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12-16 Oct

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The next frontier in proptech

The new-age concept of experiential engagement with consumers is fast catching across sectors and revolutionising industries, including real estate. Leading the way forward is i-City.

> See pages 8 & 9

The foresight and far-sightedness of Sultan of Selangor Sultan Sharafuddin Idris Shah, who accorded i-City the international zone status in 2008, has propelled Shah Alam to a new level that few can match. On the right is I-Berhad chairman Tan Sri Lim Kim Hong.

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Things are improving

Selangor sees a modest drop in property overhang in H1 2022

By **JOSEPH WONG**
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THERE are signs that the residential overhang is improving as the number has slipped to 34,092 units valued at RM21.73bil as per the first half of this year (H1 2022) compared to 5,5932 units in Q1 2022.

Last year, the volume of residential overhang reached an all-time high

of 36,863 units valued at RM22.79bil, according to data from the National Property Information Centre (Napic).

As of H1 2022, high-rise units still make up the biggest portion with 59.5% of the total residential overhang at 20,273 units. Terrace houses make the next biggest number at 20.8% with 7,095 units valued at RM3.81bil.

Semi-detached houses make up 8.6% with 2,938 units valued at RM2.75bil while low-cost homes stand at 5.1%

ABOVE
 An aerial view of Petaling Jaya, Selangor shows that the state is a preferred property destination.

with 1,744 units valued at RM130mil. The other property types form the remaining 6.0% with 2,042 units valued at RM2.69bil.

Last year, Selangor had the highest number and value of overhang with 6,095 units worth RM5.28bil. By Q1 2022, it fell to 5,215. The current overhang figure for Selangor is 5,156 units.

Johor, which had 6,089 overhang units worth RM4.72bil last year, saw a reduction in Q1 2022 at 5,992 units but

the figure again increased to 6,040 units as per the H1 2022 data.

Penang also experienced a see-saw rise and fall of the overhang numbers. It stood at 5,493 overhang units valued at RM3.56bil as of 2021 but the unsold units rose to 5,816 in Q1 2022. A total of 292 units were sold during the three-month period so as of H1 2022, Penang has 5,508 overhang units.

SEE PAGE 3 >

StarProperty Fair makes home-buying easy @ IOI Puchong Mall

WITH healthy demand for property continuing to grow, StarProperty Fair returns to IOI Puchong Mall offering a prestigious lineup of properties that feature competitive locations and high quality, all for your perusal.

Running from Oct 12 to 16, 10am to 10pm, visitors will be able to browse through prime projects curated by esteemed property developers, with participating names including IJM Land, IOI Properties Group, KL Wellness City, OSK Property and Perbadanan Kemajuan Negeri Selangor (PKNS).

In celebration of the homeownership journey, home buyers will be eligible for special prizes worth more than RM4,000. This is open to those who have placed a booking for a unit during the event, and home buyers will be able to win great prizes by submitting a copy of the Sales Order Form, proof of payment and photocopy IC of the purchaser at the StarProperty booth.

To sweeten the pot, home buyers who acquire a property at any one of the 2022 StarProperty Fairs will automatically be in the running for the Buy and Win Grand Finale. The finale results will be announced in the 1st quarter of 2023, allowing ten winners to walk away with Guocera Premium Tiles worth up to a total of RM100,000. Terms and conditions apply.

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IOI Mall Puchong, South Court

StarProperty Fair @ IOI Mall Puchong is also giving away sought-after, limited merchandise sponsored by Warner Bros Malaysia, in anticipation of its upcoming superhero film Black Adam. These fantastic premiums worth over RM800 include tote bags, t-shirts and towels, open for visitors who participate in the giveaway. The movie will be released in local cinemas on October 20.

Prizes are not the only things StarProperty has prepared for its visitors. Enjoy

complimentary ice cream, offered to those who complete a simple StarProperty survey. Scan the QR code available at the venue, answer a few questions and submit. Apart from the ice cream, StarProperty is also giving away 500 three-month Viu TV subscriptions for those who answer a few simple questions.

Last but not least, while parents browse the properties, the fair has abundant activities to keep children entertained. Say hello to the clowns giving out balloon sculptures, our PS4 gaming set-up and other fun hands-on activities for the younger ones.

The StarProperty Fairs will be happening throughout the year at your favourite locations including Mid Valley Exhibition Centre in November.

Visit fair.starproperty.my or contact 603-7967 1341 for the latest updates and turn your dream homes into reality. 🏠



Home buyers perusing the line-up of developers at a StarProperty Fair.

> FROM PAGE 2

There were also an equal number of overhang properties for those priced from RM500,001 to RM1mil (29.6%), RM300,001 to RM500,000 (28.3%) and below RM300,000 (28.3%).

In terms of value, the high-end properties, while they make up 13.8% of the total overhang, amount to RM9.16bil across 4,690 units. This is followed closely by properties priced at RM500,001 to RM1 million with 10,104 units valued at RM6.78bil.

Properties priced from RM300,001 to RM500,000 make up 9,643 units valued at RM3.94bil while those below RM300,000 comprise 9,655 units valued RM1.84bil respectively.

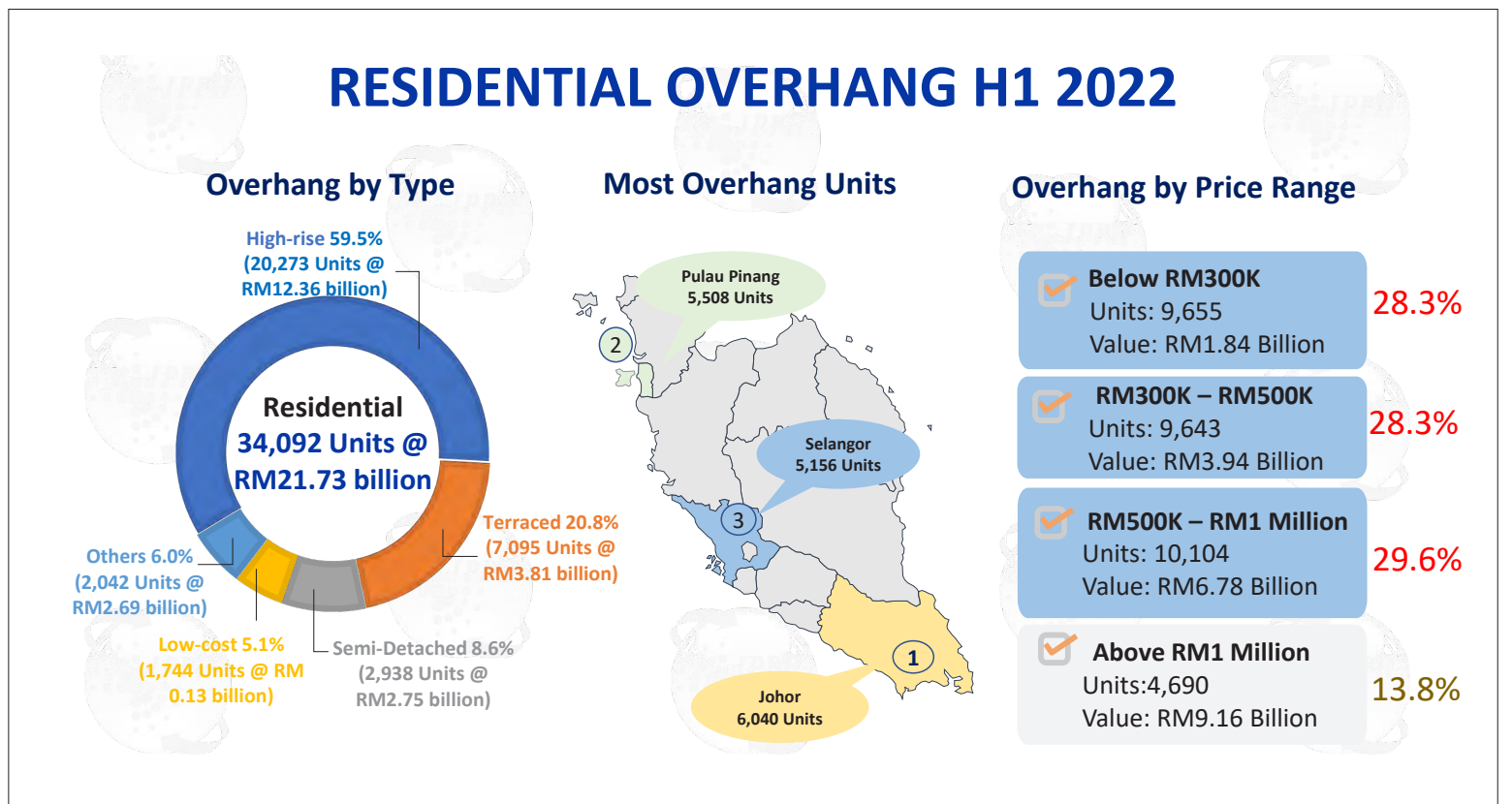
Fewer serviced apartments overhang

Selangor also saw a drop in the serviced apartments overhang as it slipped to 2,248 units. However, it is still the third highest compared to first place Johor with 15,423 units and Kuala Lumpur with 4,279 units.

The serviced apartment overhang grew from 21,683 units in H1 2020 to 23,606 units in H2 2020. It further increased to 24,064 units in H1 2021, peaking at 24,295 units in H2 2021 before dropping to 22,674 units in H1 2022.

A staggering 65.5% of the serviced apartment overhang consists of properties priced between RM500,001 and RM1 million. This comprises 14,851 units with a combined value of RM11.11bil.

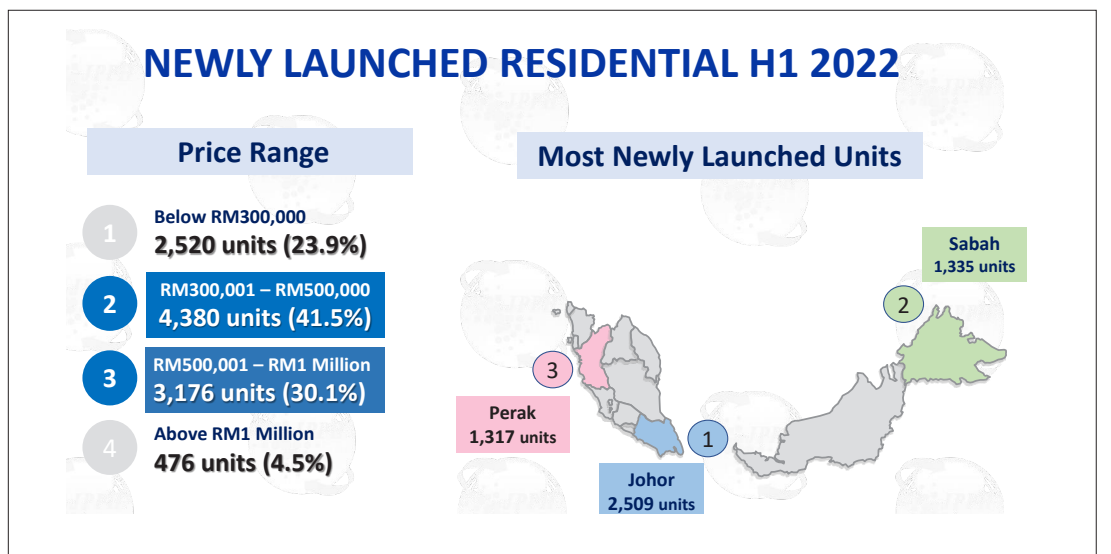
This is followed by properties priced above RM1mil, making up 23.5% with



a volume of 5,321 units and value of RM7.25bil. Serviced apartments priced from RM300,001 to RM500,000 make up 8.7% with 1,981 units valued at RM840mil, while those priced below RM300,000 only comprise 521 units valued at RM120mil.

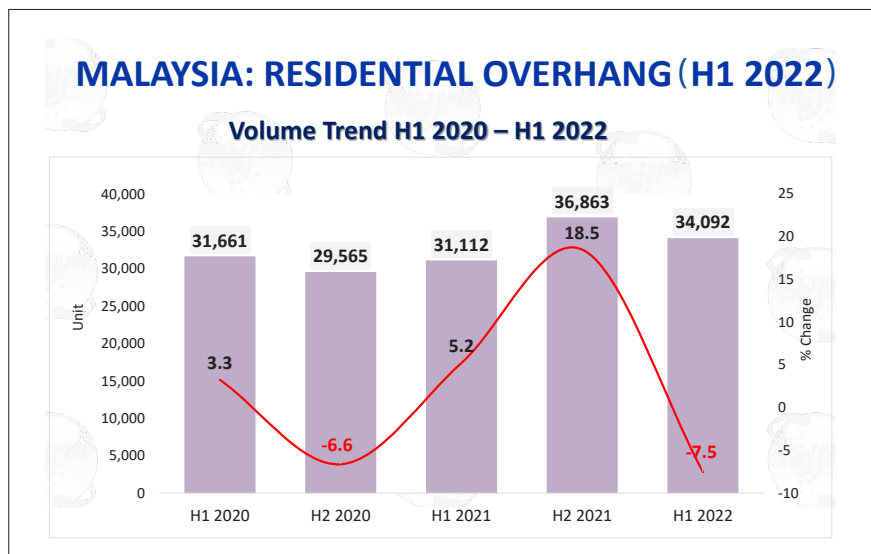
Incoming supply

There were 10,552 units in residential new launches in H1 2022, of which only 2,141 units (20.3%) have been taken up. Of the total, 8,543 units are new landed properties and 2,009 units are high-rise apartments and condominiums.



Johor saw the most launches with 2,509 units, followed by Sabah with 1,335 units and Perak with 1,317 units. Properties priced from RM300,001 to RM500,000 make up the bulk of the new launches with 4,380 units or 41.5%

while properties priced from RM500,001 to RM1mil total 3,176 units or 30.1%. This is followed by properties below RM300,000 at 23.9%, which amounts to 2,520 units and 476 units or 4.5% are those priced above RM1mil.



A legacy to build on

PJSB continues its exemplary track record with launch of double-storey terrace homes

WITH the upswing of the property industry, homebuyers are looking for stability in their transition into a new future. To be competitive, property developers balance contemporary needs with classic sensibilities, harkening back to simpler days of playing outdoors and enjoying the sun. It is this sense of peace and stability that Permas Jaya Sdn Bhd (PJSB) instils into its projects.

As a subsidiary of BRDB Developments Sdn Bhd (BRDB), PJSB began its journey with a solid foundation in the rubber and oil palm plantation industry. It embarked on property development in 1980, establishing an impressive presence with a wide variety of prestigious developments locally.

These projects include Elita @ The Straits View Condo, Boulevard, Straits View Residences, PJ20, Permas 31 and Straits View Homes, all within the Permas Jaya township. This apex township development spans 1,400 acres of freehold land and is masterfully planned to nurture a thriving commercial and community life.

Located in the heart of Iskandar Malaysia, Johor, the township continues to grow with on-going projects, with a double-storey terrace house development - The Straits View Link - recently launched in September 2022.

Warmth and sophistication

With a design chosen for tropical seasons, the development consists of a limited number of 142 units, carefully positioned to face a north-south orientation. Similarly, the entire precinct is set in a rectilinear configuration, allowing an eco-friendly and all-natural method of cooling and air-flow management in Malaysian weather.

Crafted from handsome timbers, the main doorway of each unit gives the appearance of warmth and sophistication upon the moment of entry. The home is a sanctuary, and The Straits View Link strives to be a breath of fresh air after a long day of work. Comfortable and aesthetically pleasant, each unit sets the mood for warmth and family.

As the units are equipped with



ABOVE
The Straits View Link consists of a limited number of units. Artist's impression.

window openings and simple lines in their design, the houses not only ensure their timeless appearance, but also a well-ventilated home that bolsters the wellbeing of its occupants.

With rooms that are generous in size, the units allow a comfortable multi-generational home, providing space for at least two cars within its compound. These design considerations place emphasis on convenience for gatherings and extra working members, creating the ideal home for growing families.

The spacious built-up and land area provides a matured appeal, represented in the demographic of Permas Jaya's prior phases. The township draws on its active community interactions as families continue to grow and flourish within its boundaries.

As a self-contained township, Permas Jaya provides residents with a full range of amenities, from food and beverage outlets to banks, malls and hypermarkets. The township is also in close proximity to educational institutions such as private

and international primary and secondary schools, as well as hotels, healthcare facilities, a sports complex and a golf course.

With the comprehensive scope of facilities, residents will not have to go far for entertainment and recreational activities, a convenience that PJSB continues to foster.

From Malaysia to Singapore

The crowning jewel of the township, however, can only be its accessibility. With a direct connection to the Johor Bahru East Coast Highway, also known as the Permas Jaya-Pasir Gudang Highway, the township is accessed through the Eastern Dispersal Link (EDL) and has links to the North-South Highway, Pasir Gudang and the Singapore causeway.

Less than six minutes to Johor Bahru and the customs, immigration and quarantine complex (CIQ), the township is an attractive jewel for both local and

international families. The population of the community is an estimated 70,000, encompassing expatriate residents from the surrounding regions.

"Planning a mixed development township with comprehensive amenities is the strength of the developer, PJSB. Our established track record has inspired confidence in our developments and our ability to address any challenge," a representative of PJSB said.

As a major anchor in Johor's economic development, the Iskandar Development Region and South Johor Economic Region command a healthy level of activity and there is strong demand from Malaysians and its island neighbour, Singapore.

To date, the Permas Jaya township boasts more than 11,700 units of landed homes, apartments, condominiums and retail properties worth an approximate RM3bil. While these numbers encompass the projects that have already been completed, Permas Jaya promises more to come, with 20 units of three-storey shop offices in the Permas Mall Block C, estimated to launch in the fourth quarter of 2022.

Next year's upcoming projects include 100 apartment units for Permas Edge as well as 105 units of three and four-storey shop offices in Permas Avenue.

Cultivating a dynamic and agile economy, PJSB continues to develop its self-sustaining township into a vibrant community of infinite possibilities. For more information, visit the Permas Jaya Sales Gallery from 10am to 5pm or contact 016 - 721 2520 (Adam) and 016 - 770 8788 (Ivan). 📍

An artist's depiction of The Straits View Link units.



THE STRAITS VIEW LINK

Freehold

One of the Last Terrace House Development in Permas Jaya



Price from **RM699,000**

*Terms & Conditions Apply

Double Storey Terrace House

Adam: 016 721 2520 / Ivan: 016 770 8788

Developer:

Permas Jaya Sdn Bhd (14161-T)
G-33, Block A, Permas Mall, No. 3 Jalan Permas Utara,
Bandar Baru Permas Jaya, 81750 Johor Bahru, Malaysia
F: +607 387 2333

07 387 1333

PERMASJAYA **BRDB**

Developer: Permas Jaya Sdn Bhd (14161-T)#G-33, Blk A Permas Mall, 3 Jalan Permas Utara, Bandar Baru Permas Jaya, 81750 Johor Bahru, Malaysia • Tel No.: 07-3871333 • Development Type: Double Storey Terrace House • Developer's License No.: 835/03-2027/0201(R) • Validity Period: 11/3/2022 to 10/3/2027 • Advertising and Sales Permit No.: 835-11/09-2024/0141 (N)-(L) • Validity Date: 5/9/2022 to 4/9/2024 • Approving Authority: Majlis Bandaraya Johor Bahru • Building Plan Approval No.: MBBJ/U/2021/14/BGN/74/R5 • Expected Date of Completion: June 2024 • Tenure of Land: Freehold • Restriction in Interest: Nil • Land Encumbrance: Nil • No. of Units: 142 • Selling Price: RM908,700.00 (Min) - RM1,825,200.00 (Max) • Bumiputra Discount: 15%

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Selangor remains the hotspot state

Location, infrastructure and pricing keep Selangor as an attractive option for investment and living

By LIEW JIA YI (YANIKA)
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KEY players in the property industry remain confident of Selangor's continued status as a prime investment area, with no signs of the trend changing.

Selangor's prominence was well-recorded even during the pandemic, when in 2021, property transactions saw an increase of 10.7% in volume in comparison to 2020, according to the National Property Information Centre (Napic).

"Selangor was the top contributor to both volume, 24.5%, and value, 34.4%, of transactions while Kuala Lumpur ranked the second highest in terms of contribution to the value of transactions, with 12.6% share. This has shown that the residential sub-sector continued to propel the overall residential market in Selangor," Real Estate and Housing Developers' Association Malaysia (Rehda) Selangor chairman Datuk Zaini Yusoff said.

Selangor, alongside Kuala Lumpur, forms a significant part of the Klang Valley area, with major commercial and business activities focused on Kuala Lumpur and its immediate surroundings. Its strategic location, near ports, railways and business hubs, lead to well-developed logistics infrastructure and job opportunities.

Part of the fact is because Selangor is

the country's most populous state with a population of about 7.0 million people. Knight Frank Malaysia research and consultancy senior executive director Judy Ong pointed out that as of 2022, the state accounts for 21.6% of Malaysia's total population of 32.7 million.

According to Savills Malaysia Sdn Bhd group managing director Datuk Paul Khong, the Klang Valley growth corridor acts as Malaysia's main economic backbone, with a supply chain that ranges from the commercial offices in Kuala Lumpur city to the industrial factories and warehouses at Port Klang.

The traffic surrounding Kuala Lumpur and the difference in property costs between the city-state and Selangor is a large motive behind Selangor's popularity as it proves to be the more affordable option. Napic's House Price Index cited the average terraced house in Selangor to be RM556,483 as compared to Kuala Lumpur's at RM876,447.

"Buying property in Kuala Lumpur as an investor is going to be very expensive with no guarantee of significant returns due to the pandemic situation. Selangor, on the other hand, offers more opportunities for future growth in price," Zaini said.

He pointed to developing townships such as Bukit Beruntung as one of the best places for retired expatriates to settle for a life of peace and quiet, without sacrificing any of the modern life

ABOVE

Shah Alam, Selangor's capital, is a focal point of many existing and new infrastructure developments. The state still experiences the most property transactions.

comforts, with other nearby locations like Cheras, Shah Alam and Puchong holding similar charms.

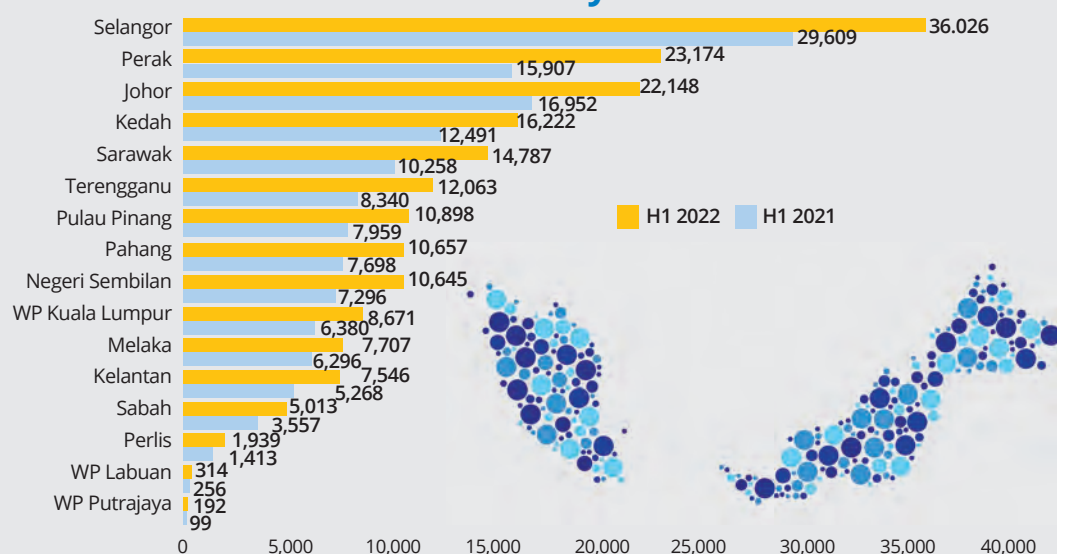
"Many companies are relocating their headquarters in Selangor from the KL city centre due to cheaper rentals and operation costs. Although prices are cheaper in these areas than Bangsar and Mont Kiara, the limitations set by the new housing laws on property purchase by foreigners may offset this," Khong said.

According to the Department of Valuation and Property Services (JPPH), Selangor accounted for 26% of

residential property transactions in the country during the first half of 2021, followed by Johor (14.4%) and Kedah (17.7%).

While the Kuala Lumpur city centre held the highest capital value for developments, the aforementioned relative affordability pushed both developers and home buyers further and further away. There has been an increase in residential developments in the outskirts of the city, however, this must also be followed by the relevant supporting infrastructure and amenities.

Transactions volume by state





"Selangor is a big state and developments will continue to move and radiate outwards from the main Klang Valley Conurbation and the KL city centre," Khong said.



"The government is urged to offer more property related incentives in the upcoming Budget 2023," Ong said.



"Selangor was the top contributor to both volume, 24.5%, and value, 34.4%, of transactions," Zaini said.

Urbanisation, infrastructure, technology

There are multiple factors to the state's popularity, especially in the recent Covid-19 period, which boosted technological advancements further, including, Khong pointed out, catalytic transportation and infrastructure projects, such as railways, highways and 5G networks.

"We foresee Selangor to remain as the top favourite to all categories of property investors due to its natural inherent and strategic locational factor complimenting the KL City Centre. This is further enhanced by various economic reasons such as relatively lower costs of living, cheaper rentals and competitive capital prices," Khong said.

These factors have further driven up the decentralisation elements amongst office dwellers and homeowners for a better work-life balance in Selangor.

"Selangor is a big state and developments will continue to move and radiate outwards from the main Klang Valley Conurbation and the KL city centre," Khong said.

As developments move outwards, more infrastructure is being built to support Malaysia's urbanisation, townships have become more connected. Khong pointed to areas such as Kuala Lumpur, Petaling Jaya, Subang, Shah Alam, Klang and Port Klang, which saw thousands of commuters daily, linked together by mega highways and new expressways, making all parts of the state highly accessible.

"Moving further out of KL, we continue to see Rawang as a hotspot for on-going and upcoming master-planned township developments, led by branded developers of Guocoland, Gamuda, BRDB, Mah Sing, Scientex and Low Yat Group," Khong said.

"To the south side of Selangor especially in the Puchong localities, we are also witnessing several new master-planned townships in the making led by EcoWorld, Tropicana, IJM, Ayer and LBS," he added.

No chance of shifting trends

Khong pointed out that Selangor's hotspot status was here to stay, with Zaini providing a resolute no to the possibility of a shifting trend, especially with the vision of the state government to transform Selangor into a liveable smart state in Asean by 2025.

"The concept has continued to gain popularity and attract more people to choose Selangor as their destination to work and stay. The adoption of digital

technology becomes an important living tool for all generations. Rehda Selangor will continue to support the state government to achieve the Smart Digital Infrastructure, Smart Government, Smart Economy and Smart Communities aspirations," Zaini said.

These would likely be centred around popular locations in Selangor considered evergreen locations, such as the SS2 and SS21 areas, Damansara Utama, Damansara Jaya, Bandar Utama and the Tropicana Golf and Country Club vicinities. Khong pointed out that growth has continued to extend further and beyond into areas like Sunway, Puchong, USJ and Bukit Jalil vicinities and more.

"Locations such as Kajang-Semenyih and Klang (Bandar Bukit Raja), Damansara Perdana, Kota Damansara, and Bandar Setia Alam are still the top popular hotspots for property. These places offer attractive rental yields and capital appreciation, which bodes well for a long-term investment strategy," Zaini said.

"The soon completed Dash highway will improve the travelling time from places like Elmina and Denai Alam, is another area of interest of buyers," he added.

In addition, there have been innovative new ideas in the property industry surrounding township development, such as the theme park concept, illustrated in Gamuda Cove and Gamuda Gardens. These ideas aim to offer a unique living experience to its investors and homeowners, taking into account a creative master plan, landscape, and concept.

"Districts of Petaling, Sepang and Hulu Langat are the popular hotspots for buyers and accounted for about 65% of the total sales under the Home Ownership Campaign (HOC)," Zaini said.

Following the country's transition to the endemic phase of Covid-19, coupled with the reopening of its international borders, Ong noted that Knight Frank foresees more economic activities moving forward, with the expectation of improvement for the country's property market although there are downside risks associated with the oversupplied market in certain sub-sectors, locations, rising inflation and geopolitical tensions, among others.

"The government is urged to offer more property-related incentives in the upcoming Budget 2023, which is set to be tabled on October 7, to boost the property market and ease the cost of doing business," Ong said.

Guide to investing in Selangor

When it comes to investing in property, most people think of residential landed properties, but the property market encompasses other subsectors, such as the commercial and industrial sectors, which are seeing a similar increased interest as the economy recovers.

"While residential property is often a first-timer's choice, the purchaser should also consider other types of properties. Many investors cite rental income as a reason to invest in housing, but commercial properties could offer better earning potential," Real Estate and Housing Developers' Association Malaysia (Rehda) Selangor chairman Datuk Zaini Yusoff said.

"Other options are retail investments or industrial properties. The attraction of industrial real estate assets is that as far as leases go, rental periods tend to be longer than for residential units and usually require less upkeep and initial outlay," he added.

Factors that affect the decision of purchase are location, security, distance to the workplace, and the developer of the property itself.

"Within Selangor, buyers are highly recommended to acquire choice properties in well-planned and strategically located townships and also consider products built by branded developers. Landed properties with ease of access to inter-district and interstate highways or those who prefer high-rise residences but located closer to city centres with Transit Oriented Development (TOD) benefits. Transportation nodes and amenities including retail outlets and schools are all unique selling points," Khong said.

He noted that first-time homebuyers should enjoy the full benefit of the current stamp duty exemptions under the i-Miliki initiatives for properties priced up to RM500,000, and 50% exemptions for properties priced between RM500,000 and RM1mil, together with the various homeownership incentives extended by developers.

"Seasoned institutional investors may

consider venturing into the warehousing, logistics space and also data centres in response to the rise of e-commerce and the need for dedicated buildings to support the growing demand for shared data services, data storage infrastructure, cloud computing and business-IT operation continuity plans," he added.

Of course, Zaini impressed on the importance of the purchaser themselves. Those looking to invest would find an easier time with a good financial standing and repayment record, as banks will more likely offer a higher Loan-To-Value (LTV) for a better rate for the mortgage.

"(The) purchaser shall take note of fees such as the Sale and Purchase Agreement (SPA) fees, stamp duties, down payment, and property agent fees among others while making the purchase," Zaini said.

"The cost of maintaining the home after moving into is another area that purchaser shall be aware of. Things like renovation, maintenance fees, quit rent and parcel rent can add up to more than you expect," he added.

As always, investors should conduct market research before buying their chosen property.

Knight Frank Malaysia research and consultancy senior executive director Judy Ong said that this involves checking with relevant government bodies, state agencies and local authorities on policy-related matters as well as planning rules and regulations.

"Engage with trustworthy and registered property consultants for property-related advice and services," she said.

Zaini added that when it comes to property, it is not about which asset type is better, but the goal of the purchaser. Whether it is primarily about asset acquisition, improving living lifestyle, value appreciation, generating income or others, purchasers should know what they want before making their purchase. 🏠

Trending Hotspots	
Landed residential	Puncak Alam, Rawang, Shah Alam, Subang / Subang Jaya, Puchong, Teluk Panglima Garang, Klang, Kajang
High rise residential	Petaling Jaya, Bandar Sunway, Subang Jaya, Kota Damansara, Shah Alam
Office	Bandar Sunway, Bandar Utama, Damansara Uptown, Petaling Jaya, Shah Alam
Retail	Bandar Sunway, Bandar Utama, Damansara Uptown, Kota Damansara
Industrial	Shah Alam, Klang, Port Klang, Sepang, Bangi, Banting

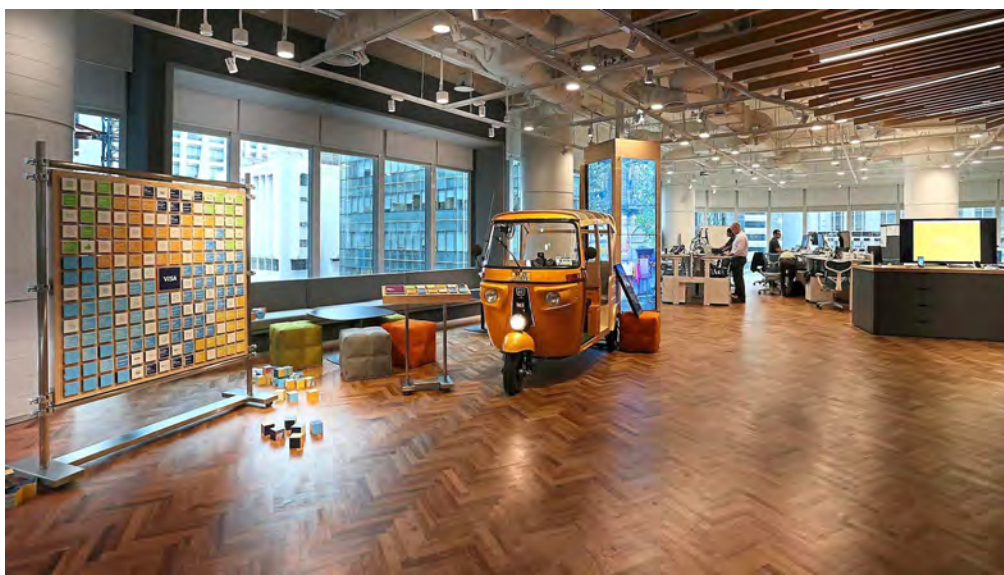
Source: Knight Frank Malaysia



Leading the way to the next frontier

I-Berhad - asset-rich, innovative transformer of the RM10bil i-City.

i-City's strong tech foundation innovates immersive experience



ABOVE
An experiential centre is a new-age concept of engagement with consumers. Businesses will need to look beyond their usual offerings.

RIGHT
Catch sightings of the aurora borealis in a below 8°C arctic environment at Snowwalk in i-City soon.



Life, as we know it, has forever changed. Thanks to the advancement of technology and the shrinking-world factor, consumers at large have a myriad of choices on internet-based apps and their wants become needs and needs have further diversified, radically changing and evolving through time. What is the world doing to keep up?

The fundamental focus of this approach is to establish a positive engagement with consumers of how they shape their perceptions toward the product or service. It is also about connectivity speed as the new generation of users expects it. So, unless the engagement provides more than what is already the norm, you will not win them over.

This new-age concept of engagement with consumers is fast-catching and revolutionising just about every industry. Typical of a business-to-consumer (B2C) framework, financial institutions are also moving towards the omni-channel approach when engaging with customers.

Technology and digitisation have created opportunities for new players to emerge in banking, just as they have in nearly every other sector of the global economy.

We have come to a point where almost everything can be done and transacted virtually through super apps. However, as great as these data-driven features are, one important element needs to be addressed, the multi-sensorial experience.

In attracting financial institutions by providing the right ecosystems, choosing

the right partner with the right technological infrastructure is becoming more crucial, especially for the fintech and insurtech industries, which have a substantial hand in the service sector. Hence, a place where the necessary tech support has been established has become more attractive to the industries that run on technology.

While most would think that experiential centres are a thing of the future, it is, in fact, the demands of today, as exposure to the world's presence of consumer touchpoints has accelerated the need for interactive relationships.

Tech-driven enabler

i-City has been revolutionary in the adoption of technology since its conception in the '90s. First, it created an internet-savvy community by integrating its IT ecosystem into the fabric of its development. The first urban development with a Tier-3 certified data centre and mother of all internet, powered by a super AI and dual-fibre network.

As a next-generation smart city, the community here will be supported by the technology infrastructure and yet benefit from the surrounding convenience for their business and living lifestyle.

The RM1.5bil i-City Finance Avenue is already achieving its goal of becoming the enabler for fintech and multi-national corporations (MNCs). Its premium retail and office spaces are intentionally designed for experiential centres to offer immersive engagement with consumers.



The premium office and retail spaces in i-City Finance Avenue, which supports fintech and high value-added industries, are designed with experiential centres in mind.

Metaverse not just Sci-Fi

The term metaverse was coined some 30 years ago. Until recently, it has been science fiction. With the explosion of big data, ultra-fast networks, and artificial intelligence (AI) that we are experiencing today, where everything is being connected, stored, and analysed, the concept of a virtual world available to everyone could soon become a reality by combining several technologies, such as AI, virtual reality (VR), augmented reality (AR) and blockchain.

A key enabler of the metaverse is the Fifth Generation (5G) of cellular networks. The current 5G rollout is only in the early stages of this revolution and offers the basic functions. In comparison to the existing 4G network, 5G is 100x faster and simply,

this means an entirely new generation of technologies, including the metaverse, will become feasible.

Experience metaverse

With metaverse being the latest buzzword in the edutainment and gaming world, i-City took the first steps to adopt such new technology in Malaysia. It recently announced a RM10mil digital transformation plan for its theme park with a metaverse experience, targeted to draw 10 million visitors in 2023.

It will be unveiled at i-City's 2023 new year countdown celebration. The metaverse experience is also extended to Snowwalk where visitors can catch sightings of aurora borealis, in a below 8°C arctic environment.

“It strives to be the top IT powerhouse driving this front in Selangor and sits as the game changer. i-City has already moved forward to unveil a RM10 million digital transformation plan upgrading its theme park with a metaverse experience by 2023.

Adoption of new technologies including the venture into the metaverse generation is said to be in their DNA moving into the future.

– Datuk Paul Khong



“The state government hopes to collaborate with I-City to draw more investors and tourists to the capital city, Shah Alam and be our components and assets for development in Selangor,” said Selangor Menteri Besar Datuk Seri Amirudin Shari.



Components of i-City Finance Avenue are Mercu Maybank, DoubleTree by Hilton, BeCentral service residences, premium offices and retail spaces and an international convention centre - all connected to Central i-City Mall.

Funnelling the transformation of change

Ten years ago, Sultan Sharafuddin Idris Shah, Sultan of Selangor, had the vision to recognise the necessity of transforming the state's capital city, Shah Alam, into a global arena to attract foreign businesses and brands.

As a result, Shah Alam has changed from a sleepy neighbourhood to a dynamic modern international city today, with strong drivers backing the shift. As the state passes into a new decade, the next step forward is to drive Shah Alam into the digital age and beyond.

Among the chief makers of change includes I-Berhad, the master developer of the RM10bil i-City, Malaysia No 1 Technology City, which is drawing in large multinational enterprises and famous global brands.

I-Berhad fully owns several properties that have attracted illustrious names in the hospitality sector like DoubleTree by Hilton and Best Western. It also fully owns Mercu Maybank, a smart corporate tower with Grade-A-GBI certification that houses 1,500 Maybank staff, multinational corporations and Fortune 500 companies.

The Tier-3 certified data centre in i-City, which is powered by the super artificial intelligence (AI) and dual-fibre network that provides the mother of all internet, is entirely owned by I-Berhad.

The 150,000 sq ft CentralWalk in i-City, a lifestyle and edutainment hub and the CNN-accoladed City of Digital Lights leisure park, including 14,000 parking bays, is also wholly owned by I-Berhad.

To support the global rise in demand for cloud computing services and big data processing, new hyperscale data centres are already in the pipeline.

Based on i-City's location in the heart of Selangor and being an integral part of the capital city, Shah Alam, it should be leading the pack in the next generation of AI and IT

(information technology) front as a smart city with advanced 5G technology all around, said Real Estate firm Savills Malaysia group managing director Datuk Paul Khong.

“It strives to be the top IT powerhouse driving this front in Selangor and sits as the game changer. i-City has already moved forward to unveil a RM10 million digital transformation plan upgrading its theme park with a metaverse experience by 2023.

“Adoption of new technologies including the venture into the 5G generation is said to be in their DNA moving into the future,” he told StarProperty.

i-City is a trailblazer in a triple play of real estate, technology and finance, that is, assimilating digital banking into the emerging proptech, amongst others. Most importantly, these future-forward initiatives will ensure the inclusivity of technology adoption for the benefit of the entire community.

I-Berhad's latest development is i-City Finance Avenue, which is connected to Central i-City Mall and houses Mercu Maybank and DoubleTree by Hilton. It also includes the upcoming BeCentral serviced residences, premium offices and retail for experiential centres while the international convention centre, with its 2,000 pax capacity, is expected to open at the end of next year.

For retail, the largest mall operator in Thailand chose to establish Central i-City Mall as its first foreign investment and holds a 60% stake in the mall, while the remaining 40% is held by I-Berhad. The Thai partner is also managing the mall.

The foresight and far-sightedness of Sultan Sharafuddin Idris Shah, who accorded i-City the international zone status in 2008, has propelled Shah Alam to a new level that is unrivalled. 📍



“I believe i-City will undoubtedly position Selangor as a major player in the development of digitalisation and will serve as a model for many, from the concept, to content, ideas and buildings,” said Datuk Teng Chang Khim, Selangor executive councillor for Industry and Trade.

An affordable hidden gem

Puteri Soraya's quiet relaxing neighbourhood offers peace of mind

It is not easy to find a double-storey terraced house that resides close to mature neighbourhoods, offering easy access to the necessary services and conveniences of modern living, and still be easy on today's hard-earn salary. This is what Puteri Soraya by the State Development Corporation of Selangor, better known by its acronym PKNS, is offering.

These charming, yet affordable two-storey terrace houses, make an ideal residence for those seeking a lush green backdrop in a quiet, relaxing neighbourhood away from the hustle and bustle of the city.

As one of the phases in the township of Kota Puteri, Kuala Selangor, Puteri Soraya is expected to be quickly snapped up in the speedily growing township if the earlier phases are to be taken as examples. The earlier phases include the two-storey link homes in Puteri Elaisha and Puteri Daffina 2 and 3, which were sold out.

Located close to the Latar Highway, reaching Kuala Lumpur's City Centre is less than an hour's drive while Shah Alam is only 30 mins away and other parts of the Klang Valley are also easily reached via Guthrie Highway and Jalan Kuala Selangor.

A home within reach

With a starting price tag of RM388,888, a home in Puteri Soraya is a wise investment to reap its potential value growth since the neighbourhood is within the strategic location factor in the development corridor and surrounded by mature and growing neighbourhoods.

Interested buyers can take advantage of several discounts offered by PKNS like:

- 10% discount for first home buyers
- 12% discount loyalty scheme
- Free Sales and Purchase Agreement (SPA)
- Free Memorandum of Transfer (MoT)

Designed with a modern and contemporary lifestyle in mind, the development complements the comfortable and peaceful environment that it resides on. With ample surrounding of nature's greenery, Puteri Soraya, which has a gross development



ABOVE
A side view of the completed terrace houses.

LEFT
There is ample parking space to easily fit in two cars on the driveway.

value of RM76.4mil, occupies 13.17 acres of leasehold land.

There are only 174 houses available with build-ups ranging from 1,642 sq ft to 1,738 sq ft. The units come with four bedrooms and three bathrooms, housed within a modern contemporary façade that would make many higher-end homes envious. The layout boasts a modern design and stylish appeal that bring out the features of the development in greater detail.

Value for money

Owners will be pleased to know that the master bedroom is spaciouly designed, complete with a bathroom that offers a dry bath concept and a walk-in-closet. The adaptation of an open plan concept for the living, dining and kitchen areas allows for the maximisation of space.

At the same time, it also allows for the owner to decide if they wish to cordon off the kitchen.

The usage of bigger windows allow for better ventilation and natural lighting to enter the interior of the house directly. PKNS has always been at the forefront of development within Selangor. Its vision to elevate the nation is made apparent through the judicious apportionment of economic and socio-economic growth as defined by the government's directive.

And in line with the shift for a safer environment, the house also uses recycled non-toxic materials like the laminated timber flooring in keeping with the environmental, social and governance (ESG) stance to reduce negative impacts on nature and health.

The driveway can easily accommodate two cars as each house is designed with a column-free car porch for optimal width.

With the proximity of educational facilities and shopping malls nearby, families do not need to move far to fulfil their daily needs. Most notable is the presence of Universiti Selangor (Unisel) Bestari Jaya, and UiTM at Puncak Alam and Puncak Perdana. There are also several primary schools, police stations, grocery shops and eateries in proximity to Puteri Soraya. Bus services like the Selangor Omnibus and Wawasan Sutera are available. 📍



The lakeside with the pathway sheltered by trees encourages residents to exercise or relax by the water's edge

PUTERI SORAYA

2 STOREY LINK HOMES (20' X 70')

Price from: **RM 388,888.89**

Monthly from RM1600*



COMFORTABLE LIFE STARTS HERE!

PUTERI SORAYA 2-Storey Link House @ Kota Puteri is another PKNS project with a modern and contemporary design which complements life in a comfortable and peaceful environment that has an appreciable touch of green nature too. PUTERI SORAYA, being an ideal residential development in a strategic location that is close to the main highway and surrounded by good neighborhoods, is a wise investment to reap multiple potentials.



Puteri Soraya @ Kota Puteri



KOTA PUTERI

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pkns.gov.my



Perbadanan Kemajuan Negeri Selangor



PKNS OFFICIAL

Bangunan Ibu Pejabat PKNS,
No.2, Jalan Indah 14/8,
Seksyen 14, 40000 Shah Alam,
Selangor Darul Ehsan

PKNS
HOMES

PVIP: Proper implementation will be the key

Malaysia throws its lure to attract high net worth individuals

Contributed by **SULAIMAN SAHEH**

THE intention of bringing foreign investments into the country hinges on the expectation of the economic growth it potentially brings and the positive multiplier effects into many other sectors. This, of course, applies to the higher income levels of such foreigners who invest and spend significantly in the local economy, as opposed to the lower-income foreign labourers. As the world becomes more globalised and the international movement of people is expected to grow, some countries have welcomed them through special programmes through what is commonly referred to as a golden visa or residency-by-investment.

Other than the commonly larger-valued Foreign Direct Investments (FDIs) associated with new business set-ups and expansions, foreign investments can also be at a more individual level. These may include investments in local financial instruments and products, as well as residing in the country and even purchasing local properties. Areas that have significant foreigners' and expatriates' occupation and even ownership, is more often than not, seen as more affluent with higher property prices and rental rates.

Last month, Home Minister Datuk Seri Hamzah Zainudin announced a new visa program called the Malaysian Premium Visa Programme (PVIP) to attract foreigners of high net worth. The country's Residency Through Investment programme, which is open for applications as of Oct 1, is expected to help drive the country's economic growth.

With the new programme having just been announced and launched recently, information is still limited. At the moment, the conditions of participation that have been shared with the public are that the programme



The race is on to attract high net worth individuals into Malaysia.

is open to all participants with proof of having a minimum offshore income of RM40,000 per month or RM480,000 annually and have a fixed deposit account of at least RM1mil, amongst others. Withdrawals are only permitted from the second year onwards and limited to a maximum of 50% of the principal value for the purpose of health, education or real estate.

Not much distinction

The application will also involve a one-off payment in participation fee of RM200,000 per applicant and RM100,000 per dependent. Benefits to be given upon successful application include a visa approval of up to 20

years (via four renewals of five-year visa validity), permission to study, work and conduct business activities as well as purchases of residential, commercial or industrial real estate.

The major difference between PVIP and the recently revised Malaysia My Second Home programme, MM2H, is that the term for the PVIP visa is longer - 20 years compared to five years - and the PVIP visa allows for employment or business and study as opposed to MM2H which is purely for a residency visa. However, there are similarities in the eligibility criteria such as the key income criteria set is based on a minimum offshore income at RM40,000 per month or RM480,000 annually plus a fixed deposit requirement of a minimum RM1mil for both programmes.

With the similarities seen between both programmes, it begs the question of how effective would the PVIP be, considering the pre-existing MM2H that had been running since 2003 had its own challenges. Following the government's statement of having the PVIP designed in a way to attract wealthy investors and business tycoons to reside and invest in Malaysia, it seems to lack clear pathways via investments, like business set up and investments, for the Residency-Through-Investments or Residency-By-Investments programme in comparison to similar programmes in our neighbouring countries.

Looking at similar Residency-By-Investment programmes offered by other countries, Australia and Singapore demonstrate such an investment-driven structure to the programs offered. For



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

Australia, there is an option of four visa streams under the Business Innovation and Investment Program for applicants to choose from - three of the four requiring a commitment of at least A\$2.5mil into a complying Australian-managed investment fund or obtaining ownership of an Australian business. For Singapore, under the Global Investor Program, applicants can choose among three investment options: invest at least S\$2.5mil in a new or existing business entity, invest at least S\$2.5mil in an approved fund investing in Singapore-based companies, or an investment of S\$2.5mil to establish a single-family office in Singapore with a minimum of S\$200mil in assets under management. By having such defined avenues and investment or business options, the benefit and outcome expected from the programmes in these two countries are more clearly defined.

Citizenship offered

In relation to real estate investments, a residence permit or citizenship is offered in exchange for such investment as seen in countries in Europe and the Caribbean. Some of the popularly known countries include Portugal, Spain and Greece. In Portugal, the eligible investment via the real estate option requires purchasing a new property for at least €500,000 or for properties that have not been renovated for more than 30 years at €300,000. The same



The nation hopes to attract the affluent into the country to be net contributors to the economy.

Waiting with bated breath

Will the golden visas lure more businesses and high investments to the nation?

By **JOSEPH WONG**
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WHEN Home Minister Datuk Seri Hamzah Zainudin announced the new Premium Visa Programme (PVIP) to attract global tycoons into Malaysia, eyebrows were raised. There was certainly a mixed batch of reactions but as the deadline closes in on the starting date of the golden visa programme, more and more people are sitting up and paying attention.

While the targeted number of 1,000 immigrants is not a big one, Malaysia will be competing with other countries' golden visas like neighbours Singapore and Thailand as well as European countries like Portugal.

Initially, several nay-sayers were pointing out that the PVIP would cannibalise the Malaysia My Second Home (MM2H) Programme but the potential response to the PVIP has been positive.

The Home Ministry has revealed that there are about 20,000 applications from agents even before the official start of the programme. On the other side of the coin, developers are certainly welcoming the move as it gives them the opportunity to sell their premium products.

"This PVIP, which allows participants to buy property in Malaysia, benefits Mah Sing's developments in the Klang Valley (M Oscar, M Vertica, and Icon Mont Kiara), Northern (Ferringhi Residence 2), and Southern (Meridin Medini 1 & 2 Retail and Meridin Bayvue Retail).

"We also hope that this programme will attract more foreign direct investment (FDI) to the country and create job opportunities for Malaysians, thus further strengthening the value of the Malaysian Ringgit," said Mah Sing founder and group managing director Tan Sri Leong Hoy Kum.

"We are well aware that the upcoming Budget 2023 announcement will continue to prioritise the welfare of Keluarga Malaysia (the Malaysian Family), while also preparing the country for a more challenging global economic crisis next year. As a Malaysian property developer, Mah Sing supports the government's



The Home Ministry has revealed there are about 20,000 applications from agents even before the official start of the programme.



"We also hope that this programme will attract more foreign direct investment (FDI) to the country," said Leong.



Ansari believes the PVIP will succeed in attracting its target of 1,000 in its first year.

initiative to make home ownership more accessible to Malaysians, particularly first-time buyers. Mah Sing hopes that more goodies will be announced in the upcoming Budget 2023 on October 7," said Leong.

Juwai IQI group co-founder and chief executive officer Kashif Ansari is also positive about the PVIP, saying that he believes it will likely succeed in attracting its target of 1,000 in its first year.

"PVIP opens the door to wealthy migrants with attractive terms that clarify any uncertainties they may have had after the recent reform of the Malaysia My Second Home programme," he said.

"The programme is open to foreigners with sufficient overseas income and assets to make them net contributors to society and the economy. The PVIP launch is the latest step in transforming Malaysia's immigration policy from quantity to quality.

"The conditions are not demanding, and the benefits of living in Malaysia under a long-term visa are very attractive. Foreigners want to be able to live and

work here, send their children to the local international schools, and not have to worry about renewing their visas every six or 12 months," said Ansari.

China investors

China is likely going to have the biggest number of potential candidates for the PVIP. Chinese investors continue to choose Malaysia as a real estate investment destination because of the slowdown in the country's real estate market, which is encouraging more of their money to be invested abroad, particularly in South-East Asia.

Malaysia is geographically proximate, affordable and offers an appealing lifestyle to buyers from China, especially in the colder north. The top nationalities participating in the PVIP will include Japanese and other Asian nationalities, then Europeans, North Americans, and the Gulf nations.

The Asian Real Estate Technology Group highlighted that with a projected 5.5% GDP growth for the entire year

2022, Malaysia's economy is expected to rebound quickly from the pandemic.

According to the official pre-Covid statistics for the MM2H visa, which is different to the PVIP, Chinese citizens made up about 31% of participants. Japanese accounted for about 11% of MM2H participants, Bangladeshis 10%, and UK citizens 6%.

National Property Information Centre (Napic) data revealed that more than 188,000 property transactions worth RM84.4bil were recorded in the first half of 2022 (H1 2022), reflecting an increase of more than 30% in volume and value compared to the same period last year as all sub-sectors recorded year-on-year growth.

In the time period under review, the residential property sector recorded 116,178 transactions totalling RM45.62bil, an increase of 32.2% in value and 26.3% in volume year over year. A little over 47% of the entire residential volume in the country was absorbed by the four major states of Penang, Kuala Lumpur, Johor, and Selangor. 📍

> FROM PAGE 12

threshold of €500,000 applies to the Spanish program as well. As with the mentioned Australia and Singapore programs, specific stipulations pertaining to a form of investment are made clear for an applicant to choose from and ensure that the investment aimed for pulls through in exchange for the benefits to be enjoyed by the successful participants. But has such a programme succeeded in pulling in the high net worth buyers? Spain has recently seen a boom in foreign buyers entering its real estate scene as reported by the local news websites. Spain's property market had experienced an increase in demand by UK buyers via the country's Residency By Investment visa program following the UK's departure from the EU. With the British no longer being able to freely enter and exit Spain as before to

visit their Spanish homes, the investment-led visa program offers a convenient and alternative way to own properties in Spain and gain easy access into the country. In April 2022, the UK property portal Rightmove reported an increase of 36% in demand for Spanish homes in the past 12 months. Spain's National Statistic Institute (NIE) also confirmed that the Spanish real estate market experienced a high peak of 52,684 property transactions in January 2022 – the highest ever for any January since 2008. In the Malaysian real estate context, such similar benefits could be seen to spur the property market as developers would be looking to a bigger foreign buyer's pool on the higher end of the spectrum as well as creating potential demand for foreign investors who are looking to put in their capital funds.

Amidst the encouraging prospects for the programme in other countries is the fact that they offer the benefit of obtaining a residence permit or citizenship after five years of participation. This may prove to be a challenging point for Malaysia as PVIP does not offer either a residence permit or citizenship. This then makes it even more crucial for the new PVIP to offer enticing investment opportunities to attract the targeted participants.

Some may argue that bringing in more foreign buyers may adversely affect the local market by giving way to foreign speculation. Thus, that is why specific price thresholds have been put in place by the government so as to ensure that foreign buyers are directed to a specific market segment and do not overrun the local-targeted segment. Having

a bigger pool of foreign buyers has its perks, especially in reducing the persisting stock of completed dwelling units that remain unsold, commonly known as an overhang. While no notable improvement is observed thus far in reducing overhang stock by way of pulling in more high net worth potential buyers, the potential remains if more clarity, access and transparency were given to the newly-introduced PVIP in addition to the revamped MM2H programme.

Attracting foreign investments has become a global, if not at least a regional, competition. With the various programmes the country has to offer, the PVIP could help to strengthen our edge and attractiveness, but its key will be through a thorough marketing and implementation regime as well as differentiation and clarity. 📍

A new dawn for Chester Group and Setiakon

The culmination of contractor and agency expertise gives birth to Tulip Residence

WITH well-known contractor Setiakon Builders Group (Setiakon Builders) joining forces with Chester Group, the result is twice-fold. Both parties have not only officially become property developers, but the union also culminates with Tulip Residence, a high-rise mixed project with an estimated gross development value of RM230mil.

Parked under Chester Danai Alam Sdn Bhd, which is a subsidiary of Chester Group and landowner Mun Yik Group, the project is located in Denai Alam, Selangor.

Both Setiakon Builders and Chester Group have always had the same dream of becoming a property developer and with Tulip Residence, their dreams have become a reality.

The mixed-use development, comprising service apartments and retail lots, offers a dual living lifestyle, conceptually suited to both individuals and families.

Tulip Residence consists of 611 units, that include four different layouts with sizes ranging from 450 sq ft for the small-office-home-office (SoHo) to 956 sq ft for the three-bedroom and two-bathroom Type C unit. Type A offers a two-bedroom and one-bathroom layout at 653 sq ft and Type B's three-bedroom and two-bathroom layout occupies 753 sq ft.

The first tower, at 32-storeys with 320 units, was launched in December 2021 and was fully sold within six months. The 27-storey second tower, with 277 units, is now open for registration.

Chester Group chairman Datuk Howard Chew believed that the synergy with Setiakon Builders is the right move forward.

This sentiment is shared by Setiakon Builders group managing director Datuk Kuan Ah Hock during the signing ceremony. Assured by the project's great location and coupled with the combination of a great team, he is confident that the mixed-use development will appeal to the buyers.

Also at the signing ceremony were Chester Denai Alam chairman Tay Kok Kwong and executive director David Chang, Setiakon Builders shareholder Tan Tong Kwee and STK Bina Sdn Bhd director Yap Cho Heon.

"Alone we can't achieve the best results. I am convinced that this cooperation can give the best value to our buyers. Please stay tuned as we will bring more good development to everyone catering to the needs of the market. We're looking forward to making this business better with the combination of the Black Card Platform, Chester Group and experts from related fields," said Chew.

"The very first collaboration with Chester Group was when I first met Datuk Howard Chew 10 years ago, and (the project) was 100% sold within a short period of time. This gives me great confidence in the Chester team that they will also do a very good job in Tulip Residence's sales.

"Not to forget, we also have Setiakon Builder as the contractor, which is a very powerful synergy," according to Mun Yik Group. 📍



ABOVE
 From left are Chew, Chang, Tay, Kuan, Tan and Yap taking a group photo with the signed documents.



LEFT
 An artist impression of Tulip Residence.

More than meets the eye in Shah Alam

Steadily growing city capturing new home buyers and savvy investors alike



AS a steadily growing city with a unique culture and lifestyle, Shah Alam is endearing to the older folk who have settled there for decades and the younger generation who are moving into Selangor's capital.

With the multitude of sprouting trendy townships over the last 10 years,

Shah Alam has shed its old boring image and emerged as a vibrant and well-rounded city, attracting a range of property seekers from first home buyers to savvy investors.

There is certainly no shortage of outdoor charm, arts and culture, urban lifestyle, sports and, of course, Malaysians' favourite pastime - food.

D'Network is one of the many community shopping avenues that has sprouted in Shah Alam.

Enriched by the various races in Malaysia, the food scene in Shah Alam is dynamic and delicious. Numerous food stalls line the neighbourhood pavements early in the morning, selling no less than ten varieties of breakfast delicacies such as kuih-muih, nasi lemak and roti canai.

Lunch and dinner are usually appetising affairs at food courts, eateries and restaurants scattered across Shah Alam. On the menu are such favourites as nasi campur, tomyam, sup tulang, ais kacang, cendol and coconut shake. The older generation knows where all the hidden delicacies are so new residents should mingle with them if they want to find out the local food gems.

Shah Alam has its own distinctive flavours, other than food, that captures the hearts and minds of dwellers as well as visitors. With its lush greenery and carefully crafted facilities, Taman Botani Negara Shah Alam provides quality space for families and friends to spend time together and rejuvenate amid nature. Various activities such as cycling and swimming prompt visitors to embrace an energetic lifestyle while the endless green soft grass invites happy family picnics.

There is something for everyone visiting the 1,295 hectares of tropical rainforest and agriculture park -- from clear lakes and indigenous plant life for the nature enthusiasts to Skytrek for the more adventurous.

The Setia Alam Community Trail, with five entry points and easy terrain, is perfect for beginners and children. The trail is clean, clearly marked and well-maintained for walkers to enjoy their hike.

With flags and huts adorning the viewpoints, the trail offers many peaceful and windy spots for hikers to relax before continuing to the peak. The hike usually takes 45 minutes for those with average fitness.

For those who side with urban spaces, the happening i-City take precedence as it host one of the biggest shopping centres in Shah Alam and has many attractions like the soon-to-open Snowwalk, where people can gaze at the aurora borealis in below 8°C temperature. There are smaller and more intimate options like the food and beverage (F&B) hub D'Network within Setia Eco Park or, on the opposite side, Ardence Lab, which uses refurbished containers housing retail and F&B brands in Eco Ardence. Both cater to communal activities in a sustainable and eco-friendly manner. It remains open to residents of the Setia Alam township as well as people from the surrounding areas.

There is no shortage of such neighbourhood shopping centres, which have now riddled within Shah Alam. Where once people lamented where to go in Shah Alam, the reversal has occurred where even the residents in more developed areas are drawn into this city in search of recreation, entertainment and food. 📍

The emergence of new target markets

Shift in retail shopping signifies potential shifts in property preference

By **JOSEPH WONG**
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FOR the second quarter of 2022, Malaysia's national economy recorded a growth of 8.9% while the retail industry recorded an all-time high growth rate of 62.5% in retail sales. This latest quarterly result was far beyond the market expectation.

According to the Malaysia Retailers Association (MRA) and Malaysia Retail Chain Association (MRCA), this very promising result was attributed to three main factors, namely the Hari Raya festival, the relaxation of Covid-19 standard operating procedures (SOPs) as well as the forced closures of many retail shops in May and June last year.

Hari Raya Aidilfitri, which was celebrated nationwide on May 3 and 4, accelerated the pace of recovery of Malaysia's retail industry. For the first time since covid-19 pandemic, all retail sub-sectors achieved positive growth rates during the second quarter of 2022. These latest quarterly results far exceeded market expectations.

While the market is portraying a positive outlook, the recent consumer spendings also revealed an interesting trend that will inadvertently have an impact on the property industry. Apart from the obvious return of shopping malls' health, the children and baby products sub-sector recorded a big jump in the retail business with a 65% growth in sales during the second three-month period.

Baby boom?

This signifies a growth in the younger population, which was highlighted in the StarProperty August Pullout. To recap, Juwai IQI Group Co-Founder and CEO Kashif Ansari predicted a new baby boom for 2022.

"During the pandemic, the birth rate actually fell. The uncertainty caused people to postpone having children. That is mostly behind us now. The year 2022 could be the beginning of a new baby boom in Malaysia," he said.

"It's too soon to have official statistics bearing this out but we hear anecdotally from our clients that many young families are having children now and in the next year," he said.

That there is a sharp increase in the purchase of children and baby products is a clear indication of an increased birth rate. The most recent demographic data from the Statistics Department (DOSM) confirmed this trend.

It showed that there were 110,858 live births in the second quarter of 2022, an increase of 0.2% from the 110,657 births reported in the second quarter of 2021. In a statement released by DOSM, it stated that during the second quarter of 2022, male newborns accounted for 56,801 births and female babies for 54,057.

Selangor had the most live births at 22,017 or 19.9%, while Labuan had the fewest at 413 births, according to the report.

While retailers selling children and baby products are anticipating their



businesses to accelerate further with a growth rate of 132.8% in Q3 this year, property developers should also take note of this new shift in the population. It has been noted that there is an increase in the demand for more family-oriented homes.

According to the National Property Information Centre (Napic), Q1 2022 saw a sharp increase in the volume of transactions for homes priced from RM300,000 and above, indicating that house buyers might now be looking for bigger units. Homes priced between RM800,001 and RM900,000 had the biggest jump of 34.4% in Q1 2022 when compared to the corresponding period of Q1 2021. Similarly, the highest value of transactions was also for properties within this price range at 34.3% for the same period.

The volume of transactions for properties ranging from RM900,001 to RM1mil came in second at 24.1% in Q1 2022 when compared to the corresponding period of Q1 2021 while properties ranging from RM700,001 to RM800,000 was third at 20.2% for the same period.

That the number of deaths have decreased has also made an impact on consumer spending. DOSM pointed out

that a total of 46,772 deaths were reported in the second quarter of 2022, down from 50,230 in the same period the previous year. It also stated that 655 deaths, or 1.4% of all deaths in the second quarter of 2022, were linked to Covid-19.

The population of Malaysia was predicted to be 32.7 million in the second quarter of 2022, up 0.2% from the second quarter of 2021 when it was 32.6 million, according to DOSM. Selangor, Johor, and Sabah were the three states with the biggest populations, accounting for 21.6%, 12.3% and 10.4%, respectively, of the total.

Another shift expected

During the second quarter of this year, the pharmacy sub-sector reported an encouraging growth rate of 31.5%, as compared to the same period a year ago, according to the MRA and MRCA figures. At the same time, the personal care sub-sector advanced with a growth rate of 79.8% during the second 3-month period of this year.

Two significant trends can be derived from this trend - one, the aged population is on the increase and two, the general

ABOVE
A sharp increase in the purchase of children and baby products is a clear indication of an increased birth rate.

population is now more aware of the benefits of taking better care of their health and wellness.

Moreover, with Malaysia's ageing population to hit 5.6 million by 2035, there are spin-offs to be made when tapping into local wellness tourism. Certainly, there is a bright future for residential developments if they follow the universal trend, catering to an increasingly ageing population.

But what is even more interesting is that a substantial number who are also into wellness real estate is the younger generation, who have embraced a healthier living lifestyle.

"Healthcare is a very specialised industry and some developers are already participating in this sector. Other developers may consider entering this market, perhaps through strategic tie-ups with healthcare providers," said Real Estate and Housing Developers Association (Rehda) acting president Datuk NK Tong.

He added that the 2021-2025 Malaysia Healthcare Travel Industry Blueprint is a very healthy development as Malaysia continues to open up in line with the post-pandemic recovery, which will inadvertently trigger more health and wellness property projects. 🏡

BELOW
There were 110,858 live births in the second quarter of 2022, an increase of 0.2%.

Price Range	Q1 2022 Volume of Transactions	Q1 2022 Value of Transactions
Up to RM100,000	18.7%	3.8%
RM100,001 - RM200,000	-9.5%	-10.0%
RM200,001 - RM300,000	-2.9%	-2.9%
RM300,001 - RM400,000	6.4%	6.3%
RM400,001 - RM500,000	3.2%	2.6%
RM500,001 - RM600,000	8.9%	8.6%
RM600,001 - RM700,000	9.9%	10.4%
RM700,001 - RM800,000	20.2%	20.8%
RM800,001 - RM900,000	34.4%	34.3%
RM900,001 - RM1mil	24.1%	24.1%
More than RM1mil	12.9%	15.6%

Source: Napic







Buy & Win Grand Finale : Win **Guocera Premium Tiles** worth up to a total of

RM100,000

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