



Retirement living a feasible sub-sector

> Malaysia's aged population is expected to grow to 9.9% in 2020, and 20% in 2040

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KUALA LUMPUR: As Malaysia's ageing population expands, retirement living is a market that property developers should look into, said CBRE-WTW managing director Foo Gee Jen.

In 2010, the size of Malaysia's aged population was 7.4% or 2.1 million people and this is expected to grow to 9.9% or 3.4 million in 2020, and expand further to about 20% in 2040.

"Interestingly, by the year 2020, we are going to have about 3.4 million of ageing population. If we translate that into couples, that would mean we would require around 1.7 million units of retirement homes.

"Assuming 25% of them can afford to buy this, it is still a reasonable number for developers to look into. Perhaps this is the market we need to look at," he said at the Sales and Marketing Conference held last month.

Foo, who spoke about residential property trends, said that retirement living is feasible in Malaysia due to its uniqueness, reasonable cost of living and quality, as well as its open door attitude.

"In terms of uniqueness of our country, we are very rich and diverse in culture, and we have very much a low language barrier; I think probably more than 75% of our population converse in English. I think these are very crucial for us to attract foreigners to come in," he said.

Besides culture and language, Malaysia also has vast offerings for leisure activities with a good mix of nature and urban areas, luxury and recreational options.

Foo noted Malaysia's quality healthcare and education systems, as well as reliable infrastructure, utilities and telecommunication services.

"Also, I think our cost of living is relatively much cheaper than some of the



countries in other parts of the world," he added.

In terms of Malaysia's open door policy, he said foreigners could transfer their pension funds or savings into Malaysia without being taxed.

Foreigners are also allowed to own a property here and they could take advantage of the Malaysia My Second Home programme, which is an option for long-term residency.

"Of course, there are always challenges, among them social acceptance. We Asians still believe in living with the extended family," said Foo.

While social acceptance could take a longer time, especially in Asian communities, the number of aged population at present has yet to make up a significant demand that would enable

economies of scale to support such a specialised sub-sector.

However, he believes retirement living is something that needs to be addressed now, as the next generation moves on and the next generation, also known as millennials, is very mobile, always on the move and are pretty much "global citizens".

Retirement living would likely need to be complemented by healthcare-related offerings, thus proximity to and arrangements with healthcare providers are essential requirements of such projects.

"The challenge of selling a retirement home is that it has to be cash-based as most retirees are past the eligible age for loan financing. In view of this, retirement living properties on rental basis hold better prospects than those on sale basis," he added.

New govt's affordable housing plans will go far if implemented right: HBA

PETALING JAYA: The new government's proposals for affordable housing and home ownership are well thought out and if implemented right, can go far towards increasing the supply of affordable housing, said the National House Buyers Association (HBA).

"HBA views the manifesto of Pakatan Harapan on affordable housing and home ownership with high optimism and anticipation," it said in a statement.

Among the proposals supported by HBA are the development of one million affordable homes across Malaysia within two terms of the new government; collaboration with state governments to convert land status for developers who want to build affordable homes and raise the quota for affordable homes; tax incentives for companies that focus on affordable housing and encourage them to adopt cheaper technologies; and widening of the rent-to-own scheme by cooperating with commercial banks by enabling the scheme to be introduced in both the primary and secondary market.

It also lauded the new government's plans to reform the PRiMA programme and the setting up of a National Affordable Housing Council.

"HBA fully supports any measures to reform the PRiMA programme as HBA has in the past strongly criticised PRiMA for deviating from its original and noble aspiration of delivering affordable housing to the public. PRiMA is now partnering with private housing developers whereby only 50% of the allocated land area is reserved for affordable properties while the balance is reserved for commercial and lifestyle properties," it said.

On the proposal to create a special housing loan scheme tailored for youths who want to buy their first property, HBA said this is a good move but the government must ensure it is strictly for first-time house buyers and for affordable properties only.

The property should also be for owner occupation and not to be rented out for investment purposes.

However, HBA disagreed with the

government's plan to provide special incentives to smaller developers in order to help them compete with other developers.

"Housing development is considered a big capital business and only financially sound companies should venture into such business," it said.

It suggested that smaller developers seek partnerships in order to compete with larger developers, for example, by merging or setting up a consortium to take on projects.

HBA said affordable housing should also be defined clearly, in terms of pricing, size and location, in order to avoid abuse by "unscrupulous" housing developers.

"A home is not just a physical asset but also a form of financial security in our golden years. It is the aspiration of every citizen to have a roof over their head and HBA hopes that the new housing minister will always put the interest of the rakyat and the country first before the interest of housing developers, and does not become a minister of housing developers," it added.

PROPERTY LISTINGS

in Shah Alam

Project: **Ferrea**
Type: **Linked homes**
Price: **From RM780,888**
Developer: **Sime Darby Property Bhd**

Ferrea is a freehold project at Denai Alam, located in the City of Elmina township. The 228 units of double-storey link homes have built-ups starting from 2,212 sq ft. It has a gross development value of RM170 million and is scheduled for completion at the end of 2019.



Project: **The Greens @ Subang West**
Type: **Condominiums**
Price: **From RM576,800**
Developer: **CB Land Sdn Bhd**

Developed by a wholly-owned subsidiary of Crest Builder Holdings Bhd, The Greens is a 7-acre freehold project with a gross development value of RM400 million, comprising 646 units sized between 915 sq ft and 1,830 sq ft.



Project: **Vila Elemen**
Type: **Semi-detached villas & bungalows**
Price: **From RM2.3 million**
Developer: **Tekah Maju Sdn Bhd**

Vila Elemen is located in Sekyzen 13, adjacent to the Sultan Abdul Aziz Shah Golf Club. The project offers 54 units sized from 3,200 sq ft to 6,500 sq ft in six designs. The leasehold project is spread over 8 acres and has a gross development value of RM150 million.

