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OFFICES

Purpose-built office occupancy and rent rates in Petaling Jaya are holding strong despite the overall market slowdown. See **Pages 6 and 7**.

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lodged over Medan
Imbi land issue**

The Office of the Federal Territories Minister has lodged a report with the Malaysian Anti-Corruption Commission (MACC) on the trespassing of two lots of government land at Medan Imbi, Bukit Bintang, Kuala Lumpur.

Special Functions Officer to the Minister, Zulhazmi Shariff said the report was lodged to enable the commission to investigate if there was an element of misconduct or power abuse involved in allowing the construction of the permanent structures at the affected site.

Documents that were handed over to MACC contained the chronology of the case, a report by DB-KL's Department of Integrity, as well as reports and eviction notices by the Kuala Lumpur Land and Mines Office.

**Sarawak wants
Niah Caves to be
listed as World
Heritage Site**

The Sarawak government is applying to have Niah Caves listed as a Unesco World Heritage Site and be the catalyst for the state's eco-tourism industry growth.

Chief Minister Datuk Patinggi Abang Johari Tun Openg said on a recent visit to Niah Caves in Miri, he was briefed on the archaeological

**LBS inks MoU to develop
two tracts in Perak**

Property developer LBS Bina Group Bhd and Perak State Secretary Incorporated (SSI) will jointly develop two parcels of land in Perak with an estimated combined GDV of RM200 million.

In a press release on Jan 23, LBS Bina said its subsidiary Bimbingan Simfoni Sdn Bhd and SSI have signed a Memorandum of Understanding (MoU) to develop a 50-acre plot located in Temoh, near

Batang Padang district and a 41-acre parcel in Chepor, Hulu Kinta.

The two plots have a combined estimated GDV of RM200 million and will be used for mixed-use developments, comprising cluster terraced homes in the affordable price segment as well as terraced and semi-detached homes.

Construction works are expected to begin in 4Q2019 with completion in the next three to four years.

evidence of human settlement at the site 65,000 years ago, based on a joint research by the Sarawak Museum Department and the University of New South Wales, Australia.

In diversifying its revenue base, the state government is exploring non-timber forest resources such as eco-tourism, carbon trading, payment for ecosystem services and community-based forestry.

**FT Ministry to build
10,000 'Residensi
Wilayah' affordable
homes in KL**

The Ministry of Federal Territories will commence its affordable

housing project, dubbed 'Residensi Wilayah' in Kuala Lumpur this year with a target of 10,000 units to be built in three years.

Minister Khalid Abdul Samad said the Residensi Wilayah is an improved version of the Rumah Wilayah Persekutuan (Rumawip) project initiated by the previous government.

He said the houses in Residensi Wilayah would be slightly bigger, each measuring 900 sq ft with a population density of 800 people per acre compared to Rumawip's 800 sq ft each with a density of 1,200 people per acre, and would be sold at a price not exceeding RM300,000 per unit.

**Pahang mulls
seizing land of
tardy quit rent
payers**

Pahang land owners must pay quit rent to the state government or risk having their land confiscated if they fail to do so for five consecutive years.

Pahang Menteri Besar Datuk Seri Wan Rosdy Wan Ismail said the state government is mulling such action as the overdue quit rent payments have reached RM81 million.

However, Wan Rosdy said land forfeiture will not be carried out against those proven to be incapable of paying quit rent.

**Qatar body set
to buy stake in
Pavilion Bukit Jalil**

The Qatar Investment Authority (QIA) is set to buy a stake in a retail mall being developed by Malton Bhd in Bukit Jalil, Kuala Lumpur.

Malton said QIA has informed the group that it has obtained approval in principle from its investment committee to work towards participating in the ownership of Pavilion Bukit Jalil.

This, however, is subject to the completion of a due diligence and execution of legal definitive agreements, Malton said in a filing with Bursa Malaysia on Jan 22.

**trending
now**

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Go to www.EdgeProp.my to download for free**LAUNCHES + EVENTS****Quayside Fiesta 2019****Date:** Jan 26 & 27 (Sat & Sun)**Time:** 4pm to 10pm**Venue:** twentyfive.7,
Persiaran Rimba, Kota
Kemuning, Selangor**Contact:** (03) 2727 7565
Gamuda Land's Quayside
Fiesta returns with the theme
International Food Fest featuring
30 Asian and European food
stalls as well as exciting
activities such as jet skiing, fly-
boarding, drums performance,
belly dance performance
and moonlight cinema.**CNY with Eco Ardence****Date:** Jan 26 & 27 (Sat & Sun)**Time:** 11am to 5pm**Venue:** Eco Ardence, Persiaran
Setia Alam, Setia Alam, Selangor**Contact:** (03) 3342 5522
Celebrate this Chinese New Year
at Eco Ardence this weekend and
enjoy some festive beauty care
sessions including manicure and
eyebrow trimming services.**CNY celebration
at Austin V Square****Date:** Jan 26 (Sat)**Time:** 12pm to 6pm**Venue:** Austin V Square, Jalan
Austin Perdana 2, Taman Austin
Perdana, Johor Bahru, Johor**Contact:** (07) 355 4888
Usher in the Lunar New Year
and jump start the festive
mood at Mah Sing Group
Bhd's Austin V Square with
exciting activities such as a
KTM Bike Showcase, a Chinese
Astrology Talk, a lion dance
performance and a Chinese
New Year-themed flea market.**IOI Active Citizens
Waste-to-Treasure
Campaign****Date:** Jan 27 (Sun)**Time:** 11am to 1pm**Venue:** Mini Theatre
@ Conezion Residence
(Block C & D), Lebuhr IRC,
IOI Resort, Putrajaya**Contact:** (03) 8944 9980
Take part in the Waste-to-
Treasure Campaign organised
by IOI Properties Group Bhdand learn more about waste
management. You can also join
the ecobricks and coffee scrub
making workshops. Online or
phone reservations needed.**Carnival Wonderland
at Setia Alamsari****Date:** Jan 26 (Sat)**Time:** 10am to 5pm**Venue:** Setia Alamsari Sales
Galleria, No. 1, Persiaran
Alam Sari 3, Alam Sari,
Kajang, Selangor**Contact:** (03) 8736 2255
Have some fun at Setia Alamsari
where there will be game booths,
creative face painting and
other activities. There will also
be popcorn and soft drinks.



PROVIDING SOLUTIONS IN A GROWING MARKET

PR1MA homes in Sungai Petani, Kedah constructed using Acotec concrete wall panels

Property developers today have a dilemma. Do they continue building homes using proven conventional building methods amidst rising costs or adopt the Industrialised Building System (IBS) to mitigate such costs while still providing quality products?

This conundrum has been going on for quite a while and since the 1990s when IBS was introduced, Malaysia's adoption of the system is still slow going. IBS homes are basically "constructed" in a factory and then the various components, like the walls or bathroom, is transported to the work site to be put together very much like a jigsaw puzzle.

It is considered to be one of the fastest, safest and cleanest way to build a house, and requires less workers to do so. The savings both in physical costs and time are benefits to both the developer and the customer.

It is believed that if there are enough IBS manufacturers with a proven track record and experience, the property development industry will have greater impetus to adopt the system. One IBS player that hopes to provide affordable IBS solutions is Acotec Sdn Bhd, a member of OSK Group.

Primarily a manufacturer of hollow cast concrete wall panels, Acotec provides more than just the walls for a building. Acotec started in 1994 and was the first to provide its wall panels to Malaysia and Singapore. Over the years, it has perfected the formula to design a product that can deal with our climate.

"The company's in-house R&D team has done numerous tests and material adjustments, which enhances the existing Finnish technology to suit the regional market and weather conditions," says Acotec CEO Tan Kheak Chun.

To date, Acotec's concrete wall panels have been supplied to over 700 projects in Singapore and over 600 projects in Malaysia. According to Tan, the application of these wall panels are numerous. "Our wall panels have been used in numerous residential and commercial offerings, from affordable homes such as HDB and PR1MA projects in Singapore and Malaysia respectively, to premium living concepts, high-rise and landed property, schools to hospitals and other public facilities."

Some of its notable projects include 1,424 double storey terraced house for PR1MA in Sungai Petani and Brunsfield Residence @ U-Thant in Malaysia as well as Quayside Hotel Sentosa and Seagate Centre in Singapore. Acotec panels were also used in the Universiti Teknologi MARA (UiTM) Pahang Campus and Hospital Rehabilitasi Cheras projects.

All wall panels are manufactured in factories strategically built across Peninsular Malaysia.

"Our three factories are strategically located

Tan (left) with Loh Tau An, the Northern territory's senior general manager, in front of their eco-friendly product at their office in Kuala Lumpur



The concrete wall panel is manufactured in factories that ensure high standards of quality and little wastage



in Negeri Sembilan, Johor and Perak with production capacity of over 2.8 million m²," says Tan. Another factory in Terengganu is in the works to service the east coast of Peninsular Malaysia.

Some might wonder why the three factories – which have nine production lines – are placed in the northern, central and southern parts of the peninsula? The answer is "green". The factories are within 50km radius of worksites to ensure a low carbon footprint.

The standard wall panel measurement is 3.7 m long, 600 mm wide and 75 mm thick and has various properties. It has a fire rating of two hours. Due to its hollow cast, construction is lighter but is very strong, making it impact resistant with the concrete strength of grade 25. It is also water and sound resistant.

Because the walls are manufactured in a factory, the panels are all flat and does not require plastering. A skim coat on internal walls are all that is needed for a finished look. Moreover, this product is eco-friendly, part of the company's

green initiative, where panel cut offs can be recycled, leaving no waste.

Furthermore, renovation is easy, for example, for when a new air conditioning unit is installed or additional wiring or pipes are needed. Of course this has to be done on a non-load bearing wall to prevent structural damage.

All these benefits are regularly shared with customers who want to use a cost-effective but quality product. However, the main challenge for Acotec is that the proper process of IBS is not done throughout the construction process. This is something which Tan believes needs to be addressed.

"For implementation of IBS, you need a common understanding between the IBS manufacturer, the user, the contractor, and the developer," says Tan. "If you don't have this common knowledge and understanding, it is very difficult to implement. That is why people say, IBS has got a lot of problems, leakage and this and that. It is just because there is no common understanding of the process of IBS."

"Basically, the [implementation] process is not in one line. A few years ago, we were in Bangkok to look at modular construction. When they do IBS, precise engineering comes in. From designing to fabrication to production to implementation to the construction of the whole house. That is proper IBS project planning. If an IBS component comes in midway, then there will be challenges."

Having mulled over this problem and a believer in positive action, the team at Acotec put on their thinking caps and created the innovative Aco-Built System, borne out of this desire to ensure seamless project development and control to create a quality house.

"Acotec provides an affordable IBS building solution as well as end-to-end support services – from drawing, design, stockyard inventory, logistics to technical support," says Tan. "This means that conceptual product designs are transferred digitally to the production process, where every detail is pre-checked and pre-planned, eliminating possible errors."

One of the key benefits using the Aco-Built System is the cost efficiency. Tan cites an example of a recent project. A 1,200 sq ft single storey house was constructed using IBS components from the walls all the way to the ceiling and roof with finishes for an indicative construction cost of RM65 psf or roughly RM78,000. Moreover, Tan highlights that it only takes four workers and two days to erect the structure.

Renovation to this basic structure is a breeze, where an extension can be built simply by removing wall panels of a non-load bearing section, put up the necessary framework and then affix new wall panels.

Cost aside, Tan explains that due to the manner which the components are transported to the individual house plots, the worksite is clean and uncluttered. Incidentally, visitors or customers visiting the worksite has commented if anyone was working that day, Tan shares with a chuckle.

This Aco-Built System is also customisable according to the requirements of the client. Taller structures will require different treatment obviously, but Tan says that the overall cost of construction is very much lower. This system, he adds, is best used for large volume of homes and done with great speed and efficiency, with few defects as quality is controlled from the start.

While the benefits for IBS is certainly there, the challenge is for more people to adopt IBS. It will only be a matter of time before developers and contractors align their work flow according to IBS. In the meantime, Acotec believes in getting the ball rolling to help build quality homes quickly and efficiently.



2019, a year of reckoning for Malaysia

BY NATALIE KHOO

PETALING JAYA: Having gone through an eventful 2018, this year will be a year of reckoning for Malaysia, says the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS) president Michael Kong.

"2019 is a year of reckoning. After the change of government for the first time in six decades in May 2018 at the 14th General Election, anticipation and expectations of the new government abound. However, the newly minted government needed time to get a foothold. But more than six months have passed. Now, we need to hit the ground to set things right in this globally challenging environment," Kong told EdgeProp.my.

"Truth be told, daunting challenges are ahead of us this year and beyond. The world economy is unsettling to say the least with the two biggest economies (China and US) at loggerheads and having a trade war. Just like the Malay proverb: 'Gajah sama gajah berlawan, pelanduk mati di tengah-tengah,' he said.

However, he added, to look on the bright



PICTURES BY LOW YEN YEING | EdgeProp.my

The 12th Malaysian Property Summit on the Property Market Outlook for 2019 aims to provide investors and industry players a clearer way forward in this uncertain market.

side, one could consider the Chinese saying, 'in chaos lies opportunities.'

"This is an opportune time to remedy the disequilibrium in our property market. Redistribution of resources is desperately needed to address the imbalance in our real estate sector," said Kong.

"2019 will be a year of consolidation for the property market. There is still gross oversupply in the residential and commercial sectors which will need time to be mopped up. The market is unlikely to improve as there are no effective policies in place to encourage real estate invest-

ment. To those looking to buy properties this year, keep a lookout for good bargains. I'm expecting a market correction which is good for the long run and good opportunity for genuine homebuyers," Kong added.

The upcoming 12th Malaysian Property Summit on the Property Market Outlook for 2019 organised by PEPS aims to provide investors and industry players a clearer way forward in this uncertain market. The summit will be held on Feb 21 at the Sime Darby Convention Centre. EdgeProp.my is the media partner.

"Questions such as: Are we seeing a fundamental improvement in our economy and is the property market supported by strong fundamentals? Are we going to see an upward swing? What regions will grow? What sectors will take off? Or are we in for a continued sluggish non-directional move in the property sector?"



Kong: I'm expecting a market correction which is good for the long run and good opportunity for genuine homebuyers.

"Our carefully selected experts will analyse information and dissect data to arrive at clear conclusions of the situations we are in. Hopefully, this will give clear directions to participants be they developers, bankers, real estate professionals or consumers. As valuers, land economists, property consultants, real estate investment analysts, by and large, the people trained to judge the market and the outcomes, and the people who have an in-depth knowledge of what is happening in the market, the speakers would be able to tell exactly what has been happening, and how the market is to behave and perform," Kong highlighted.

The summit features keynote speakers such as Malaysia's Finance Minister Lim Guan Eng and Valuation and Property Services Department director general Ahmad Zailan Azizuddin. Other speakers include Jones Lang Wootton executive director and head of research and consultancy Malathi Thevendran, Rahim and Co International director of research Sulaiman Akhmad and Savills Malaysia Retail Services head Murli Menon.

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

12th Malaysian Property Summit 2019

Date: Feb 21

Time: 9am to 5pm

Venue: Sime Darby Convention Centre, Kuala Lumpur

Contact: (03) 6201 8200



12th MALAYSIAN PROPERTY SUMMIT 2019

What's the property market outlook for 2019? Find out at the annual summit organised by the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector (PEPS).

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A Office Lot in UOA Centre, 19 Jalan Pinang, 50450 Kuala Lumpur

Auction Date : 13th Feb 2019
Auction Venue: Kuala Lumpur High Court

1,690 sq.ft
RM 1,570,000



A 2 Storey Semi-D in Jalan USJ 17/7C, UEP Subang Jaya, 47630 Subang Jaya, Selangor.

Auction Date : 31st Jan 2019
Auction Venue: Kuala Lumpur High Court

5,490 sq.ft
RM 1,603,800



A 3 Storey Bungalow in Villa Ledang, Jalan Kota, Damansara Height, 50480 Kuala Lumpur.

Auction Date : 31st Jan 2019
Auction Venue: Kuala Lumpur High Court

6,771 sq.ft
RM 4,500,000



A 2 Storey Detached House in Lorong Limau Manis 3, Bangsar Park, 59000 Kuala Lumpur.

Auction Date : 27th Feb 2019
Auction Venue: Kuala Lumpur High Court

13,606 sq.ft
RM 6,300,000



A 3 Storey Detached House in Jalan 5/49, Section 5, Petaling Garden, 46000 Petaling Jaya, Selangor.

Auction Date : 20th Feb 2019
Auction Venue: Kuala Lumpur High Court

29,621 sq.ft
RM 7,290,000

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Mitraland to launch The Upperville

BY NATALIE KHOO

KUALA LUMPUR: A new condominium project by Mitraland Group is expected to be launched by early March. Called The Upperville@16 Quartz Melawati, the 24-storey project is located at Taman Melawati, Selangor.

The project comprises 176 units with built-ups ranging from 1,050 sq ft to 1,176 sq ft with an indicative price of RM500 psf. The estimated gross development value is about RM130 million, says Mitraland marketing director Felix Ng.

Ng told EdgeProp.my that the condominium will be on a 2.7-acre leasehold site situated next to the developer's award winning 16 Quartz development and surrounded by guarded-and-gated developments.

"The project actually offers one of the highest views in the Melawati area as many other developments in the surrounding area are low-rise ones. As there are only 176 units, it is a low density development within an exclusive neighbourhood with mature city amenities.

"Our target market is mainly owner occupiers especially empty nesters and upgraders, urbanites looking for city lifestyle living but close to nature, as well as professionals working in the city," said Ng, adding that the units are all three-bedroom units. Maintenance fee of the development is estimated to be 30 sen to 35 sen psf.



LOW YEN YEING | EdgeProp.my

Among the facilities at The Upperville is a swimming pool, gymnasium, games room, and lounge area while nearby public amenities include the Melawati Mall and education institutions such as Fairview International School and the Tunku Abdul Rahman University College.

"We have opened the project for registration of interest and to date it has been oversubscribed by two times the number of units and counting," Ng said.

Upperville is accessible via highways

such as the Duke Highway and the Middle Ring Road 2 and is targeted for completion by 2022.

Meanwhile, the group will also be previewing the fourth and final residential tower at its flagship development Gravit8 in Klang, soon.

Dubbed Ashino, the project comprises only 280 units with 2+1, 3 and 4-bedroom layouts to cater for young to growing families with sizes ranging from 871 to 1,237 sq ft.

"Buyers will be spoilt by the array of fa-

Ng: The Upperville @16 Quartz Melawati will be Mitraland's first project launch in 2019.

cilities at the podium of the four-tower residential block and the pet-friendly 8-acre Lakepark. Also in the pipeline is Phase 2C which will comprise 2 towers of lake-fronting serviced apartment units and retail spaces. Plans are underway to launch the first tower by end-2019," Ng added.

He noted that Mitraland believes in cherry-picking prime locations for future developments as adding huge landbank costs to the mix would limit its flexibility and cash flow.

"That being said, in Klang, we still have six acres of land for future development which carries a GDV of RM600 million and another 20 acres in Puchong where we have plans for a lakeside development with an estimated GDV of RM450 million. Our landbank is not large but the GDV is estimated to be above RM1.5 billion which will last the group three to four years."

On the property market in 2019, Ng foresees a gradual improvement in the overall economy and the property market.

"With the country experiencing political stability and a new government that encourages young buyers, consumer confidence will grow organically. Property ownership will always be part of every Malaysian's priority as it not only provides shelter and comfort but also future security.

"There is no better time than now to purchase a property before the economy booms in the coming years," he said.

Happy Chinese New Year!

From all of us at

EdgeProp.my

COVER STORY



BY SHAWN NG

There seems to be little good news in the commercial office property sector amidst the current economic slowdown in Malaysia. The office sector in Kuala Lumpur city centre for instance is facing a glut, with office space set to be completed in the next few years.

In neighbouring Petaling Jaya, Selangor however, the satellite city's office space market is enjoying healthy demand despite not having as many Grade A office buildings as Kuala Lumpur.

According to real estate consultancy Savills Malaysia, 51% of the total office space supply in PJ are Grade B, C and stratified office buildings while the remaining are Grade A buildings.

The National Property Information Centre's (Napic) Commercial Buildings: Occupancy and Space Availability Report showed that the occupancy rate for purpose-built offices in PJ (Chart 1) has been rising steadily from 64.4% in 2013 to 75.9% in 2017 before registering a dip recently in the third quarter of 2018 (3Q2018) to 72.8%. In comparison, during the same five-year period, KL's office average occupancy rate had dropped to 78.3% in 3Q2018 from a peak of 82.2% in 2014 (Chart 2).

In fact, the average office rental rates for purpose-built offices in PJ have also been on the rise. The current monthly rental rate ranges from RM4.80 to RM5.50 psf, higher than the RM3 to RM3.50 psf and RM3.80 to RM4.50 psf recorded in 2008 and 2013 respectively, according to CapVen Consultancy Sdn Bhd.

So what's driving the demand and rental of PJ office spaces? Industry experts who spoke to EdgeProp.my attributes the success of the market to several factors, namely the limited office space supply, the affordable rents for good building quality, proximity to a good talent pool of workers and easy access to public transport.

"Purpose-built offices in PJ are doing well because it is a location where people want to be, particularly, those offices located next to the MRT (mass rapid transit) and LRT (light rail transit) stations as they enjoy good connectivity," says JLL Property Services (Malaysia) Sdn Bhd managing director YY Lau.

"PJ is where people live and where talent can be tapped from the many universities and colleges there. It is a mature township with a population of over 619,900 according to the Petaling Jaya Council. It has all the trappings of a modern lifestyle including easy access to every convenience including good food available at every corner," she adds.

Apart from that, office rents in PJ are generally lower than in the KL city centre and KL fringe markets, which is a major pull factor for tenants, she said.

"Prime purpose-built offices in PJ that are generally well connected and near conveniences and amenities have seen positive improvements in rents. In 3Q2018, the average asking gross rent of Grade A offices in PJ tracked by JLL was RM5.02 psf, a 10% rise from 2013," she said.

Between 2013 and 2017, Lau says office demand in PJ has been growing with a cumulative positive net absorption of more than 1.3 million sq ft with demand coming from companies involved in business process outsourcing (BPO), information technology, as well as pharmaceutical and medical technology.

"Improvement in accessibility and public transport, the large car park capacity of the office buildings, lower rents compared with the city centre and fringes of KL and being a place where people want to be are drawing companies to set up office in PJ," Lau adds.

Limited existing supply

Although the supply of purpose-built offices in PJ has risen 28.31% to stand at some 17 million sq ft as of 3Q2018 from 13.25 million sq ft in 2013, the PJ market is still a relatively small one compared with the KL office sector which saw the supply of office space jump 15.32% during the same period. With the existing supply of 89.77 million sq ft as at 3Q2018, the total volume of KL's office space based on Napic's data is about 5.3 times larger than PJ's.

In 2018, only one en-bloc prime office building was completed in PJ and that was Nucleus Tower in Mutiara Damansara, according to Lau. The 25-storey development consists of Grade A office space and retail podium offering a net lettable area (NLA) of approximately 238,000 sq ft.

CHART 1

Purpose-built office segment in PJ doing relatively well in the past few years

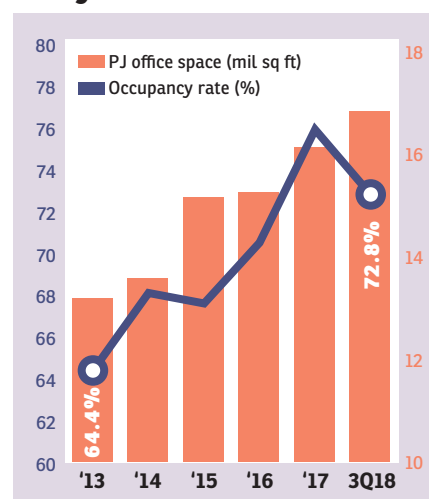
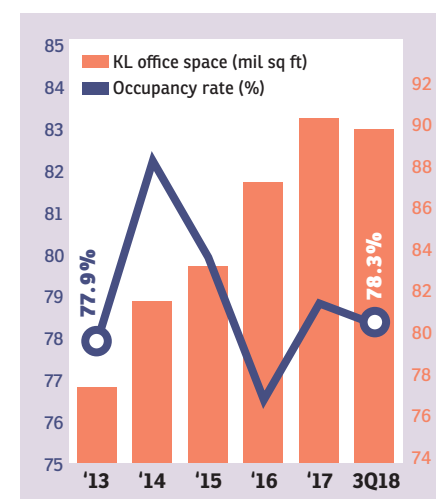


CHART 2

KL's purpose built office segment has seen fluctuations in occupancy rate since 2013



SOURCE: NAPIC

PJ OFFICE BUILDINGS

are doing better than you think

The PJ office market mainly consists of Grade B, C and stratified office buildings while only 49% are Grade A buildings.





PJ purpose-built offices' pull factors

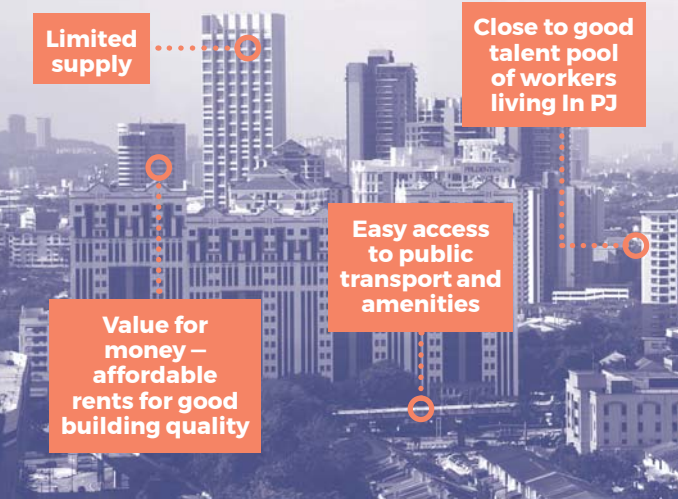


TABLE 2

Four prime office buildings in PJ with expected completion in 2019



1 Menara Star 2 PJ Section 13

LEVELS: 14
NLA: 216,000 sq ft
DEVELOPER: JAKS Resources Bhd



2 Symphony Square PJ Section 13

LEVELS: 20
NLA: 226,000 sq ft
DEVELOPER: Symphony Life Bhd



3 KYM Tower Mutiar Damansara

LEVELS: 24
NLA: 150,000 sq ft
DEVELOPER: KYM Holdings Bhd



4 1 PowerHouse Bandar Utama

LEVELS: 31
NLA: 600,000 sq ft
DEVELOPER: Bandar Utama City Assets Sdn Bhd

SOURCE: JLL AND RESPECTIVE PROJECT WEBSITES

TABLE 1

The performance of some notable office buildings in PJ

LEGEND	
Positive	
Negative	
Unchanged	

NO	OFFICE BUILDINGS	LOCATION	OCCUPANCY RATE IN 3Q18 (%)	OCCUPANCY RATE IN 4Q17 (%)	ASKING MONTHLY RENTAL	MOVEMENT OF OCCUPANCY RATE (%)
1	Menara LYL	PJ Section 51a	100	80.5	RM4.50 psf	19.5
2	1 First Avenue	Bandar Utama	100	91.8	RM6 psf	8.2
3	8 First Avenue	Bandar Utama	99.8	98.4	RM6 psf	1.4
4	Damansara Uptown 2	Damansara Utama	99.3	95.7	RM5.50 psf	3.6
5	Wisma AmFirst	PJ Section 7	98	86.9	RM3.80 psf	11.1
6	Menara KKK	Mutiara Damansara	83.8	73.6	RM4.80 psf	10.2
7	Crystal Plaza	PJ Section 51a	81.4	76.9	RM4.50 psf	4.5
8	Damansara Uptown 1	Damansara Utama	94.9	98.8	RM5.50 psf	-3.9
9	Damansara Uptown 5	Damansara Utama	92.8	95.2	RM5 psf	-2.4
10	Menara UAC	Mutiara Damansara	92.1	97.7	RM5.10 psf	-5.6
11	Menara OBYU	Damansara Perdana	87.8	89.4	RM5.50 psf	-1.6
12	PJ 33	PJ Section 13	86.6	94	RM5.50 psf	-7.4
13	Infinite Centre	PJ Section 13	78.2	79.7	RM4.50 psf	-1.5
14	Plaza 33	PJ Section 13	100	100	RM5 psf	Unchanged
15	Quill Building 9	PJ Section 19	100	100	RM4.80 psf	Unchanged
16	PJ8	PJ Section 8	100	100	RM5 psf	Unchanged
17	Surian Tower	Mutiara Damansara	99.3	99.3	RM5.50 psf	Unchanged
18	Menara TSR	Mutiara Damansara	97.5	97.5	RM5.80 psf	Unchanged
19	Menara Mudajaya	Mutiara Damansara	91.8	91.8	RM5.40 psf	Unchanged
20	The Ascent @ Paradigm	PJ Section 7	91.6	91.6	RM5.80 psf	Unchanged
21	Damansara Uptown 3 (Tabung Haji)	Damansara Utama	85.7	85.7	RM5 psf	Unchanged
22	Menara Axis	PJ Section 51a	67.8	67.8	RM4.90 psf	Unchanged
23	Quattro West	PJ Section 52	50.2	50.2	RM4.50 psf	Unchanged

SOURCE: CAPVEN CONSULTANCY

Not as badly hit as KL

CapVen Consultancy head of investment and consultancy Serena Yeong also notes that the slow-down in the overall office market has only affected the PJ office market mildly due to the strong demand and limited office supply in PJ.

Among the notable office buildings that CapVen Consultancy has been tracking in PJ (Table 1), seven of them saw their occupancy rate rise in the range of 1.4% and 19.5% between end-2017 and 3Q2018 due to the entry of new tenants and expansions made by existing tenants, she says.

Meanwhile, six buildings registered a drop of between 1.5% and 7.4% in occupancy rate during the same period. The occupancy rate of another 10 buildings had remained unchanged.

Nevertheless, the 24 office buildings recorded a decent overall average occupancy rate of about 90.37% as at 3Q2018.

“In the last five years, there were not many new office buildings in PJ particularly the Grade A office buildings that are sought after by MNCs.

“A good number of office buildings in PJ are owner-occupiers, hence the availability of the office spaces for rental are also less than in KL. This is also a reason why the PJ office market isn’t experiencing a slowdown like KL,” she shares.

Yeong adds that PJ has become a preferred location for companies to relocate and expand especially shared services, call centres, tech industries and e-commerce companies.

Outlook bright

Looking ahead, PJ will usher in more prime office buildings with four of them slated for completion in 2019, namely Menara Star 2, Symphony Square, KYM Tower and 1 PowerHouse (Table 2).

In view of the new supply, JLL’s Lau expects the average occupancy rate in PJ to be slightly impacted in future.

“Nevertheless, rents are likely to remain stable despite the stronger competition due to the good quality of these new buildings and with higher demand likely,” she offers.

According to Savills Malaysia director of research and consultancy Amy Wong, it is estimated that about 3.34 million sq ft of office space will be completed in the next two years, in which 2.55 million sq ft are expected to be competing for quality tenants in the open market while 0.5 million sq ft are owner-occupied buildings and 0.29 million sq ft are stratified buildings. Hence, the office vacancy rates in PJ are expected to rise in line with rising supply,

Nevertheless, the outlook for the PJ office market in the next five years remains bright as the market still has room to grow, says CapVen’s Yong.

“But developers and landlords have to be creative with the design and concept of the office buildings they are planning to build. They need to look into what tenants and occupiers need when it comes to their work or office spaces,” she says.

PATRICK COH | THE EDGE



Lau: PJ is where people live and where talent can be tapped...

LOW YEN YEING | EdgeProp.my



Yeong: A good number of office buildings in PJ are owner-occupiers...

SUHAIMI YUSUF | THE EDGE



Wong estimates about 3.34 million sq ft of office space will be completed in the next two years.

CONGRATULATIONS on your new home!

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NEWS

'FundMyHome made my dream come true!'

BY RACHEL CHEW

SEMENYIH: Thirty-five-year-old Liao Tet Haw has finally fulfilled his long-time dream of owning a home — thanks to innovative property funding platform FundMyHome (FMH).

"I'm so excited to finally have a place to call my own!" beams Liao, who hails from Sabah. "I have always wanted to buy a property in West Malaysia where I have been working for years, Liao shared with EdgeProp.my after signing the sales and purchase agreement here yesterday.

Liao is buying a unit at the Harmoni Apartment at Eco Majestic, an up-and-coming township by Eco World Development Group Bhd.

The freehold 900 sq ft unit costing RM300,000 offers 3 bedrooms, 2 bathrooms and two parking bays. Some of the common facilities provided include a function room, swimming pool, multipurpose court, children pool, playground and anti-climb fencing.

Although FMH is a newly-introduced platform, Liao said he is very positive and confident with the scheme as it collaborates with reputable developers in Malaysia.

"My friends and family members had asked if I really want to take the 'risk' because the FMH scheme seems too good to be true.



"It is not easy to get a bank loan. Without FMH, I probably can only continue to rent the unit I am now staying in and get nothing at the end of the day." — Liao

"They said it could be a scam!" he recalled with a laugh. "I'm grateful that I made the right decision. Today, I am finally the owner of an apartment unit in Eco Majestic," he added.

Liao, like many other prospective homebuyers, had made several attempts but failed to get a bank

loan to buy his first home.

"I want to settle down in West Malaysia... It is not easy to get a bank loan. Without FMH, I probably can only continue to rent the unit I am now staying in OUG (Overseas Union Garden, KL) and get nothing at the end of the day.

"FMH has made my dream come true," adds Liao.

Under FMH, Liao just had to pay 20% of the purchase price of the Harmoni Apartment to move in. There is no need for a bank loan as the 80% of the purchase price is funded by institutions. Hence, Liao has no mortgage payments to worry about for the next five years at the end of which he would decide whether to own the entire 100% of the unit or sell it.

"Since Harmoni is already completed, I can do the renovation now and move in soon after the renovation is done. I'm ready to take up the 80% share of this unit five years later so I'm ready to invest money to renovate this unit," said Liao.

Launched two months ago, FMH enables a person to buy a property listed on the platform by paying 20% of the price. The remaining 80% will be contributed by institutions keen to fund the acquisition in exchange for a pre-determined yield and a share of the potential value appreciation of the home.

EcoWorld is one of the developers participating in FMH. The developer is exploring the possibility of expanding its portfolio of units on the platform.

FundMyHome is powered by EdgeProp.my. Find out more at www.FundMyHome.com

LOOKING TO BUY YOUR NEW HOME?

Have a chat with a **FundMyHome** consultant today @ +603 7732 8820

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