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

**EdgeProp.my**

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

**EDITORIAL**

**Executive Editor** Sharon Kam  
**Editor** Lam Jian Wyn

**Deputy Chief Copy Editor**

James Chong

**Copy Editor**

Geraldine Tan

**Senior Writers** Rachel Chew,  
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**Writers** Natalie Khoo,  
Shawn Ng, Lum Ka Kay

**Art Director** Sharon Khoh

**Design Team**

Jun Kit, Rajita Sivan

For New Launches/Events/  
Press Releases/News Tips  
**email:** [editor@edgeprop.my](mailto:editor@edgeprop.my)  
**Tel:** 03-7721 8211 **Fax:** 03-7721 8280

**ADVERTISING & MARKETING**

**Associate Account Director,**

**Advertising & Marketing**

Heidee Ahmad (019) 388 1880

**Senior Account Manager**

Ian Leong (012) 359 1668

**Account Managers**

Khairul Amilin Ismail (019) 426 5101  
Joane Tan (012) 377 2885  
Joyceline Tan (012) 693 5826

**Marketing Support & Ad Traffic**

Madeline Tan (03) 7721 8218

**email:** [marketing@edgeprop.my](mailto:marketing@edgeprop.my)

**NEGOTIATOR & CUSTOMER**

**ADVISORY SERVICE**

**Senior Manager** Elizabeth Lay

**Senior Associate** Stannly Tan

For enquiries and listings  
**email:** [support@edgeprop.my](mailto:support@edgeprop.my)  
**GL:** (03) 7721 8175 / 8172

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**The Edge Malaysia**

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**Country Garden partners Perdana ParkCity for Taman Wahyu project**

Hong Kong Stock Exchange-listed property developer Country Garden is collaborating with Perdana ParkCity Sdn Bhd — the developer of Desa ParkCity in Kuala Lumpur — to establish a hotel, offices, parking, shopping mall, connectivity and apartments (HOPSCA) community in Kuala Lumpur's Taman Wahyu.

HOPSCA is a buzzword used by Chinese real estate developers, referring to large-scale mixed-use commercial urban developments.

In a statement on Monday, Country Garden said with this joint venture, the development is planned to establish the HOPSCA community, a new urban concept widely adopted in the rapidly growing real estate industry in China.

Country Garden said HOPSCA allows for the organic integration with the city by having an efficient transportation system in place.

**AEON opens first mall in East Malaysia**

AEON Co (M) Bhd is expanding to East Malaysia with its first AEON mall in Kuching, Sarawak.

AEON Mall Kuching Central, which will be open to the public today (April 20), is located within 25 minutes from Kuching.

In a statement, the company said the new mall has over 1.6 million sq ft of gross built-up area, housing more than 130 retail lots spread across three floors.

**Residential property overhang rises in 2017**

The overhang in residential property has grown by 67.2% to 24,738 units while value grew even higher at 82.8% to RM15.64 billion in 2017, according to the Malaysian Property Market Report 2017 released by the Valuation and Property Services Department (JPPH) on Tuesday.

"These overhang numbers, which only accounted for those in the residential sector — excluding serviced residences, Small-office Home-office units, etc — were the highest to be ever recorded," said the report.

Overhang units are those that had received the Certificate of Completion and Compliance but

remained unsold for more than nine months.

The launch of the report was officiated by Deputy Finance Minister II Datuk Lee Chee Leong and JPPH director-general Nordin Daharom.

Johor again led with the highest number of overhang units, occupying a 17.7% share, followed by Penang (15.8%) and Kedah (15.3%).

JPPH has also launched the Unsold Property Enquiry System Malaysia, which will enable local authorities and homebuyers across Malaysia to access details and interactive information on unsold homes.



"We are excited to finally cement our presence in East Malaysia. Our latest store in Kuching will bring forth a completely new shopping experience not only for the Kuching community, but also for our East Malaysian friends in general," its managing director Shinobu Washizawa said.

**June 13 hearing of TTDI vs DBKL**

A substantive hearing has been fixed on June 13 for the judicial review of the proposed development at Taman Rimba Kiara (TRK).

According to Save TRK lead strat-

egist and coordinator Leon Koay, the Kuala Lumpur High Court has also advised that High Court judge Datuk Wira Kamaludin Md Said will not be handling the hearing on June 13, as he has been promoted to the Court of Appeal.

"A new or different judge will be assigned to handle the hearing," he told EdgeProp.my.

The ongoing judicial review had its case management on April 18.

**Sungei Wang Plaza to sport new look**

CapitaLand Malaysia Mall Trust's (CMMT) 62%-owned Sungei Wang Plaza, which is undergoing an asset enhancement initiative, is set to transform its current facade to "glistening gold" by mid-2019.



Besides the gold cladding, the main facade will also feature a 3D-patterned screen that will orchestrate a play on lights both day and night, said Sungei Wang Plaza complex manager Yuen May Chee at a media briefing last Friday.

CMMT will also be rebranding the mall's 5-storey annex block as "JUMPA" to create a brand-new modern retail space with unique offerings including a family entertainment park, large format specialty retail stores, edgy fashion brands, F&B, beauty products and supermarket.

**LAUNCHES + EVENTS**

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**Closing the Gap – Art Fair & Charity Sales**

**Date:** April 20 and 21 (Fri and Sat)

**Time:** 9.30am to 6pm

**Venue:** UtroSPACE @ Utropolis Marketplace, Level UG, Utropolis Marketplace, Jalan Kontraktor U1/14, Seksyen U1, Shah Alam, Selangor

**Contact:** (03) 5021 7847

In conjunction with the Autism Awareness month, Paramount Property and the National Autism Society of Malaysia are jointly organising an art fair and charity sales event to create autism awareness among the public. The event is also part of Paramount's Happy Healthy You campaign, an initiative aimed to create community-oriented, family-friendly engagement platforms to build healthy communities.

**Kundang Industrial Park launch**

**Date:** April 21 (Sat)

**Time:** 12pm to 4pm

**Venue:** 37, Jalan KPK 1/8, Kawasan Perindustrian Kundang, Rawang, Selangor

**Contact:** (012) 987 9117

SMD Group invites all to the



official launch of Kundang Industrial Park. There will be a buffet lunch and a talk by the SMD Group CEO Datuk Jeffery Tan on the investment potential of properties in Kundang.

**Tropicana Metropark Pets Carnival**

**Date:** April 21 and 22

(Sat and Sun)

**Time:** 10am to 6pm

**Venue:** Central Park @ Tropicana Metropark, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, Subang Jaya, Selangor

**Contact:** (012) 388 4838

Join Tropicana Corp Bhd for a fun-filled weekend with some furry friends! A variety of pet- and family-friendly activities such as pony rides, petting zoo, flea market and food trucks await.

**EcoWorld Open Day @ Eco Majestic**

**Date:** April 21 and 22

(Sat and Sun)

**Time:** 10.30am, 12pm, 4pm

**Venue:** EcoWorld Gallery @ Eco Majestic, 1, Lingkaran Eco Majestic, Eco Majestic, Semenyih, Selangor

**Contact:** (012) 336 1375



Eco World Development Group Bhd invites you to its open day at Eco Majestic. Enjoy a comprehensive guided tour around the development including the Merrydale precinct and the 3.7-acre Imperial Garden. RSVP is required.

**Karnival Gempak Ria**

**Date:** Apr 21 and 22 (Sat and Sun)

**Time:** 11am to 4pm

**Venue:** Lakefront Sales Gallery, Persiaran Semarak Api, Cyberjaya, Selangor

**Contact:** (011) 722 6000

MCT Bhd will be organising a fun-filled carnival in conjunction with the special preview of its Lakefront Homes in Cyberjaya. There will be exciting activities including lucky draws and special appearances by artists Haqiem Rusli and Forteen. Limited seats are available. Call to RSVP.

**High tea at Inspirasi Mont'Kiara**

**Date:** April 21 and 22

(Sat and Sun)

**Time:** 10am to 5pm

**Venue:** Saville Residence @ Old Klang Road, 128, Jalan Klang Lama, Kuala Lumpur

**Contact:** (017) 379 1616 /

(017) 636 1315

MKH Bhd invites all to a high tea in conjunction with the launch of its latest condominium project known as Inspirasi Mont'Kiara located in Mont'Kiara, Kuala Lumpur. Guests can enjoy a canapé-style buffet complete with premium coffee tasting by Master Barista Stephen Yong.



# Panasonic



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IN ISKANDAR PUTERI



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Communa provides technology-enabled solutions for unashamedly better managed communities focused on enriching lifestyles.

With Communa, we are changing the essence of how properties are managed. If you aspire to be part of a world-class company focused on creating successful and sustainable communities, a company with technology driven solutions and want to be part of a team built on openness and transparency, then we encourage you to join Communa.

We are looking for the best.

- |                              |  |
|------------------------------|--|
| <b>Community Management</b>  | Community/Building Manager   Community/Building Executives   Community/Building Coordinators |
| <b>Technical Roles</b>       | Chargemen   Civil Technicians   M&E Technicians  |
| <b>Service &amp; Support</b> | Concierge & Receptionists   Finance Manager   IT Executive                                   |

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A member of UEM Group



# COMMUNA — BUILDING COMMUNITIES AND REAL ESTATE VALUES



**H**ave you ever realised that the role of a property manager goes beyond maintaining your building's landscape and condition?

"The real role of a professional property manager is to work with property owners to build long-term asset value. Property managers play a critical role in the real estate equation — not engaged in simply delivering services at the lowest cost, but also focused on building successful, sustainable communities.

"Property managers influence rental yields, enhance the quality of life, and build community for both developers and buyers of the community," said Alastair McCracken, Head of Real Estate Services of UEM Edgenta Bhd (UEM Edgenta) and Director of Edgenta TMS Sdn Bhd (Edgenta TMS) Property management firm.

Edgenta TMS is a joint-venture company of Medini Iskandar Malaysia Sdn Bhd, UEM Sunrise Bhd (UEM Sunrise) and UEM Edgenta, the latter two being subsidiaries of UEM Group Bhd. It was formed to harness UEM Sunrise's experience in creating great communities, along with UEM Edgenta's established track record in asset and property management to deliver a new world-class service to UEM Sunrise's townships and other property development projects in the Iskandar Puteri region.

And, to serve the Iskandar residential market, Edgenta TMS has recently launched their new property management brand "Communa" and its own one-stop online smart service for township, community and condominium management. The Communa portal and mobile app connect users to a wide range of services and management tools for investors, residents and joint management bodies (JMBs). With Communa, one's home, the community and all of the facilities are managed to meet the objectives of enhancing lifestyle, delivering quality services and creating long-term value of the property.

Rolled out at the recent Iskarnival event, seven strata residential properties in Iskandar Puteri are currently managed under the Communa brand — Imperia, Teega, Bayu Ang-

kasa, East Ledang, Marina View, Residensi Ledang and Sky View. Another five properties are joining the portfolio in the next three months to add to the 20-plus commercial properties also managed by Edgenta.

## GOOD MANAGEMENT MAKES ALL THE DIFFERENCE

"The property management industry in Malaysia has been focused by their Committees on delivering the lowest cost outcome to property owners. In a competitive market, it is not good enough to just keep the air-conditioners running, the pool pump going and the lobby clean.

"The role of a property manager is to take responsibility for the brand of that community and to position it as better than competing communities through the strength of the management.



**McCracken:** Your role as a property manager is to take responsibility for the brand of that community and to position that community as a better one than the neighbouring community.

"We feel that the biggest differentiator in value between properties is not the building itself nor the location or developer reputation but rather how it is managed. Management can and will drive the value of the property faster than the conventional real estate value drivers," said McCracken.

According to surveys by Edgenta TMS, a well-managed condominium with a welcoming environment, good security, and excellent facility and services can fetch up to 20% higher in rental returns than a poorly managed community.

"The elements of a successful community are a great quality of life, ease of service, a sense of community, good maintenance at a reasonable price and, most importantly, property value growth.

"If you have all of these elements, then you have a well-branded community that will deliver long-term property value growth, investment strength and great liveability. That's what we are all looking for," explained McCracken. "Importantly — good management need not be more expensive, as application of new technologies now bring administrative and operational costs down."

## A MORE COST-EFFICIENT AND RESPONSIVE SOLUTION

These new technologies support property managers to deliver a greater range of services and improved communication to clients at reduced costs. The portal and mobile app help users connect to their building concierge or security services, have conversations with their manager, pay their service fees, book community facilities or even view the financial accounts of the building.

The increasing proportion of non-resident investor owners in Iskandar has led to a significant change in the way property managers communicate with owners. And the role of the conventional on-site management office is changing. Every important function can now be completed online by owners anywhere in the world, at any time.

While walk-in centres are maintained for

residents who prefer face-to-face interactions, the online platform provides a more efficient way to deal with issues in the building and communicate with the management team.

With less demand for costly on-site staff, Communa has mobilised specialised building maintenance teams who are deployed as and when needed.

"The teams are able to do the necessary to maintain the building asset, respond quickly to the call of service more economically than having dedicated tradesmen in every building," said McCracken.

## DEVELOPERS BUILD BUILDINGS — PEOPLE BUILD COMMUNITIES

While many developers in Malaysia have track records as builders as well as managers of their buildings, this also is changing, said McCracken. "Developers have typically sought to protect their brand from reputational damage that may flow from poor management decisions after they hand over to a JMB." The professional property management industry has now matured, and developers are increasingly confident to appoint professional community managers, safe in the knowledge that they will assist the process of supporting successful, sustainable communities.

"We call it community management because you are really dealing with the community. You are looking at the brand of the community and build the real estate value of the community.

"Property management and maintenance management are just a couple of the functions that you need to do when effectively managing a community," said McCracken.

Communa is developed to do just that.

FOR MORE INFORMATION  
ON COMMUNA, PLEASE CALL  
**+607 533 0000**  
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**WWW.COMMUNA.MY**



# Sales of new residential launches improve in Johor

BY SHAWN NG

**PETALING JAYA:** The residential property sector in Johor has seen improved sales performance with 44.2% of the 7,926 new units launched in 2017 sold, according to the Malaysian Property Market Report 2017 released by the Valuation and Property Services Department (JPPH) on Tuesday (April 17).

The number of new launches last year was 15.6% lower than the 9,393 units registered in 2016 when only 29.8% of the units were sold.

Most of the new units in 2017 were 2-storey terraced houses priced between RM500,000 and RM1 million, which accounted for 4,883 units or 61.6% of the total.

Meanwhile, completions of residential units in Johor were down by 26.3% y-o-y to 9,449 units last year, while starts and new planned supply decreased by 22.7% and 10.4% to 12,264 units and 11,150 units, respectively.

As at end-2017, there were 788,584 existing residential units with another 80,354 units in incoming supply and 90,353 units in planned supply.

Despite the decrease in new supply, the residential overhang in Johor grew in 2017 with 4,376 units worth RM2.86 billion, an increase of 19.2% in volume and 11.4% in value against the 3,671 overhang units worth RM2.57 billion in 2016.

"A majority of the overhang units in 2017 were in Johor Bahru district — predominantly condominium units in the RM500,000 to RM1 million price range," JPPH's report stated.

Nevertheless, the number of unsold units under construction and not constructed residential property had reduced slightly to 11,289 units (2016: 11,774 units) and 853



A view of Johor Bahru taken a year ago.

units (2016: 896 units), respectively.

Overall, the residential sub-sector in Johor recorded 24,886 transactions worth RM8.64 billion compared with the 26,186 transactions worth RM8.58 billion in 2016, indicating a decline of 5% in volume but a marginal increase of 0.8% in value.

Meanwhile, in the commercial segment, shopping complexes in Johor saw an uptick in occupancy while the office sub-sector remained stable. The occupancy rate for the shopping complexes improved slightly from 73% in 2016 to 79.9% in 2017. Last year also saw the completion of five malls, namely SKS City Mall in Bandar Penawar; AEON Mall in Bandar Dato' Onn, Johor Bahru; TESCO

Parit Raja in Batu Pahat; IKEA in Taman Desa Tebrau; and Paradigm Mall in Johor Bahru — all offering a combined space of 184,365 sq m. The annual take-up of retail space grew to 261,948 sq m with the additional occupancy from the new completions. Generally, rentals of retail space remained stable for most shopping complexes, said the report.

In the purpose-built office segment, the average occupancy rate was stable at 80.5%, a minimal decrease from 80.7% the previous year.

The annual take-up was positive at 40,561 sq m, as the new completions — namely Bank Simpanan Nasional Building in Johor Bahru and Citrine @ The Lake View in Medini

Nusajaya — secured good occupancy levels.

Overall, the Johor property market continued to soften in 2017 as total transactions recorded a drop of 3.1% in volume and 4.3% in value to 38,839 transactions worth RM18.61 billion. However, the decline in transaction volume and value have shrunk from double digits in 2015 and 2016 to a single digit last year.

Notable developments and catalytic projects such as the Coastal Highway Southern Link, Pengerang Integrated Petroleum Complex and golf course in Desaru Coast are expected to help support the growth in residential and commercial sub-sectors in Johor.

# Malaysian House Price Index continues to climb

BY TAN AI LENG

**KAJANG:** The Malaysian House Price Index continues to climb as it grew 6.5% to 187.4 points in 2017 from 176.1 points in 2016, mainly driven by the Terraced House Price Index (THPI).

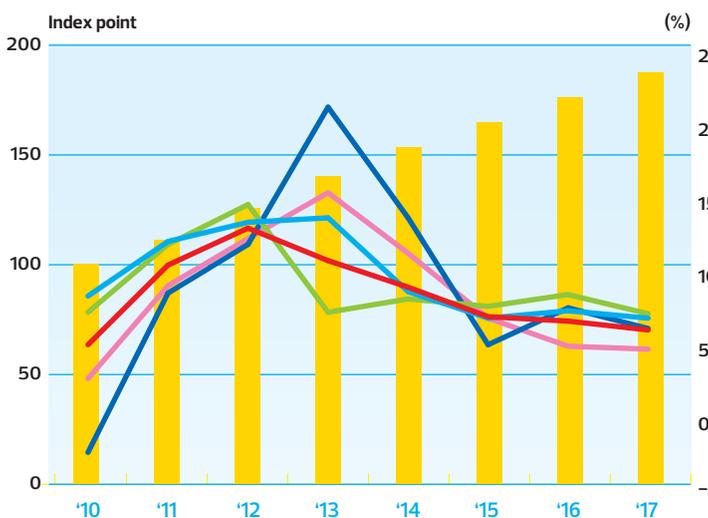
According to the Malaysian Property Market Report 2017 published by the Valuation and Property Services Department, the THPI saw an annual increase of 8.6% last year, the highest among the four residential property types. The other three property types are high-rise homes, detached houses and semi-detached houses. Their price indices were up 5.3%, 4.3% and 4.4% respectively.

Notably, the THPI growth rate has slowed since 2015, when it rose only 6.9% and then slightly increased by 7.4% in 2016. The index had recorded double-digit growth in 2011, 2012 and 2014. The rise in the THPI indicates the popularity of landed homes among buyers.

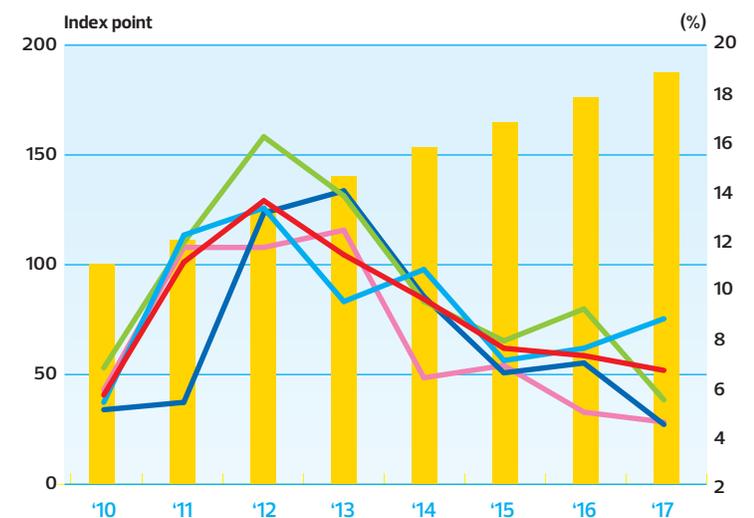
Of all the states, Selangor took the lead last year with an annual increase of 7.6% in its housing price index, followed by Kuala Lumpur which saw its housing price index grow by 7.3%.

The housing price indices of the other two major states — Johor and Penang — have recorded a growth of 6.6% and 5.2% respectively.

## MHPI continued to grow at a modest pace



## THPI drove the overall MHPI growth



# WHICH IS MALAYSIA'S BEST MANAGED PROPERTY?

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(From left) Ezumi, Dr Sundari, Lee, Tan, Au, Cheng and Low at the Panasonic Home-2-Com Solution Center in Bangsar South.

ALL PICTURES BY LOW YEN YEING | EdgeProp.my

# Know the air that you breathe

BY LUM KA KAY, SHAWN NG AND NATALIE KHOO

It is said that air pollution is a modern-day curse, a by-product of urbanisation and industrialisation. And it does not only exist outdoors. Experts caution that awareness of indoor air pollution is low among Malaysians. For instance, we often just brush off the smell of chemical and paint in a recently completed building as normal for any new building.

And how many are aware that staying indoors does not protect us from air pollution? In fact, the air that we breathe indoors could be far worse than the air outdoors!

As we spend an enormous amount of time indoors — at home, in the office and even at the gym — it is high time that Malaysians pay more serious attention to indoor air quality, stressed panellists of the EdgeProp.my Roundtable 2018 entitled "Is your home a sick building?" on April 10. The event was powered by Panasonic Malaysia and moderated by EdgeProp.my managing director and editor-in-chief Au Foong Yee.

The panellists were S P Setia Bhd executive vice-president Datuk Tan Hon Lim, Malaysian Institute of Architects (PAM) president Ezumi Harzani Ismail, Pantai Hospital Kuala Lumpur consultant respiratory physician Dr Sundari Ampikaipakan, Architect Centre Sdn Bhd accredited building inspector and trainer Anthony Lee Tee, Henry Butcher Malaysia (Mont'Kiara) Sdn Bhd executive director Low Hon Keong and Panasonic Malaysia managing director Cheng Chee Chung.

According to the World Health Organization, around 4.3 million people die every year from indoor air pollution. Exposure to air pollutants, especially fine particles, is a leading risk factor for non-communicable diseases in adults, causing ischaemic heart disease, stroke, chronic pulmonary disease and lung cancer, making air pollution the main avoidable environmental cause of diseases and premature death globally.

The panellists concur that to improve indoor air quality, everyone — from the government to property industry players like developers, architects and property managers as well as consumers — has a role to play.

We need to focus our efforts on improving the air we breathe in order to have better quality of life.

Architect Centre's Lee said ideally, every home or

office should have a dashboard to measure indoor air quality. He likened Malaysia's Green Building Index (GBI) rating tool to probably the best effort in keeping buildings sustainable, safe and green. One of the GBI subsets is on indoor air quality and the reduction of organic compounds.

Pantai Hospital Kuala Lumpur's Dr Sundari said there is a global trend where asthma — a childhood disease — is now normalised even among adults and older folks, no thanks to air pollution.

"I always think that clean air is a right — a basic human right — like clean water and a roof over our heads," she said. "Malaysians need to be aware of that. Unfortunately, at the moment, people don't find it [clean air] a priority."

One simple way to ensure the air at home stays cleaner is by avoiding cluttering. Also, make sure there is enough air ventilation when cooking. Choose cleaning products with no volatile organic compounds (VOCs) and good weather-resistant paint for the home, although it is more expensive. "It is a balance of cost, awareness and doing things at basic levels," Dr Sundari offered.

According to Panasonic Malaysia's Cheng, people tend to overlook indoor air quality, as it is something that "we cannot see". For instance, most of Panasonic's air-conditioning units have sensors and indicators on the air quality of a room, but it's still very difficult to convince people of their function. "They think those indicators are not important," he said.

For PAM's Ezumi, enforcement is crucial for good air quality. Besides addressing the annual haze Malaysians have to endure, authorities should also educate people on the need to have clean air indoors and outdoors, he added.

Meanwhile, S P Setia's Tan stressed that property developers have to start adopting the much-discussed Industrialised Building System to reduce construction waste that could cause air pollution.

Speaking from the perspective of a property manager, Henry Butcher's Low said buildings designed appropriately will make the maintenance of their air filters and air-conditioning systems significantly easier.

So, do you still remember the last time you cleaned the air-conditioning filters at home or the carpet in your office?

Read on for more insights from the experts at the roundtable.



## Air pollution in Malaysia — how serious is it?

**EdgeProp.my managing director and editor-in-chief Au Foong Yee:** What we don't see can actually harm us. Exactly how serious is air pollution in Malaysia?

**Pantai Hospital Kuala Lumpur consultant respiratory physician Dr Sundari Ampikaipakan:** Does everyone know what we are breathing in? Do you know what's in the air? It's 21% oxygen, 78% nitrogen, 1% argon and the rest are carbon dioxide and other gases and particles. What we are very aware of is the outdoor air quality because we have experienced haze in Malaysia for so many years. We are aware of the API (Air Pollutant Index) that gives us an indication of the air quality.

Our lungs can filter out anything that is 10 microns — anything below that is an issue. Most of the particle size in air pollution is about 2.5 microns, such as those from wood burning, forest fires... All these tiny particles get into our airways and make us cough. Asthmatics get worse and older people have trouble breathing.

How serious is air pollution in Malaysia? Unfortunately, we live in a country where data is scarce on a number of issues including healthcare and air pollution. There was even some controversy over the API accuracy. Air pollution as we know it is predominantly about outdoor air, but indoor air pollution is a big part of air pollution.

**Au:** There are findings that said a person breathes in an average of 18kg of air each day.

**Dr Sundari:** A pair of healthy lungs could breathe in 4kg to 5kg of air per minute, so 18kg of air inhaled in a day is not unusual.

**Au:** When we talk about air pollution, it is not just about haze. There are volcanic eruptions and even flooding.

**Dr Sundari:** Yes, flooding will give rise to mould in the air. Fungal spores [are released] during our monsoon season when it rains a lot. And one of the big pollutants is smoking. So, there are a lot of components in outdoor and indoor air [pollution].



*Air pollution as we know it is predominantly about outdoor air, but indoor air pollution is a big part of air pollution.*  
— Dr Sundari

**Architect Centre Sdn Bhd accredited building inspector and trainer Anthony Lee Tee:** Our buildings have two inherent issues — cracks and leaks. Leaks are our main concern because they can lead to mould. The high humidity level in Malaysia makes it worse. We have visited many homes where the occupants were unaware they were living in that kind of environment — it has become "normal" to them. The awareness of poor indoor air quality is very low in Malaysia. I'm glad we have a forum to talk about this today.

**Panasonic Malaysia managing director Cheng Chee Chung:** As an appliance producer, air quality is one of the areas we always want to provide solutions for. These appliances make air quality better for indoors. We are said to consume 2kg of water and 1.2kg of food but we don't pay attention to air, whether it is filthy or not, because we don't see it. But we spend a lot of time indoors — in office and in our homes — so indoor air quality is very important.

**S P Setia Bhd executive vice-president Datuk Tan Hon Lim:** Compared to other Asian countries, Malaysia's air quality has a rating of PM15. This is 50% more than the healthy parameter of PM10, so we have to take action to mitigate this.

**Henry Butcher Malaysia (Mont' Kiara) Sdn Bhd executive director Low Hon Keong:** I have conducted surveys across 50 buildings we're managing. The respondents, especially the locals, don't have much awareness of indoor air quality.

Among the reasons for unhealthy indoor air quality are floor traps in new buildings — they always "smell". Inter-floor leakage causes bad smells in high-rises. Property owners turn off the air-conditioners in enclosed lift lobby to save cost, causing the air to not flow.

We need more awareness among consumers. We also need to go to the ground to understand what they are going through.

**Malaysian Institute of Architects (PAM) president Ezumi Harzani Ismail:** The conversation on air quality should start before the building is completed. If more construction is done on-site such as the mixing of sand and cement, a lot of particles will be trapped in the ventilation and air-conditioning ducts, the wall surface or other parts of the building. So, when the building is completed, it looks clean but it actually isn't. This is why you get the "new building" smell. It would be better if we can fabricate most of the material off-site to reduce the wet work on-site. At the design stage, we must consider the use of material selec-

tion, construction methods and maintenance of the building.

**Au:** Interesting. So, ultimately, we are talking about knowledge and cost. As a top developer in the country, could S P Setia share thoughts on this?

**Tan:** Basically, whatever we've done so far have met the requirements of purchasers. The problem is after completion. How we maintain the building is very important. We follow the guidance of architects. It's a collaborative effort to reduce air pollution indoors.

**Au:** This might sound crazy but which is worse — indoor or outdoor air pollution?

**Dr Sundari:** It's all about what you're breathing in — whether it's indoors or outdoors. Like in China and India, the air pollution is very bad, because there's a lot of wood and coal burning going on there. It's about exposure. But I find many of my patients are unaware of a need to clean the filters of air-conditioners. There is no guidance or awareness on how often this should be done.

**Lee:** If we look at the current property trend, many high-rise properties are clad in glass and many are specifically designed to run with full-on air-conditioner — you can't open the window and get some fresh air in. And when people decide to save costs and turn off the air-conditioner after certain hours, you are breathing in your own exhalation in a very confined area. So, you can have a five-star property with very low indoor air quality.

For landed properties, the idea is to feel cool at home, by just turning on the air-conditioner. But a lot of these properties are not well ventilated because there is no fresh air. Many of the air-conditioning [units] are serviced by strong chemicals. It's a vicious cycle — you think you're doing the right thing. So, the awareness needs to come from how the property is built and maintained. The equip-

ment to measure spores and dust particles is becoming more readily available and used to assess the condition of the place we live and work in.

**Au:** Do we have the right equipment in the market?

**Lee:** The only awareness for equipment measurement for, say, carbon dioxide, VOCs (volatile organic compounds) [and] spores has only become mainstream today because of the GBI (Green Building Index), which has a subset on indoor air quality and the reduction of organic compounds.

**Au:** So, the GBI is the only initiative we have in the market right now? What about the cost? Can people afford such expertise?

**Lee:** From my personal experience, the cost lies in falling sick. We don't pay for the equipment — we pay hospital bills. But I'm glad that today we are taking baby steps. We don't have this measuring equipment like a dashboard at home to measure air quality, but that would be ideal. It should be part of the household equipment that comes with the home.

**Cheng:** Our current lifestyle sees us spending 90% of our time indoors, so it is the right time to address this issue. We have to look at the cause and source of air pollution, whether it's biological or chemical. Addressing the construction materials and how construction is done is the technical part. We need to consider how much air can be exchanged in a particular room, or we would be living in a room with still air.

From Panasonic, most of our air-conditioning units have sensors and indicators on the air quality of the room but it's still very difficult to convince people — they think those indicators are not important. So we need to address the users. We have more technical measuring equipment but those are very expensive.

## The price of taking in filthy air

**Au:** What ailments are linked to air pollution? How serious are they? And what is the trend in Malaysia?

**Dr Sundari:** The main challenge would be airway diseases. Poor outdoor and indoor air quality could lead to lung cancer. Outdoor air pollution poses a risk but I don't think we're like China yet. But our kids suffer from asthma and allergies. Allergies are a real issue. Airway diseases are a big thing.

We have people admitted to the hospital during the haze. We usually see asthma more as a childhood disease, developed when young. But people are developing asthma late in Malaysia and all over the world. We are seeing them in their 40s or 50s or even older, and it is due to environmental factors.

About buildings, I notice there is a tendency to build properties without balconies but with tiny windows [instead]. If I'm living in

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a high-rise home, I'd like to step out of the building and breathe in some fresh air — provided the air outside is okay. There is also not enough emphasis at the workplace about indoor air pollution.

**Low:** For property managers, we have to go back to fundamentals on how often we clean the building and what chemicals we use. For GBI buildings, there are specific guidelines. [For example,] how often do we clean the carpet? There should be scheduled maintenance for the carpet. These are some of the things we can do as property managers.

**Lee:** I want to add about worker welfare, especially on construc-

tion sites where you get cement dust, sand and all the bad stuff they are particularly notorious for.

Sometimes we think foreign workers are very tough. They don't get sick. But they do get sick. And many of them get so sick that they cannot work anymore. The industry is taking steps to try to prefabricate more materials, reduce risks and improve the workers' welfare. But that needs to be done more quickly and more concrete steps are needed to help them.

The other concern about indoor air quality is in the refrigerator — its condition and how we treat it. We just throw everything into the fridge and think that is okay. But the whole macrocosm of what grows in the fridge impacts the health of those living in that home.

## Building design and indoor air

### Au: On building design, what about that of hospitals?

**Ezumi:** Hospital design is very special. It is not like normal office buildings, schools or malls. There are special needs attached to different spaces and rooms. For example, the room with a patient who is carrying a very dangerous virus must be equipped with negative pressure, so that the virus can be contained. Materials have to be carefully selected for even the finishing of wall surfaces and ceilings of rooms with specific purposes.

Ventilation-wise, we always think that natural ventilation is good but in certain situations in the hospital, we have to limit natural ventilation.

People sometimes ask why there are so many doors in a hospital. These are to control the air flow from one section to another. But people just keep the doors open, which is not a good practice. This, again, shows the need to raise awareness among the public.

That aside, another example of what's happening in our society today — an architect designs the toilets in a house in compliance with the building by-laws to provide an opening of 10% of the floor size for natural ventilation. But sometimes the owner renovates the house, blocking the ventilation of the toilet, trapping the air and smell inside.

Some high-density, high-rise developments offer spaces without natural ventilation because there are no windows. Everything depends on mechanical ventilation, like fans.

The problem is we do not pay much attention to the maintenance of mechanical equipment, unlike in developed countries. Here, people will still use the toilet even if the fan fails.

In my practice, we try to avoid reliance on mechanical ventilation and go for natural ventilation, especially in homes. For commercial buildings like hotels, however, it is very difficult to provide natural ventilation due to certain limitations, so they have to depend on mechanical ventilation. We must have a culture of maintaining the equipment or we will be trapped in a building where it feels or smells like there are toilets everywhere!

### Au: Datuk Tan, how important is the ventilation consideration in S P Setia's projects?

**Tan:** To explain this, let's start with our master planning. To save energy consumption, our rule of thumb is building our properties with a north-south orientation to reduce heat. In Setia Alam, for example, the commercial buildings have to have GBI rating like our Corporate Headquarters — which is the first private-sector-owned corporate office accorded a GBI Platinum rating. Green design helps a lot in air pollution control. With the right equipment built within from day one, such as carbon dioxide sensors, the air in the building is definitely much better than before. The building will be more sustainable as well. We also use low-VOC paints, and provide greenery and parks.

It is not easy to control outdoor and indoor [air quality]. The indoor air quality depends very much on the [property] owner. After the property is handed over, the owner has to do his or her part to ensure that he or she lives in a fresh and clean environment. All of these bring us to the need for awareness and education.

## Of gyms, hospitals, hotel rooms and offices



*I have seen in the photographs of my fellow inspectors of hospitals' dark airways that are obviously reeking with moulds and other horrible things. And this is the very place you are supposed to go and get well.*  
— Lee

cost but basement car parks often reek of fuel and nitrous oxide, which are really bad. You want to spend as little time as possible in the basement car park. And that is what the malls want you to do anyway — to spend more of your time in the mall.

We also see the trend of malls increasing F&B tenants from 25% to 40% because it is about lifestyle. And nowadays, a lot of the kitchens are right in your face — not where they have ventilation ducts. This raises issues because a lot of cooking odour and emissions are shared with the air we breathe in. We need to look at that.

**Cheng:** What about specifically the indoor air quality after a mall is completed?

**Ezumi:** There is a guideline on air ventilation but I am not an engineer. The engineer has to follow the guideline on air quality, but as far as I know, it is more on the air change.

**Lee:** We also have to follow the Uniform Building By-Laws 1984 (UBBL 1984). UBBL 1984 was written many years ago and is far-reaching. It also stipulates the sizes of the rooms and window openings for air to flow in and out. They cannot be smaller than a certain size. It also stipulates air-well sizes. It also states what are required if you are using mechanical ventilation such as air change. The engineers also have their own set of rules when they perform mechanical ventilation by using the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) standard. We also have the Malaysia Standard MS 1525:2014 for non-residential buildings and which also covers indoor air quality. And then we

### Au: We see many air-conditioned gyms these days. Are these healthy?

**Lee:** Although some gyms say they have six air-changes per hour, which is a very high air-change, it all depends on maintenance. Management and maintenance are always key to all of these bells and whistles put in.

About hospitals, I have seen in the photographs of my fellow inspectors of hospitals' dark airways that are obviously reeking with moulds and other horrible things. And this is the very place you are supposed to go and get well.

**Dr Sundari:** Other things that people don't realise are things like bedding and towels. You should be washing them at high temperature of above 60 degree Celsius to get rid of dust mites and moulds. A tip: When you are staying in a hotel, run the shower for five minutes before you step in — this was said by a UK professor of microbiology. Why? Because the room might not have [been] occupied for days or weeks and you might find moulds and spores on the shower head!

**Ezumi:** How frequent is the maintenance being done in a hospital?

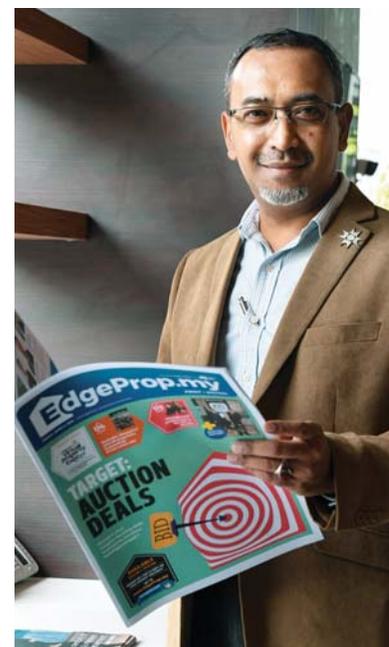
**Dr Sundari:** To be fair, since we moved into our new building, I've definitely seen regular servicing of our air-conditioners. And I know in our operation theatre, they have scheduled cleaning. Actually, each hospital — both the government and private — does keep a record of hospital-acquired infections per year and we look at what the infections are, what the sources are, etc.

**Lee:** There are a lot of [surface] finishes in Malaysia — cabinetry, plywood, cables, fitting — and a lot of them have high levels of VOCs. There have been efforts to [comply with] GBI [standards]. There are initiatives by certain companies to reduce these products that are cheaper and widely available. When you move into a new property or office, the “new” smell is in fact that of the VOCs.

### Au: What about malls and their ventilation systems?

**Lee:** We love our malls, don't we? We spend 90% of our time indoors — in our homes, office, the mall, including the cinema.

Unlike hotels and hospitals, malls are fairly straightforward in architectural design — it is no rocket science. But every mall wants to be different. There are two problematic areas in a mall — car park, especially that in the basement. Many mall owners switch off the fan [in the basement] to reduce



*Ventilation-wise, we always think that natural ventilation is good but in certain situations in the hospital, we have to limit natural ventilation.*  
— Ezumi

# How to ensure better air quality in your home

Wash your beddings and towels with **high temperature** — 60 degree Celsius and above

Declutter — clear out unused boxes and papers to **avoid dust accumulation**



Clean your air-conditioning **filters**

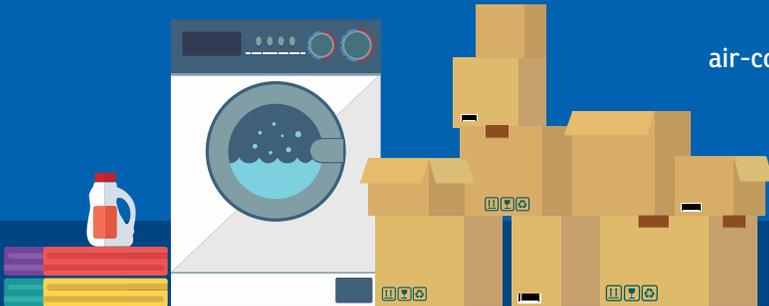
Be wary of the contents of painting materials and cleaning agents



Vacuum your carpet



If a shower has been unused for some time, turn it on and let the water run for a few minutes to **avoid spores**



*Our current lifestyle sees us spending 90% of our time indoors, so it is the right time to address this issue. We have to look at the cause and source of air pollution, whether it's biological or chemical.*  
— Cheng

## The 'price' of clean air

**Au:** Cheng, I think many are still confused about humidifiers and purifiers. When there is a haze, everybody rushes out to grab whatever is available on the shelves.

**Cheng:** First of all, [even] if we feel that the air in a room is reasonably okay, we still need to ventilate the room. That means you need an exhaust fan to draw the air out, so that the air can remain fresh. But if the air is not good, then there is a need to filter the air.

The next thing is, there will be bacteria in the indoor air itself. Therefore, we have air purifiers to draw out the air in the room, into the filtration system and clean air comes out.

We also have air-conditioners that exchange air — drawing the warm air out and bringing in the cold air.

We want to strongly promote this entire indoor air quality solution — from the ventilation to air filtering and cooling. We have the latest technology that we call Nanoe, which is capable of eliminat-

ing bacteria and viruses in the air and even on the sofa.

**Au:** What about the cost of all these equipment?

**Cheng:** The Nanoe technology is obviously more expensive but we try to keep that premium minimal so that people can accept it. If you don't pay a bit more for the equipment, you will pay more for the hospital bill. So, education is important. It is also very important that all equipment is maintained properly.

have some guidelines under the Department of Occupational Safety and Health. So actually, we have all of these — everything is fairly well documented. It is just the enforcement and maintenance part. It is not easy to say you are breaking the law. And even if you are breaking the law, [it is] because at that moment the room is very full — but when everybody is out, then the room becomes normal again.

**Au:** While we are at that, what about offices?

**Lee:** Offices are no different. I believe every office will have different indoor air quality levels, depending on the renovations and fittings carried out in a unit. Many of them use split air-conditioning units that do not allow fresh air intake. They are just recirculating the air you breathe in again and again.

**Ezumi:** In hospitals, due to the need for more space, I have observed dirty corridors converted into clean corridors without understanding that dirty and clean corridors in hospitals are actually designed to have different [air] pressure. A dirty corridor has negative pressure. When it is converted into a storage area and shares the clean corridor for

clean linen and movement, the clean corridor that has positive pressure pushes all the germs to other areas. Sometimes, operators optimise the space usage but the empty space is actually meant to be empty for a certain purpose such as air control.

**Lee:** It is the same in offices. Layouts have been changed to accommodate more people but the air-conditioning system is inadequate [to cope]. These are the challenges — be it a high-rise or a shophouse. The trend is to create more space, put somebody there and install a split air-conditioner.

**Tan:** PAM has made a lot of effort to promote the GBI. If everyone moves towards that direction, it will help a lot to fight air pollution issues, be it in offices or residences.

**Ezumi:** The GBI is a rating tool which is very good in guiding not only the designer but also the owner of the building. There are 100 points [to achieve the GBI rating], but the important thing is that even if you are not targeting the points to be rated, it teaches you what you are supposed to do to reach those standards.

**Tan:** Hopefully more in the industry and market will adopt this.

## The political and individual will

**Au:** How could an individual help himself? Gadgets and standards on quality air indoors aside, what are the top three things a person can do?

**Dr Sundari:** For the industry, eventually there will be measures by the government. There has got to be clean air — that really should be the goal. It is our right and freedom to have clean air. At the moment, things like clean air are quite a low priority for the government. But, I think on a personal level, like all things, it is education. It is public awareness. We can no longer consider ourselves a developing country, but a more progressive country now. So, people's needs are changing. Hopefully, with that comes greater awareness. All these years, people don't think about clean air and how it can affect their health, but Malaysians are becoming more empowered and educated. You can have a lovely home, a green home, and it will improve your life. But the people living in that house need to know how to maintain this beautiful

green home. What do they need to do? How does air quality help you? We all know that smoking is bad for you but what about people who don't? A lot of people do not know that second-hand smoking is bad. Your husband is there smoking and you are inhaling the air — it is bad for you. I personally feel awareness is still very low in Malaysia on a lot of levels. This is just one of them.

**Au:** And it is where the government must come in.

**Dr Sundari:** Exactly. That's why it has got to be a policy. I mean, I know PAM has done a great initiative with the GBI, but do we actually have an environmental protection agency in the country?

**Lee:** We have fairly strong guidelines.

**Dr Sundari:** We have rules but we don't actually have a solution.

**Ezumi:** We have a Jabatan Alam Sekitar.

**Tan:** Yes, like we should not have open burning.

**Ezumi:** But sometimes it [open burning] is seasonal. When everybody starts a fire or when the haze starts, then everybody takes action. Most of the time, we are blessed with clean air in our country. Nobody cares. I think we need to change from just seasonal enforcement to full-time enforcement instead.

**Dr Sundari:** The American environmental government agency has a wonderful website that raises public awareness such as what a safe building looks like and what we can do to prevent [unsafe buildings] and what the areas to target are. It is done in a very user-friendly manner. And that is the sort of thing we need to get the word out.

**Tan:** I agree with Dr Sundari that awareness is still lacking. Education must start from our children. Some of the basic things include something simple like

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*I wish developers will build more efficiently and incorporate more green features in their buildings, as these would lead to better indoor air quality in the long run. We must look at the bigger picture and not just think short term and build with only maximum profit in mind.*  
— Tan

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[not] throwing rubbish and how to keep the house clean. In countries like Japan and Australia, these issues are so well under control. I think the authorities must look at it very seriously. You can hardly see any rubbish on the streets in Japan, New Zealand and Australia. When we visited one of our project sites in Australia, I just could not find any rubbish or building waste although the foundation and structural works were in progress.

[It's] the professionalism, be it of the consultants or the contractors — they know what to do. Where can we start? Either individually, through companies or an organisation? We have a lot to do. But we can take Japan, Australia or New Zealand as reference. The government and individuals must do something.

**Ezumi:** It is related to the price you pay, Datuk Tan. You pay a cheap contractor, then the service is...

**Tan:** Not really... It depends very much on the project manager. If they want to do it, it can be done from day one. Awareness — there are a lot of programmes even by us such as interaction programmes. We even send our workers to the Construction Industry Development Board for training, health, safety and other aspects. At the same time, we cut down on labour and move towards pre-fabrication systems. We are doing this even without getting any incentive [from the government].

**Au:** So political will is needed to tackle the quality air issue?

**Lee:** I agree with Dr Sundari, that clean air is our right, but clean air is [also] part of healthy living. About homes being clutter-free... The properties we are living in are becoming smaller; we cannot afford to have clutter. In our disposable society today, we buy, buy and

buy and we just try to keep things.

Another observation — the toilet used to be outside our house back then. But today, we eat out and the toilet is inside our house — it is reversed! As a result, our toilets become very grand today. But that is just the visual, because just like 100 years ago, the pipes and services are still the same. That's why you still have people complaining about odours. You have cockroaches and flies coming. The place now is a biological hazard. Once the germs get inside your home and you leave the air-conditioner on, it is in the system. I think that is the problem with high-rise buildings.

In Japan, kids are taught from very young they need to change their slippers when they go to the washroom, and they need to wash their hands. They are obsessed about cleanliness — the education is beyond just studying.

**Au:** On healthy living, it is one of the pillars of Panasonic's values, correct?

**Cheng:** Our mission is to enhance the quality of life of our users. The mission of our products is to provide lifetime solutions towards a healthy, comfortable lifestyle for our users. For example, many misunderstand that an air-conditioner is only to cool the air in the room. They do not know that you also need to purify the air in the room. Is the ventilation system itself enough? We want to provide a solution towards good air quality.

Another example is the fridge. We have different compartments for storing different types of food in the fridge. But everybody dumps everything into the freezer. For months, they do not open the freezer and they forget what's inside. Again, it comes back to education. This is an ongoing process. In Malaysia, it does not seem natural to have segregation of rubbish. In Japan and in more advanced countries, it is part of their life.

# I wish...

**Cheng:** Panasonic's wish list for indoor air quality is [for there to be] a greater enforcement to make sure that things are being carried out. That we have a clear and actionable plan moving forward.

**Low:** Education at all levels is important. The authorities must have awareness campaigns. We have to start from somewhere. All of us must contribute our part towards a green environment. Hopefully, there will be more GBI-rated buildings coming up. It is the way forward. No more [doing things the] traditional way.

With green buildings, we can avoid unnecessary renovation work after completion. It will be good to have a perfect cycle — from the architect to the developer, builder, property manager and finally the end-user. One of the issues we face in new buildings is, for example, enclosed buildings where the toilet ducts use mechanical ventilation but the ducts are hanging somewhere and not shafted up. This is a serious problem.

We must do our part so that we can all build a better, cleaner environment. After the Certificate of Compliance and Completion, the JMB (joint management body) is formed and property managers take over — so they must also be informed about issues such as air quality and make it part of our agenda when we are

running our buildings. Air quality is very important in property management and we have to pay close attention to it for the sake of the users.

**Tan:** I wish developers will build more efficiently and incorporate more green features in their buildings, as these would lead to better indoor air quality in the long run. We must look at the bigger picture and not just think short term and build with only maximum profit in mind.

Communal living-mindedness in urban development needs to improve. People have taken for granted the basic fundamentals of living together in a community and this could indirectly impact the standard of living, including that of air quality. People may not be as civic-conscious as before, especially in urban areas, due to a variety of reasons.

**Ezumi:** My wish list is for a greener future. Maybe not in five years, but 10 or 20 years. I hope that the cost of solar panels will be cheaper so that everyone can have a solar panel. I hope that we can start using more clean sources of energy and not those that are produced from burning oil and crude but from the wind and sun. I also wish that everyone will start driving electric cars. A lot of research is being done on clean energy and how we

can use them. If we have this, we no longer need to depend on gas and petroleum-based products. The last wish I have is for us to rely less on plastic products. It very much depends on research and technology and I hope we can learn and use all these knowledge as much and as fast as we can.

**Dr Sundari:** I agree with Cheng — we need some enforcement. If we go back to the late 70s and 80s, when I was growing up and dengue was a huge issue, there were huge campaigns on TV and little banners everywhere. There were officials coming to inspect our houses to check if there are pots of stagnant water in our houses. Back then, dengue wasn't as big a problem as it is now. So, 25 years later, as we get more progressive, guess what? People are dying from dengue. So, there is not enough enforcement. It is something that we need.

My biggest wish is to have a more empowered Malaysia. The citizens of this country need more empowerment, to ask more questions.

As a doctor, I always ask my patients to ask questions about their health. I have the most compliant patients on the planet. I see patients in the clinic and I ask them what kind of medication they get from the GPs (general practitioners) and they tell me “a pink pill”, or a “white pill”. I asked them [if] they know what the medication was for, and they said no. So, they just accept blindly what the doctor told them and took the medication. Somehow, we are very accepting and I would like that to change.

I want people to question everything — about the environment, what they are doing, and what constitutes a healthy lifestyle. Malaysians are too accepting. And if that changes, then we will see changes in the environment.

**Lee:** My wish list is very basic because I think we haven't done the basic things right. And when I say basic, I am talking about very simple things.

Some of the things I have been asking on the rounds as a judge in the EdgeProp Malaysia's Best Managed Property Awards were: Are we recycling? Are we separating our wastes? Are we composting the plants? Do we need to do fogging? I also hope that we can consume less.



*We must do our part so that we can all build a better, cleaner environment. After the Certificate of Compliance and Completion, the JMB is formed and property managers take over — so they must also be informed about issues such as air quality and make it part of our agenda.* — Low



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# Spike in compact-size non-landed units up for auction

BY SHAWN NG

**T**he volume and value of small size, non-landed residential properties have escalated last year as oversupply looms.

Data from AuctionGuru.com.my showed that there were 1,023 units of serviced apartments and serviced suites worth RM493 million put up for auction in 2017.

The record-high figures were about two times the volume and value of the figures recorded in 2016 which saw 342 auction cases of such units worth RM146 million.

The spike last year was even more significant when compared with the 102 cases worth RM33 million in 2015, which translate into an increase of nine times in volume and 14 times in value.

"The majority of these properties has a built-up of between 500 and 700 sq ft, which makes them highly affordable for property investors," AuctionGuru.com.my executive director Gary Chia tells EdgeProp.my.

"Unfortunately, there is an oversupply of this type of serviced apartments and serviced suites in the market which has pushed down rentals as their owners are rushing to rent them out. But some were forced to abandon their mortgage commitments when they failed to offload them on the market," he says.

## More small office units up for auction

Similarly, Small-office Home-office (SoHo), Small-office Versatile-office (SoVo) and Small-office Flexible-office (SoFo) units which fall under the foreclosure commercial property segment, have also registered a significant increase on the auction market, in both volume and value, last year.

There were 139 units worth RM57 million of these commercial units that went under the hammer in 2017, a 110.61% rise in volume and 83.87% rise in value from the year before. In 2015, there were only 10 such auction cases worth RM3 million.

According to Chia, the spike in SoHos, SoVos and SoFos can also be attributed to the excessive supply of these properties, thus

## Total value of foreclosure property trending up



impacting rental returns and, in turn, the loan repayment capabilities of their owners.

Besides these non-landed properties, there were four malls located in Kedah, Johor and Kelantan with a collective value of RM258 million which were put up for auction in 2017. In comparison, there were only two foreclosed malls worth RM6 million in 2016 while no mall was auctioned in 2015.

"This is a certain impact from e-commerce and we foresee this trend to deepen in line with the evolution towards a connected virtual world. The stiff competition in the local business environment, the increase in costs of doing business and consumers' cautious spending are also factors that affect malls," he says.

## Value of auction properties passes RM10 billion

Overall, the total value of foreclosure property has exceeded the RM10 billion mark in 2017 with 28,262 units worth RM12.2 billion recorded in the year, an increase of 8.3% in volume and 24% in value from 2016. However, the volume was down slightly by 1.7% from the volume recorded in 2015 although total value was up 59.83%.

"The rise in auction properties in 2017 was driven by the persistent market imbalance, cautious bank lending coupled with



Chia: We view this trend positively as this is part of market adjustment which will put the property market in a better footing.

elevated household debt and the adverse market sentiment," he explains.

He adds that high financing cost and interest rates are other factors that pose a burden to existing homeowners and investors.

Not surprisingly, the central region (Kuala Lumpur, Selangor and Negeri Sembilan) – being the most densely populated and centres of business activities – continues to record the highest number of auction properties in Malaysia with 15,003 units worth RM7.6 billion recorded in 2017. An average of 2,355 units were auctioned every month in the central region with an average value of RM1 billion.

This is followed by the northern region (Perlis, Kedah, Penang and Perak) with about 522 units worth RM120 million per month; the southern region (Johor and Melaka) with an average of 338 units worth RM163 million per month; Sabah and Sarawak with an average of 180 units worth RM70.75 million per month; and the east coast region (Kelantan, Terengganu and Pahang) with an average of 65 units worth RM31 million per month.

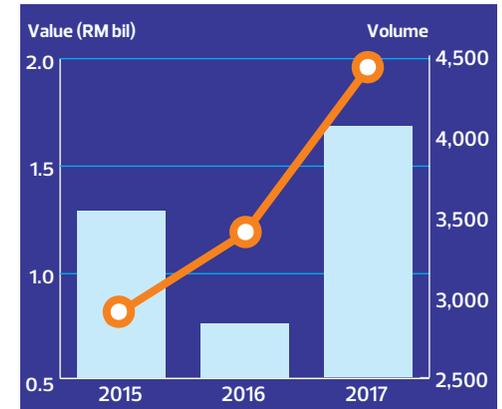
Notably, the volume and value of foreclosure property in the southern region increased significantly in 2017 by 43.21% and 64.65% to 4,060 units and RM1.96 billion, respectively.

"This was mainly due to the sizeable ongoing projects in the Iskandar development region, the soft business environment and the cautious mode of local spending," says Chia.

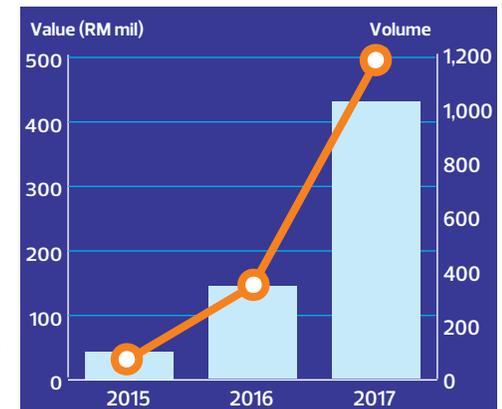
## Outlook

Chia expects the total number and value of foreclosure properties to rise in 2018, as the imbalances in the property market prevails

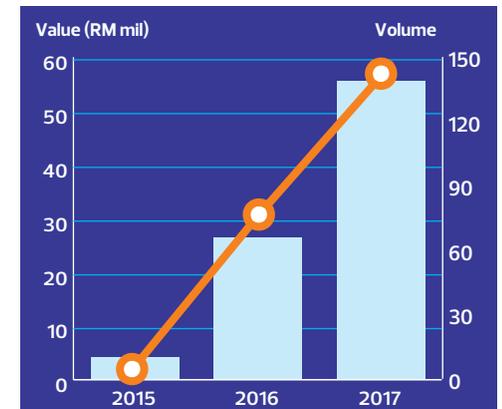
## Foreclosure property in the southern region sees a sharp incline



## Non-landed foreclosure property – serviced apartments/suites



## Non-landed foreclosure property – SoHo, SoVo and SoFo



SOURCE: AUCTIONGURU.COM

and with interest rates to rise further.

"We estimate that [the] volume and value of auction properties will rise between 5% and 10% this year," he says.

However, he believes the rising trend will not pose any systemic risk to the banking sector and the overall economy in the short to medium term.

Chia says there is no quick solution to the rising number of foreclosure properties which was the result of the excessive exuberance in the property market and the more relaxed lending policy in the past.

"We do not foresee any change to market conditions in the short term. Nonetheless, we view this trend positively as this is part of market adjustment which will put the property market in a better footing after this," he concludes.

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