

Interested in a bargain property? Look no further than the auction market where some gems are going at way below market prices. See Pages 6 and 7.

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## DBKL to help public housing residents pay arrears

Kuala Lumpur City Hall (DBKL) introduced the 'Rental Arrears Settlement Service Scheme' on March 25 to address the problem of rental arrears by tenants of its Public Housing (PA) and People's Housing Programme (PPR) units.

Federal Territories Minister Khalid Abdul Samad said DBKL will appoint tenants who cannot afford to pay their rent as cleaners and their income would be channelled to DBKL to settle their current and outstanding rents.

"A total of 107 tenants have been identified to have rent arrears. So, if they really cannot afford to pay the rent, they can take up the job with an income of between RM800 and RM1,300 per month," he said.

As of Jan 31, a total of 25,872 units of PA and PPR have accumulated rental arrears of RM25.76 million with rental rates ranging from RM95 to RM135 monthly.

## 'Use plain language in housing loan contracts'

Bank Negara Malaysia (BNM) has given banking institutions until end 2019 to revise "unfair" terms and conditions, and improve clarity by using plain language for both new and existing housing loan and financing contracts.

In its Financial Stability and Payment Systems Report 2018, the central bank revealed that the Association of Banks in Malaysia and the Association of Islamic Banking and Financial Institutions Malaysia are also working with banks to review the standardised

## Paramount Property to revitalise Klang city with Berkeley Uptown



Paramount Property has unveiled its latest project Berkeley Uptown Klang in conjunction with the opening of the project's show gallery in Klang last Saturday.

The 33-acre freehold integrated development is anchored by Sri KDU International School and is located beside Jalan Goh Hock Huat.

Paramount Property is kick-starting this project with Phase 1 called Uptown Residences comprising 736 units of freehold serviced apartments with sizes from 859 sq ft as well as garden villas measuring 1,572 sq ft and 1,588

sq ft. There will also be affordable homes from 551 sq ft at prices below RM300,000.

Speaking at the opening of Berkeley Uptown's Sales Gallery, Paramount Property CEO Beh Chun Chong said it was Paramount's corporate vision of "changing lives and enriching communities for a better world" that led to participating in its first Urban Regeneration Project in this part of Klang, by building a modern and vibrant live-work-and-play community anchored by an international school.

key terms and conditions for housing loan agreements involving a principal sum of RM500,000 and below to address concerns that have been raised by BNM.

BNM said it found some of the terms and conditions in loan contracts were "disproportionately skewed in favour of the banking institutions and to the detriment of consumers" while some were "unnecessarily complex with the

use of excessive legal and technical jargon".

## Tighter rules on resale of affordable housing units

The government plans to introduce new rules on the resale of affordable houses to control prices and to ensure that houses are utilised only by eligible applicants.

Under the National Affordable Housing Policy, homeowners who want to let go of their units after the minimum holding period of two years may only be allowed to sell them to the Ministry of Housing and Local Government, its minister Zuraida Kamaruddin told the Dewan Rakyat on March 27.

The proposed new measures are in light of recent incidents of affordable homeowners renting out and selling their units to non-eligible consumers.

## Estate agents decry illegal brokering through proptech

The Malaysian Institute of Estate Agents (MIEA) wants the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP) and the Ministry of Finance to take action against those who circumvent the law by carrying out real estate practices illegally through property technology (proptech).

"These proptech start-ups say their tech platform is to bridge a sale or rental and help buyers and sellers or landlords and tenants. They even directly state that this is to avoid using real estate agents to help save cost. They provide real estate services, prepare tenancy agreements, collect rentals and even claim their service is better," said MIEA in a statement on Wednesday.

MIEA president Eric Lim said the law only allows real estate transactions to be handled by real estate agents, real estate negotiators and property owners.

"The proptech start-ups are illegally operating real estate practice when they collect a fee in any shape or form," Lim said.



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## LAUNCHES + EVENTS



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Events listed here will also appear on [www.EdgeProp.my](http://www.EdgeProp.my).



### Preview of Precinct Arundina at Setia Eco Park

**Date:** March 31 (Sun)

**Time:** 11am to 5pm

**Venue:** Camelia Hall, Setia Eco Park, Jalan Setia Nusantara U13/22s, Setia Eco Park, Shah Alam, Selangor  
**Contact:** (03) 3343 2228

S P Setia Bhd is having a preview of Precinct Arundina, the latest precinct of luxury semidee homes at Setia Eco Park this Sunday. There will be fun activities for the family such as a scavenger hunt, an experiential garden tour and a flowerpot cupcake workshop.

### Terrarium Workshop at Setia EcoHill

**Date:** March 31 (Sun)

**Time:** 11am and 2pm

**Venue:** Setia EcoHill Welcome Centre at Kelab 360, No. 1,

Persiaran Ecohill Barat, Setia EcoHill, Semenyih, Selangor  
**Contact:** (03) 8724 2255

Learn how to create your own terrarium at the workshop organised by S P Setia Bhd. Entry is RM10 per person and all proceeds will be donated to charity.

### Pottery experience at Bandar Bestari

**Date:** March 31 (Sun)

**Time:** 11am to 2pm

**Venue:** Bandar Bestari Sales Office, No. 2, Jalan Langat KS9, Bandar Bestari, Klang, Selangor  
**Contact:** (03) 3122 2999

KSL Holdings Bhd invites all to participate in a clay pottery workshop at Bandar Bestari. You can also check out their projects and incentives for purchasers.

### Discover stone painting at Eco Majestic

**Date:** March 31 (Sun)

**Time:** 2pm to 4pm

**Venue:** EcoWorld Gallery @ Eco Majestic, No. 1, Lingkar Eco Majestic, Eco Majestic, Semenyih



**Contact:** (03) 8723 2255

Enjoy a fun day at Eco Majestic and learn the art of stone painting to create decorative paperweights, pebble pets and lucky charms. RSVP now at only RM5 per pax.

### Preview of Eunica

**Date:** March 31 (Sun)

**Time:** 10am to 6pm

**Venue:** Seri Pajam Sales Gallery, PT-9889, Jalan BBN1/3J, Bandar Baru Nilai, Nilai, Negeri Sembilan



**Contact:** (012) 780 0161, (017) 7800 641

Join Join Seri Pajam Development at the preview of Eunica 2-storey terraced houses, a freehold gated-and-guarded development within D'mayang Sari in Nilai. The event will feature a coffee workshop and a kids' playland.

### National Geographic Earth Day Run 2019

**Date:** April 28 (Sun)

**Time:** 5.30am to 10.30am

**Venue:** Gamuda Walk, 12, Persiaran Anggerik Vanilla, Kota Kemuning Section 31, Shah Alam, Selangor  
**Contact:** (1800) 18 0505

The National Geographic Earth Day Run I returns to Gamuda Walk on April 28 with the theme "Planet or Plastic?" The initiative from National Geographic is aimed at raising awareness of plastic pollution and reducing the amount of single-use plastics that enter the world's ocean. For more information and registration, e-mail [info@raceasia.com](mailto:info@raceasia.com) or call 1800-18-0505.

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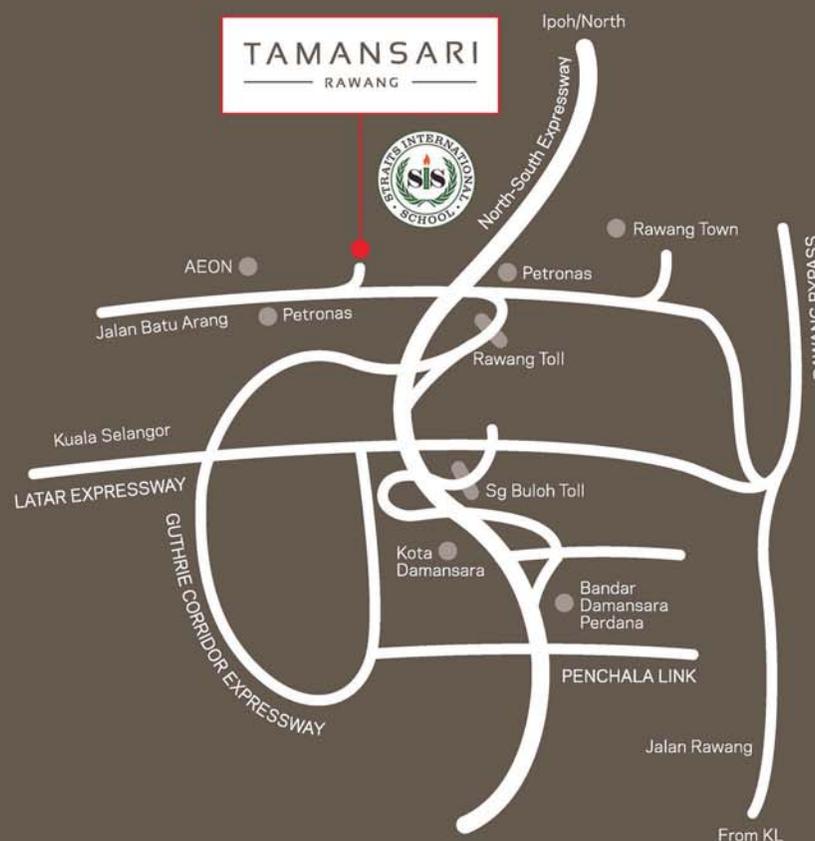
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# Global house prices, including in Malaysia, continue to moderate

BY RACHEL CHEW

KUALA LUMPUR: Global housing prices continue to moderate overall in the fourth quarter of 2018.

According to Knight Frank's Global House Price Index for 4Q2018, although 86% of the countries and territories tracked by the index recorded a rise in prices in 2018, the overall rate of growth had slowed down.

Average residential property values across 56 countries and territories increased by 4.3% in the year to December 2018, the lowest annual rate of growth recorded by the index since 3Q2016.

Here in Malaysia, house prices have grown by a marginal 1.1% year-on-year (y-o-y), according to Knight Frank Research's Global House Price Index for 4Q2018.

However, over the final quarter of 2018, Malaysian house prices declined by 0.5%.

Malaysia came in 46 out of 56 countries surveyed in the Global House Price Index.

Slovenia in Europe was at the top of the list for the first time with the highest housing price increase of 15.1% y-o-y in 4Q2018, followed by Malta (11.8%) and the Chinese Mainland (10.7%).

Singapore in 10th place saw an 8.3% annual growth in house prices while Hong Kong tumbled from first place down to 22nd place as house prices grew by only 5.9% in 2018.

Other Asian countries saw even smaller price growths: namely South Korea (3.2%), Indonesia (3%), Japan (1.9%) and Taiwan (1.4%).

"The Chinese Mainland crept back up the rankings, whilst Finland and Sweden headed south. We reported last quarter on rising prices in Central and Eastern Europe (CEE) which has been confirmed by Slovenia's ascendancy into first place.



Slovenia tops the global house price index for the first time.

The IMF (International Monetary Fund) estimates the country's economy expanded by 4.5% in 2018 and as a member of the Eurozone, interest rates remain low," Knight Frank Research noted.

In the Chinese Mainland, despite significant disparities across the country, some outperforming cities such as Xi'an helped lift the annual growth from 8.9% last quarter to 10.7% at the end of 4Q2018.

"Put in context though, some cities in the Chinese Mainland were registering annual growth of 30% to 40% two years ago, and although the prices are still rising overall, sales across China are expected to decline in 2019 and the loosening of property regulations will be a slower process than expected,"

the global real estate services provider said.

On the other hand, only eight of the 56 markets tracked saw prices decline in 2018 and half of them were in Europe: Switzerland (-0.1%), Italy (-0.8%), Sweden (-1.5%) and Finland (-2.9%). But Europe's 2018 figures present a mixed picture – Central and Eastern European countries are out in front, Portugal (6.1%) is now outpacing Germany (5.4%) and the UK (2.5%) is only marginally ahead of Greece (2.4%).

"With 2019 expected to see greater economic uncertainty, heightened market regulation and a rising cost of debt in major economies we expect the rate of price growth globally to moderate further next quarter," Knight Frank Research concluded.

SOURCE: KNIGHT FRANK RESEARCH

## Knight Frank Global House Price Index, 4Q18

RANK COUNTRY/TERRITORY (by annual change)	12-MONTH % CHANGE (4Q17-4Q18)	6-MONTH % CHANGE (2Q18-4Q18)	3-MONTH % CHANGE (3Q18-4Q18)
1 Slovenia	15.1	6.3	1.9
2 Malta***	11.8	2.2	1.2
3 The Chinese Mainland	10.7	6.8	2.8
4 Hungary	10.4	7.0	3.5
5 Mexico	9.9	5.2	0.3
6 Turkey	9.7	3.4	1.7
7 Czech Republic***	8.7	5.4	2.4
8 Latvia	8.6	3.2	0.1
9 Netherlands	8.4	3.3	0.7
10 Singapore****	8.3	0.5	0.5
11 Colombia	8.1	3.5	1.4
12 Austria	8.0	3.5	2.8
13 Slovakia	7.6	2.2	2.1
14 India	7.2	2.4	3.2
15 Luxembourg	6.9	2.8	1.9
16 Chile	6.9	4.6	1.9
17 Iceland	6.9	3.0	1.3
18 Croatia	6.8	2.6	2.8
19 Ireland	6.5	2.0	-0.2
20 Bulgaria	6.3	3.6	0.8
21 Portugal	6.1	3.4	1.2
22 Hong Kong**	5.9	-4.0	-6.2
23 Romania	5.7	2.4	-0.7
24 Lithuania	5.4	-2.1	-4.2
25 Germany	5.4	3.6	2.1
26 Russia	4.9	2.5	1.8
27 United States	4.7	0.5	-0.2
28 Estonia	4.2	1.3	0.2
29 South Africa	4.0	2.1	0.4
30 Spain	3.9	1.9	1.8
31 New Zealand	3.7	1.0	0.8
32 Jersey	3.6	1.3	0.4
33 France	3.3	1.7	0.6
34 South Korea	3.2	2.1	0.9
35 Indonesia	3.0	0.8	0.4
36 Denmark	3.0	1.4	-0.4
37 Peru	2.9	3.1	-1.2
38 Belgium	2.6	3.1	2.1
39 Canada	2.5	0.1	-1.0
40 United Kingdom	2.5	1.1	-0.4
41 Greece	2.4	1.9	1.0
42 Norway	2.3	-3.4	-2.3
43 Japan	1.9	-2.1	-2.0
44 Cyprus	1.7	0.9	0.3
45 Taiwan	1.4	-1.8	-2.7
<b>46 Malaysia</b>	<b>1.1</b>	<b>0.5</b>	<b>-0.5</b>
47 Ukraine	0.7	0.7	0.0
48 Poland	0.3	-0.2	-1.0
49 Switzerland	-0.1	0.0	-0.8
50 Brazil	-0.4	-0.2	-0.1

\*\* Provisional. \*\*\* Asking prices. \*\*\*\* Island-wide price index for non-landed properties. Data for Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Germany, Greece, Hungary, Japan, Latvia, Lithuania, Luxembourg, Malaysia, New Zealand, Poland, Romania, Slovenia, South Africa is to 3Q18; data for Cyprus and India is to 2Q18.

## Unsold housing units may rise further but sharp price drops unlikely

BY SHAWN NG

PETALING JAYA: Continuing soft market conditions and affordability issues in the country may see the level of unsold housing units rise further in the short term. However, sharp declines in house prices are unlikely, said Bank Negara Malaysia (BNM) in its Financial Stability and Payment Systems Report 2018.

According to BNM, affordability issues in the housing segment has contributed to a further rise in the stock of unsold housing units in the first nine months of 2018 and caused house price growth to moderate over the same period.

"During the first nine months of 2018, despite fewer launches of new housing units, higher activity in the price segment of below RM500,000 across four key states, namely Kuala Lumpur, Selangor, Penang and Johor supported a marginal growth in the total volume of housing transactions.

"In other states, house prices at this level are, however, still unaffordable. This contrib-

uted to the further increase in the stock of unsold housing units by 22.5% in the nine months to September 2018," the central bank said in the report.

It added that houses priced above RM250,000 continued to form the bulk of new launches and unsold housing units,



thus adding to the housing supply and demand mismatch in some locations.

Citing data from the Malaysian House Price Index (MHPI), BNM noted that house prices continued to moderate in the first half of 2018 at 4%, with preliminary data for the third quarter of 2018 suggesting further moderation to 1.1%.

"The easing in house price growth has been reflective of weaker demand for properties in the higher-priced segments which remain unaffordable for most buyers, as well as subdued activity in the housing market over the last six years.

"This is contributing to adjustments in housing supply towards more affordable segments in the past two years with more new housing launches targeting properties priced below RM500,000."

Nevertheless, the central bank does not expect to see a large and broad-based decline in house prices which could increase risks of a disorderly correction in the housing market.

The outlook for the housing market, it

added, is expected to gradually improve going forward.

"Adjustments in house prices are expected to be orderly given continued firm demand for affordable homes and housing by owner-occupiers; sustained lending by banks and policies by the government aimed at better aligning housing demand and supply.

It said demand for affordable homes will continue to outstrip new supply in the foreseeable future. Coupled with measures to improve financing affordability, the outlook for the housing market is expected to gradually improve along with greater alignment between demand and supply conditions, it noted.

However, BNM stressed that while the government has introduced several measures to address the structural mismatch, closer coordination with the private sector will be important to guide a smooth transition to a more sustainable housing market, while gradually reducing the level of unsold properties.

This article first appeared on [www.EdgeProp.my](http://www.EdgeProp.my)



# MALAYSIA'S BEST MANAGED PROPERTY AWARDS 2019

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# Time for bargain-hunting at the property auction

BY TAN AI LENG

Looking for a property bargain in mature areas? Well, there are usually some good deals to be found on the auction market.

Although many do not like the idea of buying auction properties, AuctionGuru.com.my executive director Gary Chia says one should seriously consider it if the property is going at far below the reserve price and is in an established area that one is familiar with.

According to Chia, the current property market slowdown in the country has been tough on property owners who purchased their properties for short-term investment. Many investors found themselves having problems servicing their monthly mortgage repayments.

Hence, some would sadly see their properties being put up for auction.

"There was an increase in number of newly completed properties and properties in established locations that went under the hammer last year. Reserve prices of these properties are now far lower than the asking prices of similar properties on the secondary market which make them a good bargain.

"Some properties in established or prime areas have seen prices drop by more than 30%. It is a good time for investors to look at the auction property market now," says Chia.

He cites for instance, a 3-storey bungalow house in Jade Hills, Kajang, Selangor with a market value of RM4.8 million which was put up for auction in January this year at a reserve price of RM3.24 million. There was no taker at that time.

In the upcoming auction (a date has not been fixed), this freehold bungalow with a land area of 673.8 sq m or 7,252.72 sq ft will be auctioned at a reduced reserve price of RM2.91 million, which is about 40% lower than the market rate of a similar property in that area.

Another example is a 3-storey bungalow in Taman Nadayu in Ampang, Selangor, which saw its reserve price drop to RM2.66 million in an auction in February compared with its reserve price of RM3.28 million in the previous auction which was held last year.



Chia: Some foreclosure properties in prime locations have seen prices drop by over 30%.



Long: The auction market has seen some good bargains, but with no takers.

The freehold bungalow, which has a land area size of 8,428 sq ft, has gone under the hammer a few times since 2017. Its reserve price at the first auction was RM4.05 million, the closest to the secondary market value.

According to Chia, interest in auction property seems to be rising based on the number of enquiries that his company has been receiving. Many of the enquiries are for landed homes in established areas.

However, the increase in interest has not translated into sales.

"This could be because most people are still waiting for prices to decrease further in upcoming auctions as they know the reserve price of the property will decrease 10% each time the same property is put up for bids," he explains.

Chia also advises prospective buyers to check with auctioneers on hidden costs such as maintenance fees and utility fees owed by previous owners and whether they will be borne by the financial institutions before making their bids.

## Commercial properties

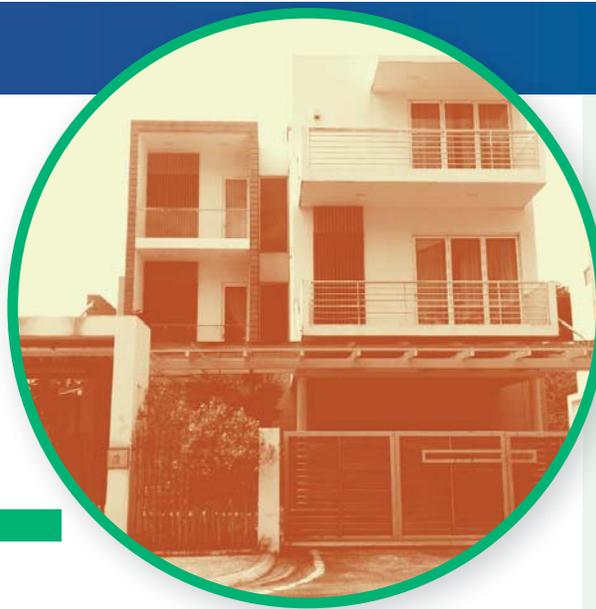
Besides residential properties, there are also some good deals in the commercial property segment. For instance, there is one shophouse in Publika in Solaris Dutamas, Kuala Lumpur which went under the hammer with a reserve price of RM1.7 million. This freehold unit has a current market value of RM3.2 million, according to Chia.

In Penang, Khoo & Associates Realty business development manager Long Soo Keat said the auction market has seen some good bargains but with no takers.

In Butterworth, a 4-storey shophouse which was priced at RM2.1 million in 2016, has seen the reserve price drop to RM1.1 million at an auction in December last year.

For those who are interested, here are more such bargain properties with reserve prices that have been reduced by at least 30% from their secondary market price.

These properties are collated from EdgeProp.my listings and auctioneers.



## Selangor

Recommended by  
AuctionGuru.com.my

### 3-storey bungalow house in Taman Nadayu, Ampang Selangor

Tenure: Freehold  
Land area: 8,428 sq ft  
Latest reserve price: RM2.66 million  
Estimated market price: RM4.05 million

### 3-storey bungalow house in Jade Hills, Kajang, Selangor

Tenure: Freehold  
Land area: 7,253 sq ft  
Latest reserve price: RM2.91 million  
Estimated market price: RM4.8 million

### Double-storey end lot terraced house in Denai Alam, Shah Alam, Selangor

Tenure: Freehold  
Land area: 4,531 sq ft  
Latest reserve price: RM798,000  
Estimated market price: RM1.5 million



## Kuala Lumpur

EdgeProp.my auction listings

### Serviced apartment at Suasana Bukit Ceylon, Bukit Bintang

Tenure: Freehold  
Built-up: 743 sq ft  
Latest reserve price: RM585,000  
Estimated market price: RM846,000

### Amadesa Resort Condominium at Desa Petaling

Tenure: Leasehold  
Built-up: 1,033 sq ft  
Latest reserve price: RM306,000  
Estimated market price: RM420,000



# Drastic rise in SoHo, SoVo and SoFo units on auction last year

BY TAN AI LENG

PETALING JAYA: The number of small home office units that were put up for auction last year surged to 255 units in 2018, an increase of 83% from the previous year, according to data collated by AuctionGuru.com.my.

Commercial properties in the category of small-office home-office (SoHo), small-office versatile-office (SoVo) and small-office flexible-office (SoFo) that went under the hammer last year totalled around RM90 million.

“There’s a huge increase in volume and value for this category [small commercial home office] last year. About an average of 21 cases with a total reserve value of RM7.5 million were being put up for auction every month,” said Gary Chia, the online auction listing platform’s executive director.

Although the number of foreclosures in this segment remained

Breakdown of foreclosure strata commercial/industrial properties (2015 - 2018)

YEAR	RETAIL LOT		OFFICE		SMALL HOME OFFICE (SOHO, SOVO AND SOFO)		FACTORY LOT		HOSTEL		TOTAL	
	CASES	RM MIL	CASES	RM MIL	CASES	RM MIL	CASES	RM MIL	CASES	RM MIL	CASES	RM MIL
2018	1,180	474	680	379	255	90	3	3	43	1	2,161	948
2017	1,022	436	523	246	139	57	2	0.3	151	1	1,837	741
2016	834	294	516	247	66	31	5	1	103	0.7	1,524	574
2015	717	162	589	172	10	3	10	2	24	0.2	1,350	339

About an average of 21 small home office cases with a total reserve value of RM7.5 million were being put up for auction every month

lower than other property types, Chia noted that the volume is on an uptrend which he expects will continue in 2019 due to excess supply in the market and the downward pressure on rentals.

According to AuctionGuru.com.my’s Auction Report 2018, the number of foreclosures of such small commercial home office units has been on the rise since 2016, from 66 units valued around RM31 million to 139 units worth RM47 million in 2017.

The small commercial home office units come under the overall strata commercial property segment which has seen 2,161 cases of foreclosure properties with a total reserve price of RM948 million in 2018. This was an increase of 18% in volume

and 28% in value from 2017.

Of the 2,161 cases, retail units made up the highest number at 1,180 cases (54.6%) with a collective reserve price of RM474 million, followed by office units at 680 units (31.5%) valued around RM379 million.

SoHo, SoVo and SoFo properties made up 12% of the total foreclosed commercial properties, while the remaining 2% were hostel (43 cases) and factory lots (three cases) worth around RM4 million.

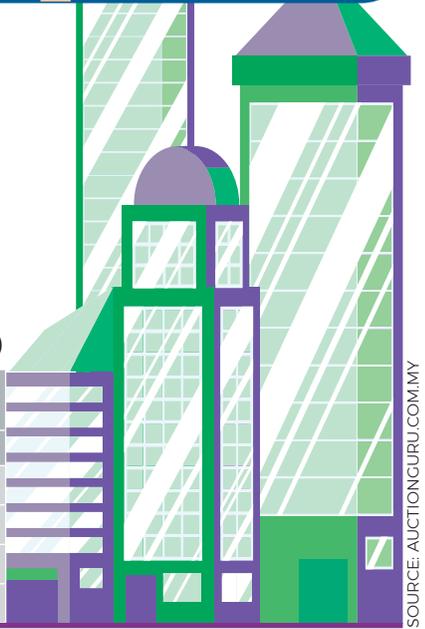
In the landed commercial property segment, the auction market

saw 1,501 cases worth around RM3.075 billion last year, an increase of 44% in volume and 33% in value.

Of that, 73.5% or 1,104 cases were shop offices with a collective reserve price of RM1.07 billion, followed by factory or industrial buildings with 322 cases worth around RM870 million.

Meanwhile, 32 office buildings worth at least RM745 million and 41 other commercial properties such as showrooms and warehouses went under the hammer last year.

SOURCE: AUCTIONGURU.COM.MY



## COVER STORY



### Penang

Recommended by **Khoo & Associates**

#### Serviced residence in Krystal Suites, Bayan Lepas

Tenure: Leasehold  
Built-up: 1,900 sq ft  
Latest reserve price: RM353,772  
Estimated market price: RM780,000

#### 2-storey semidee house in Permatang Pauh

Tenure: Freehold  
Land area: 3,649 sq ft  
Latest reserve price: RM590,490  
Estimated market price: RM1.1 million

#### 4-storey shophot in Butterworth

Tenure: Freehold  
Land area: 2,637 sq ft  
Latest reserve price: RM1.13 million  
Estimated market price: RM2.1 million



### Johor Bahru

EdgeProp.my auction listings

#### Double-storey terraced house in Taman Bukit Indah

Tenure: Freehold  
Land area: 1,400 sq ft  
Latest reserve price: RM418,500  
Estimated market price: RM610,000

#### Serviced apartment at Idaman Residence, Nusajaya

Tenure: Freehold  
Built-up: 972 sq ft  
Latest reserve price: RM265,370  
Estimated market price: RM450,000

#### A townhouse in Residensi Ledang @ East Ledang, Nusajaya

Tenure: Freehold  
Land area: 2,561 sq ft  
Latest reserve price: RM610,000  
Estimated market price: RM988,000



### Sabah

Recommended by **AuctionGuru.com.my**

#### Penthouse unit in Prince Tower @ 1 Borneo, Kota Kinabalu, Sabah

Tenure: Leasehold  
Built-up: 13,700 sq ft  
Latest reserve price: RM3.06 million  
Estimated market price: RM5.2 million

#### Single-storey semidee house at Nexus Residence, Kota Kinabalu, Sabah

Tenure: Leasehold  
Land area: 4,468 sq ft  
Latest reserve price: RM782,000  
Estimated market price: RM1.1 million

#### 5-storey shopoffice in Harbour City, Sabah

Tenure: Leasehold  
Built-up: 31,523 sq ft  
Latest reserve price: RM6.75 million  
Estimated market price: RM9.23 million



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- **Anthony Lee Tee**
- **Chris Tan**
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