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How far is too far?

The Covid-19 pandemic has altered the preferences of homebuyers. Among them is the distance from their homes to the workplace as revealed in the StarProperty Buyers' Sentiments Survey 2020.

See pages 4 and 5

INSIDE THIS ISSUE

SPECIAL FEATURE

Five steps to keep your finances secure

> 2

SPECIAL FEATURE

Stuck at home again but all is not lost

> 3

SPECIAL FEATURE

What's holding them back?

> 6

Five steps to keep your finances secure

It pays to spend and save smart during the Covid-19 crisis

Contributed by **CTOS**

AS the world continues to learn more about Covid-19, concerns and uncertainties over what is to come are rising. Many of us are wondering about the state of our finances. Here are five actions you can take that could help keep you financially sound.

Reconsider your budget

You may want to tighten your budget to ensure you have enough funds to cover your expenses, especially if the crisis goes on longer than expected. Allocating more money into your emergency fund is also a good idea – put away as much as you can afford right now because it will come in handy if things take a turn for the worse.

Get help

If you are struggling to pay your bills, don't skip payments as doing so will affect your credit score. Contact your creditors before missing a payment to see if they can help.

Due to the crisis, many Malaysian banks and financial services institutions have expanded their ongoing financial assistance programmes to help ease their customers' financial burdens. Some of the assistance offered include:

- Restructuring or rescheduling of instalment repayments
- A moratorium of up to six months
- Deferment of financing servicing for up to six months
- Waiver of late charges for financing
- Temporary deferment of loan repayments
- Restructuring of instalment repayments

As each bank or institution has different types of assistance as well as terms and conditions, do contact your respective bank to know how they can specifically help you regarding your issue.

Make payments on time

Credit scores are impacted by late or missed payments. Attempt to make at least your minimum monthly payments by their due date. Try to maintain timely repayments even if you're only paying the bare minimum required.

Consult financial experts

For those with investments, savings or retirement accounts, the market fluctuations could cause significant concern. Before you make any hasty decisions with your investments, consult financial experts where you invest or your bank.

Stay on top of your credit

Regardless if you've missed payments in the past or not, staying on top of your credit health is always a good idea. When you get your updated credit report, you will be able to see what part of your credit health needs fixing, which payments you have missed and how many. Then, you can start taking steps to fix issues if needed, as well as continue to monitor your credit health.

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

The StarProperty Fair has evolved

THE year 2021 marks a new beginning for the StarProperty Fairs with more than 10 events in store.

This year's series of fairs has become a hybrid affair, 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.

Beginning with the first StarProperty fair to be held at Starling Mall from April 1 to 4, 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 and those that are not able to attend due to their personal commitments, it will allow them to 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," said StarProperty general manager Jason Yap.

"These four fairs have commonalities that go hand-in-hand. For example, property and furnishings, property and education, and what households do not own at least one vehicle?" he said.

Despite the Covid-19 pandemic, last year's StarProperty physical and digital fairs drew thousands of potential buyers and over a hundred developments and projects were exhibited.

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

Moreover, potential buyers have the chance to grab exciting promotions offered by the participating developers. As each participating project has its own set of promotions, buyers will be spoilt for choices and discounts and rebates given during the fairs.

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

It is a given that house buyers who purchase a property at any StarProperty fair can win big prizes.

With the extended Win Kaw-Kaw Buy-and-Win promotion, buyers who have successfully completed their purchases at any StarProperty fair this year stand to win exciting prizes and holiday trips abroad worth over RM100,000.

Stuck at home again but all is not lost

MCO's return can be a saving grace

Contributed by SULAIMAN SAHEH

THE return of another MCO environment brought despair to many as the market saw again a period of temporary closures for many business outlets except those handling, distributing and selling necessity goods and services.

For the property market, experts took it as another dampening effect on a struggling market and forecasted the recovery turning point to be postponed to 2022 as opposed to 2021.

For prospective homebuyers previously thwarted in their buying plans, MCO 2.0 can be made productive to helping you buy the right home and it only takes a change in perspective to see how a lockdown period can be utilised in your home buying research. Here are several ways to shift that perspective and realise what being stuck at home had meant for you.

A buyer's market but beware

During the MCO periods, buyers may find advertisements and articles on opportunities to buy a home and take advantage of the current low interest rate, discounts and rebates by developers, and the environment being a buyer's market.

As much as these offers may entice you to finally consider making the big move, the big-ticket item being a house is no such item to purchase on simply a good-deals whim. Not only will you be saddled up with a 30-year long financial commitment, but quick turnarounds are also no longer as easy as before.

Sustainability in property investments is key as it is a long-term investment. Cashing out the asset may not be as quick and as profitable as you might think if you happen to be saddled with an unpopular product or in a non-strategic location or worse, situated in an extremely competitive and high-density location with loads of choices and substitutes.

In a pandemic environment where things are already precarious and on the edge, the last thing one would want to do is take up a mortgage with no solid preparation beforehand or with a reliable back-up plan to fall on should things take an unexpected turn.

For those who have been waiting for the right moment, have the necessary funds on hand and is mentally prepared to be tied up to a house for the long-run, then this is the right time for you when the right product at the right place at a bargain price is in your line of sight.

There are certainly good buys out there for own-occupation uses, upgrading and investment but do your homework first and measure your risks before signing on the dotted line.

Opportunity to re-assess needs

The two-month-long MCO 1.0 had taken people by storm with the sudden culture shock of being stuck at home and only able to go out for necessity purchases.

While some have adapted relatively well, others had a harder time with the isolation from loved ones and minimal physical interactions within their social circle. Mental health took a hit and people realised how important it was to have a home suited to their preference.

Now in the midst of MCO 2.0, homebuyers who are still on the fence to signing the deal can reflect on their experience when being stuck at home. Look back to what difficulty you had faced back when MCO 1.0 took place and what had been done to your immediate surroundings to help you cope with home confinement and make your place of residence a better home.

Different people will have different needs and preferences when it comes to home design and size and it can take something as life-changing as a lockdown situation to make one realise it.

As you are stuck at home most of the time, more so for those who practice work-from-home (WFH), take note of what makes you feel comfortable and relax in your current place of residence.

Also, pay attention to what makes you feel uncomfortable and stressful in your everyday living. This includes interior decorations, spatial designs, overall size of the residence and immediate surroundings.

For those looking at WFH as the new norm, even once the pandemic has ended, a long-term workspace with sufficient internet infrastructure must be included when identifying ideal residential candidates.

Not forgetting other non-corporate WFH jobs that require other home spaces such as the kitchen, a working garage or a sound-proof studio.

Not only is this to ensure your own comfort when working from home, but also ensure your neighbours, who are also working from home, are not unintentionally disturbed with some form of pollution or disturbance.

Once you've identified the necessary and desirable elements, apply it to your choice of new homes and see if it matches your lifestyle and daily spatial needs.

Despite the general consensus on landed homes to be the ideal choice, it does not necessarily apply to all and some may instead find it inconvenient and ill-suited to their lifestyle.

For individuals and smaller families who prefer a more compact and facilitated living situation, high-rise residential developments equipped with swimming pools, gyms and common leisure areas would be more suited for them and are typically located closer to or within commercial areas.

This is in comparison to landed homes that are bigger and commonly situated further from town centres.

As much as having your own piece of land under your name provides a sense of security or life's achievement, the required maintenance and upkeep of such property may prove to be more of a hindrance in the long run, especially for those who already have a hectic lifestyle outside of the home.

Construction halts mean completion delays

This applies to homebuyers who are looking to buy housing units that are still under construction or even yet to be constructed on the reason of future occupation and not immediate.

During MCO 1.0, almost all economic activities were halted for more than a month and this includes property developments and construction process.

As some developers have publicly acknowledged inevitable delays in completion targets, homebuyers are highly advised to check-in and confirm whether their home of choice has been delayed or not.

Failure to do so may result in homeowners unable to move in as planned due to the housing units having not received the Certificate of Completion and Compliance (CCC).

Sulaiman Saheh is the director of research for global real estate consultancy Rahim & Co International Sdn Bhd.

Furthermore, several new launches had been pushed back in response to the unprecedented market situation developers found themselves in during the pandemic.

Statistics for the first nine months of 2020 revealed the number of newly launched residential units had dropped by 50.3% to just 24,853 units from the first nine months of 2019.

For buyers who had targeted newly launched developments pre-Covid-19, it is worth checking again if the new development is still on track or has been shelved for the time being.

This will save you time from experiencing your hopes dashed and doing a last-minute change upon discovering your first choice is no longer up for purchasing until further notified.

To conclude, a time of crisis such as a pandemic may not be all doom and gloom with spots of opportunities hiding amidst the cloud.

One should only grab such opportunity when terms and conditions are in his or her favour and that they are prepared for any unexpected changes in the short-run be it in employment, health or household situation.

Put a shift to your perspective and look at how the MCO period can be used to your benefit aside from exploring new hobbies and crafts on your long to-do list or catching up on the latest Netflix release. Be up-to-date on the recent status of new offerings in the market and weigh your rush to achieving homeownership against sustaining your current lifestyle cost.

A shift in perspective

The Covid-19 pandemic has changed homebuyers' perception of distance

By JOSEPH WONG
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THE StarProperty Buyer Sentiment Survey, conducted annually, collates the thoughts of readers and visitors to our fairs to better inform investors, negotiators, developers, and other property stakeholders to help them make more informed decisions pertaining to the real estate industry.

The 2020 Buyer Sentiment Survey, conducted from January to November last year, saw over 1,000 respondents covering up to 50 data points and multiple supplementary mini-surveys. There were several surprises due to the impact of the Covid-19 pandemic which had a massive impact on the property market.

The intent to buy remains strong with a whopping 75.4% looking for a home for their own-stay or retirement. The majority of respondents were aged 28 to 37 years, making 32.3% of potential homeowners. The second biggest group, at 21.5%, were those nearing the retirement age of 48 to 57 years. Those between 38 and 47 years made the third largest group at 18.5%.

More people are willing to live further away from the city.

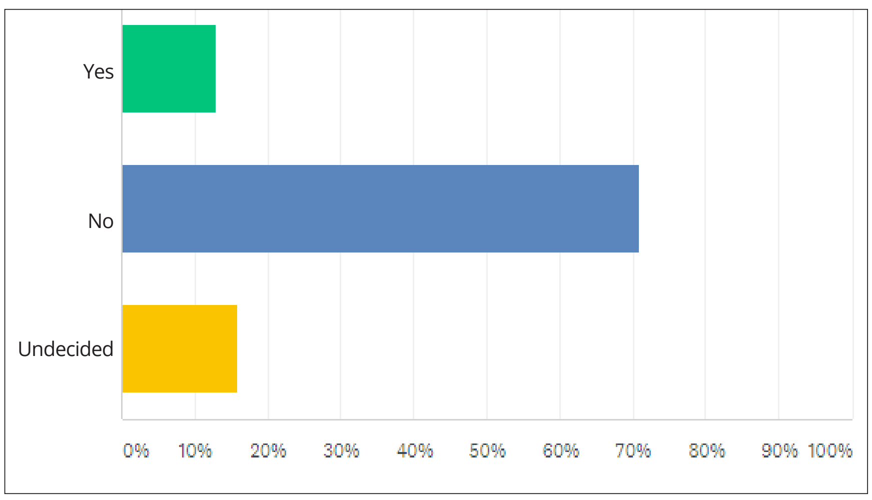
Distance to the job

One of the biggest surprises was the shift in distance preference which could have been a factor resulting from the Covid-19 pandemic. When we posed a similar question in 2019,, most respondents preferred to be within 10km of their employment from their homes. In 2020, 55.7% preferred to live between 10km and 30km away from their jobs compared to 28.6% who preferred to be within the 10km zone.

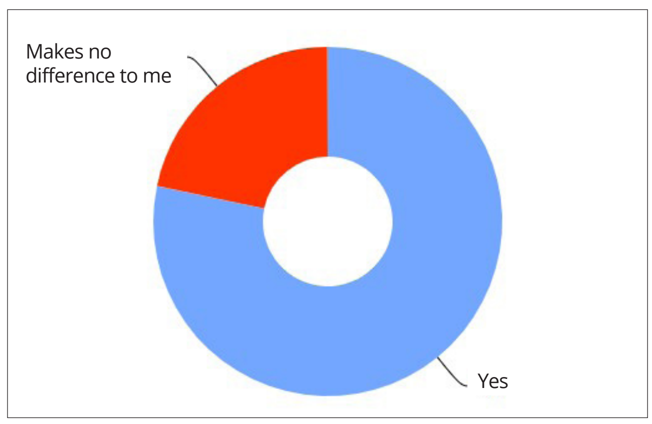
Property observers reasoned that the general population did not want to reside in densely populated areas as these areas were more susceptible to an outbreak of the virus. Fear of the virus affecting them and their family members was the main driver to seek out less populated areas on the outskirts of cities and towns.

Three quarters of the respondents also pointed out that the search for a new property was for their own stay. Again this is driven by the desire to move away from their current home. There was also a notable drop in the desire to live in co-living arrangements with 71% giving the thumbs down. A total of 72.5% also said no to buying into properties on a co-share basis.

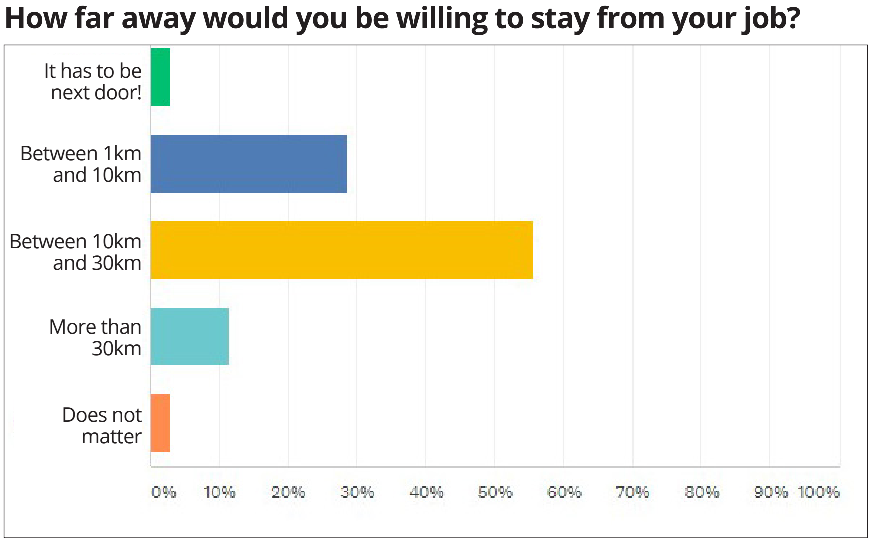
Would you consider co-living arrangements?



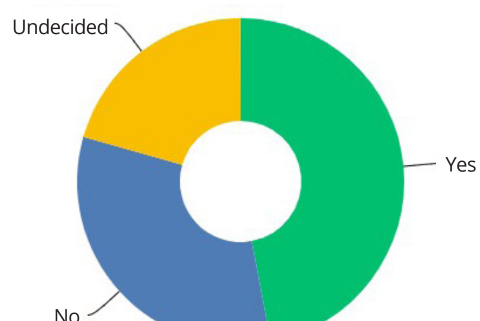
Would you prefer a green (eco-friendly) development over a non-green one if prices were roughly the same?



How far away would you be willing to stay from your job?



Do you feel that now is a good time to buy a home?



Rent or buy

The debate of whether it is better to rent or buy is fairly balanced elsewhere in the world, but in Malaysia, the opportunity costs of homeownership have been largely seen to be relatively low.

In both 2018 and 2019, the sentiments of Malaysians have been heavily in favour of buying rather than renting, with only a minority of respondents firmly in the renting camp, and a slightly bigger minority in 2018 being undecided.

When we posed a similar question (Do you intend to purchase a property in the next 12 months?) in 2019, the opinions we gathered were more optimistic. The majority or 61% of people firmly felt that a real estate purchase was a possibility for them within the year, while 19% answered in the negative and 20% were undecided.

This time around, the proportion of respondents who felt that 2020 was a good time to buy a property fell sharply to 47% while those who responded in the negative and had no opinion were 32.4% and 20.6% respectively.

When it comes to going green in 2020, the Covid-19 scare certainly increased the desire for healthier living conditions albeit at a pocket-friendly pricing. At 78.3%, more than three quarters of homebuyers are willing to consider a greener alternative. The remaining respondents did out reject going green out right as this is not a factor that they were concerned with.

Factors influencing buying

The location, location, location mantra remains as the most influential factor affecting buying decisions in 2020. In 2018, the top three factors that influenced buying decisions (in order of decreasing importance) were price, safety, followed by location. In 2019, safety and security fell from the top three in favour of connectivity and accessibility via public transportation or road networks becoming the third most important factor, while price became the second most important and location returned to being the most important factor. The results for 2020 remain similar to that of 2019 with the top three factors repeating in the same sequence - location, price and connectivity.

Respondents selected their top three factors of consideration from a randomly shuffled list of options. The biggest factor was location at 24.6%, followed by price (21.7%), and connectivity and accessibility (13.5%).

Safety and security was ranked fourth at 8.7%, followed by developer reputation (7.7%), facilities, amenities, and public services (5.8%); tenure (freehold/leasehold) (5.8%); number, size, and position of rooms (4.8%); potential rental yield and capital appreciation (2.4%); discounts, rebates, and other incentives (1.9%); as well as facilities and Amenities(1.4%). The other reasons amounted to the remaining 1.7%.

Building types

The 2020 Buyer Sentiment Survey provided respondents with one selection from the choices of common property types. These include flats or apartments; condominiums or serviced residences; terraced homes, linked homes, or townhouses; semi-detached homes or bungalows; commercial property; and finally an open option.

The most-preferred property types, as in 2019, remain high-end strata properties and affordable landed homes. Semi-detached homes or bungalows raked up 36.2% while terraced homes, linked homes, or townhouses came in second at 31.3%, followed by condominiums or serviced residences (21.7%); flats or apartments (7.2%); and other options took the remaining 3.1%.

Commercial property scored zero showing an all-time low for this type of property as a preferred home.

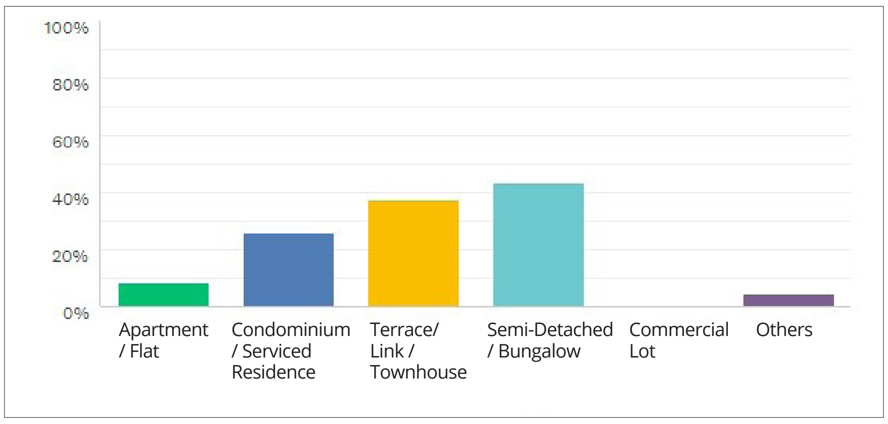
Price factor

Another mainstay of the annual Buyer Sentiment Survey is the question of how much respondents would be willing to spend on real estate purchases.

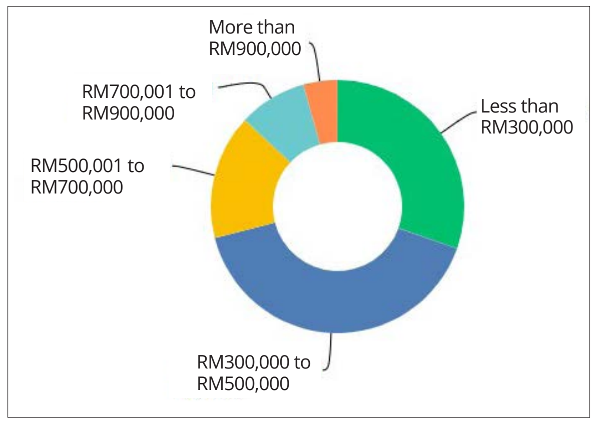
The majority of respondents (71%) were found to prefer properties priced below RM500,000, with the larger portion of respondents (40.6%) sharing fairly realistic expectations of prices between RM300,000 and RM500,000 and 30.4% seeking properties less than RM300,000.

The remaining 29% place their price expectations above RM500,000, with 15.9% seeking homes priced between RM500,000 and RM700,000, and smaller groups of

If you could own your ideal home, what kind would it be?



What is your estimated budget?

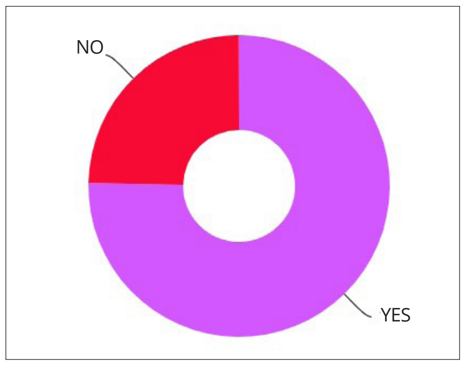


those seeking properties priced between RM700,000 and RM900,000 (8.7%) and those looking at properties more than RM900,000 (4.4%).

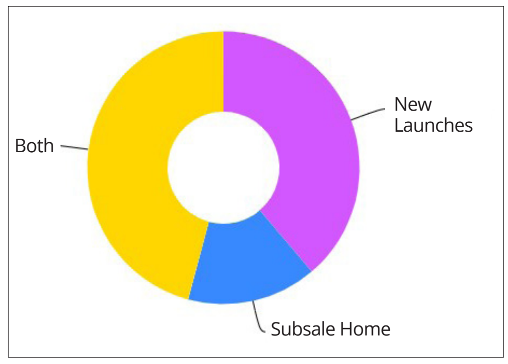
States of preference

The preferred locations of respondents to the annual Buyer Sentiment Survey often makes for one of the more controversial results. While Johor was found to be the state where most buyers were seeking properties in 2018, but in 2019 Selangor and Kuala Lumpur are still the favoured locations of the majority of prospective buyers.

Despite of the MCO, are you still thinking of buying a property?



Which type of properties are you looking for?



Connectivity and accessibility is ranked third as a factor influencing buying.

In 2020, there was little change with Selangor and Kuala Lumpur retaining their first and second spots respectively. Penang and Pahang tied for third spot. The shift was in the percentage of preference.

Last year saw 42.8% preferred Selangor compared to 46% in 2019 while Kuala Lumpur garnered 24.2% compared to 2019's 35%. Penang fell t0 5.7% from 12% previously to tie with Pahang. Observers note that while living within the cities' limits were still high on the list, people were beginning to move away from the more densely populated areas due to Covid-19's impact.

Sources of information

StarProperty also surveyed where homebuyers derive their information from. Top of the list was online website searches via the Internet at 27.1%, followed by social media (21.8%) and the third spot was shared by newspapers (13.3%), and family and friends (13.3%).

The other sources of information were from events (11.2%), magazines (4.3%), radio (3.2%) and television (2.7%). The miscellaneous sources were from pamphlets, brochures, leaflets, banks and notices which made up the remaining 3.1%. The new norm of staying at home amplified the usage of the online medium to seek information.

What's holding them back?

Property developers cooperate in JVs but never on individual projects in proximity of each other

By **JOSEPH WONG**
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THERE are undoubtedly synergies that could be reaped when two or more developers work together to leverage off each other. In the past, they would work together in joint ventures (JVs), usually on large-scale developments that would require huge investments.

Strangely enough, when it comes to individual mix-development projects that are within walking distance of each other, it is a to-each-his-own approach.

As a result, it is not unusual to see a 7-Eleven in the retail section of one development and another just across the street, in the retail section of another development, pointed out Chur Associates managing partner Chris Tan.

He pointed out that similar businesses like mini-markets and groceries would end up competing and struggling to survive within the neighbourhood.

Especially with the economic downturn and complications caused by the Covid-19 pandemic, many retail lots in mixed developments remain vacant.

The question posed – why aren't developers leveraging off each other for more sustainable undertakings?

This discussion was first brought up during the Annual Tax Symposium under the Malaysia Budget Forum held November end last year.

The yearly-held business-focused event saw speakers and panellists cover matters related to Budget 2021 as well as opportunities for businesses and stakeholders in the property industry.

The symposium is organised by Syarikat Ong, Pemandu Associates and the MM2H Club Hong Kong with StarProperty serving as a supporting partner. Net proceeds from the event were donated to the National Autism Society of Malaysia (Nasom).

KPMG Malaysia executive director Soh Lian Seng agreed with Tan. So far, it has always been seen that developers are working separately but offer similar offerings, he said.

This boils down to the competitive nature of developers who are trying to be seen as the one that's offering a better deal to potential buyers and investors.

From the viewpoint of a business operator, if a location has too many competitors that are going to affect the sustainability of his or her business, then it is unlikely for that person to start a business there.

Certainly, there are reasons when the lack of cooperation exists.

"Short-term hit-and-run mindset, ever-evolving circumstances, lack of trust as well as the changing of the government regime are part of the equation," said Tan.

The need to be self-sufficient and not to depend on others also account for the lack of cooperation, he said.

What will it take to get developers to work hand-in-hand instead of viewing each other as competitors especially when their projects are in close proximity?

Tan said developers need to look at the bigger picture and go for a more holistic approach for their future projects.

They need to go through friendly negotiations to come up with a win-win solution for all parties concerned, he said.

During the forum discussion, it was pointed out that developers of new mixed development projects which will be located to existing mixed developments to reconsider their original blueprints, especially in facing the new norm.

For developers venturing into the proximity of an area that already has mixed developments with struggling retail and commercial components, they should take care not to add more of such lots to worsen the situation.

As it stands, it appears that more and more mixed developments are already finding difficulty in leasing out their retail, commercial, office or mall components. One can't help but ask if developers are doing enough research on the sustainability of their projects.

Most property observers noted that since there are many hit-and-miss cases, it could be due to inaccurate projections.

"Generally, not enough has been done," said Tan.

"One major failing is that every project is sold on positive, albeit not always accurate, projections. It's a case expectation versus reality. Yes, it's all good if the retail component is taken up by thriving businesses and the economy is booming.

"But the truth is that the economy is slumping, people are out of jobs, and businesses are struggling. Instead of full occupancy, the number of vacant lots is rising," said a business operator.

Echoing Tan and Soh, he pointed out that developers of mixed developments who are not working together for greater synergies need to rethink their strategy.

"Especially given our current situation with the pandemic, they will have to put more thoughts into their projects if they want to see them thrive," he added.

> "Short-term hit-and-run mindset, ever-evolving circumstances, lack of trust as well as the changing of the government regime are part of the equation.
> *– Chris Tan*

The weakened economy and number of businesses going bust are making it more difficult for developers to fill up their vacant retail and commercial components. To make matters worse, having other mixed developments as neighbours means stiffer competition.

Not enough has been done, said Tan.

Developers are seen working separately, said Soh.