



# Penang home market subdued in 2017

> Transaction volume for residential units fell 8.1%, while the overall property market transactions fell 9.6%

BY EVA YEONG  
sunbiz@thesundaily.com

**PETALING JAYA:** The Penang residential property market remained subdued last year, in line with the overall property market in the state, the Property Market Report 2017 revealed.

According to the report, overall property market softened further last year with a 9.6% drop in transactions to 16,592 units from 18,352 units the year before, although values rose 8.6% to RM10.39 billion from RM9.56 billion the year before.

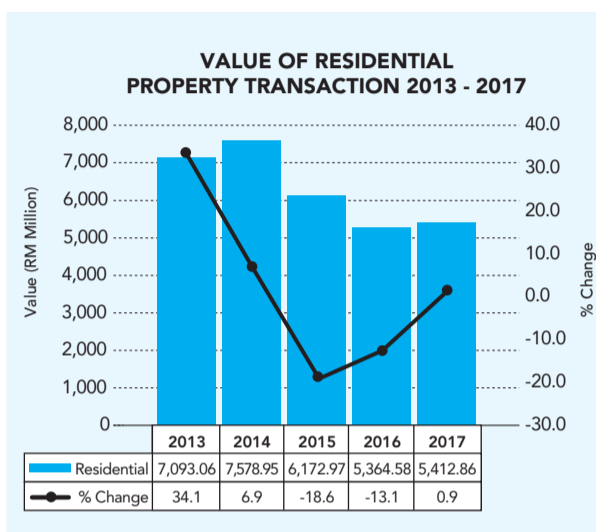
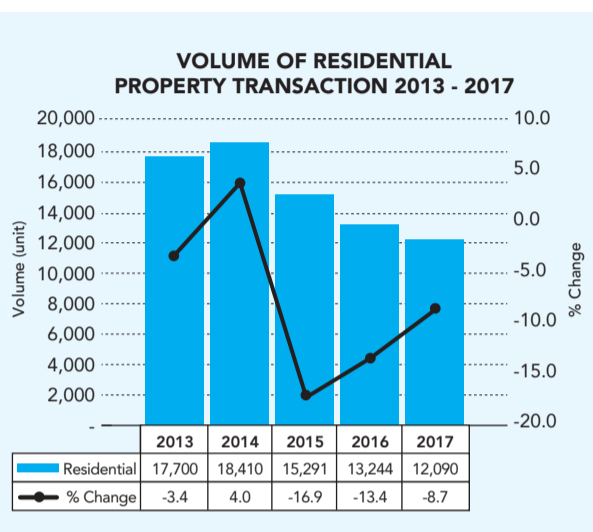
The residential sub-sector, which made up 72.9% of the state's property transaction volume, saw another decline in volume of transactions, marking three consecutive years of falling volume.

Volume of transactions fell 8.7% to 12,090 units, from 13,244 units. Value of transactions however bucked the trend of previous years, growing marginally by 0.9% to RM5.41 billion.

The number of new residential launches fell 31.3% last year to 3,879 units from 5,646 units in 2016, with 65% of new launches being condominiums and apartments. Sales performance was promising last year at 39%.

Despite the slowdown in new launches, the residential overhang worsened with 3,916 units worth RM3.82 billion. The increase was more than double, both in terms of volume and value, from 1,896 units worth RM1.47 billion in 2016.

Most of these units were condominiums and apartments priced more than RM500,000



per unit.

The unsold under construction units also grew, by 13.9% to 9,249 units from 8,119 units in 2016 while the unsold not constructed units decreased significantly by 97.3% to 80 units last year from 2,918 units in 2016.

Construction activity moderated last year as completions and starts shrank by 19.7% and 33.5% to 11,593 units and 10,681 units respectively, from 14,430 units and 16,060 units respectively in 2016.

However, new planned supply increased by more than two-fold to 12,864 units from 3,618 units in 2016. At end-2017, there were 497,396 existing residential units with another 44,046 units in incoming supply and 24,597 units in planned supply.

Prices of residential properties showed mixed movement across the state. In Seberang Perai Tengah, single storey terraced homes located nearby Aeon Mall and Tesco Hypermarket saw price

increases while double storey terraced homes close to industrial areas recorded price gain.

Similar price uptrend was recorded in housing schemes located within new townships due to higher demand.

In the stratified segment, two-bedroom flats in Taman Sri Aman recorded notable price increase due to its strategic location nearby The Golden Development Triangle area while three-bedroom flats located adjacent to higher learning institutions such as Politeknik Seberang Perai enjoyed double-digit price increase.

As at Q4 2017, the All House Price Index for the state stood at 191.4 points, up by 4.6% from 182.9 points a year ago. The average All House Price for the state stood at RM429,234 during the quarter, compared with RM410,058 the year before.

The rental market was stable across the board, with positive rental growth in selected locations. In Seberang Perai Utara, double-

storey terraced homes in schemes adjacent to Pusat Perniagaan Raja Uda saw rental increases of 3.1% to 14.2%.

For 2018, Penang's property market is expected to be promising, supported by ongoing and upcoming projects, with infrastructure for transportation continuing to be one of the key development agenda for the island.

The newly operating Penang Sentral will be a new landmark for Seberang Perai. Upon completion, the transportation hub will also be a commercial trading centre comprising Rural Trade Centre, hotel, shopping centre and shops.

On the construction front, several notable developments include Seri Tanjung Pinang Phase 2, Sunway Valley City and Penang International Commercial City.

The Penang state government is also committed towards building 27,230 affordable homes in 17 projects throughout the state. This will be implemented via Penang Development Corporation.

## PROPERTY LISTINGS

### in Penang

Name: **Montage**  
Type: **Condominiums**  
Price: **From RM700,000**  
Developer: **Prisma Bumiraya Sdn Bhd**

Montage is a freehold, low-density development located in Sungai Nibong, comprising a 34-storey block. Units are sized at 1,015 sq ft each.



Name: **City of Dreams, Seri Tanjung Pinang**  
Type: **Luxury apartments**  
Price: **From RM1.48 million**  
Developer: **Ewien Zenith Sdn Bhd**

Located within the Seri Tanjung Pinang development in Tanjung Tokong, City of Dreams offers 572 units of luxury apartments sized from 1,097 sq ft to 2,351 sq ft. The freehold project comprises two 40-storey towers named Elaine and Chloe.



Name: **The Zen**  
Type: **Condominiums**  
Price: **From RM300,000**  
Developer: **Asia Green Properties Sdn Bhd**

The Zen is a mixed development located in Bayan Mutiara. It offers 2,000 condominium units housed within two 46-storey towers, of which 1,200 units are affordable homes. The affordable homes are sized 850 sq ft each with prices starting from RM300,000.



## LIVING IDEA

### Gamuda Land pledges audit of biodiversity in new towns

**PETALING JAYA:** Gamuda Bhd's property arm, Gamuda Land, has pledged to scientifically audit the health of biological diversity in its new towns through its Gamuda Parks initiative, which aims to improve park design and maintenance.

The pledge, which was made at the official launch of Gamuda Parks in conjunction with International Day for Biological Diversity on May 22, will see the developer working to blend nature into its planning and neighbourhoods to improve livability.

"At Gamuda Land, we implement all of these at the early design and master-planning stages where we work with our partners, NGOs and consultants who are experts with flora and fauna, to mindfully select the right native plants and species that can



Central Park at Gamuda Land's maiden township, Kota Kemuning, Shah Alam.

attract richer biodiversity yet low-maintenance to ensure sustainability," deputy managing director Mohamad Rashdan Mohd Yusof (Danny) said in a statement.

One of the first activities undertaken by Gamuda Parks is the formulation of a biodiversity policy and to conduct a biodiversity audit as a scientific measurement of livability and

habitability of the environment in its Gamuda Gardens and Gamuda Cove developments, where it has a new landbank measuring 2,340 acres. Stage one of the biodiversity tracking is already in progress.

To ensure sustainability of the parks and lakes in its towns, it has also committed to long-term maintenance of its new parks through its township management team who will actively engage with the residents to own and grow the habitat together.

Gamuda Land's initiatives are supported by Wetlands International Malaysia, Forest Research Institute Malaysia (FRIM), the United Nations Malaysia and consultants. To commemorate the launch of Gamuda Parks, the developer organised a biodiversity workshop in its towns and developments last weekend.





# Retirement living a feasible sub-sector

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

BY EVA YEONG  
sunbiz@thesundaily.com

**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.







# Minimum parking and housing affordability

**MINIMUM** parking requirement (MPR) is a law that requires new buildings to include a fixed number of off-street parking spaces based on an assumed demand for parking for the buildings' use.

The formulation of MPR, however, seldom considers the cost of providing parking spaces, and is estimated based on the average number of car ownership at the national level, which is rather unreliable.

When a developer is required to provide parking with new residential units, the terminal cost of driving becomes an upfront cost of development; not only leading to a higher purchase price of housing, but also contributing to the creation of excess, poorly-distributed, and under-utilised parking facilities; as well as posing other significant impacts to society: (I) land consumption, (II) increased construction cost, (III) reduced housing affordability, (IV) reduced development density, (V) encouraged urban sprawl and increased automobile dependency.

## I. LAND CONSUMPTION

Parking consumes a major portion of developed land. Table 1 lists out the common MPR being applied in the country.

The standard size of a parking bay is 8ft width and 16ft length.

With ramp, driveway, and by taking into consideration the building columns and staircases, the gross built-up area required for one car park is about 300sq ft.

In a normal high-rise residential development, two car parks for each dwelling unit plus another 20% of total car park bays for visitors (1:2.4) can take up 720sq ft of car park built-up area, which is almost the size of a typical affordable apartment.

**Table 1: Common parking requirements in Malaysia and the respective built-up area**

Parking Requirement	Car Park Built-up Area (sq ft)
1:2.4	720
1:2.2	660
1:2.1	630
1:1.2	360
1:1.1	330
1:1	300

When a large area is dedicated for car parks, the net sellable area - which is expressed as a percentage of total built-up area for high-rise - becomes a smaller proportion of the total built-up area.

As a result, the required parking space has become a very heavy burden on the cost of construction.

## II. INCREASED CONSTRUCTION COST

The higher the parking requirement, the more it costs to construct a building. A parking space is worth about 18% of an average standard apartment unit, if one car park is required for each dwelling unit (Figure 1).

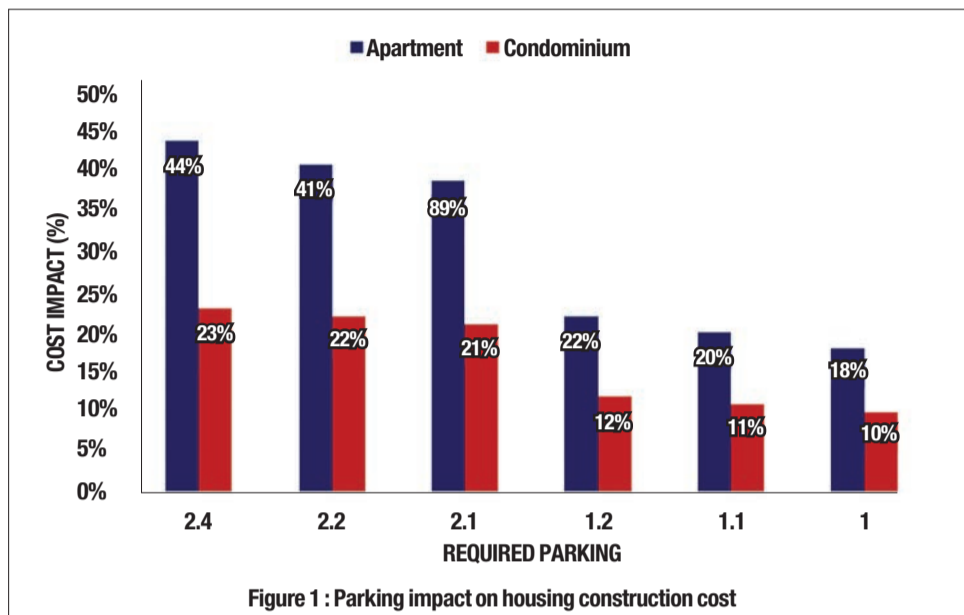


Figure 1: Parking impact on housing construction cost

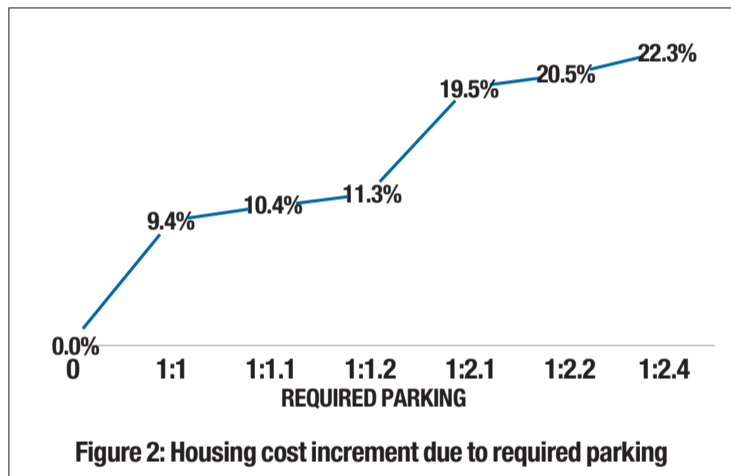


Figure 2: Housing cost increment due to required parking

Meanwhile, the cost impact of parking spaces to the dwelling unit is 44% if two car parks per dwelling are required, coupled with 20% of total car park bays for visitors (1:2.4).

The cost impact imposed on an average standard apartment is obviously double that of a high-end condominium.

The impact is foreseen to be greater for those medium cost urban housing, because this type of housing often involves higher land price but with capped or relatively lower selling prices.

## III. REDUCED HOUSING AFFORDABILITY

Increasing parking requirements inevitably increases housing development costs, and thus reduces the housing affordability. Requiring one car park space adds about 9.4% to the unit cost.

If an additional 10% parking space is required for visitors, 10.4% is added to the unit cost; while an additional 20% parking space for visitors can result 11.3% of cost increment.

Doubling the parking space adds about 19.5% and 20.5% if the additional parking space for visitors is calculated based on 10% and 20% of the total number of dwelling

units, respectively (Figure 2).

## IV. REDUCED DEVELOPMENT DENSITY

In highly urbanised area where land costs are high, the best way to increase affordability is to minimise land requirements per unit by increasing density and reducing parking facility requirements.

If housing can be built and sold without parking, so as to purge the costs of driving from the housing price, the house price would become less expensive.

## V. ENCOURAGED URBAN SPRAWL AND INCREASED AUTOMOBILE DEPENDENCY

Increased parking requirements increases land costs per area of developed floor space, making development at the urban periphery relatively more attractive due to lower land costs.

This inevitably discourages urban infill development, which in fact is a more affordable and sustainable housing development approach.

On the other hand, increased density and reduced parking requirements allow more middle- and low-income households to choose homes in accessible locations where their transportation costs are minimised.

True affordability is, therefore, where housing is affordable and automobile ownership and use can be reduced.

This article was contributed by MKH Bhd Group managing director Tan Sri Eddy Chen Lok Loi.

## PROPERTY LISTINGS

### in Ara Damansara

Project: **Mizu**  
Type: **Serviced apartments**  
Price: **From RM594,000**  
Developer: **Titijaya Land Bhd**

This freehold project is one of the four towers within the H2O Residences project. There are 300 partially furnished units housed within the 15-storey block. These units are available in two sizes, 750sq ft and 880sq ft.



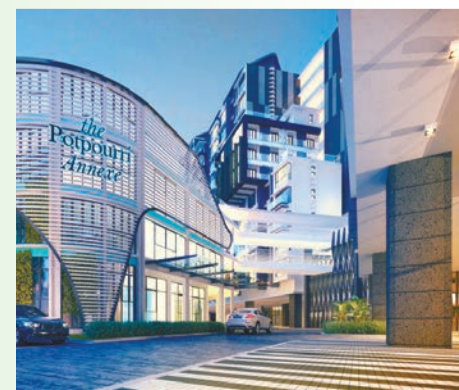
Project: **Cantara Residences**  
Type: **Serviced apartments**  
Price: **From RM549,888**  
Developer: **Sime Darby Property Bhd**

Cantara Residences is a freehold integrated project comprising four residential towers. It offers a total of 888 units sized between 646sq ft and 2,145sq ft. The project is expected to be completed by 2020.



Project: **The Potpourri**  
Type: **Serviced apartments**  
Price: **From RM557,800**  
Developer: **See Hoy Chan Sdn Bhd**

This leasehold development is divided into two types namely, the family block and lifestyle block. The family block comprises two blocks of 15-storey housing 165 units sized between 713sq ft and 2,440sq ft. The lifestyle block comprises six blocks of 13 to 15 storeys, housing 578 units sized between 525sq ft and 2,213sq ft.



# Zulkifly Garib re-elected Rehda Selangor chairman

**PETALING JAYA:** The Real Estate and Housing Developers' Association Malaysia (Rehda) Selangor branch has re-elected Symphony Hills Sdn Bhd Zulkifly Garib as chairman for the term 2018-2020, at its AGM on June 5.

Mah Sing Properties Sdn Bhd Datuk Ho Hon Sang was named as deputy chairman for the new term.

"We will continue to serve our members in the best interest of the industry and work with all relevant stakeholders thrive to further improve the housing industry in Selangor," Zulkifly said in a statement recently.

I & P Group Sdn Berhad Datuk Zaini Yusoff is secretary, Serba Sentosa Sdn Bhd Datuk Kenneth Chen Way Kian assistant

secretary and Sin Hee Yang Property Management Sdn Bhd Loo Chee Yang is treasurer.

Rehda Selangor will launch its newly-designed website soon.

Developers and industry partners who wish to become a member of Rehda Selangor, can contact them at 03-7806 4853 or email to selangor@rehda.com