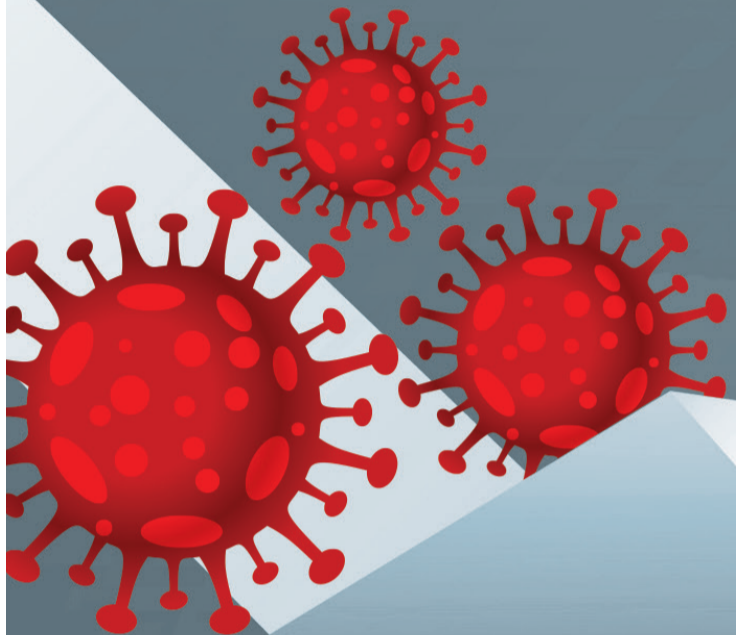


Property landscape post-covid-19

Pandemic creates a reset that will
challenge the real estate industry

> See pages 2-3



**INSIDE
THIS
ISSUE**



**SPECIAL
FEATURE**
Rallying to
the Cause
> 4-5



**FEATURED
DEVELOPMENT**
Living on
Cloud 9
> 6



**SPECIAL
FEATURE**
Despite MCO, opportunities
beckon in real estate
> 8

By VIKTOR CHONG
viktorchong@thestar.com.my

THE Malaysian property market is experiencing an unprecedented conundrum. With the overhang problem largely unsolved, now comes a pandemic that threatens to cripple not only the local economy but the world economy as a whole.

The factors that largely move the property market also appear unhelpful in these times, as transactions are influenced by buyer's sentiment, economic prospects and global financing, which affects banking institutions' stance in providing loans for the purchase of a property.

Uncertainties abound, and questions require answers. Industry leaders and analysts have been called to the forefront to comment on the future of the property market, and this is what they have to say:

Product type and location shall determine property prices

Real Estate and Housing Developers Association Malaysia (Rehda) president Datuk Soam Heng Choon expressed concerns as the property market currently has a considerable overhang stock, with the products being different compared to the situation during the 2008 financial crisis.

In a recent webinar, he pointed out that areas such as Klang Valley, Penang and Johor hold many high-rise stocks



Cash flow is the most important criteria now for any company," said Soam.

Property landscape post-covid-19

Pandemic creates a reset that will challenge the real estate industry



and these products are experiencing resistance from buyers. He believed landed properties in good locations will recover quickly after the crisis, but the property market may take time to reflect the improvement of the economy.

Reinforcing Soam's statement is Malaysian Institute of Professional Estate Agents and Consultants president Loh Soong Park, who predicted a tough outlook for the year. "We feel the market would be in a position to recover sometime

around mid to end 2021, because of the expected quantitative easing worldwide, and that we envisage a vaccine to be available by the first quarter of 2021," Loh commented. He added that further investments and monies would then be channelled back in the property market

EVENT HIGHLIGHTS

Homebound contests gathering strong response

THE first series of homebound contests launched by omni-channel property platform provider StarProperty Sdn Bhd is getting rave reviews and a strong number of contenders are vying for the top slots.

Beginning with the home cooking and bread-baking contests, the 'StarProperty Stay At Home Contests' aim to lift spirits and keep people entertained while the movement control order (MCO) is ongoing.

At the same time, they can win Aeon shopping vouchers, which can be claimed at a later date after the MCO is lifted.

The first round of the contests will end on April 30, 2020 and participants are required to cook any one of the simple one-pot recipes found in the StarProperty's articles titled 'Top Five Quick And Tasty One-Pot Meals' or 'Five Easy Malaysian Meals'.

Alternatively, those who prefer baking instead may choose to join the bread baking contest which will also end this April 30. The simple bread making recipe and guide can be found in the article titled 'Time To Use Your Kitchen For Making Bread'.

Winners will be judged on food appearance, creativity and caption of their images shared on social media with the hashtag, #starpropertystayathome. 🍞





Loh is optimistic that people shall continue to purchase property as it is a safe bet against inflation.

similarly to the situation as per the 2008 financial crisis.

When prompted about the drop in house prices, Soam said this is determined by factors such as the seller's need for cash. If sellers want cash faster, then they would likely drop prices, he said, adding that the six-month moratorium on loan repayment may reduce the possibility of individuals opting for a fire sale.

Rehda Institute chairman Datuk Jeffrey Ng Tiong Lip said the fear of unemployment, together with concerns of loss of personal disposable income needs to be alleviated for people to start purchasing property again.



Malaysian Institute of Estate Agents president Lim Boon Ping expects the property market to see a market adjustment of 10% in Malaysia.

Ng further pointed towards the country's younger population, who are expected to propel the future demand for housing. "So long as the banks are there to provide the financing, then logically speaking, the demand for houses would be there, and there is no reason for house prices to drop," he said. However, if a developer holds massive unsold stocks, then profitability is of secondary importance as cash flow will be required to meet financial and operational obligations.

Sunway University professor of economics Dr Yeah Kim Leng said prices, especially the medium and high-end property segment, may experience further correction or remain depressed for longer.

Loss of job and the economic downturns, brought about by the looming recession shall further erode purchasing power, inadvertently pushing people to choose affordable houses. "This presents a challenge to policymakers as there is a shortage of affordable housing, especially in urban areas where 70% of the country's population now reside," he said.

"There is a need for closer public-private sector collaboration in finding a feasible and sustainable model to address this issue and scaling up as well as replicating the model throughout the cities in the country," Yeah advised.



"The property market recovery will track the recovery of the economy especially if jobs and household income growth pick up on the back of flushed liquidity, easy credit and low-interest rates," said Yeah.

Moving into the unknown

Soam also touched on the complications brought about by the movement control order (MCO). "Effectively turnover for the month of April is probably zero for everyone as our turnover is based on work done, and cash flow is affected," he said, adding that the stoppage of work has hampered the delivery of products from March up to September.

Since the date of vacant possession may not be met, developers will incur liquidated ascertained damages. Similarly, buyers are also affected as they may not be able to fulfil their payment as per the duration provided in the sales and purchase agreement. "We have asked the government to invoke a temporary measure bill to prevent more litigation going forward," he said.

Concerning the primary market, disruption is expected to continue even after the MCO is over. To ensure the full decline of the virus, the government might introduce a soft landing approach.

Health director-general Datuk Dr Noor Hisham Abdullah said this would mean social distancing rules and bans on large gatherings were likely to continue for the rest of the year.

"Even after we have lifted the MCO, we will continue advising the people to stay at home if they do not need to go out of the house. That is the principle," he added.

Developers are mainly challenged in their ability to close sales, as property transactions traditionally require face-to-face communication with house buyers. After the movement control order, people are likely to shun mass gatherings such as property fairs or events at sales galleries, which are among the ways developers translate their sales.



"Not all purchasers are well informed on the material spec, so a lot rely on visiting the showroom to look at the material used and ask accordingly," said Yap.

"The property market recovery will track the recovery of the economy especially if jobs and household income growth pick up on the back of flushed liquidity, easy credit and low-interest rates."

– Yeah



Electronic communication seems unlikely to breach this problem either, as attested by M101 Holdings Sdn Bhd CEO Datuk Seth Yap Ting Hau. He said digitisation could only act as a supplement to these proceedings since house buyers have a habit of visiting the physical showroom. "I believe due to the quantum involved, only a very small portion of the purchasers would buy a house without meeting or seeing a physical show unit," said Yap.

"Digitising our promotion to engage them is one thing. My experience is that there are just no other alternative techniques to replace the physical meeting. To close a sale, or a purchaser to buy a house, they still prefer to meet our representative in person," he concluded.

The future of office spaces is in question

Before the pandemic, the future of work was expected to move towards working remotely. However, this shift has been expedited by the pandemic. This startling change is not only affecting how work is currently being conducted, but also how it will continue to operate in the future.

"Office accommodation is a high fixed cost, and business leaders may consider whether it is actually necessary for all teams to have a dedicated desk," said Knight Frank Malaysia executive director (capital markets) James Buckley. Hot desking, remote working and some provision of co-working can help businesses to reduce this fixed cost and also provide flexibility to scale up



"To ensure business continuity, organisations are advised to have a solid networking infrastructure in place, enabling their employees to stay connected and be productive while working remotely," Buckley advised.

or reduce business space as and when required.

"This does not mean the death of the office, but we could see a shift in the working model where it becomes more a place for connection, socialisation, creativity and innovation," he explained. Buckley is of the opinion that flexible home working will be more accepted for certain businesses. In fact, not all remotely based employees are operating from their homes as many can choose to work from co-working spaces, coffee shops or restaurants.

"The upside of working from home is to avoid the long commutes, the preparation time and additional costs of being out of home. It can be treated as financial benefits given cost avoidance which becomes available to individuals," added Knight Frank Malaysia executive director (corporate services) Teh Young Khean. ☞



Rallying to the cause

Property developers shore up their relief efforts to battle the Covid-19 contagion

By JOSEPH WONG josephwong@thestar.com.my

THE movement control order (MCO) has been pushed back to April 28 to date as the nation continues its effort to eradicate the spread of Covid-19.

While the spread of the virus has slowed, its impact on the property industry has been negatively felt. But that has not stopped many developers from playing their part in combating the contagion.

Many have been quietly supporting and providing relief efforts to the frontliners, amounting to millions to ringgit, as part of their community social responsibility (CSR) endeavours.

Among them are Sunway Group (Sunway), Mah Sing Group Bhd (Mah Sing), JL99 Group (JL99), SP Setia Bhd, Sime Darby Property Bhd, UEM Sunrise Bhd and LBS Bina Group (LBS). To date, master community builder Sunway has pledged one of the most significant amounts at RM34mil, which is set to benefit at least 40,000 people across the nation.

"We know the coronavirus pandemic has taken a toll on the nation and its people financially, socially and emotionally. We would like to do what we can, as a conglomerate with businesses across the country, to provide support and relief efforts for our communities," said Sunway founder and chairman Tan Sri Jeffrey Cheah.

The contributions include up to RM12mil from Sunway's healthcare division to cover the cost of subsidising treatment for public patients from government hospitals. Its other business units like Sunway Property, Sunway Malls and Sunway Hotels also donated medical and hygiene supplies such as electronic infrared thermometers, face masks, sanitisers, blankets, shower gel, shampoo and dental kits, as well as packed food and groceries to local councils, hospitals and various organisations.

Mah Sing also did their part, committing RM4.1mil of support via its corporate responsibility arm, Mah Sing Foundation (MSF) in the fight against the Covid-19 pandemic.

Included in the pledge was 20 units of the much-needed heavy-duty critical-care ventilators worth RM3.9mil, which will be distributed to front line hospitals.

Mah Sing founder and group managing director Tan Sri Leong Hoy Kum said about 100,000 face masks were deployed to keep the frontliners safe. And RM50,000 was donated to the Tabung Bencana Negeri Johor for the purchase of protective equipment for the healthcare front liners.

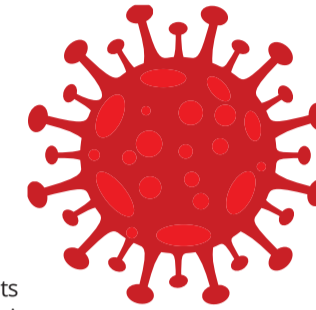
Sime Darby Property, through Yayasan Sime Darby, has collectively spent almost RM5.5mil to support Covid-19 related humanitarian efforts to date.

Of that sum, RM4mil was contributed to the national GLC and GLIC Disaster Response Network to provide streamlined support for medical supplies, personal protective equipment and ventilators to hospitals, district health clinics and frontliners with the support of the Ministry of Health

and Pharmaniaga Bhd. The funds were also used to assist the B40 community and aid Mercy Malaysia.

While JL99 Group's donation may not be as big, the RM680,000 worth of donations is no laughing matter either. In addition, its executive chairman Datuk Seri Jeff BK Lee was hands-on when it came to planning, ordering, packing and delivering of the donated items.

Together with his team, they delivered and handed over the much-needed supplies to recipients including the Royal Malaysia Police, Fire and Rescue Department of Malaysia, Selangor Hospital and Kuala Lumpur City Hall.



Leong presenting the donation pledge to Prime Minister Tan Sri Muhyiddin Yasin.



The Prime Minister receiving a RM1mil mock cheque for Covid-19 Fund from Sunway executive director and property division managing director Sarena Cheah.



Sunway Property Penang assistant general manager Fong Choon Fuoi (left) handing over 6,000 face masks to Penang Mayor Datuk Yew Tung Seang as councillor Nicholas Theng (right) looks on.



LBS Foundation general manager Amal Abdul Aziz (left), presenting a mock cheque of RM50,000 to Selangor Chief Minister Datuk Seri Amirudin Shari.



SP Setia's charity arm SP Setia Foundation donated RM500,000 worth of medical equipment and supplies.



On behalf of UEM Sunrise, the Malaysia Red Crescent Society of Johor handing over the personal protective equipment (PPE) and facemasks to the medical personnel of Hospital Sultanah Aminah.



Lee (centre, front) presenting a RM230,000 mock cheque to the Selayang Hospital management and medical team.



Team Setia sending food aid to their site workers at Bayuemas, Klang, Selangor.



Sime Darby Property business unit employees distributing essential items to nearly 100 families living at the Seri Mutiara Flats in Putra Heights during the MCO.

THEY say home is where the heart is. But what makes a home a brilliant one? Being well-connected, private and yet eternally lively, PV9 Residences (PV9) certainly paves the way for wholesome city life in the heart of Taman Melati, Setapak.

Living within the Kuala Lumpur address, PV9 offers spaces that radiate with vibrancy and boast invigorating views. As a high-rise development, this is like living among the clouds.

With nine modern common areas designed to give residents a relaxing breath of fresh air, PV9 is the latest pinnacle for property developer Platinum Victory.

Located on 5.6 acres of leasehold land, the project comprises 953 condo units housed over two 34-storey blocks, offering three choice designs with built-ups of 1,000 sq ft, 1,100 sq ft and 1,300 sq ft.

The first two types are three-bedroom and two-bathroom units while the biggest unit gives the owner to turn his or her home into a dual-key home, as the fourth bedroom can easily be made into a separate unit.

The standalone suite also comes with its own bathroom for added convenience.

Block A comprises 429 units while Block B holds 524 units. Residents of the two towers share the nine common areas. Facilities include the sky gardens, swimming pool, gymnasium, kid's wading pool, Kid's playground, basketball court, games room, gazebo park and barbecue pits.

PV9, with an estimated gross development value of RM550mil, has a residential title so homeowners can rest assure that their utility bills will be much lower than commercial titled properties.

The price starts from RM530,000, making this condominium very attractive, given its strategic location in Setapak, Kuala Lumpur. This is a well-sought after area, meaning that the condominium stands to gain high capital appreciation due to its potential growth.

Expected to be completed by December 2021, PV9 Residences has a ton of established amenities nearby, some just a stroll away. The light rail transit (LRT) station at Taman Melati at 500m is only an eight-minute walk. That station will connect you quickly to the city or other parts of Selangor via its connectivity with the mass rapid transit (MRT), LRT Star line, monorail and KTM stations.



An artist impression of PV9 Residences.

Living within the Kuala Lumpur address, PV9 offers spaces that radiate with vibrancy and boast invigorating views. As a high-rise development, this is like living among the clouds.

for children who wish to have their independence and privacy but are still a door away from their parents. Alternatively, homeowners can opt to rent out their 'spare' units as a side income.

Recreationally, Taman Tasik Titwangsa, Zoo Negara, Danau Kota Lake, Tasik Sri Rampai, Istana Budaya, Balai Sei and Loke Yew Hill, a place of major historical interest in this town are all in easy reach.

For shoppers, the M3 Mall, Platinum Walk, Aeon Big, Setapak Central Mall, Wangsa Walk and Melawati Mall offer a wide selection ranging from apparels to WiFi and Internet needs.

In addition, there is no shortage of health and wellness facilities in Setapak. Reputable names like Columbia Asia Hospital, Damai Service Hospital and Hospital Kuala Lumpur are in that 6km radius. Slightly further out are KPJ Tawakkal Specialist Hospital, Institute Perubatan Respiratori, Hospital Pusrawi and Institut Jantung Negara.

So there is more than ample amenities that residents of PV9 can tap into. In addition, the medical staff and employees of these hospitals, schools, institution of higher learning and enterprises in this area are also potential tenants. For those who would like to tap into property investment, PV9 has the inklings of a good deal.

For those who would like to tap into property investment, PV9 has the inklings of a good deal that one can expect from an award-winning developer.

In the StarProperty Awards 2020, Platinum Victory took Honours in the Distinctive Build Award category and is an Overall Champion in the StarProperty All-Stars Award sub-category.

Further enquiries can be made at the PV9 Sales Gallery in Setapak. Show units are available for viewing. Call 0111-722 6666 or visit platinumvictory.com for more information. 📍

Living on Cloud 9

Platinum Victory's PV9 Residences has all the right ingredients for a brilliant lifestyle

Mature area

One thing is undeniable is that the condominium resides within the matured area of Setapak, known for its many great food outlets

There's no shortage of schools for growing families to decide where they would like to study. Primary schools include SK Taman Melati, SK Danau Kota 1 & 2, SK Taman Setia, SJKC Wangsa Maju, SJKC Mun Yee, SK Setapak, SJKC Chong Hwa and SJKC Chiao Nan, with the nearest school residing only 850m away.

There are five secondary schools in the area like SMK Taman Melati,

SMK Gombak Setia, SMK Danau Kota, SMJK Chong Hwa and Chong Hwa Independent High School. The Sri Utama International School is just 3km from PV9 Residences.

For families with children ready for their degree programmes, the Tunku Abdul Rahman University College is basically next door to the development. And the Malaysia Institute of Art is just a short drive away.

Opportunity for side income

This means that the dual-key units of PV9 Residences are perfect homes



An artistic PV9 sculpture will stand at the entrance of the development.



Residents can enjoy the view of the skyline on the rooftop sky garden.



The gazebo park and barbecue pits encourage family gatherings.

MORE THAN HOME

LIGHT RAIL . LIGHT FOOTPRINT . LIGHT SPIRIT

PV9 is not just a place to live, it is a whole new world. Within this secured 5.6-acre sanctuary, take delight in 1,000 sf living spaces, fun amenities and vibrant community living right next to Taman Melati LRT Station.

- BUILT-UP FROM 1,000SF
- 500M TO TAMAN MELATI LRT
- 160M TO TAR UNIVERSITY COLLEGE

 **waze** PV9 SALES GALLERY






PV9

Taman Melati
Setapak, KL



Call 0111 722 6666

PV9 Sales Gallery @ Genting Klang
Lot 26219, Jalan Genting Klang, Taman Danau Kota, 53300 Kuala Lumpur.
E. Sales@platinumvictory.com
www.platinumvictory.com    PlatinumVictory

 **PLATINUM VICTORY**
Creating Magical Moments

RESIDENSI PV9 | Type of Property: Condominium & RMM | Developer's License No.: 19469-2/03-2021/0232(L) | Validity Period: 13/03/2019 - 12/03/2021 | Advertising Permit No.: 19469-2/03-2021/0232(P) | Validity Period: 13/03/2019 - 12/03/2021 | Building Plan Approving Authority: DBKL | Reference No.: BPU20SC20190370 | Land Tenure: Leasehold 99 years | Expiry Date: 17 March 2097 | Encumbrances: AmBank Berhad | Expected Date of Completion: Jun 2022 | Total Units: Block A - 429; Block B - 524; Block C - 438 | Selling Price: Block A (Min RM616,000.00 - Max RM750,000.00); Block B (Min RM647,000.00 - Max RM750,000.00) Block C (Min RM42,000.00 - Max RM300,000.00) | Developed By: Ambanang Development Sdn Bhd (A member of Platinum Victory) | Company Address: Lot 25607, Taman Melati Utama, Setapak 53100 Kuala Lumpur | Phone: 03 4108 8666 | 5% Discount for Bumiputera | This land cannot be transferred, leased, pledged and mortgaged except with the permission of the Land Executive Committee of the Federal Territory of Kuala Lumpur. IKLAN INI TELAH DILULUSKAN OLEH JABATAN PERUMAHAN NEGARA. All information contained herein is subjected to change as may be required by the relevant authorities without any notification and shall not be binding or be deemed to form a contract or any part thereof. Whilst every care has been taken in providing this information, we, Ambanang Development Sdn Bhd shall not be held liable for any claims whatsoever arising from the use and/or reliance on the above information. All illustrations and pictures are artist's impressions only; no representation or warranty is made as to the accuracy or completeness of the same. The items are subject to variations, modifications and substitutions as may be recommended by the relevant authorities or consultants. Please refer to the sale and purchase agreement of the actual unit being purchased for specification and description approved by the relevant authorities.

Despite MCO, opportunities beckon in real estate



Every cloud has a silver lining

By VIGNESWAR RAJASURIAN
vigneswar@thestar.com.my

NEWS is rife about the impact of the pandemic on businesses, and the real estate industry is no exception.

Although it's far from business as usual, real estate activities have shifted into low gear with many property developers and agents pushing for property transactions online. Therein also lies opportunities for stakeholders and prospective home buyers.

Luck is when preparation meets chance

That being said, the Covid-19 pandemic and resulting movement control order (MCO) is unprecedented so the true extent and severity of its impact on the property market is speculative. However, the financial crisis of the past lend a measure of foresight to the current situation.

Speaking to StarProperty in a separate video interview, real estate author Khalil Adis said in the 2008 global financial crisis local property prices dipped between 15% and 30% in the secondary market.

He emphasised that this was particularly true for the secondary market where market forces have a more considerable influence.

There is some sense of urgency as the local property market has shown to have a relatively quick recovery in the past.

Bank Negara's Annual Report 2008 cited that demand for properties dropped to -3% when the global economic conditions deteriorated. Subsequent reports showed a dip to -14.3% in H1 2009 before picking up to

17.1% in H2 2009 and 30.7% in H1 2010.

"This showed that despite the severity of the situation during the economic crisis, the property market managed to recover considerably within the next two years," said Real Estate and Housing Developers Association (Rehda) president Datuk Soam Heng Choon.

However, he expressed concerns with the ability of Malaysians in the B40 and M40 brackets to make home purchases in lieu of the crisis.

Collectively, Rehda has proposed that the government reintroduce the Home Ownership Campaign, waive the Real Property Gains Tax for two years and extend loan tenures, among other recommendations.

Should the Ministry of Housing and Local Government (KPKT) adopt these measures, even greater opportunities in the housing markets would open up for home buyers.

Necessity is the mother of invention

Soam stated that while the current crisis may be worse than its predecessors, property developers would be able to sustain for the next few years from the huge unbilled sales gained during the HOC in 2019. "The real impact of this pandemic may be felt later," he added in a written interview with StarProperty.

Resourceful property developers have turned to online sales and some are offering virtual tours of show units in efforts to woo buyers during the MCO.

These innovative online marketing methods would make newly launched project sales more favourable to buyers over the sub-sale market as the latter often requires physical viewings to inspect deterioration of the property. In analogy, it's much easier to trust and buy a new car under warranty over a second-

hand car without a physical inspection.

But those who deal with the sub-sale market are beginning to adapt to the current environment.

Play with the cards dealt

Real estate agents and negotiators whose earnings are based on sales commissions are likely the ones who suffer the most but this crisis has not stopped them.

Some property agents have managed to close sales online during the MCO by tapping into the many social media platforms in the market.

Despite being restricted by their budget, they invest time and effort instead to do conference calls and showing prospective clients and tenants the homes which they have recorded into their smartphones.

Others are taking this opportunity to update databases, refine skills and build a stronger social media presence to leverage upon once the MCO ends.

Freeman Woo of Kith & Kin Realty believes in adapting to the crisis with an MCO strategy of targetting distressed sellers for cash-rich ready buyers. In contrast to the typical pre-MCO setting, Woo observed that the MCO period had seen sellers more eager to lower prices and buyers are willing to make purchases without viewing the property to take advantage of unusual market conditions.

Housing is ultimately a basic human need and homeowners disenfranchised by the economic impact of the pandemic will seek out more affordable housing to purchase or rent.

While the purchasing power of the general public would likely reduce post-MCO, property agents could depend on an aggravated rental market to supplement commissions from the sale of properties.



Khalil believed the crisis is an excellent time to look for a property for those who can afford it.



Soam said property design trends are always evolving to take into account current and future needs.



Woo noticed the crisis had brought a change of mindset in buyers and sellers alike.

A helping hand

The government's stimulus package and the six-month loan moratorium by Bank Negara are invaluable efforts to soften the blow of the pandemic on Malaysians.

The Credit Counselling and Debt Management Agency (AKPK) advises Malaysians to look out for federal and state government incentives. Prudent measures to take now include preparing a crisis budget, re-adjusting cash flows, revisiting financial savings and seeking free financial knowledge from trusted sources.

The agency reiterated there is an opportunity in every crisis but stresses on gaining knowledge and to embark on long-term investments only when financially ready. 📈

Housing is ultimately a basic human need and homeowners disenfranchised by the economic impact of the pandemic will seek out more affordable housing to purchase or rent.



Agencies like AKPK can offer financial advice.