



BY ALYSSA J. OON

Home sweet home

> Tips to make a rented house more homely

LIKE it or not, owning a property unit marks success in life, which could be a reason why many Malaysians shun the idea of renting. House prices have risen over the past few years, so too has popularity in ownership of property for investment and to provide financial security in an unstable economy. However, not everyone can afford to buy a house, especially the young who are starting out on their careers. Hence, many young Malaysians have no choice but to rent to make ends meet and hold off owning a home of their own until later in life.

In the case of rentals, landlords usually try to keep units modestly furnished, if at all. One reason for this “bare essential” is to lessen the margins of expenditure on the landlord’s side, having to repair or refurbish each time a tenant comes or goes. Due to this, landlords usually forbid tenants making permanent cosmetic changes to interiors of the home. In fact, some don’t even allow a nail in the wall.

While this may pose a challenge and discourage home rentals as home may not come across as homely without that soft yellow light, family picture wall, your favourite themed interiors or even drapes instead of white office blinds, here are a few tips to help put a homely feel to rented residences.

PRACTICAL TIPS

Before decorating your rented crib, here are a few important details to take note of:

- ▶ Be sure to get written permission from the landlord if you want to make any permanent changes to the unit, such as painting a wall or knocking in some nails.
- ▶ Set a budget and stick to it. There is no point in spending much on a temporary address as you might need to repeat the process when

you move again.

- ▶ If this is your first “home”, it will be a good idea to look for furniture that can work in different settings and are portable. This would mean no fixed or permanent furniture like ceiling-to-floor wardrobes or built-in cabinets unless you are willing to leave them behind and the landlord has approved of them.
- ▶ Before starting any redecoration work, take photos of the home in the state that you first received it in. This is to avoid any misunderstanding with the landlord when you move out and return the unit/keys.
- ▶ Have boxes ready to keep any rental fixtures that you might want to replace with your own decor. These make it easier when moving out.

POPULAR BASICS

With all the safety nets in place, it is time to put your creativity to the test and work around permanent fixtures of your rented abode. Here are some suggestions for:

▶ Boring white walls

Wallpapers, with their bright, bold and beautiful colours and patterns, are quickly becoming a favourite of many home owners. Wallpapers also come in a diverse range of designs to suit every decorator’s taste and for every decor theme. The rising popularity has also given way to a simpler and less permanent solution, which is removable wallpaper.

This paste-up, which is easily removable, offers renters a much-needed relief to the uniform and mundane white walls that often plaster many Malaysian homes. With wallpaper, one can create an accent wall of misty forests for a subdued mood in the bedroom to help lull you to sleep or add personality to the living room with striped patterns or prints. Interior designer Kyle Schuneman used scotch tape to create a diagonal-striped “wallpaper” for the living room of his rented home. The diagonal stripes on either side of the mantel helped “anchor



PHOTO: MURALS WALLPAPER.COM

the room and highlight the fireplace as a focal point,” said Schuneman.

For a decor that is slightly easier to put up, look for wall decals (also known as stickers). These are easier to find at hardware stores and DIY shops and are often sold at relatively low prices. These days, decals come in many configurations, as quotes, photo frames and even world maps, among others.

Some recommendations suggest placing a horizontal decal above the couch as an anchor in the living room or silhouettes of fantasy creatures to decorate children’s rooms. When the time comes to move, just peel these off and throw them away.

▶ Stark naked floors

Flooring is usually the least of problems for Malaysian homes, which is why it is often a neglected part of the home scene that hardly receives any attention. Learning how to use rugs to define a space can help make rented living spaces feel more homely.

In the midst of house-hunting, lifestyle blogger and textile designer Joanna Hawley put up a post on how she used rugs to define spaces in her open-concept apartment.

“I’m no stranger to studio apartment living. In fact, I’ve never had a bedroom door as a renter. I didn’t really think that a loft would be much different, but somehow this one does. Whatever the reason, I felt a need to define spaces within the loft and rugs were a quick and easy way to do that,” Hawley wrote on her blog, jojotastic.com

Starting with the bedroom, Hawley chose a soft 5ft x 7ft yarn



PHOTO: DECORDOTS.COM

rug in beige. The small size avoids an overpowering of the anchor rug, which is the one in the living room, but still aids in setting up the bedroom “zone”.

The living room “zone” is marked by a 8ft x 10ft rug in shades of black, white and grey. The ornate design makes it a striking accent that draws attention towards the living area and away from the rest of the loft. The rug features a black border that visually tricks the eye into creating a separate zone from the rest of the loft. The neutral tones of the two rugs eases the process of complementing and conforming with furniture pieces of any colour.

▶ Dull and lifeless interiors

An earlier tip mentioned in the article advises to purchase furniture pieces that are both easy to move and complement with. This may lead many to stay on the safe side and go with neutral-coloured pieces. However, one should not stave off from bringing colour into the home via accent/small furnishing pieces.

While removable wallpaper can be used to remodel other parts of the home, Schuneman used peel-and-stick patterned wallpaper to give the built-in kitchen cabinets an upgrade. The stark white cabinets have since been given a designer touch with silver patterned stick-on wallpaper. Alternatively, use marble-designed removable wallpaper on kitchen countertops for a modern flavour and feel.

In bedrooms, purchase bedding, pillow cases, blankets and curtains in bright colours and designs.



PHOTO: SHOPIFY.COM

Whenever you switch them out, the pops of colour remain. The best part about using changeable items as colour accents is that every other week, it looks like you have redecorated the home, bringing a refreshed feeling to the home and the occupants. Bright colours are also known to complement neutral shades of furniture pieces.

An alternative to knocking in nails is to use stick-on hooks when hanging up photos. This will leave lesser damage to the walls, the most, glue stains which can be washed off or hidden behind a coat of paint. Renters can now bring in the “family feel” to their rented abodes by putting up a gallery wall of family photos with no worry of ruffling the landlord’s feathers.

Lastly, do not let the short period of living in a rented space hold you back from decorating interiors the way you would in a property of your own. Be creative and diligent in finding non-permanent solutions that allow you to revert the unit to its original state on moving out.

▶ Email your feedback and queries to: propertyqs@thesundaily.com



PHOTO: HGTV.COM

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One house *per* household

> Exploring ways and means to fulfil the 'pledge'

In the Malaysian residential property scene, affordable housing has made headlines in the property sections of many newspapers and online real estate websites. The government's intent and plan: to help low- and middle-income earners own a home.

Considering facts like rising living costs, low income per capita and escalating house prices, the government and various organisations and developers have collaborated to provide the people with a wide variety of affordable housing schemes and programmes in its "pledge" for every household to own a home.

According to reports, beginning 2014, developers were instructed to ensure their housing development projects included some 20% low-cost and 20% medium-cost housing units.

This resulted in the sprouting of affordable housing launches by government and private developers, made available to the people via schemes like PRiMA, Hijau E-Komuniti, MyHome, Rumah Mesra Rakyat iMalaysia and others.

Over the next few weeks, *theSun* property team will explore affordable housing covering various schemes and eligibility requirements, as well as first-time buyer assistance programmes for Gen-Y, along with other options as a space to make home of.

SCHEMES AND PROGRAMMES FOR LOW- AND MIDDLE-INCOME HOUSEHOLDS

Some of the government-assisted housing schemes and programmes offered to medium- and low-income earners include:



A] Perumahan Rakyat iMalaysia otherwise known as **PRiMA**. This scheme was launched in 2011, providing affordable homes in urban areas to middle-income

households earning between RM2,500 and RM10,000 per month. In 2014, a Rent-to-Own and 100% financing scheme was introduced to further assist house buyers of PRiMA projects.

Important terms and conditions:

- ▶ Must be a Malaysian citizen.
- ▶ Aged 21 and above, single or married.
- ▶ Individual or combined household income between RM2,500 and RM10,000.
- ▶ Owns no more than one property between the individual and spouse.

B] iMalaysia Civil Servants Housing (PPAiM) programme

took off in 2013. It was established to help civil servants own a house, particularly in major cities.

Important terms and conditions:

- ▶ Applicants earning RM10,000 or less working in/near the housing area.
- ▶ Preference given to individuals who do not own a property.
- ▶ Civil servant in the workforce or retiree with a pension.
- ▶ Only one application can be made.
- ▶ Applicant is not declared bankrupt.
- ▶ A 10-year moratorium has to be upheld on approval.
- ▶ Must not already be an owner of government quarters in the same area.

C] In 2014, Skim Perumahan Mampu Milik Swasta

otherwise known as **MyHome**, was launched to assist low-income households own a house. The scheme saw the government provide a RM30,000 subsidy to private developers for every housing unit offered to first-time buyers earning a monthly household income of RM3,000 or less.

Important terms and conditions:

- ▶ Malaysian citizen aged 18 years and above.
- ▶ First-time house owner.
- ▶ Individual or household income between RM3,000 and RM4,000 for type MyHome 1 and between RM4,000 and RM6,000 for type MyHome 2 (refer to other criteria on the official website).



The civil servants PPA1M scheme.



D] Under the Rumah Mesra Rakyat iMalaysia or RMRiM scheme, the government will provide a subsidy of between RM15,000 and RM20,000 for Malaysian citizens who meet the criteria for Rumah Mampu Milik under the government's Syarikat Perumahan Negara Berhad (SPNB) development project.

Important terms and conditions:

- ▶ Malaysian citizen aged between 18 and 60.
- ▶ Household income of between RM750 and RM3,000 a month.
- ▶ A land owner.
- ▶ Never owned a house.
- ▶ Married or caring for parent/s.

E] An interesting affordable housing scheme offered by the Penang government called Hijau E-Komuniti offers affordable and comfortable homes in strategic locations in Penang, for Penangites.

Important terms and conditions:

- ▶ Malaysian citizen born and working in Penang aged 21 and above.
 - ▶ Registered voter in Penang or residing in Penang for at least five years from date of application.
 - ▶ Household income not exceeding RM2,500 for low cost; not exceeding RM3,500 for medium-low cost; income not exceeding RM6,000 for affordable homes priced RM200,000; income not exceeding RM8,000 for affordable homes priced RM300,000; income not exceeding RM10,000 for affordable homes priced at RM400,000.
 - ▶ Applicant and spouse must not own any property for low-cost or low-medium cost applications.
- For more of such housing schemes and programmes, visit the

Targets for public affordable housing under various schemes	
Programmes	Housing units
PBR	47,000
PPR	50,000
PRiMA	380,000
PPAiM	88,000
RMRiM	55,000
RUMAWIP	33,000
Total	653,000

respective official websites online.

ELEVENTH MALAYSIA PLAN 2016 TO 2020

In the 11th Malaysia Plan 2016 to 2020, affordable housing is included as a development objective, complete with a five-year plan. Among the strategies to attain the objectives are to increase affordability and accessibility for low- and middle-income households, as well as to strengthen management and delivery of public housing programmes to promote more efficient and sustainable affordable housing for the people.

According to the "plan", 11 factors are incorporated in its efforts to provide quality affordable housing over the next few years. These include:

- 1) eliminating housing approvals that are not based on demands;
- 2) reducing government maintenance funding;
- 3) improving coordination in planning and implementing through the National Housing Council;
- 4) encouraging residents' commitment in maintenance, cleanliness and prevention of vandalism;
- 5) using potential waqf and baitulmal land for development of affordable housing;
- 6) construction of transit housing for youth;
- 7) augmenting private sector participation;

- 8) developing maintenance cost sharing for low-cost housing;
- 9) enhancing access to financing schemes;
- 10) creating a land bank for future needs; and
- 11) establishing an integrated database of all affordable housing projects for effective planning and implementation.

While affordable housing may be just a small part of the big plan, it has at least been seen as a prominent element in the big picture of things to come and significantly targets to result in "one house per household".

Underlining action-driven developments that are people-centric and lead to positive long-term changes, the 11th Malaysia Plan, described as different from any other, anchors growth on and for the people.

In addition, with the National Housing Policy up for review next year, it will be exciting to see what other beneficial programmes, schemes and subsidies will be offered to the people where home ownership is concerned.

Follow our article next week for more ideas and options for Malaysians to own a home.



Penang government's Hijau E-Komuniti project.

▶ Email your feedback and queries to: propertyqs@thesundaily.com

PHOTO: PROPSOCIAL.MY



BY SHEERA SALIM

One house *per* household

WHILE last week we explored ways and means the government, through the development of various programmes, has helped to fulfil its "one house per household" pledge, this week we highlight two more schemes to aid the first-time and Gen-Y house purchaser, plus matters to mull over before signing the dotted line.

Adults nowadays face many challenges, especially if they are just stepping out into the working world and being faced with daunting decisions like purchasing their first vehicle or a place of their own. As a twenty-something graduate living in Malaysia, Sheera relates to the heavy burden and expectations having to make rational and wise decisions. So how does a first-time loan applicant make any rational or wise decision, having not made one in these areas before?

With that in mind, Sheera recommends one use *Property Buying for Gen-Y* by Khalil Adis as a guide. In the book, the writer highlights a lot of important and crucial information, particularly helpful for young and first-time property buyers.

NOTES FOR THE MILLENNIAL

While a common purchase a millennial would first splurge on is a car, for transportation when stepping into the working world, buying a house would most likely be the next significant purchase in a young person's life, if not a wedding loan or, for the more enterprising, a business loan. As a matter of fact, while buying a car is considered a liability, buying property can become an income-generating asset, provided one knows how to make it churn profits.

In his book, Adis, who is a property consultant, author, writer, speaker and an entrepreneur, highlights a recent finding conducted by the Asian Institute of Finance (AIF). Apparently, 70% of Gen-Y are facing money issues or are in bad debt. This is especially so with the rising costs of living, along with all the "basic necessities" needed when stepping into the employment sector.

Says Adis: "The only way to beat inflation and currency depreciation is to invest in property. If you do not 'lock' yourself with a property now, you will forever be at the mercy of inflation and rising costs of living."

But when does one even start to think about buying his/her first property, especially with prices continuously escalating? While the idea of owning a property may sound like a far-fetched dream for many, Adis says help is aplenty

> Information for first-time and Gen-Y house buyers



especially for first-time and Gen-Y house buyers. Still, he advises: "Be patient and look for the right piece of property. Don't rush. Think it through and look at all the important aspects."

GOVERNMENT-ASSISTED SCHEMES

In its pledge aimed at seeing each household owning a house and its intention to help the younger generation become first-time owners of their very own property, the government offers house ownership schemes to young adults and those with a foot in the working arena.

A] My First Home Scheme

While last week we looked at the much talked about PR1MA, this week we look at My First Home Scheme, or Skim Rumah Pertamaku (SRP). The scheme announced in the 2011 Budget allows young owners to obtain 100% financing from monetary institutions and banks via conventional and Islamic financial schemes.

Terms and conditions:

- * 100% financing (no downpayment required).
- * Valid for residential properties in Malaysia only.
- * Applicable to Malaysian

citizens up to the age of 35.

- * Single borrower's gross income not exceeding RM5,000 per month/joint borrowers' gross income not more than RM10,000 per month (Note: Joint borrowers can only consist of husband and wife or siblings).
- * Property valued between RM100,000 and RM400,000.
- * Property must be owner occupied upon purchase.
- * Instalment payment via monthly salary deduction.
- * Compulsory fire insurance/takaful.
- * Financing tenure not exceeding 35 years, subject to borrower's age not exceeding 65 years at the end of the financing tenure.
- * Amortising facility with no redrawable features.

B] My 1st Home Scheme-i

Offered by the Malaysia Building Society Berhad, a subsidiary of the Employees Provident Fund (EPF), this scheme is exclusively for first-time house buyers. While the propositions are attractive, payments still need to be made at the end of the day and interests and terms/conditions need to be met. With this, it is recommended that one review the schemes offered and commit to one where

instalments are comfortable provided one's career is pretty much permanent or income is secure.

Terms and conditions:

- * First-time house buyer.
- * For residential properties ranging between RM100,000 and RM500,000.
- * Malaysian citizen aged 40 and below.
- * No maximum income limit.
- * Subsidised legal and valuation fees up to RM6,000.
- * Financing tenure up to 35 years or age 75, whichever is earlier.
- * Margin of financing up to 105% inclusive of "mortgage reducing term takaful" (MRTT).
- * For individual and joint applicant.
- * Must be confirmed employee engaged with the same employer for a minimum of six months from the date of employment; and graduate (degree holder) OR at least three years' working experience for none-degree holder.

Terms and conditions:

- * Malaysian citizens aged 21 and above (no maximum age).
- * First-time home buyer within one household family.
- * Earning gross household income of below RM10,000 a month (including all other income and allowances etc.).
- * Valid for properties priced RM500,000 or less.
- * The government/scheme helps first-time home buyers cover the 10% downpayment or maximum RM30,000, whichever is lower.

PROPERTY DIRECTORY

Before signing on the dotted line for your first owned property, Adis suggests you ponder if it is an investment asset or home you are looking for. Refer to his book for reasons to think this through, including its effects. Next, he advises one to make a realistic list weighing the pros and cons of each possible property.

To ease the decision-making process on what to consider before deciding on a particular house purchase, here are some points to take note of.

► Location, location, location

If a new township is what you are interested in, upcoming masterplan and transport networks can tell you how much potential your property is able to offer in terms of capital appreciation in the long run. For areas that have reached maturity, look out for potential rejuvenation programmes that can boost the area.



► Value drivers

Know where the government is spending its money in. Such information will help you buy ahead before the infrastructure is completed. After a fair bit of research you may wonder why some properties are extravagantly tagged. The answer: the prime location of most highly-priced property are built near business and entertainment hubs. Similarly, Adis shares that the best strategy is to buy an undeveloped area that has existing plans for various economic drivers. As a result, the value for your property will multiply tenfold once the area gains momentum.

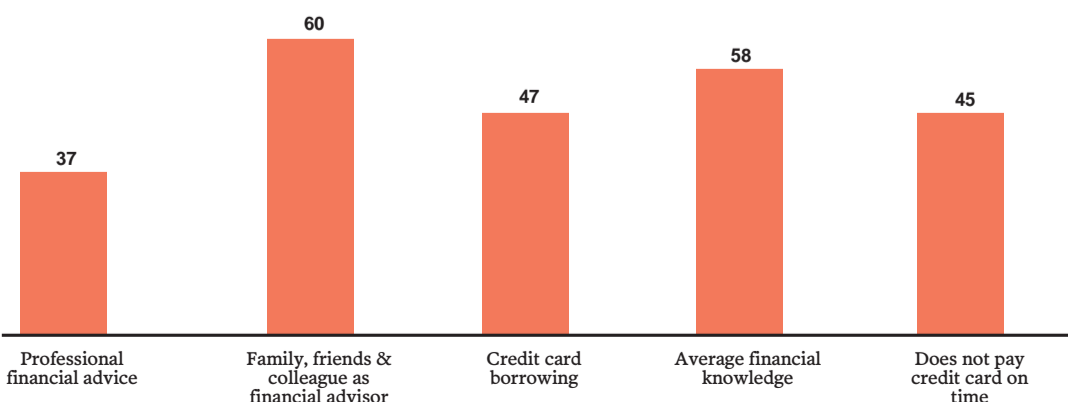
► Feel the pulse

To create wealth from property, Adis emphasises the importance of checking if the township will turn into a hive of activities or a flop. The more industries a particular township has, the higher the chance it has to attract workers, hence a community/township, that will directly increase property value and the economy in the area.

CONTINUED ON NEXT PAGE ►

*conducted by Asian Institute of Finance (AIF)

Percentage



C] MyDeposit Scheme

Announced in Budget 2016, this scheme aims to assist lower- and middle-income earners with household incomes of RM10,000 and below purchase their first home. Ideal for those trying to save up money to cover the downpayment or first-time property buyers like millennials, who have just started off their careers and are credit worthy or have a clean financial slate (no debts and not black listed).

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HOUSING LOANS

While all the above may provide valuable information and set hearts beating faster, excited on making their first house purchase, here are a few pointers to help get your loan approved, but only after you have gone through all else in Adis' book with a fine-toothed comb.

Of late, housing loan rejections have made headlines. While many pointed fingers at Bank Negara Malaysia's (BNM) property cooling measures for negatively affecting the industry, few looked at the context of what these loan rejections led to.

For one, it generated additional housing ownership schemes and programmes to help the people own homes. It also highlighted the lack of lower-costing housing and pointed out that millennials just starting out in their careers, earning less than RM3,800 (roughly), are today categorised in the low-income bracket. Most are unable to meet credit requirements, hence not eligible for end-financing for even terraced homes or condominiums in urban areas in bigger cities (which in general cost well above RM500,000).

GENERAL SLOWDOWN

An article from iMoney.my also highlighted that the home loan rejection rate in actuality had declined from 30% in 2014 to 20% in 2015. Without doubt, the property market in Malaysia has slowed down. A report from Knight Frank Malaysia on the market for H1 2016 revealed that the volume and value of residential property transactions have been declining in Kuala Lumpur and Selangor (reports Napic).

Applications for home loans has

Points to boost home-loan approval

- * Ensure you have good credit records and all other payments (if any) are up to date.
- * Keep repayments and service loans timely so as to keep a clean financial slate.
- * On applying for a loan, disclose all financial information required correctly.
- * Use "loan calculators" available prior to applying for loan to further understand your credit rating and financial position.
- * Apply for government and government-assisted schemes and programmes where possible so as to lessen the principal loan amount.



also dipped by 10% in 2015 compared to 2014 and the amount of loans approved has also taken a 14.6% dip, with a lower ratio of approval/applications at 50.2% in 2015 compared to 52.9% in 2014.

To this, the government announced the building of more affordable housing units under various assisted schemes and programmes (some mentioned in our part one article last week). The household income ceiling was also raised from RM8,000 to RM10,000 and the Rent-To-Own scheme was established and made available. However, BNM capped the loan tenure to a maximum of 35 years,

only to curb the onset of retirees with debts.

In short, affordable homes and schemes are more available now yet insufficient/inefficient in meeting the people's needs. With the new budget today, let's see what's in store for Malaysians in property.

Follow our article next week on another option to own your own "crib", not necessarily the standard specs offered in the market.

▶ Email your feedback and queries to: propertyqs@thesundaily.com

Hip at SqWhere

LOCATED in a hotspot in the Klang Valley is a vibrant low-density, transit-oriented development by Selangor Dredging Berhad (SDB) called SqWhere Serviced Apartments.

EXTRAORDINARY SELECTION

Offering 255 living units of varied built-up spaces to live comfortably in, SqWhere provides many choices for residents, some of which include its Type E unit (1,055 sq ft) that comes with two bedrooms and two bathrooms, or its limited Type A measuring a spacious 2,476 sq ft for luxurious living featuring dual-key entry to a four-bedroom and four-bathroom unit. Buyers or investors can choose four other unit types to suit their needs. The good news – each unit comes with a minimum of two reserved parking spots.

PURPOSEFUL SPACES

True to SqWhere's philosophy that everything has a purpose, every unit sports a rectilinear layout for maximum efficiency with no awkward columns that stand in the way of giving home a personality of its own.

The larger-than-average windows light up 20% to 28% of interiors and improves ventilation by 10% to 17%, which not only provides a more calming and relaxing setting but also helps homeowners save on utilities and the environment to some degree.

Expect a fitted-out kitchen complete with cabinets, a refrigerator plus hood and hob while bathrooms come with the norm, along with a cabinet and beautifully laid out glass and



mosaic-tiled shower area. The "icing on this cake" – SqWhere serviced apartments are designed to be earthquake resistant.

ADDED BENEFITS

Other impressive points are the connectivity and its prime location, close to:

- the PLUS, NKVE, LDP, MRR2, SPRINT and Guthrie Corridor highways;
- prestigious higher educational institutions, international schools and medical centres;
- nearby shopping centres such as Sunway Giza, 1 Utama, IPO, Ikea and The Curve; and
- walking distance to the Kampung Selamat MRT station via a 75m link bridge.

SqWhere Serviced Apartments are already open for registration of interest.

For additional information, visit the SDB Gallery, open daily from 9am to 6pm or the developer's website.

Hunza – developing Penang for the future

DATUK Khor Siang Gin, Hunza Properties Berhad (HPB) managing director, is focused and clear about what he wants for the future of the company and Penang.

Before settling down for an interview with *theSun*, Khor spoke to a board member briefly on the importance of highlighting HPB's next big project – the Penang International Commercial City (PICC) and his vision for Penang.

"Looking forward, my focus will be on the PICC, which is located in Bayan Baru.

"The integrated development will involve three phases and encompass a massive 9.4 million square feet," Khor informed.

He said the name PICC was approved by the state government.

The development project will include the building of some 3,000 units of affordable houses, which will be built throughout all the three different phases.

Spurred by the state government's efforts in making Penang an international and smart city, HPB, with the same intent, has scheduled for commencement of work on the project to start in 2017.

Sharing how proud he is in the way HPB has tended to the squatter issue in Bayan Baru and solved it amicably, Khor expressed his excitement in beginning work on the PICC, which he says is going to be an iconic landmark for the state way beyond 2020.

The PICC is an integrated development which will include a

commercial component offering retail shops, hotels, a private hospital, business process outsourcing (BPO) offices, as well as educational institutions.

The modern integrated city will feature some big brand names, hotels included, of which Khor preferred to keep mum of at this time, saying "it will be announced at a special and specific time".

At some RM8 billion in gross development value (GDV), the PICC is slated for completion in about five years from the time work starts.

Once launched, the property will be marketed by HPB using modern sales concepts and marketing strategies.

Humble, yet determined like his father Datuk Seri Khor Teng Tong, Khor Jr said that HPB will be more than just selling houses.

"It will be selling concepts. The PICC will come as a platform to showcase HPB's modern concept communicating a place for leisure, work, a place of dwelling that is also facilitated with a medical centre, which is crucial," he said.

On the recent launch of Alila 2 in Tanjung Bungah, Khor said the condominium project boasts a green and ecological environment with enchanting landscapes surrounding two towers, located on 9.8 acres of undulating land where Alila Homes was first launched by HPB.

Alila 2, situated within the

spacious parcel, is set to be completed by the end of next year.

The selling point of this second project is its low density, with only 270 units built across an extensive area.

The project also bears an auspicious character offering good feng shui apart from five-star indoor and outdoor facilities.

It was learnt that the greenery within Alila Homes itself commanded massive expenses, totalling some RM12 million.

"It is quite difficult and unlikely for one to find another property like Alila 2," said Khor, especially since the project carries a GDV tag of RM600 million.

To date, 40% of Alila 2 has been sold.

Currently waiting for the project to be Green Building Index (GBI) certified, HPB is at the same time working on another new project called Mekarsari, situated opposite Bandar Putra Bertam, which sits on a 32ha plot and will offer nearly 1,000 homes on completion.

Development will run in multiple phases with the first offering 253 single-storey semi-detached houses and single-storey zero-lot bungalows, informs Khor.

He said phase 1 of Mekarsari has a GDV of RM12 million.

The project recently launched in September this year is expected to be completed by the end of 2018. Prices for semi-detached units will start from RM411,000 while zero-lot bungalows will come with a tag of



Exterior of Alila 2 in Tanjung Bungah.

between RM450,000 and RM500,000.

Groundwork for this project has already begun in mid June this year.

HPB aims to sell 70% of the units within the first six months of the launch.

With all these projects to keep HPB and Khor busy, the focused and formidable managing director is all excited and on leading the company into its next chapter as the developer responsible in forming Penang's future landscape.

Budget 2017 observations and opinions

> Views of industry professionals on allocation for housing and property

THERE is always two ways (or more some say) to look at things. Since the recent announcement of next year's budget, many have aired their opinions. The general consensus is

that there is nothing much to shout about.

Although reports across media platforms quoted industry professionals who viewed the financial budget as "muted,

relatively neutral in impact, not enough to excite the market, measures insufficient to stimulate the property market" and so forth – this writer is one who sees the glass as half full. With that, we run through Budget 2017 and changes to expect in 2017 where property is concerned, along with views of various industry authorities.



PERTAINING PROPERTY

- 1) Through the National Blue Ocean Strategy (NBOS), the government will provide vacant land at strategic locations to government-linked companies (GLCs) and Perumahan Rakyat 1Malaysia (PR1MA). This will go towards building more than 30,000 houses, and sold from RM150k to RM300k, below the market price of RM250k to RM400k.
- 2) The government has plans to build 10,000 houses in urban areas. These will be offered to youth who meet "eligibility requirements", including graduates entering the labour market and who hold permanent jobs. Rental is up to a maximum of five years at a lower than market rate.
- 3) Under the People's Friendly Home (PMR) scheme, 5,000 house units will be built of which the government will subsidise up to RM20k per unit.
- 4) Stamp duty exemption to be increased to 100% on instruments of transfer, compared to 50%. Exemption limited to houses valued up to RM300,000, and for first-home buyers only, valid from Jan 1, 2017 to Dec 31, 2018.
- 5) The rate of stamp duty on instruments of transfer of real estate worth more than RM1 million will be increased from 3% to 4% effective Jan 1, 2018. This is said to affect sales



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for high-end properties and probably spur demand to buy ahead in 2017.

- 6) A new, "step-up" end-financing scheme for the PR1MA programme will help reduce loan rejection rates. The new application is said to begin on Jan 1, 2017 and will collaborate with the government, Bank Negara Malaysia, Employees Provident Fund and four local banks, namely AmBank, Maybank, CIMB and RHB. Financing will be easier, more accessible, providing loans of up to 90% to 100%.
- 7) A grant amounting up to RM10k will be re-introduced to registered Residents Associations. This can be used for purchase of security control equipment, cleaning and maintenance of the neighbourhood.
- 8) Higher housing loans for civil servants – between RM200k and RM750k from the previous range between RM120k and RM600k.
- 9) The government expects to complete the construction of 30,000 units of 1Malaysia Civil Servants Housing (PPA1M), to be sold from RM90k to RM300k, or 20% below market price.
- 10) A RM200 million allocation will go towards MyBeautiful New Home scheme, introduced for the B40 (bottom 40% of households earning monthly income of RM3.9k and below). The programme will begin with the construction of 5,000 house units (priced between RM40k and RM50k each). Under this scheme, the government will finance RM20k while owners can service the balance of the instalments. Houses to be built on the owners' land; land permitted by the landowner; or land awarded by state governments.



PHOTO: WWW.PPA1M.GOV.MY

PPA1M Rantau Panjang.

- 11) The Urban Wellbeing, Housing and Local Government Ministry will be allocated RM134 million to build another 9,850 houses under the People's Housing Programme (PPR).
- 12) Under the People's Housing Programme (PPR), 11,250 houses are already being built. These will be sold between RM35k and RM42k, which works out to be below construction costs.

IMPACT AND EXPECTATIONS

On items 1, 2 and 3, JLL country head YY Lau said that these schemes will surely help alleviate the shortage of affordable homes and allow middle-income earning Malaysians to own a house. "It will increase property ownership, spending of the rakyat on housing products. Construction companies and developers will likely benefit from this and development projects will spur domestic investment activity which in turn will contribute to the GDP supported by private and public investments."

Her view on the "step-up" financing scheme is that it will improve loan approvals. "Stamp duty exemption is also likely to help spark property investments in 2017, hence, contribute to stronger construction and economic activity next year." On the increase in stamp duty (as in item 5), Lau says that this is likely to have an adverse effect on investors when introduced in 2018, "similar to the impact of GST on retail".

"In the shorter term, I expect more transactions above RM1 million may be completed before the implementation date. Otherwise, developers may resort to selling slightly below the RM1 million threshold to avoid the tax after 2018."

While Lau expects the construction of the Pan Borneo Highway to help hike tourism and economic activities between Sabah, Sarawak and Brunei, she doesn't deny that the proposed East Coast Rail Line has been drawing attention. Business economists expect economies to improve especially in areas where the 600km rail track will run across, connecting the Klang Valley to towns like Kuantan, Kuala Trengganu and Kota Baru, ending in Tumpat in Kelantan near the Thai border.

VIEWS AND OPINIONS

While Lau feels that the budget for 2016 was pro-poor, benefitting simple folk living in rural areas, as well as women, students, civil service employees through handouts and providing low-cost housing and housing programmes

to encourage home ownership, it also provided for railway lines and trains to help boost connectivity, growth, domestic demand and the economy. "The 2016 budget was crafted to help raise GDP to 5% in 2017 as opposed to the

unexpected growth of 4% to 4.5% in 2016." On the recent budget announcement, Lau felt that the government has continued to restrain spending, "budgeting for a 3% fiscal deficit". Her overall view – "It accelerates growth, ensures fiscal prudence and enhances the well-being of the rakyat."

Sharing his view, IJM Corporation Berhad CEO and managing director Datuk Soam Heng Choon said: "We applaud the government's effort to provide more affordable housing projects catering to both the B40 and M40 group. The step-up financing proposal for PR1MA homes will further encourage higher eligibility for loans to enable ownership. First-time home buyers will further benefit from the 100% stamp duty exemption for the first RM300,000 for purchase of property RM500,000 and below."

REA Group's international COO Arthur Charlaftis however commended the government in taking measures to assist first-time home buyers via the "step-up" end-financing scheme and increasing the number of affordable houses. "Budget 2017 has certainly made it easier for first-time home buyers to own a home. Even though the Developer Interest Bearing Scheme was not reintroduced and no new measures were crafted to curb escalating house prices, the government has introduced other measures to make it easier for first-time home buyers to get into the property market," he said.



JLL's Lau.

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