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Recovery is at hand

The ongoing vaccination programme is seen to inject momentum into the property market after the sudden halt brought about by the Covid-19 pandemic.

See pages 4 and 5

INSIDE THIS ISSUE

Get a faster loan approval for your dream home

Good credit health and credit score can speed up the process

Contributed by **CTOS**

PURCHASING property is a big investment and something one should consider carefully. However, the good news is that property generally appreciates in value rather than depreciating like other assets such as vehicles and furniture. So, what's the first thing one has to consider in order to buy a new home? The simple answer is this: Your credit health and credit score.

Having good credit health, credit history, and a high credit score can be advantageous. When it comes to loan applications, banks and lenders generally look favourably on customers with an impressive credit background, and loan approval processes tend to be faster and more seamless. However, it is important to note that although good credit health can be beneficial, it is not guaranteed to get your loan applications approved as banks and credit providers look at various factors before deciding to extend credit to a customer.

Want to know how to get a faster loan approval for your dream home? Here are some tips:

Get a detailed credit report

This is the first step in knowing where you stand, credit-wise. A good credit report should ideally outline your credit health and credit behaviour in detail, as well as inform you of your credit score. Once you are aware of these details, you will see the areas that need improvement and begin working on them to improve your credit health and credit score.

Pay your bills on time

Making your payments on time is crucial to maintain good credit health. Missing payments or monthly instalments can really damage your credit health and make your credit score go down. If you have missed payments in the past, get current and stay current. If your credit score is low, responsible credit behaviour will help improve it in time.

Don't apply for more credit than you need

Take a good look at your spending habits and finances, especially credit cards. Do not apply for more credit cards than you need, and be sure to settle the minimum monthly payment required for each card. We suggest that you do adequate research before making that commitment to buying a home, especially regarding loans, fees and other legal matters.

Established in 1990, CTOS is a leading credit reporting agency under the ambit of the Credit Reporting Agencies Act 2010. Its three-digit CTOS Score will show your creditworthiness. It is an evaluation of an individual's credit history and capability to repay financial obligations. The higher the score, the higher your chances of securing a loan. Get your free MyCTOS Score report at *https://rewards.starproperty.my/ctosscorecheck* when you register with CTOS.

EVENT HIGHLIGHT

A new StarProperty Buy-and-Win campaign

StarProperty will be offering a new selection of prizes for those who purchase a property at any StarProperty fair.

Last season's Buy-and-Win promotion has come to a close, and the lucky winners will be notified soon.

The prizes to be offered this year will be taken up a notch to create more excitement to match the fairs' evolution into a hybrid format.

Buyers who have successfully completed their purchases at any StarProperty fair this year will be eligible to win these prizes.

With more than 10 events in store this year, home buyers will be spoilt for choice when it comes to selecting their dream homes. Not only will they have a variety of selections from participating developers, but they can also tap into the discounts, rebates and offerings given. Not to mention, the ongoing Home Ownership Campaign benefits are still available until the end of May.

Those who seek homes should also take advantage of the added promotions that come with every fair held by StarProperty.

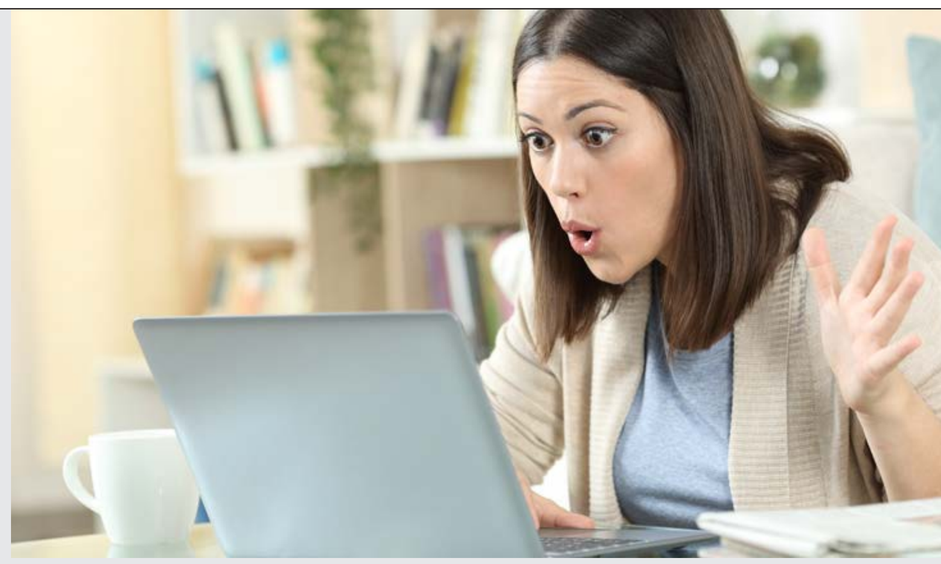
In addition, StarProperty is combining all the strengths of the physical and digital fairs as well as working with related partners to give both visitors and exhibitors a more holistic experience.

Under the hybrid format, visitors who miss out on the physical fair will be able to catch the exhibited properties via the StarProperty Stay-At-New-Home Digital Fair.

The digital version will run for a duration of two weeks after the physical fair. For homebuyers, this gives them the extra time to review what they have missed at the physical fair. Those that are unable to attend due to their personal commitments can also find out what's available online.

For developers, this will give them an extension of the fair to reach out to those unable to attend the venue. StarProperty will also be working with Perfect Livin, CarSifu and Star Education to synergise and leverage off each other for a more comprehensive experience.

The digital fair played a vital role to help revolutionise the way properties were bought and sold. With both the physical and digital platforms coming into play, coupled with the expected positive property market sentiments, 2021 will see a more significant number of visitors and exhibitors.



You could be one of the lucky winners of this year's Buy-and-Win campaign.

Real assets growth in the Asian century

A look into the Asian market

Contributed by **APREA**

ABOVE The region's economic ambitions will provide the necessary impetus to power infrastructure spending.

ASIA's economic transformation over the past 60 years has been unprecedented, with the 21st century being described as the Asian Century.

Despite the pandemic turmoil, Asia remains the locus of future global growth, and is expected to boast the world's largest economies, including China, Japan, India, and the Asean region in 2030 and beyond.

Driven by demographic tailwinds, urbanisation in the Asia-Pacific is an epic boom that will drive its middle-class growth. With it, there will come a cycle of rising consumption. Real assets are a play into the region's structural megatrends that will outlive the pandemic.

The Asian Development Bank estimates that the Asian region will need to invest S$26 trillion (RM80.27 trillion) from 2016 to 2030 if the region is to maintain its growth momentum, eradicate poverty and respond to climate change.

Currently, only about US$900mil (RM3.72bil) are estimated to be invested annually. In other words, if policies are conducive for the private sector to step in to fill this void, Asia-Pacific provides an infrastructure investment opportunity of over US$8 trillion (RM33.1 trillion) over the next ten years.

"Infrastructure is ultimately what translates the impact of urbanisation into benefits for real estate. With the requirements needed by the rapidly developing economies that will eventually host more than half of the world's megacities, investments into infrastructure development in the Asia-Pacific is a cycle that will be played out over decades," said Aprea chairman John Lim.

Aprea is a leading pan Asian trade group that champions the real assets industry across Asia-Pacific.

Infrastructure demand is expected to increase exponentially, enabling sustainable financing of these massive projects to gain traction.

According to Lim, who is also ARA Asset Management Ltd co-founder and deputy chairman, there will be opportunities for the private sector to participate, as many of the infrastructure initiatives align with ESG allocations, re-development, connectivity, and economic growth.

Key regional drivers

The region's economic ambitions will provide the necessary impetus to power infrastructure spending and lift it out of the coronavirus slump.

China has announced plans to focus on developing new infrastructure to reach development targets. Key infrastructure investment plans announced for the next five to seven years will require close to US$7 trillion (RM28.9 trillion).

Bets are also placed on India's infrastructure sector. The Indian government, in its latest budget, has pledged to expand expenditure into its US$1.5 trillion (RM6.2 trillion) infrastructure pipeline, creating financing institutions that can open the role of capital markets in infrastructure financing.

In Southeast Asia, ambitious infrastructure projects are happening across the region. President Duterte's infrastructure plan in the Philippines is underway, with 75 different projects expected to cost US$180bil (RM743.9bil). In Indonesia, a high-speed rail system connecting the 140-km trip between Jakarta and Bandung is also being built.

"As it stands, Southeast Asia's US$2.4 trillion (RM9.92 trillion) economy is the seventh-largest in the world and is forecasted to jump to fourth largest in Asia-Pacific by 2050.

"Its workforce will grow by a further 60 million while its urban population is expected to rise by an additional 90 million by 2030. The reality is that Asean needs infrastructure development if it wants to sustain its economic growth," says Aprea chief executive officer Sigrid Zialcita.

Plans to integrate the region's economies will also fuel another infrastructure boom. While China's Belt Road Initiative has undoubtedly headlined the effort to connect Asia, they are by no means alone.

Japan articulated its own Partnership for Quality Infrastructure campaign to expand funding in the region's infrastructure development. Infrastructure diplomacy programmes have also seen the US and Australia collaborate on infrastructure projects in the region.

Similarly, the European Union has its own Connecting Europe and Asia strategy. All this points to an internationalisation of capital in the Asia-Pacific.

Rise of REITs

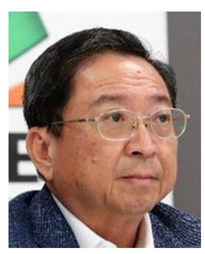
Government policies in the region will continue to be conducive, with significant efforts made by fast-growing countries to develop their own real estate investment trust (REIT) regimes.

Economies are in a race to secure their REIT future, and significant momentum will be created as regulators strive to stay ahead of the game. Further growth of the asset class will also be propelled by the region's largest emerging economies' participation.

As the REIT movement accelerates in the region, the stock of institutionalised assets will continue to grow.

"Market capitalisation of the region's REITs has risen from under US$6bil (RM24.8bil) at the dawn of the new century to over US$315bil now (RM1.3 trillion).

"There are significant drivers to contemplate that once China's and India's REIT markets are established and mature, Asia-Pacific will sit as the Global REIT epicentre with total market capitalisation to hit over US$1 trillion (RM4.13 trillion) by the end of the decade, surpassing that of the US," said Zialcita.



Infrastructure is ultimately what translates the impact of urbanisation into benefits for real estate, said Lim.

Southeast Asia's economy is the seventh-largest in the world, said Zialcita.

Massive opportunities ahead

By 2030, seven of the world's 10 largest megacities will be in the Asia-Pacific. The region's urban population will expand by close to three billion. Increasingly, the region is emerging to be an investment hotspot for cross border investors.

Additionally, the region remains a hotbed of construction activity, and as its cities continue to grow, the fundamental demand for real estate and infrastructure will increase in tandem.

As economic focus increasingly turns to longer-term recovery, infrastructure investments and REITs are crucial for this equation to fast track the region's recovery from the pandemic and secure its economic future.

"The benefits of investing in institutionalised assets will be more evident as the world inches towards a post-pandemic future. Allocations to the region from global investors can only continue to rise, and the securitisation of the very assets so critical in driving its growth will be a massive investment opportunity.

"Asia-Pacific remains primed to take advantage of this revolution in real assets. APREA's goal is to pave the way for the advancement of investment opportunities into the region's real assets," said Lim.

Possible light at the end of the property tunnel

House buyers sentiment to improve in line with vaccination programme

By VIKTOR CHONG
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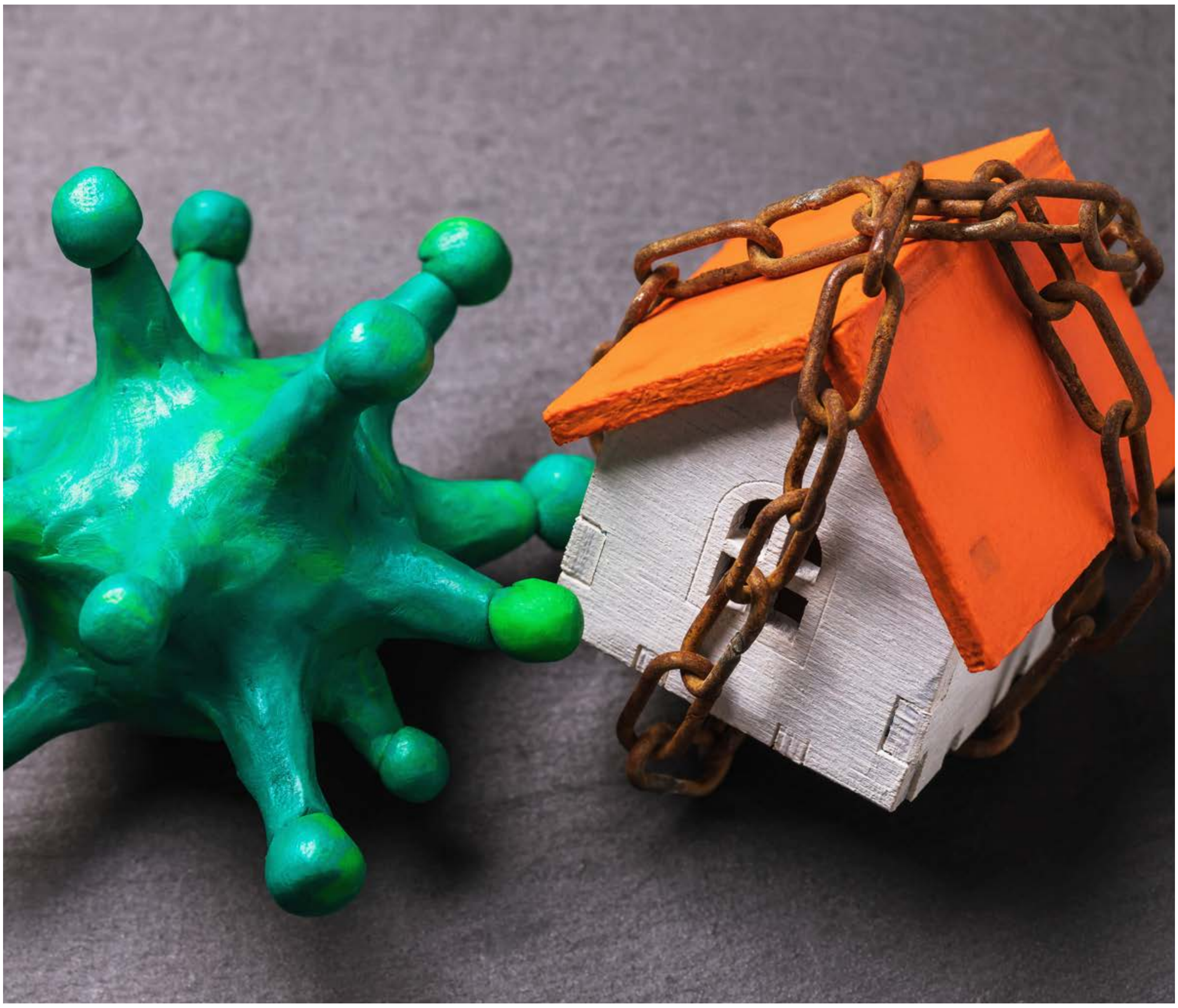


IT appears that the Covid-19 pandemic is losing its momentum, with the reducing number of cases being recorded every day. Since the property market's performance is very much pegged to the nation's economy and health, there are speculations that the worst is over.

According to University Malaya associate professor Rosli Said, the overall sentiment for 2021 will be slightly better than last year due to the start of the vaccination programme.

However, the recession coupled with an increase in the unemployment rate and economic and political uncertainties will not be helpful. Upon successfully implementing the vaccine, he forecasted that the year 2022 should be the starting point of recovery. This is based on the previous trend where the property market lagged behind the economic cycle by around one to two years. He said there is no good or bad time to enter the market, but buyers can take advantage of the current low interest rates and the availability of sub-sale properties.

Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS) president Michael Kong agreed that the economy is beginning to recover from the pandemic's effects. He pointed towards the third quarter (Q3) of 2020, where the property sector recorded 89,245 transactions worth RM33.78bil.

This showed an increase of 7.4% in volume but a decrease of 2.4% in value compared to Q3 of 2019, which registered 83,085 transactions worth RM34.62bil. While sales have soared, the value dipped a little. He said this is consistent with the market sentiment and buyers are more discerning now that they are picking up good bargains.

Residential market warming up

A property survey presented by the Real Estate Housing Developer Association (Rehda) president Datuk Soam Heng Choon said there were fewer unsold residential units in the second half (2H) of 2020 (64%) compared to the 2H of 2019 (71%).

Based on the survey, terraced house registers at the highest among the unsold product types (30%). This was followed by semi-detached and bungalows at 29% and apartments and condominiums at 26%. From the survey, 69% of the respondents said their unsold completed residential units are currently aged around 13 to 36 months.

"There are projects that do well in 2020, even with the pandemic at full-blown, such as landed homes in the suburbs. *– Chan Ai Cheng*

On pricing, Rehda found that units from RM250,001 to RM500,000 make up the highest percentage of unsold units for the 2H of 2020. Soam said lower prices are not the only determinant to sell a home as there are also unsold stocks below the RM100,000 mark. These recorded a rate of 3% for both the 2H of 2020 and 2019.

The top reasons why units are unsold are manifold, such as end-financing loan rejection, unreleased Bumiputera units and low demand.

With regards to the secondary market, Malaysian Institute of Estate Agents (MIEA) did a survey in 2020, and the results were encouraging. The 420 respondents consisted of individual real estate agents, real estate negotiators and real estate agencies as a whole.

Based on the survey, 42.86% of respondents said sellers had not lowered prices, while 31.43% claimed a price reduction of less than 10%.

"There are projects that do well in 2020, even with the pandemic at full-blown, such as landed homes in the suburbs," said MIEA president-elect Chan Ai Cheng, adding that the residential rental market remains steady.

"Based on our organisation research, the price of strata residential development in Klang Valley has shown a negative adjustment between 5% and 10% as compared to the transacted prices of 2018 and 2019," said Rosli.

But the rest of the sectors have not shown any significant evidence to prove the adjustment of the value.

Rosli opined that there is still a possibility for a quick recovery if the vaccination programme is fully deployed. However, residential prices are expected to fall nationally if the overhang situation is not solved within 2021 and 2022.

Slow recovery for commercial and hospitality sector

Chan said the retail sector is possibly the biggest hit since transactions declined while the cost of business remains the same or has increased. These factors will put a lot of pressure on tenants to continue to service their rents.

The survey by Rehda found that shop lots and shop offices represent an overwhelming 77% of unsold commercial units. According to Soam, office towers may be excluded from the statistics since member developers rarely build those.

Marketwise, commercial units between RM RM500,001 and RM700,000 make up the highest unsold rate at 25%.

Moving on, interstate and interdistrict restriction has severely hampered the hospitality sector, not

Kong said the vaccine has given fresh impetus to buyers and sellers making a last-ditch attempt to take advantage of the stamp duty holiday and complete transactions.

Soam said the number of units launched and sales performance are retained at almost the same number as the previous two halves.

"As a general rule, residential landed properties are more resilient," said Chan.

Rosli said industrial facilities, especially those built-to-suit facilities, are expected to maintain their price.

Type	Existing Stock (2020)	Incoming Stock (2020)	Planned Stock (2020)
Residential	5,845,580	434,807	429,985
Shop	540,699	32,033	33,034
Serviced Apartment	282,992	132,818	168,028
SoHo	47,878	32,003	14,201
Industrial	118,301	4,354	6,828
Hotel	3445 (260,097 rooms)	128 (27,543 rooms)	95 (18,737 rooms)
Purpose-built Office (public building)	1,003 (5,863,452 sq m)	5 (192,379 sq m)	1 (18,957 sq m)
Purpose-built Office (private building)	1,557 (17,316,462 sq m)	45 (2,317, 766 sq m)	12 (298,934 sq m)
Shopping Complex (Shopping Centre)	556 (12,608,705 sq m)	32 (1,685,327 sq m)	9 (398,779 sq m)
Shopping Complex (Hypermarket)	223 (2,908,733 sq m)	5 (103,420 sq m)	4 (115,486 sq m)
Shopping Complex (Arcades)	271 (1,336,244 sq m)	5 (19,901 sq m)	0 (0 sq m)

Source from NAPIC

considering the barriers to entry for foreign tourists.

"The situation also forced most hotels to reduce the room rate by more than 50% in order to attract visitors. In addition, the cancellation of Visit Malaysia Year 2020 further deteriorated the hospitality sector," said Rosli.

He believes the hospitality sector will have a longer lagging period behind the residential and commercial sectors, and the recovery may only happen by 2022.

Inversely, several industrial sub-sectors benefited immensely from the pandemic, namely the manufacturers of gloves, masks and health equipment. Logistic and warehousing experienced more demand due to the e-commerce boom created by the online shopping trend during the pandemic.

Rosli foresees that this trend will not dissipate even after the pandemic is over.

"Under our portfolio, there are a couple of international clients who requested for market and feasibility studies on industrial properties during the pandemic. Most of them are interested in the built-to-suit industrial facilities," he said, adding that another healthy indication came from several real estate investment trust companies who purchased warehouses to diversify their investment portfolio.

Deciphering the future

The issue of unaffordable housing has been an ongoing matter for many years, especially in urban areas. A straightforward solution to this conundrum is to build smaller units at lower prices.

Kong said developers are already coming up with various shoe-size small-office-home-office (SoHo), small-office-versatile-office (SoVo) and small-office-flexible-office (SoFo) units.

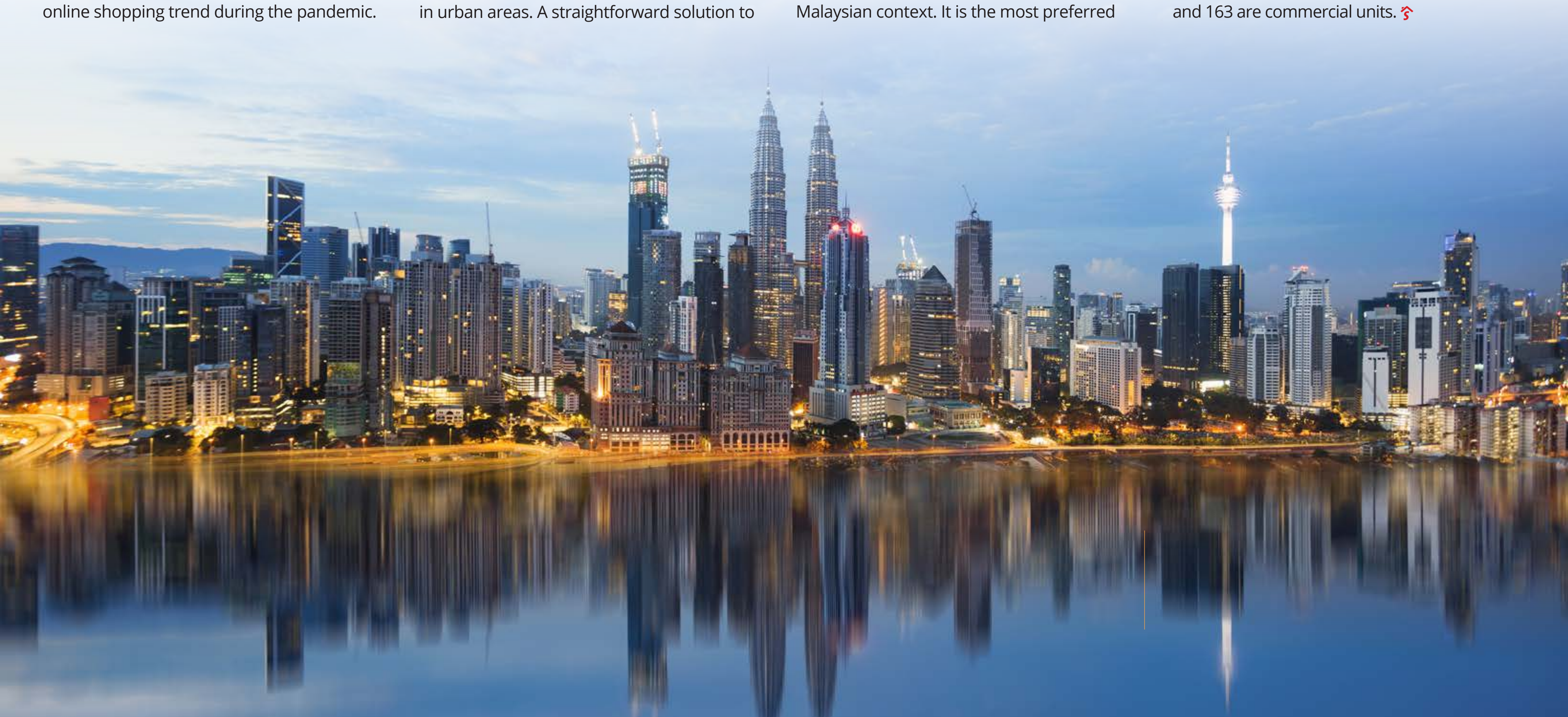
For landed properties, some developers are marketing zero-lot bungalows and cluster bungalows which are actually redesigned semi-detached houses.

Despite the trend, he advised developers to be cautious about the buyer's size preferences as shoe sized units may not be palatable for Malaysians.

"I believe terrace houses are the most resilient type of residential property in the Malaysian context. It is the most preferred type of residential dwelling in my opinion and is mainly owner-occupied, thus, is more resilient and less susceptible to volatile changes," said Kong.

Chan believes space requirement is very important to facilitate the process of working from home. She said the trend could be moving out of the city to localities where homeowners can enjoy bigger spaces at affordable prices.

Towards the future, 49% of respondents from the Rehda survey said they plan to launch their projects in the first half (1H) of 2021. Strata units will make up the bulk of the incoming supply at 6,998 units, with the majority priced between RM250,001 and RM500,000. In addition, 5,876 units will be landed property, and 163 are commercial units.



Green lungs come in many forms

Retention ponds and community farms are coming to the fore

By **JOSEPH WONG**
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With hydroponics, vertical farms can be incorporated into unused warehouses.

Rooftop farms have dual benefits as they can be used to grow sustainable vegetables and herbs while reducing heat build-up.

ABOVE As long as there is a patch of land, community farms can be encouraged.

WITH the increasing awareness and growing demand for green lungs, more and more new property developments create at least 10% of green spaces regardless of their size.

Such greening exercises can be part of the original setting like the 1,530-acre Gamuda Cove, which leverages off the wetlands and forest reserves in southern Klang Valley. Alternatively, an existing retention pond can be transformed into a thriving lake and park, drawing in fishes, birds and other wildlife like Worldwide Holding Bhd's Central Park in Puncak Alam.

With Gamuda Cove developer Gamuda Land Sdn Bhd, the emphasis on retaining the green lungs also revolves around their Gamuda Parks undertaking, which incorporates research into maintaining the indigenous flora and fauna.

In the case of Worldwide Holdings, their Ellia project, which is 80% sold, and the upcoming launch of Kalisa, hinges on the community gathering aspect of their central park.

While bigger and more established developers have more extensive acreage to manoeuvre their greenery, smaller-scale projects also see more greenery being placed as part of the developments.

Many smaller projects involving landed property have parks and playgrounds as green lungs. This is not limited to the more affluent projects, as even affordable homes now have sizable greenery built into them.

Even high-rise projects inject greenery into their facility podiums, and sizable elevated gardens are becoming standard features.

Taking the next step

As the next progression, developers are experimenting with urban farming, particularly in high-rise projects where land availability is extremely limited. The shift towards urban farming, however, is based on a trial-run basis. Whether it succeeds depends on the sustainability of these farms.

Even the local councils have jumped onto this fledging green lung bandwagon. For example, Kuala Lumpur City Hall (DBKL) wants to help city folk turn underutilised land near their homes into community farms.

Its socio-economic development executive director Anwar Mohd Zain said DBKL was impressed by the residents' commitment and determination in various parts of the city who had transformed parcels of land into thriving and sustainable green lungs.

"We are impressed, and we hope to encourage more community farming to inspire others who are thinking about doing it. However, this must be done properly and legally as we don't want to deal with issues of trespassing and encroachment later on," he told The Star.

Many fledgeling urban farms in new developments rely on the developers' corporate social responsibility teams, but community efforts and even individual undertakings spur on some.

With local councils coming into the picture, more land could be made available to generate more of such green lungs.

Anwar said many plots of DBKL land were underutilised and had become rubbish dumps.

"It may be land in front of your house or behind or nearby, which can be used to farm and produce food for personal consumption or even sold for profit," he said.

Urban farming is one of the initiatives under the Local Agenda 21 (LA21) whereby DBKL collaborates with the private sector, non-governmental organisations and residents living around the respective area to create community gardens in their neighbourhoods.

"We have worked with People's Housing Projects, Schools and Residents Associations to promote community-based agriculture, and never have I seen it take off this fast like it has during the past year," said Anwar.

He said DBKL's initial target was 30 community farming projects that started five years ago. The number is now close to 100 all over the capital city.

The other good news is that enterprises promoting urban agriculture are also growing. In the recent past, urban farming was essentially limited to a household's own undertaking of their small patch of land.

Hydroponics becoming popular

With advancements in hydroponics and potting mix, many vegetables and herbs can be grown in small spaces. This increases the number of spaces where community farms can be set up like the roof of buildings, disused warehouses and any buffer zones.

Rooftop gardens have an added benefit in that it reduces heat build-up, hence, reducing the energy needed to cool down a building. Disused warehouses, especially those close to the urban areas, can be converted into indoor, elevated hydroponic vegetable farms.

And buffer zones can be kept clean and tidy if a community uses them as sustainable mini-farms.

The only setback is that the enthusiasm for urban farming may dwindle over time as individuals, particularly corporate workers, might not find the time to manage their farms properly.

This is where somebody has to take charge to keep the community urban farms running smoothly.