kit

# Best performing housing projects on PENANG ISLAND

BY NATALIE KHOO

and Bayan Baru with a CAGR of 17%, 16%, 15%, 14% and 12%, respectively.

Meanwhile on Penang mainland, the highest CAGR was recorded at Taman Murai Jaya, Taman Keenways, Taman Mangga and Taman Impian Murni with a CAGR of 37%, 29%, 28% and 27%, respectively, mainly due to their low entry levels.

## Teluk Kumbar

Sunway Aspera and Teluk Kumbar Heights with a CAGR of 17% and 16% respectively are both located in Teluk Kumbar. Teluk Kumbar is located at the south west district which is popular with homebuyers as it is located near the Second Bridge or Jambatan Sultan Abdul Halim Muadzam Shah. It is

also near the Penang International Airport, thus offering easy accessibility, especially for frequent travellers between the mainland and the island, says Saw.

"While two-storey terraced houses at the Bayan Baru area [located next to Bayan Lepas], with a land area of 1,200 sq ft to 1,300 sq ft, have asking prices of RM900,000 to RM1 million, similar houses in Teluk Kumbar are still available for less than RM800,000," says Ooi.

According to Landserve's transaction data, in 2016, a unit at Sunway Aspera with a land area of 1,302 sq ft was transacted for RM778,000. However, based on TheEdgeProperty.com's data, Sunway Aspera's average transacted prices have already breached the RM1 million mark. In 4Q2012, the average transacted price of Sunway Aspera terraced houses was RM627,275 while in 3Q2016, the average transacted price has shot up to RM1.17 million.

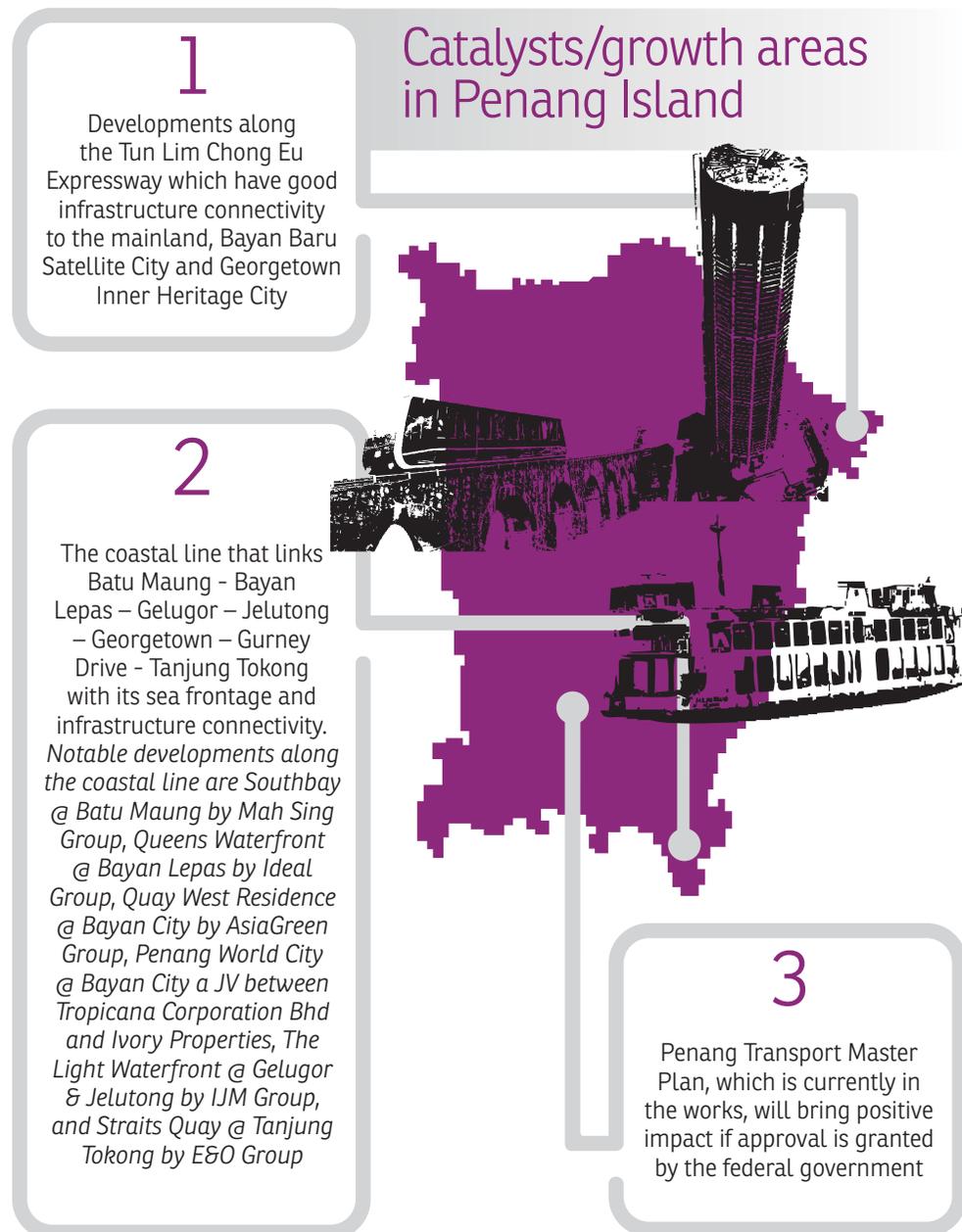
Over at Teluk Kumbar Heights, the average transacted price for terraced homes was RM560,000 and this rose to RM998,000 in 3Q2016.

"With just 5 to 10 minutes of travelling time [to Bayan Lepas from Teluk Kumbar], the pricing appeals to homebuyers," explains Landserve's Ooi. He also notes that the ongoing upgrade of a one-lane road from Jalan Teluk Kumbar to Jalan Bayan Lepas into a two-lane road will further improve connectivity once it is completed in 2018.

## Bayan Baru

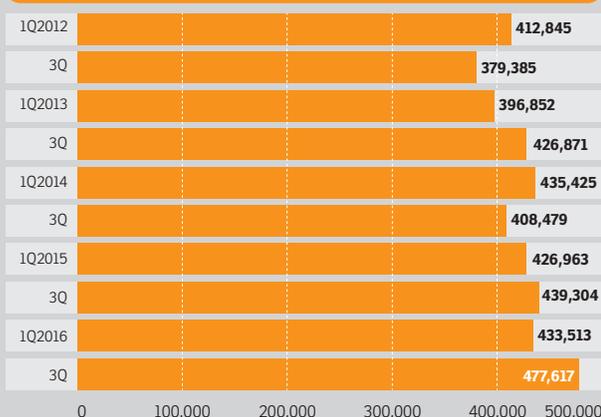
Also in the south west district is the Bayan Lepas/Bayan Baru area, a mature area with many amenities such as the Penang International Airport, factories (Bayan Lepas Free Industrial Zone), commercial areas and the new Subterranean Penang International Convention and Exhibition Centre SPICE (formerly known as PISA). "These have influenced the demand for properties there. Moreover, as most are landed properties, the demand will always be there, hence prices will continue to increase in the Bayan Baru area," Saw notes.

Ooi concurs, adding that the Bayan Lepas Industrial Zone houses many MNC factories with large workforces.

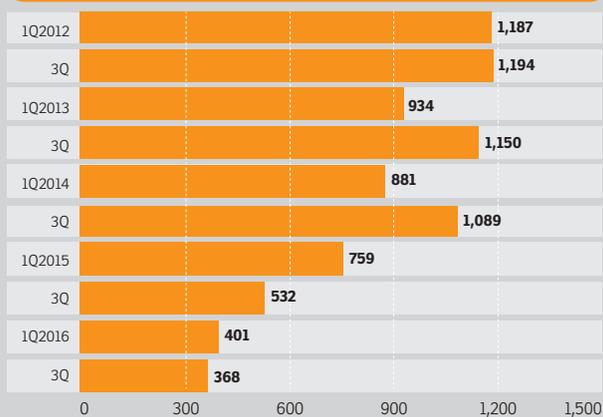


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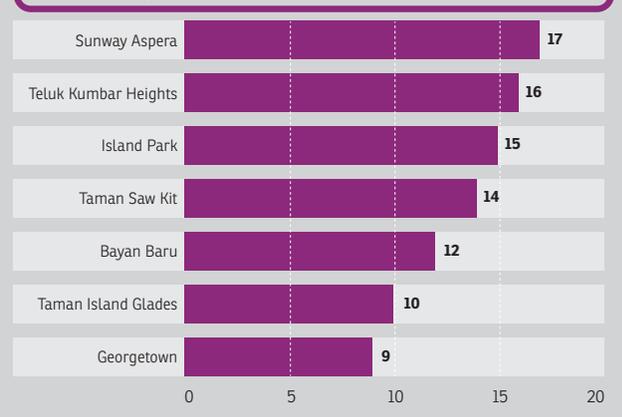
### Average transacted price of terraced homes in Penang



### Transacted volume of terraced homes in Penang



### Top 7 terraced home projects/areas on Penang Island with the highest CAGR (4Q2012 to 3Q2016)



According to the TheEdgeProperty.com's data, the average transacted price of terraced homes in Bayan Baru was RM405,000 in 4Q2012 while in 3Q2016, they were transacted at an average price of RM639,333.

**Island Park**

Island Park, Jalan Besi which is in the Greenlane area and which recorded a CAGR of 15% is located near several prominent schools such as Chung Ling High School, Penang Free School and Han Chiang High School, making the area attractive to families with school-going children, offers Ooi.

"In 2015, there were 2-storey terraced houses there with a land area size of 1,400 sq ft to 1,800 sq ft which were transacted at RM998,000 to RM1.3 million," he says.

TheEdgeProperty.com's data shows the average transacted price of terraced houses here was RM943,333 in 4Q2012 and this has jumped to RM1.63 million in 3Q2016.

**Taman Saw Kit**

An old housing estate which has seen recent price growth is Taman Saw Kit (CAGR 14%), in Sungai Nibong. Ooi notes that the project's main draws are its connectivity and accessibility.

"Taman Saw Kit is over 30 years old. It is highly accessible from Jalan Sultan Ahmad Shah which leads to the town area and the coastal roads. It is also about 10 minutes away from Queensbay Mall, so pretty much everything is taken care of," Ooi adds.

Based on Landserve's transactions, three 2-storey terraced houses here with a land size of between 1,400 sq ft and 1,500 sq ft fetched between RM960,000 and RM1.2 million in 2015.

The average transacted price according to TheEdgeProperty.com, has risen significantly from RM620,000 in 4Q2012 to RM1.05 million in 3Q2016.

**Future growth areas**

"Penang has many areas for future growth, especially on the mainland. Batu Kawan is definitely one of them. Seberang Prai Utara and Tasek Gelugor have also attracted interest and we look forward to seeing how these areas will develop," offers Saw.

The recent announcement of Boustead Holdings Bhd selling its Malakoff estate to S P Setia for RM8.50 psf or over RM370,000 per acre augurs well for this area, he adds.

**Closing the gap between island and mainland**

The connectivity between the island and mainland is expected to be enhanced with the proposed Light Rail Transit (LRT), Penang Undersea Tunnel and cross-channel cable car.

"The Bayan Lepas LRT alignment project and Pan Island Link highway were determined as the first components in the delivery sequence of the Penang Transport Master Plan. We think the first phase of the LRT line should include the Georgetown to

Butterworth line as this will definitely enhance connectivity and balance up the development between Penang Island and the mainland. We believe they can be linked the way Hong Kong and Kowloon are linked,"

Loo of PA International says, adding that public transport is crucial on the island to ensure the liveability of the city.

Loo says Penang mainland has always been perceived as an affordable alternative

to Penang Island. The current property development shift to the mainland is because there is a lack of land for landed housing on the island. "In the long term, however, the island and mainland are supposed to complement each other so that Penang as a whole will emerge as a developed and integrated state."

By his estimate, the transaction volume of landed houses in Penang has dropped by 20%, when comparing the January to September periods of 2015 and 2016.

Comparing those two periods, he also notes that the 2 and 2.5-storey semi-detached houses on the mainland are the only types of landed houses that saw higher sales in terms of volume albeit slightly (2%).

Meanwhile, Saw notes that the demand for terraced homes on Penang Island is now lower than the demand on the mainland.

"It happens as properties on the island become increasingly expensive. Nevertheless, despite the shift in focus to the mainland in the last few years, the landed housing market on the island remains firm as new supply is limited coupled with pull factors such as good job opportunities and the improvement in infrastructure on the island," he says.

**Housing affordability**

Housing affordability on Penang Island has been a concern for many years and the state government has increased the development plot ratio to encourage affordable housing projects. Land reclamation and redevelopment projects of high-rises may also help alleviate the issue.

"In recent years, Penang has seen a move towards reclamation of land. This new supply of land and better planned developments will translate into more efficient products and eco-friendly buildings. With higher density developments, developers can, through economy of scale, produce less expensive properties and more affordable housing," Saw says.

Meanwhile, Loo suggests that transforming the mainland into a vibrant city can encourage Penangites to choose the mainland as their home. This in turn could help soften the property prices on Penang Island.

**General outlook**

While short-term challenges remain for current investors until the property market stabilises and improves, Penang Island will continue to attract investors from near and far in the long term.

"It has that tropical island appeal, while offering world-class medical care combined with a relatively low cost of living and a whole host of gourmet choices, plus good education facilities for those with young families," says Saw.

For Loo, the property market of Penang Island is expected to be stable in the coming few years with the price correction process expected to bring a new equilibrium.



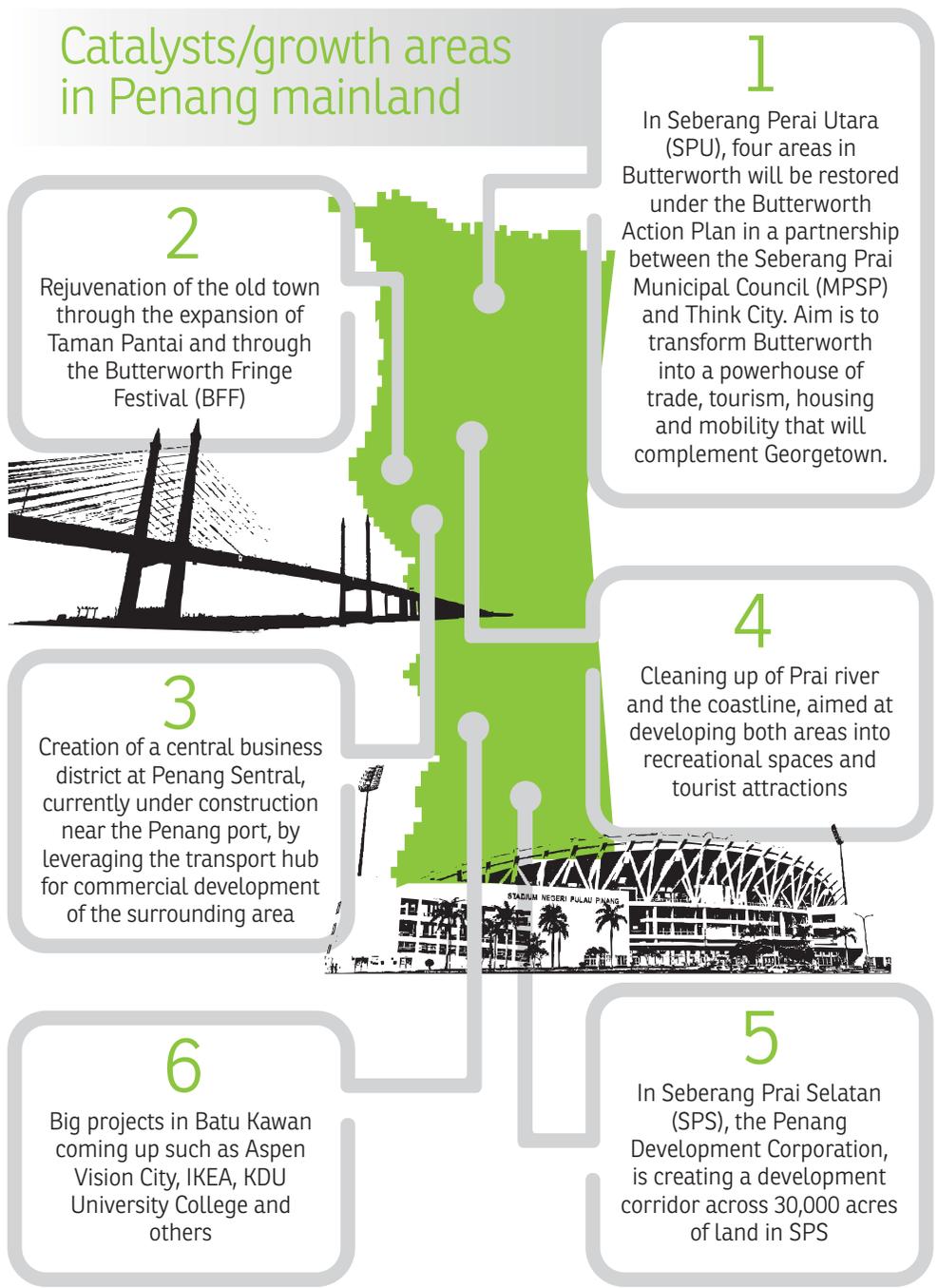
Saw: In recent years, Penang has seen a move towards reclamation of land.



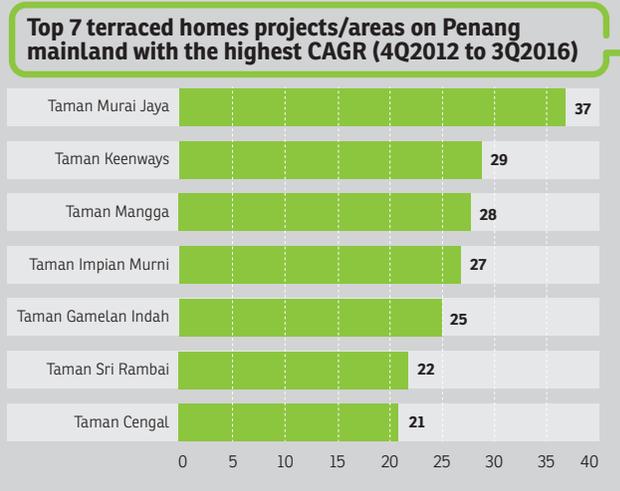
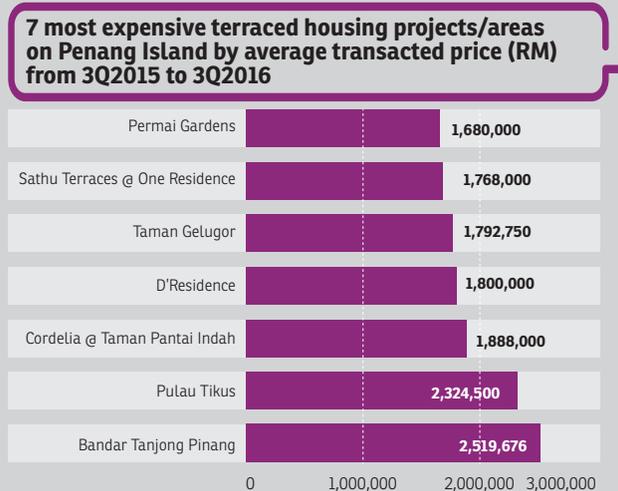
Loo: Property owners who are facing liquidity problems may be prepared to cash out at low prices.



Ooi: There may be no price reduction overall due to the rising cost in building materials and land for new property launches.



PA INTERNATIONAL



SOURCE: TheEdgeProperty.com



# Tech and networking critical to cross-border transactions

BY LUM KA KAY

Not only is technology important in helping real estate agents in terms of marketing, but it also plays a huge role in facilitating cross-border property transactions.

“Information technology has opened a new world of opportunities for increased cross-border transactions [although] at the same time, it poses a great threat to conventional market players who fail to keep up with the new world of technology,” Singapore’s Institute of Estate Agents (IEA) president Harry Yeo told TheEdgeProperty.com.

Yeo will be sharing more of his thoughts on the topic in a forum titled “Cross-border transactions forum” to be held at the upcoming 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).



KENNY YAP | TheEdgeProperty.com



Soma: Real estate practitioners should always look beyond their local property market.



Yeo hopes that Asean countries could provide clearer regulatory guidelines for cross-border property transactions.

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Joining him at the forum will be Harvest-Time Properties Sdn Bhd principal Sue Ding, Arborland & Co principal Datuk Seri Gavin Tee, National Association of Realtors president’s liaison to Malaysia Yin Bihr and Hartamas Real Estate Sdn Bhd group managing director Eric Lim while MIEA president Erick Kho will be the moderator of the session.

According to Yeo, besides speaking about what is hot in the regional real estate market, he will also touch on the latest challenges and opportunities that participants face in cross-border transactions that arise from the digital evolution.

Among the ongoing efforts to facilitate regional property transactions include continuing education training and market updates on cross-border transactions.

“In addition, international networking and cooperation of governments, real estate industry associations and other related professional institutions of various countries in the region would also facilitate regional property transactions,” said Yeo.

Moving forward, he hopes that countries in the Asean region could open up more and provide clearer regulatory guidelines for cross-border property transactions.

“This would provide a higher degree of certainty in property investments in their respective countries. By doing so, it would certainly strengthen cross-border transactions,” said Yeo.

Meanwhile, MAREC’17 will also see Asean Real Estate Network Alliance (Arena) head K Soma Sundram speaking on the topic “Making friends — connecting business the Asean model”.

He said networking is key in making cross-border transac-

tions work. “It is important to make friends with everyone. For instance, when a client wants to purchase a property in, say Vietnam, how would you know what’s hot there?”

“Things would be easier if you can just refer to a trustable Vietnamese counterpart, who knows the property market there,” he said. Soma is one of the three founding members of Arena, the other two being IEA immediate past president Jeffhery Foo and Philippines Association of Real Estate Boards past president Nelson Wee Arquiza.

According to Soma, real estate practitioners should always look beyond their local property market. “I always say to the agents, it’s time for us to go beyond the local borders, we should go outbound! Or at least start thinking about it already,” he offered.

On Arena, he hopes one day the alliance could be the official reference point for real estate practitioners in Southeast Asia.

“The membership of Arena is based on each participating country’s association membership. Meaning if you’re a member of your country’s real estate association, you’re part of Arena. Hence, we have a huge pool of talents and resources for us to tap into,” he said.

Arena currently consists of eight member countries: Malaysia, Cambodia, Indonesia, Myanmar, Singapore, Thailand, the Philippines and Vietnam.

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 change in this digital era. For more details on the convention, go to [miea.com.my/marec17](http://miea.com.my/marec17).

# The five toughest properties to sell

BY SHAWN NG

**S**elling a property can be made more difficult if the property suffers from certain conditions. Among these are the pretty obvious ones such as run-down properties that need lots of repairs or renovations done and properties along a congested main road.

However, there are other not so apparent factors which may hinder the property from being sold. Properties where a murder or suicide had occurred, or even the belief that a house is haunted, can scare buyers away. Such factors could also devalue a property while some sellers and

unethical estate agents may decide to hold back or keep silent about such facts from potential buyers.

However, according to the Malaysian Estate Agency Standards, an estate agent is not allowed to conceal any material facts about a property including the “non-tangible” factors mentioned above.

Malaysian Institute of Estate Agents (MIEA) national vice-president Lim Boon Ping tells TheEdgeProperty.com that Clause 5.2.7 of the Malaysian Estate Agency Standards says that “an estate agent shall not mislead prospective parties by concealing or withholding material facts related to the property”.

Such “problematic” properties

HARIS HASSAN | TheEdgeProperty.com



Lim: An estate agent shall not mislead prospective parties by concealing or withholding material facts related to the property.

may be tough to sell but according to a few experienced estate agents, one can still sell them



To Teo, difficult properties can be easy to sell if the price is right.

at the right price and strategy. Property Hub Sdn Bhd senior real estate negotiator Roy Teo

says one way is to emphasise the positive aspects of it. For instance, the property could be in a vibrant neighbourhood or near an upcoming development that would have a positive effect on the future capital appreciation and rentals in the area.

He feels it is important to be honest with buyers and inform them if the unit has any negative issues. People usually react strongly to negative information if they discover them late or on their own, he says.

“As a real estate agent or negotiator, you have to ensure that you have a reasonable seller who understands and acknowledges the problems on their property and are willing to fix them, or set the price accordingly,” he adds.

## 1. “Haunted” property



In Malaysia, a house that is believed to be haunted is one of the most difficult properties to sell. According to a real estate investor, the way Malaysians deal with haunted houses is totally different from westerners.

“What I have found is that some westerners may be willing to stay in a house believed to be haunted. On the contrary, Malaysians are more afraid of ghosts and such and we will try to avoid staying in so-called haunted houses.

The investor, who does not want to be named, however, had man-

aged to sell off three “haunted” terraced houses in East Malaysia which he had acquired over the past 16 years.

“The first house I bought was a single-storey terraced house, which had been left vacant for a long time. Rumour has it that the house was haunted, but I’m a Christian and am not afraid of ghosts, so I bought it at a cheap price,” he recalls.

He then rented the house out for a few years to some foreign workers before he found a buyer. “Rumours about a house being

haunted will not stop if the unit is left empty, so I cleaned up the unit and got people to stay in it to end the rumour, and it worked,” he says, adding that the foreign workers did not complain about any paranormal activities during their stay.

He did the same thing with the other two houses and they turned out to be good investments for him.

“The three houses were all sold after a few years. It was a great deal for me because I had bought them at 30% to 35% below their market price,” he concludes.

## 2. “Suicide” property



MIEA past president and Heritage Shield Real Estate Sdn Bhd CEO K Soma Sundram had one unforgettable experience, which was about 20 years ago when he was appointed to sell a terraced house in Kepong where a suicide had happened.

The owner failed to tell him about the history of the house but he found out that the second wife

of the owner, a Thai woman, had committed suicide in the house.

“This put me in a great dilemma. I hesitated on whether to tell the prospective buyer, but I decided to be honest in the end because for me, a real estate agent’s business is not just about making money, it is a profession,” he says.

“If the information is critical enough to affect the decision of the

buyer, you have the responsibility to share it with them,” he adds.

As such, he told the story to the clients who came to see the house, and it was sincerely appreciated by them.

After three months, Soma sold the house to an Indian couple who was undeterred by the history of the house, and who offered a good price for it.

## 3. “Smelly” property



Property Hub’s Teo once sold a terraced house which was about 100m away from an aerated oxidation pond.

The house had been on the market for more than six months when he took over. The problem was the nasty smell coming from the pond.

“You will only notice [the smell]

if you are standing outside the house, but the house just could not sell,” he recalls.

Nevertheless, he was able to secure a buyer after two months once he began to market the house by emphasising its positive aspects, including the attractive price.

“The owner had already reduced the asking price several times, making it very attractive,” he adds.

To Teo, difficult properties can be easy to sell if the price is right because there are always bargain hunters who are willing to pick up these properties.

## Tips on how to sell “hard-to-sell” properties

- Be honest with the buyers
- Understand the buyers’ needs
- Reduce asking price
- Highlight the positive aspects
- Discuss with the owner to fix the problem



## 4. Ground-floor units of high-rise residences



Ground-floor units in a strata property are usually not favoured by buyers due to several reasons, including concerns over safety, noise, privacy and the limited views.

However, the units can easily be sold when targeted at the right person.

Teo once sold a ground-floor condominium unit in Mont’ Kiara, Kuala Lumpur. The view from the living hall and bedroom was towards the walkway outside while

the entrance was just next to the lift lobby.

The unit was also slightly darker than others and had less privacy than the upper units.

“After being on the market for many months, and with the asking price reduced, I finally sold it to a buyer who had a phobia about not being able to use the lift in the event of an electricity disruption, lift breakdown or fire,” he says, adding that the unit on the ground level was a perfect match for the buyer.

## 5. Properties close to a construction site



Noise, dust, bad roads and possible heavy traffic caused by the construction of a project will often drive buyers away.

For example, when the massive construction works on Damansara City’s mixed development in Damansara Heights, Kuala Lumpur began around 2013, it was very challenging to sell the units at Twins @ Damansara Heights, which sits right next to the development, offers Teo.

Twins @ Damansara Heights units were affected because half of the units were facing the noise and dust from the construction site. Besides, the heavy construc-

tion machineries and trucks were using the same access road just next to the entrance to the luxury condominium, he says.

Nevertheless, Teo still managed to sell a number of units there by highlighting the positive prospects of the project and the location while stressing that the construction is just a temporary problem.

“I told buyers that this is a good opportunity to pick up a unit at a discounted price due to the problems. Now the buyers who bought at that time are able to enjoy good capital appreciation and rental yield as Damansara City has been completed,” he says.





# Is Malaysia ready for reverse mortgage?

BY LUM KA KAY

**W**orry-free retirement is something many people look forward to. However, with the rising cost of living, is it possible for a senior citizen to be entirely financially independent during his or her twilight years?

In some developed countries such as the US, UK and Canada, reverse mortgage has been introduced to help provide a source of income for retirees. Basically, it is a type of home loan which allows retirees to access the home equity on a monthly basis until they sell or move out of the home or pass away.

In Malaysia, the current minimum retirement age for both the private and public sectors is 60. According to the Department of Statistics Malaysia, by 2020, the proportion of Malaysians aged 65 and older is projected to be 7.2%. The country's population is expected to be at 41.5 million by 2040 where 14.5% of the total population will be 65 years and above.

## Funding your retirement via reverse mortgage

Not too long ago, property management, valuation and estate agency surveying vice-president of the Royal Institution of Sur-

vivors Malaysia Choy Yue Kwong had suggested that it may be a better idea to help unlock the value of properties owned by senior citizens than to provide them with a senior citizen socio-economic assistance of RM300 a month as announced in Budget 2017.

"The subsidy is hardly enough for them to have a worry-free retirement. They can have a better quality of life if the government introduces reverse mortgages," he had said during a panel discussion at a property forum organised by Rahim & Co International on Nov 1, 2016. Choy is also Rahim & Co (Selangor) managing director.

But how does reverse mortgage work and is Malaysia ready for it? While that is debatable, there is no doubt that it could be something that Malaysia can explore and study for its viability to help improve the quality of lives of senior citizens upon retirement.

## An innovative product

Professor of economics at Sunway University Business School and director of economic studies programme at Jeffrey Cheah Institute on Southeast Asia Professor Yeah Kim Leng says reverse mortgage is an innovative solution that allows homeowners to receive some cash while continuing to reside in the property till the end of their lives.

"It is one way to help exist-

ing homeowners cope with living costs, repay debts, pay for aged care and other expenses. However, it should be carefully regulated given its complexity, inter-generational issues and risks over the mortgage period. [Most] importantly, mortgagees will have to fully understand the contractual obligations, costs and benefits while bankers will need to fully disclose the fine print," he stresses.

According to Yeah, there will certainly be demand for reverse mortgage but the question is "how big and how profitable" would it be for financial institutions to introduce the scheme, taking cognisance of the transaction costs involved, including legal and regulatory hurdles?

## Laws and regulatory complexity

A senior researcher at the Malaysian Institute of Economic Research Dr Zulkipli Omar concurs, saying that there is a lot of uncertainties pertaining to the laws and regulations when it comes to reverse mortgages.

"In developed countries, the main objective of a reverse mortgage is to support retirees by converting their home equity into cash. If we are looking at the same concept, the relevant laws and regulations must be in place to protect retirees.

"Family members must be fully

TheEdgeProperty.com | GRAPHICS: HENRY LEE

## Definition of REVERSE MORTGAGE:

A financial agreement in which a homeowner can borrow against his or her housing equity and receive monthly payments, while still living in the home until he or she dies or moves out. No repayment of the mortgage is required as the home serves as collateral.



## Advantages of reverse mortgage

- Lump sum cash or income to support retirement living
- A place to reside until death
- Retirement living independence

## Risks and disadvantages of reverse mortgage

- The children of the mortgagee may abuse the policy to benefit from their parents' home equity
- No inheritance for homeowners' children
- Heirs or family members will need to pay off the loan when homeowner dies
- Complex regulatory system needs to be in place in order to protect retirees
- Hidden interest fees/costs



## Monetising housing schemes for elderly Singaporean citizens

SOURCE: WWW.HDB.GOV.SG

### Lease Buyback Scheme

- Owners aged 64 and older with gross monthly income of S\$12,000 or less
- Flat type: 4-room or smaller
- Minimum occupation period: 5 years
- Minimum lease: At least 20 years of lease to sell to HDB

### Subletting flat/bedroom

- Minimum occupation period of 5 years
- Obtain HDB's written approval before subletting
- Continue to live in the flat during subletting period (for flat owners subletting rooms)
- Not applicable for Singapore permanent resident flat owners

### Silver Housing Bonus

- Owners aged 55 or above with gross monthly income of S\$12,000 or less
- HDB flat must meet minimum occupation period for resale/private property of annual value of S\$13,000 or less and no concurrent ownership of second property
- Property that owner can buy: smaller HDB flat (up to 3-room) and purchase price does not exceed selling price of existing property



## Reverse mortgages in US, CANADA, UK

Scheme	Federal Housing Administration's (FHA) Home Equity Conversion Mortgage (HECM)	Canadian Home Income Plan (CHIP)	Equity release – Lifetime mortgages or home reversion schemes
Eligibility	Homeowners aged 62 and older	Homeowners aged 55 and above	Homeowners aged 55 and above (55 for lifetime mortgages and 60 on home reversion schemes)
Maximum amount of property value that can be unlocked (depends on homeowner's age)	US\$625,000 (RM2,775,000)	55%	50%
Acceptable property types	<ul style="list-style-type: none"> <li>• All property types must meet all FHA property standards and flood requirements</li> <li>• Single family homes (detached homes)</li> <li>• Housing and Urban Development Department (HUD) approved condo projects</li> <li>• Manufactured homes that meet FHA requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Houses</li> <li>• Bungalows</li> <li>• Flats (private block of 7 storeys and fewer)</li> <li>• Maisonettes (leasehold)</li> </ul>	N/A
Payment method	<ul style="list-style-type: none"> <li>• Lump-sum payment</li> <li>• Monthly payments (over a specific time OR as long as homeowners live in the homes)</li> <li>• Unscheduled payments until line of credit is exhausted</li> <li>• A combination of both</li> </ul>	<ul style="list-style-type: none"> <li>• Lump-sum payment</li> <li>• Planned advances (like a regular income)</li> <li>• A combination of both</li> </ul>	<ul style="list-style-type: none"> <li>• Lump-sum payment</li> <li>• Regular income</li> </ul>

SOURCE: WWW.PORTAL.HUD.GOV, WWW.AGEUK.ORG.UK, WWW.CHIP.CA



HARIS HASSAN | TheEdgeProperty.com



Yeah: Reverse mortgage allows homeowners to receive cash while continuing to reside in the property till the end of their lives.

aware and understand the idea [behind reverse mortgage]. The retiree's children must be obligated to the mortgage or else they will have to forgo the inheritance of the property. On the other hand, reverse mortgage may also be subject to abuse by children who seek to benefit from their parents' home equity," he points out.

As the concept of reverse mortgage is new to Malaysians, its introduction has to be well thought out especially in terms of regulations.

### Not your regular home mortgage

Zulkiply adds that another salient feature of reverse mortgage is that the mortgagees are required to reside in the mortgaged property and the property must be well maintained.

"It may also come with hidden charges [such as unspecified processing fees]. Reverse mortgage is unlike a regular mortgage between a financial institution and a homeowner. It seems more of a mortgage between a financial institution and the family of the mortgagee/retiree. Therefore, it must be well planned," he adds.

When asked about the feasibility of reverse mortgage in Malaysia, Yeah says as the demand and the economics of such products improve with the ageing population, rising home ownership and property prices, it is no longer a question of "should" but "when".

"In terms of timing, I think it will be sooner rather than later as we inch nearer to becoming a high-income nation over the next several years," he says.

### Settle housing affordability issue first

Meanwhile, Zulkiply thinks now is not a good time to implement reverse mortgage unless "we get our property market in order".

"The issue of housing affordability among the lower- to middle-income groups needs to be resolved [first]. For now, [reverse mortgage] might be feasible only under a well-regulated environment for a very limited target group.

"Reverse mortgage shouldn't



Zulkiply thinks now is not a good time to implement reverse mortgage unless 'we get our property market in order'.

be a vehicle to stimulate the property and financial markets. A thorough study needs to be done to address potential ramifications especially on the property market besides studying its effectiveness on the elderly's retirement plans," he notes.

### No more bequest of parents' home

Zulkiply also cautions that policymakers will need to look at the social aspect and not just the economic aspect if they decide to draft a plan for reverse mortgage in Malaysia.

He explains that if the purpose of reverse mortgage is heavily skewed towards uplifting the country's economic situation or to stimulate the property market, it may cause house price inflation as financial institutions begin to set their price expectation higher, further causing house prices to escalate.

"Meanwhile, the current generation has to bear the higher house prices besides having narrowed hopes for a bequest from their parents," says Zulkiply.

### Singapore case study

In 1997, Malaysia's southern neighbour, Singapore, saw the introduction of a reverse mortgage scheme by insurance firm NTUC Income but it didn't quite take off due to the lack of demand.

However, the Housing and Development Board (HDB) of Singapore then introduced another similar concept — a lease buy-back scheme (LBS) in 2009 which enables elders to monetise their home equity.

Under LBS, a senior citizen sells a portion of his or her flat's lease to HDB where the proceeds will then be used to top up their Central Provident Fund Retirement Account. Other options for elders to monetise their homes include subletting their flats or rooms as well as the Silver Housing Bonus where elders will receive a bonus of up to S\$20,000 (RM62,593) cash per household when they sell their current flat and buy a smaller one.

# Gaining real estate advantage

BY DATUK JOEY YAP



imperfections and take counter measures to negate unwanted effects.

### Waters of wealth

Yang energies in an environment is constantly changing, one should know that there is no such thing as perfect feng shui. Therefore, in order to maintain good feng shui, you also need to maintain your own balanced and positive energy and thoughts.

In conventional real estate, the evergreen mantra is "location, location, location". Truth be told, you can change the interiors and look of a home, but can you change its environment? The answer is no. The exterior cannot be changed easily either as there may be limitations or restrictions to the changes you may want to make, but what you can do is use your property feng shui knowledge to identify the property's

Another important aspect when it comes to a property's feng shui is its water features. Water is considered auspicious as its harmonious meander is believed to mirror the invisible Qi currents that swirl around the earth. Bear in mind that the Qi collected in water can either bring an abundance of wealth, or cause all the wealth of the family to drain away.

Since water is an unpredictable force, it should be understood and treated with respect. To ensure that the water remains pure, it must be constantly flowing and circulated. Moving, changing, flowing — that is what life is all about. All this knowledge will indeed be of help when you are in the market looking for a property or trying to convince someone else to make a purchase.

The rule is simple. Acquire good feng shui properties, identify their strengths and weaknesses, remedy the poor feng shui and improve existing real estate values.

*If you have any feng shui-related questions for Yap, please go to the Tips section of TheEdgeProperty.com.*

*Datuk Joey Yap is the world's leading Chinese Metaphysics consultant and bestselling author of more than 160 books which have sold over four million copies worldwide. He is chief consultant of the Joey Yap Consulting Group and founder of Mastery Academy of Chinese Metaphysics. His nearly two decades of professional consultancy includes working with Microsoft, Sime Darby, UEM, Prudential and Citibank. He has students in more than 30 countries.*

### The feng shui solution

As more property buyers and sellers discover feng shui, it is beneficial for realtors to learn what it is and how it is used. Not only can feng shui techniques help realtors provide feng shui solutions over any arising property concerns, you may enjoy quicker closings, receive more referrals, increase income and, most importantly, gain an edge over your competitors too.

Realtors could also benefit when they learn and understand about the powerful connection between real estate purchasing, selling and developing with the philosophy of feng shui.

They should embrace the fact that our living environments can provide a powerful potential that can manifest a greater balance in our lives. This will then strengthen their fundamental acumen of a property's feng shui and its Qi, or energy, surrounding that particular property. The knowledge will not only help them understand how to garner and sustain the energy of the entire property, it will subsequently help them identify the property's strengths and weaknesses, thus leading them to its potential and solutions.

### Achieving balance

While the nature of the Yin and





# Tricks to create an illusion of a spacious home

BY TAN AI LENG

**S**MALL homes and even tiny homes have been in trend for those seeking back-to-basics, practical living spaces. Young couples or singles also choose such homes because of their limited budget. However, living in small spaces does not mean having to live in cramped and messy conditions.

With certain tools or design tricks, you could easily create an illusion of space.

Interior design company Linear Design managing director Cheng W Loong says as the size of residential units get smaller, many homeowners are seeking smart ways to utilise space and to choose functional furniture that gives a space more room or at least the spacious look and feel.

Cheng observes that as the population increases over time, and land and construction costs escalate, home sizes are getting smaller. Hence, the interior planning, layout and design of a property have become important elements for homebuyers.

"Whether spaces become smaller these days or not, nobody would want a home that looks small and cluttered. The fact is, more space, or the illusion of a bigger space, is always at the top of a homeowner's list," he tells TheEdgeProperty.com.

Because of this, interior design has given substantial attention to space planning and concepts.

Here are some tips and tricks you can use to create "more room".



## Using mirrors

With the right placement and dimensions, mirrors can have a profound effect in creating space. We are not talking about hanging a few framed mirrors on some walls but placing them strategically. For instance, a full length mirror running horizontally across a living room pretty much "doubles-up" that very space itself. One could also place mirrors on the ceiling above a living room or dining area. This will definitely give you much more spatial depth and the impression of a double-void ceiling.

SUNWAY PROPERTY



Cheng: The desire for a bigger home space is always on the top of anybody's list.



## Using light-toned colours

Using a light base colour throughout the floor and walls and ensuring corresponding furniture pieces are within the same group of shades will make a space look much bigger than it is. A suggestion is to paint the walls and ceiling white and have the floor tiles in an off-white tone. With this base palette, the dining chairs can be kept in white while the sofa set can be of a light cream finish. With just some furniture, wall panels, rugs and decorative items as accent pieces, the design looks complete without being too monotone.

## Drawing focus to specific accents

If your dining room or some corner of your home happens to have a high ceiling space, you can use some simple decoration to extend the view from horizontal to vertical. One way is to place framed pictures/art to fill the empty space of a wall leading to the ceiling. Besides this, homeowners could also hang some elaborate ceiling lights above the dining table with a long vertical mirror panel magnifying them.

The objective of all these is to give the impression that there is much going on, creating an illusion of space expansion.



## Symmetry

Ultimately, to create space, symmetrical lines and approaches should be applied. If we place furniture and other items into sensible clear lines, a spatial depth will immediately appear. It must also be noted that the furniture selected should be rectangular to minimise any deviation from the objective of achieving symmetry.



## Smart furniture design

There are times when we need to create extra space for storage. Clever interior design can make this happen. For instance, one can consider building an open wardrobe or display shelf beside an elevated bed.