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## The good old neighbourhood mall

Some of the older shopping malls in the Klang Valley, built decades ago, are still going strong. How did they do it?  
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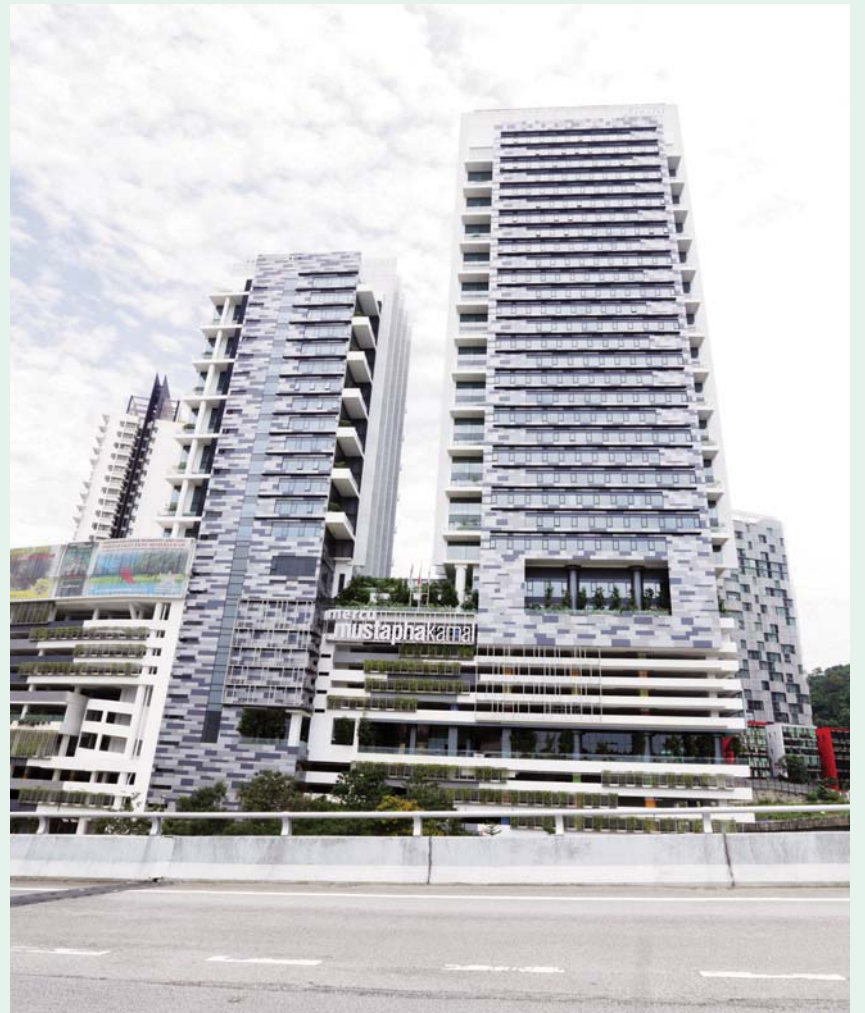
**03 2727 7598**

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 PROPERTY

DEVELOPER: PARAMOUNT PROPERTY DEVELOPMENT SDN.BHD. (587910-U) • 2 Jalan Anggerik Vanilla R31/R, Kota Kemuning Section 31, 40460 Shah Alam, Selangor • Tenure of Land: Leasehold • Developer Licence No.: 9202-21/02-2020/0204(L) • Validity Period: 01/03/2018 - 29/02/2020 • Advertising & Sales Permit No.: 9202-21/02-2020/0204(P) • Property Type: Serviced Apartment • No. of units: 493 (Total) • Type A, Total Units: 21, Built-up: 670 sq ft, Min. Price: RM660,778, Max Price: RM732,111 • Type A1, Total Units: 41, Built-up: 670 sq ft, Min. Price: RM655,778, Max Price: RM732,111 • Type B, Total Units: 5, Built-up: 670 sq ft, Min. Price: RM812,889, Max Price: RM817,889 • Type B1, Total Units: 10, Built-up: 670 sq ft, Min. Price: RM807,889, Max Price: RM817,889 • Type C, Total Units: 104, Built-up: 703 sq ft, Min. Price: RM688,444, Max Price: RM770,667 • Type C1, Total Units: 84, Built-up: 703 sq ft, Min. Price: RM692,222, Max Price: RM765,667 • Type D, Total Units: 25, Built-up: 703 sq ft, Min. Price: RM850,333, Max Price: RM860,333 • Type D1, Total Units: 20, Built-up: 703 sq ft, Min. Price: RM840,333, Max Price: RM854,111 • Type E, Total Units: 23, Built-up: 853 sq ft, Min. Price: RM857,000, Max Price: RM890,667 • Type E1, Total Units: 23, Built-up: 853 sq ft, Min. Price: RM862,000, Max Price: RM895,667 • Type E2, Total Units: 23, Built-up: 853 sq ft, Min. Price: RM867,000, Max Price: RM900,667 • Type E3, Total Units: 23, Built-up: 853 sq ft, Min. Price: RM857,000, Max Price: RM890,667 • Type F, Total Units: 45, Built-up: 1,052 sq ft, Min. Price: RM1,060,778, Max Price: RM1,125,667 • Type G, Total Units: 23, Built-up: 1,205 sq ft, Min. Price: RM1,244,778, Max Price: RM1,278,444 • Type H, Total Units: 23, Built-up: 1,422 sq ft, Min. Price: RM1,466,444, Max Price: RM1,500,222 • Discount for Bumiputra: 10%



Below: Mercu Mustapha Kamal is one of the most iconic buildings in Damansara Perdana.



It all began 35 years ago when Tan Sri Mustapha Kamal Abu Bakar armed himself with the determination and passion to build homes that people could afford, especially first-time homebuyers.

Today, the group has collectively developed an estimated 60,000 units of residential, commercial and office units of over 10 million sq ft in total worth a gross development value (GDV) of RM20 billion.

It has developed projects worth more than RM2.5 billion in just Cyberjaya alone, building a significant presence there in the process together with its associate companies MK Land Holdings Bhd and Setia Haruman Sdn Bhd. This is to support the multimedia super corridor development which was once a palm oil estate. It is also the developer of Mercu Mustapha Kamal and Damansara Perdana which have become prominent landmarks in the Klang Valley.

Following his father's footsteps, Mustapha started off as a civil servant. During the course of his duties in the civil service including being an Assistant District Officer for Ulu Selangor, he felt it his moral duty to help communities in need, even initiating an applied nutrition programme for the residents in the Kuala Langat district.

Working with the communities from the rural areas had planted within him a desire to build sustainable communities which led him to quit the civil service and become a property developer. He has never looked back since.

Although he has reached great heights in his career, there is not a slight hint of arrogance in the man who was once known as the "King of Affordable Housing".

"I did not come from a wealthy

background. My grandfather was just a vegetable seller. Even when I was studying in school, I was not among the top students. But of course, I was also not among the weakest. I was just an average student. Typically, the pathway for Malay university graduates was to join the government civil service. But then it was when I met a humble Chinese tycoon that I realised that I wanted to be an entrepreneur.

"It doesn't matter what background you come from. If, and only if you consider me to be a successful businessman, then I want to say that anyone, including you, can also make it," says Mustapha.

From Mustapha's maiden project in Taman Meru Jaya — a six-acre mixed development and his first privatisation project of Bandar Baru Sungai Buloh in 1985, he has come a long way.

Besides the RM2.5 billion properties he has developed, he also, among



MasReca 19 is an affordable housing project in Cyberjaya complete with a mosque, dialysis centre and gravesite.

# An icon of AFFORDABLE HOUSING

others, owns three Grade-A office towers, namely Wisma Mustapha Kamal in Cyberjaya as well as Menara Mustapha Kamal and Mercu Mustapha Kamal in Damansara Perdana. The rents from these buildings are the source of sustainable income for the company.

EMKAY Group's upcoming development called The Mulia Residences is due to be launched in 4Q2018. It is set to become a new landmark in Cyberjaya while adding another feather to its cap. With a GDV of RM720 million, this 50-acre stratified residential development comprises 383 units of townhouses and 417 units of high-rise components located in Cyber 10, Cyberjaya. The overall concept is based on multi-generational living; inspired by traditional Malay architecture. The design aims to create functional and practical spaces, enabling harmonious living with different generations.

**“It doesn’t matter what background you come from. If, and only if you consider me to be a successful businessman, then I want to say that anyone including you, can also make it.” — Mustapha**

Radius at Cyberjaya



Damansara Perdana is a bustling township in the heart of PJ.

### BUILDING MORE AFFORDABLE HOMES

The Group has to date developed 54,000 units of homes of which 35,000 of them are priced below RM100,000. Mustapha believes that his calling at this stage in life is to build more homes for those whose income are not sufficient to finance a home due to escalating house prices. The completed Damansara Damai and the Bandar Baru Sg Buloh projects are two typical examples of such affordable housing developments which he wants to replicate in future.

Thus, he has come up with a plan to build affordable homes to be sold at RM70,000 with a built-up size of at least 600 sq ft in Kuala Lumpur city. He believes this is possible through cross subsidisation, he said at a media briefing in conjunction with the group’s 35th anniversary.

“For example, in a 100-acre devel-

opment, 40% of the homes can be priced below RM300,000 while another 40% can be of any price the developer wants, 10% will be commercial units while the remaining 10% will be the units priced at RM70,000. Profits earned from the other 90% of properties can be used to subsidise the RM70,000 affordable homes,” he explained.

These houses, he added, will only be for those in the bottom B40 group, especially those who are earning between RM1,800 and RM2,000. These [RM70,000] homes are for groups such as teachers, the police, the firefighters and the lower rank army personnel who have worked so hard and sacrificed for our country, he shared. “This programme needs the support of the Federal government, the State government as well as the local authorities, and the key theme is ‘together we make it happen’ on time, within the target cost and with quality,” he added.

“Providing affordable homes has al-

ways been our bread and butter, so we will strive to continue providing opportunities for first-time homebuyers.

“We are committed to assist in addressing the issue of affordability of homeownership,” he said.

### MOVING FORWARD

After 35 years, Mustapha also now wants to focus on the group’s CSR work and philanthropic causes through foundations such as Yayasan EMKAY, Pulau Banding Foundation and the Bukit Merah Orang Utan Island Foundation.

He has passed on the baton of managing the Group to his four children, aided by almost the same Board members and a senior management team

that have been with the group since the very beginning. They will facilitate and ensure a smooth transition moving forward.

Today, EMKAY Group is made up of a strong team of more than 2,000 professionals.

“I always tell my children that it is important to work together as a team and I believe that every purchaser deserves a quality product for every ringgit he or she puts in. The smile and satisfaction of our customers are priceless and something we strive to achieve in every project of ours.

“We aspire to use the experience garnered over the 35 years to one day become a trusted global brand,” says Mustapha.



Under the Pulau Banding Foundation, Mustapha hopes to promote the sustainable development of the fragile ecosystems of the Belum-Temengor Rainforest.

## Giving back to society

For many corporations, PAT or Profit after Tax is a figure that one loves to look at because it shows how much the business has made at the end of one’s financial period. However, for EMKAY Group chairman Tan Sri Mustapha Kamal, PAT also stands for “Peace of Mind and Tranquillity in Life”.

“To me, I have reached a stage in life where money itself is no longer the end game. To me, it is about giving back to others and the society now because God has given me so much. If you give me the option of whether to put my money into building more projects or to preserve a 130 million-year-old forest which you cannot get elsewhere in the world, I will choose the latter,” says Mustapha who has founded three foundations — Yayasan EMKAY, Pulau Banding Foundation and the Bukit Merah Orang Utan Island Foundation.

Under the Pulau Banding Foundation, Mustapha hopes to promote the sustainable development of the fragile ecosystems of the Belum-Temengor Rainforest. The forest reserve forms the last and largest contiguous block of natural forest in Peninsular Malaysia. It covers an area of over 300,000ha in Perak and into Southern Thailand.

Mustapha shares that in order to ensure sustainable development on the island, the Pulau Banding Charter was formed on July 24, 2007 by a panel of advisers comprising experts from the fields of forestry, environment, and local stakeholders — as a self-imposed guideline for all development on the island.

One requirement of the Charter was the setting up of a research centre which has now been completed to conduct studies on the Belum-Temengor Rainforest so that efficient conservation measures could be initiated. To date, many scientific expeditions have been carried out with exceptional success.

The forest reserve also houses EMKAY Group’s Belum Rainforest Resort, one of Malaysia’s premier ecotourism holiday destinations. The resort receives visitors from all over the world. Hopefully one day, the Belum Rainforest would be on the world atlas as equal to the Amazon Forest.

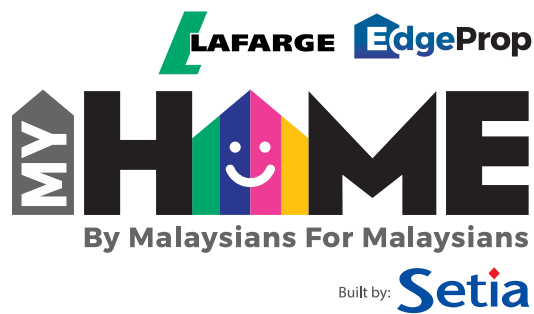
Mustapha took it a step further by launching the Belum Forest Friends (BFF) initiative in February this year as part of an overall drive to get more Malaysians involved in rainforest conservation and environment. Pioneers of the BFF initiative include celebrities Datuk Sheila Majid, Datuk Yasmin Yusuff and Jaclyn Victor.

With a contribution of RM100, BFFs can choose to support either a tree-planting programme managed by the Pulau Banding Foundation or a school uniform donation drive for the Orang Asli of Belum-Temengor facilitated by Yayasan EMKAY.

Mustapha’s other ventures which he personally oversees include: the Green Ranger Malaysia programme (GRM) under Yayasan EMKAY where university and school students get to have hands-on experience learning about the importance of protecting the rainforest; the construction and setting up of toy libraries amongst Orang Asli settlements; and the Bukit Merah Orang Utan Island Foundation, with the specific objective to do research, rehabilitate and promote awareness of our endangered red-haired friends. Along with these foundations — Yayasan EMKAY and Pulau Banding Foundation — the Bukit Merah Orang Utan Island Foundation has also created working collaborations with local universities for research works and education programmes.

Mustapha is a man who has opened up his hands — and his heart — to not only the Malaysian community, but has also become a protector of the flora and fauna of Malaysia.





## Get set for the unveiling of the home that Malaysians co-created

PETALING JAYA: The time has come to unveil the Malaysian ideal home. As some of you would recall, Lafarge Malaysia and EdgeProp.my had initiated the Lafarge-EdgeProp MYHOME survey to find out what the majority of Malaysians want in a home.

Fast forward six months since the survey findings were announced, a show house based on the findings have been built by Malaysia's top property developer S P Setia Bhd, which was also the recipient of EdgeProp Malaysia's Responsible Developer: Building Sustainable

Development Award 2018.

It will be unveiled on Nov 28 at Setia EcoHill 2 in Semenyih. The event will be officiated by Housing and Local Government Minister Zuraida Kamaruddin.

To recap, the Lafarge-EdgeProp MYHOME survey that ran for almost two months from Feb 28 to April 15 had managed to garner almost 14,000 respondents with more than half of the respondents below the age of 35. Most respondents reside in the Klang Valley – with the majority from Selangor (42%), followed by Kuala Lumpur (17.5%), Johor (about 7.1%) and Perak (6.8%).

Overall, the majority of Malaysians say their budget for a home is below RM600,000 as about 40.1% of the respondents say they have an average budget of RM400,000

to RM600,000 followed closely with 39.1% with less than RM400,000. The rest are willing to fork out above RM600,000.

In summary, the survey found that most Malaysians still prefer a landed home with a built-up size of between 1,000 sq ft and 1,999 sq ft with three bedrooms or more and three bathrooms or more.

About 35% stated their preference for terraced home/townhouse while the rest would like to have semi-detached homes (21.6%) and detached/bungalows (25.5%). Only about 17.8% chose a non-landed home, namely condominium or apartment.

When it comes to the home unit itself, the top three attributes that Malaysians look at are good ventilation, security and spaciousness. Malaysians overall also like

an “earthy or natural” feel when it comes to the ambience of their homes. They also like wood or marble flooring and the home should preferably come partially furnished with good quality appliances.

Security is a major priority to homeowners as 59.8% respondents would like their ideal home to be located in a gated community with amenities such as jogging trails, children's playground and swimming pool, the top three chosen by the respondents.

Malaysians also hope their ideal home could be in a convenient location with good security and surrounded by natural green spaces.

So find out what the Malaysian ideal home that you helped create looks like at the unveiling on Nov 28.

You can also read about it in the Nov 30 issue of EdgeProp.my pullout.

## MKH to launch Kajang East final precinct

BY NATALIE KHOO

KAJANG: MKH Bhd will be launching the final precinct of its Kajang East township in Kajang, Selangor by the end of this year.

Precinct 1, which has a GDV of RM257 million, is possibly the “best” precinct in the 130-acre township as it is located on a hillside, MKH Bhd property director Datuk Chong Yong Han told EdgeProp.my. Precincts 2, 3 and 4 have been launched earlier.

“In total, Precinct 1 comprises 329 units of double-storey terraced homes, 16 units of double-storey semidees and 12 units of three-storey semidees. We will launch the semidees later on,” Chong said.

The built-up of the terraced units are from 1,850 sq ft, with prices starting from RM729,000 onwards. To date, MKH has opened 255 units of the 329 units for sale and have achieved a 91% take-up rate. Precinct 1 is set to be completed by September 2021.

“This kind of units are sought after because you can hardly find landed homes in Kajang now. The development is also easily accessible via highways such as the SILK Highway, LEKAS Highway, SKVE and Cheras-Kajang Expressway.

“We also provide a residents-exclusive community park with amen-

ities such as an open amphitheatre, football field, futsal and badminton courts and a children's playground,” Chong offered.

He added there is still some land left in Precinct 2 where more homes will be launched later on. Meanwhile, the group had also at end-August opened for registration Nexus @ Kajang Station. The serviced apartment project is located directly opposite the Kajang Mass Rapid Transit (MRT) station. The first block or Block A has been 58% taken up.

Nexus comprises three blocks in total – Block A, B and C. Block A is under PR1MA housing scheme while Block B and C are to be sold to Tenaga Nasional Bhd staff and the public respectively. Block A and B are joined, sharing the same facilities while Block C has its own private facilities. There are a total of 1,202 units across all blocks.

The estimated maintenance fee for Block A and B are 18 sen psf while Block C is 30 sen psf. Built-ups range from 770 sq ft to 1,050 sq ft with price from RM288,000.

“So far, we have only opened Block A for sale. We are targeting to open Block C for sale by March next year. Block C units will be slightly higher priced than units in Block A.

“With the project so close to the Kajang MRT station, it will be very



Kajang East is a 130-acre township by MKH Bhd.

convenient for those who need to use public transport to go to work or to get around,” Chong said.

The group has successfully achieved the sales target of RM820 million for FY2018 and will be aiming for a 10% higher sales target for FY2019 ending September next year.

“We have already planned the launches for 2019. Among them

are Boulevard 2 serviced apartments, landed homes in Kajang 2 as well as semidee shops at Hillpark Shah Alam. We are also in the midst of getting approvals for a project comprising 500 units of serviced apartments located next to the Taman Pertama MRT station in Kuala Lumpur which has an estimated GDV of RM250 million,” he said.

PICTURES BY MKH



Artist's impression of Nexus @ Kajang Station.



Chong: The group has successfully achieved the sales target of RM820 million for FY2018.

# A good scheme to own a home at lower cost, say attendees of FundMyHome public forum

BY SHAWN NG AND RACHEL CHEW

PETALING JAYA: Some attendees at the FundMyHome Public Forum last Sunday (Nov 18) viewed it as a good scheme to help young Malaysians take the first step towards homeownership at a lower cost than the conventional route of taking a mortgage.

Attendees of the public forum were given a rundown on how FundMyHome works by EdgeProp Sdn Bhd chairman Datuk Tong Kooi Ong followed by a Q & A session.

Having received a clearer picture of the scheme now than when it was launched on Nov 4, the public would be more supportive of it, said those who attended the forum which attracted more than 550 people.

One of the attendees who only wanted to be known as Rama said FundMyHome was a laudable scheme to help those attempting to own their first home.

"This is a good scheme in helping young people to eventually own a home. And as a property negotiator for many years, I don't see this scheme as threatening the [real estate agency] industry.

"I believe this scheme could lower the cost of property purchase for first-time homebuyers and this is good news for all, including us property agents because we are facing difficulties in selling properties now due to high property prices," he told EdgeProp.my after the forum.

Another attendee, David Lim, who has been investing in real estate for about 20 years, described FundMyHome as a "fantastic scheme" as it allows the first-time homebuyer to gain full ownership of the home with just 20% of the price in the first five years.

"This is a fantastic deal for first-time homebuyers as the risk is low for them. If the house price goes down after the fifth year, they can buy it cheaper. So, what is the worst [for them]?" he asked.

C M Lai, who also attended the forum said it was an attractive scheme, adding that Tong was clear in explaining the role of the three main stakeholders — the developers, the institutions and the buyers.

"I came here to know more about this scheme and how it works. For a buyer, it is an attractive scheme, although you still need to repay your personal loan if you opt



Tong: FundMyHome is not a free lunch, it does not have government subsidy.



A participant taking the opportunity to ask a question about FundMyHome.

for one to come up with the 20% payment. However, getting a personal loan is easier than getting a mortgage, especially when you have just joined the work force," he said.

"It is also easier to get friends and families to be your personal loan guarantor because the amount is not big. Literally, you can own a home even if you are a hawker and cannot present a financial statement to get a mortgage, or a fresh grad who just started your first job and earning RM3,000 per month," he elaborated.

Introduced by EdgeProp, FundMyHome allows one to buy a property featured on the FundMyHome.com platform by paying just 20% of the property price. The balance of 80% is contributed by participating institutions, who share the returns from changes in the future value of the homes.

The holding period is five years which means by the end of the fifth year, a homebuyer will have to choose whether to sell, to own the property (by taking up the remaining 80% share of the house based on the market value at that time) through a mortgage, or refinance the unit on FundMyHome.

Currently, CIMB and Maybank Group are the participating institutions while nine developers are offering about 1,000 homes priced below RM500,000 to eligible individuals through [www.fundmyhome.com](http://www.fundmyhome.com).

The FundMyHome platform was launched

on Nov 4, 2018 by Prime Minister Tun Dr Mahathir Mohamad.

At the forum, Tong emphasised that FundMyHome is an alternative scheme that enables homeownership among first-time homebuyers in Malaysia and not about giving the group a "free lunch" on the government's dime.

Tong stressed that it is a scheme to help responsible young Malaysians to own a home, but not by handing out a free home. "FundMyHome is not a free lunch, it does not have government subsidy. It is spearheaded by the private sector. It is to encourage homeownership among young responsible Malaysians who want to own a home, but cannot get a mortgage yet. It is a scheme to help this group of people with the first step of owning a home," said Tong.

An often-repeated question was about what happens after the first five years of the scheme. Tong said homeowners can choose to sell, buy or refinance the home, sharing the returns from any change in the value of the home with investors.

"Six months before the five years come to the end, a valuation will be done by professional valuers who are approved by FundMyHome and they are likely from major banks in Malaysia.

"When the price is determined, the owner will be asked to make a decision to sell

or own the house. If they choose to sell, the house will be sold and the distribution of the money will be as per agreed. If you decide to stay in the same house, there are two choices — to take the house by normal mortgage or the second option, try to stay on for another five years by searching for another crowd of investors via the platform," he elaborated.

He also answered concerns about buyers' rights to the property under FundMyHome. Tong explained that buying a house on the FundMyHome platform is just like buying a house by getting a mortgage.

"The S&P (sale and purchase agreement) is signed when you've paid up your 20% payment, not only after five years. You own the home. It is just like forking out a 20% down payment, and getting an 80% mortgage from the bank.

"You are just like any other homeowner who gets a mortgage, you have the right to renovate your property and you have to take care of your property to upkeep the property's value," he shared.

Tong also explained that the buyers' losses will be capped at the 20% downpayment even if the property market crashes after five years.

"Yes, you have a risk of losing the 20% but if the worst happened, you still get to stay free for five years," Tong noted.

*Check out [FundMyHome.com](http://FundMyHome.com) for more details.*



FundMyHOME

Look out for a video on the event at [www.EdgeProp.my](http://www.EdgeProp.my)

The public forum attracted more than 550 people.

**Where  
everyone  
can own  
a home**





# OUR POTENTIAL Home Buyers

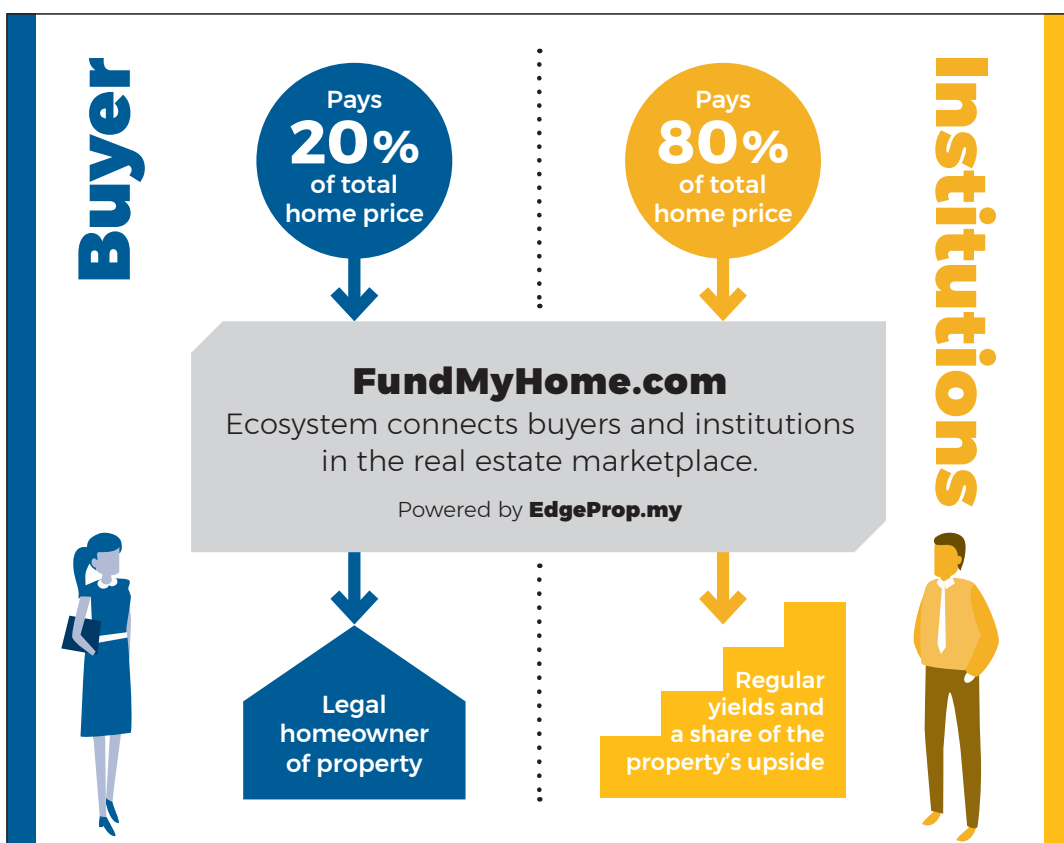
We seek those who are interested to get onto the first step of the housing ladder. They are typically young, responsible and aspirational Malaysian households earning RM4,000 to RM5,000 a month and who are now renting or perhaps living with family.

To meet the 20% upfront payment needed when buying a home through **FundMyHome**, the person may draw on their own savings, take a personal loan from a bank or approach friends and family for assistance.

## ABOUT FundMyHOME

**FundMyHome** is a digital platform that brings first-time homebuyers and institutional investors together in a mutually-supportive relationship. Homebuyers pay 20% of the purchase price to own and occupy a home. The rest of the 80% is raised from institutions. The process is fast, simple and transparent. At the end of five years, homeowners can choose to sell, buy the remaining portion they do not yet own or refinance the home, sharing the returns from any changes in the value of the home with investors.

### Concept



### After 5 years

**Buyer can:**

1. Sell the home
2. Buy the remaining portion that he does not yet own (at the prevailing market value), or;
3. Refinance the home via FundMyHome

## Here is how FundMyHome helps

### Example 1 - Paying the 20% with Savings

Let's say you now rent. You have some savings or are able to gather from family the RM60,000 needed to pay 20% of a RM300,000 home under FundMyHome. You move in, paying nothing more over the next five years. You would have saved a total of RM72,000 and have equity of RM60,000 to show for at the end of the period.

	RENTING	FundMyHOME
<b>Upfront cash required</b>	0	60,000
<b>Monthly rent (Year 1-5)</b>	1,200	-
<b>Ownership at end of Year 5</b>	0	60,000 <sup>1</sup>
<b>Total rental payment for 5 years</b>	72,000	0

1. Value of the homeowner's 20% equity assuming the property price remains unchanged

### Example 2 - Paying the 20% with a Personal Loan

Let's now say you take out a personal loan to fund 20% of a RM300,000 home under FundMyHome, your monthly payments are equivalent to building up equity in the home. At the end of five years, you would have saved RM60,000 in a home under your name. In contrast, if you had continued to rent for five years paying RM1,200 a month, you would have spent RM72,000 but have nothing to show at the end of five years.

	RENTING	FundMyHOME
<b>Upfront cash required</b>	0	0
<b>Monthly rent (Year 1-5)</b>	1,200	-
<b>Monthly loan repayment (Year 1-5)</b>	-	1,200 <sup>1</sup>
<b>Ownership at end of Year 5</b>	0	60,000 <sup>2</sup>

1. Arises from servicing the 7%, 5-yr RM60,000 personal loan taken out to fund 20% of the purchase price. Interest calculation is based on reducing balance method.

2. Value of the homeowner's 20% equity assuming the property price remains unchanged

### Example 3 - Post 5 years

Buying through FundMyHome rather than renting during the first five years also puts them in a better financial position for a mortgage thereafter. Continuing their journey as a homebuyer under FundMyHome, by Year 6, they would have accumulated RM60,000 or 20% equity in the home (see table below). Should they choose to apply for a 80% mortgage to buy the home, they need no further funds to meet the downpayment. This scenario assumes the home price is unchanged at RM300,000. Even if the home price rises, to say RM350,000, they would only need to top up RM10,000.

	RENTING	FundMyHOME
<b>Equity in home at start of Year 6</b>	0	60,000
<b>Funds needed for 20% downpayment:</b>		
<b>If the home price stays at RM300,000</b>	60,000	0
<b>If the home price rises to RM350,000</b>	70,000	10,000
<b>If the home price falls to RM270,000</b>	54,000	24,000 <sup>1</sup>

1. Due to the fall in home price, your remaining equity of RM30,000 is your original 20% equity of RM60,000 less the loss of RM30,000. The RM24,000 refers to the top up amount required to meet the new 20% equity of RM54,000 based on home price of RM270,000

On the other hand, if they had stayed in a rented house through the first five years, they would have no equity in the home and would need to freshly raise RM60,000 towards the downpayment of 20% to purchase a home of RM300,000. Worse if the home price has risen to RM350,000 - they would need to raise RM70,000.

The reality is, they will never be worse off with FundMyHome compared to renting. If the house price falls by 10%, they would still have positive equity value of 10% of the original house price. Even with a fall of 20%, they are not worse off than renting. The positive equity value created is what helps them to eventually own the home completely.

### Example 4 - FundMyHome or Mortgage

The answer depends on individual circumstances, risk appetite, mortgage terms, investment horizon and their expectations for how home prices behave over the five years.

	MORTGAGE <sup>1</sup>	FundMyHOME <sup>2</sup>	FundMyHOME <sup>3</sup>
<b>Purchase price</b>	300,000	300,000	300,000
<b>Downpayment (20%)</b>	60,000	60,000	60,000
<b>Monthly payment (Year 1-5)</b>	1,216	0	0
<b>Total payments over 5 years</b>	132,960	60,000	70,000
<b>Remaining mortgage / claim</b>	218,779	240,000	280,000
<b>Cost to own the property</b>	351,739	300,000	350,000
<b>Difference in cost</b>		51,739 less	Breakeven

1. Assumes 80% loan, 30-year fixed rate mortgage at 4.5% interest rate

2. Assumes home price unchanged at RM300,000 in Year 5

3. Assumes home price rises by 17% to RM350,000 in Year 5

To buy a 3-bedroom apartment costing RM300,000, a homebuyer under both options needs to pay RM60,000 upfront. Over the next five years, with a mortgage, you need to keep up with RM1,216 in monthly repayments. With FundMyHome, there is no monthly repayment.

By the end of the fifth year, with a mortgage, you would have paid nearly RM132,960 and still owe RM218,779. Under FundMyHome, you would have paid only RM60,000 and have a balance of RM240,000 outstanding.

Another way of looking at it is that the amount already paid plus the outstanding loan payable would be RM351,739 under a bank mortgage. Under FundMyHome, the equivalent amount is only RM300,000 or nearly RM52,000 cheaper. This is because much of the payments in the early years under a mortgage went towards interest.

However, should home prices rise by more than 17%, you would be better off with a normal mortgage. It is worth noting that the risk of losses due to a fall in home prices is higher under a mortgage. With FundMyHome, your loss is limited to the capital you invested, which is 20% of the original house price.

**In summary, if you have the access to a bank mortgage, prefer not to share your capital gains and do not mind bearing all the loss, FundMyHome is not for you. On the other hand, if you do not have access to a bank mortgage, are willing to share your capital gains and mitigate your potential loss, then FundMyHome may be for you.**

# THE DEAL for Home Owners

## The benefits

### Pay only 20% of the Purchase Price

By connecting homebuyers with institutions who contribute the remaining 80%, FundMyHome gives you easier access and more flexibility than a regular mortgage.

### No mortgages, no monthly payments

Buyers enjoy ALL the benefits of ownership and occupation without monthly repayments. They enjoy more cash in the pocket at the end of the month to spend or save.

### Move into your dream home today

With increased purchasing power, buyers can take their pick of the many types of properties, location and amenities, move into their dream home immediately.

## The trade-offs

### Upside is shared

Buyers do not pay any interest to the institutions who helped fund their purchase. But a portion of any capital gains after 5 years is shared.

### Downside

Any fall in the value of property after 5 years is borne by the homeowner. However the amount is limited to the capital invested, which is only 20% of the original value of the home, and offset by rental earned or saved.

### 5-year holding period

We encourage long term owners, not speculators. Therefore, you must hold the home for 5 years during which you may either stay or rent it out.

**In a nutshell, FundMyHome rests on homebuyers who are willing to share their future capital gains in exchange for the benefits of owning and occupying a home now. They pay just 20% of property price with potential of either savings on or earning rental income. They have no monthly repayments during the 5 years, no foreclosure risk, no personal liability and have their risk of capital losses capped to the 20% invested.**



## Conclusion

When choosing a home financing package, your individual circumstances will determine which financing arrangement best suits you. The market for residential properties and home financing products is competitive. Property prices are transparent and you should do your own research on prices, visit showrooms, browse property portals and talk to estate agents before making your purchase decision. Compare, contrast then choose. FundMyHome is not designed to be a solution for all potential home owners. But we are confident that we are a solution for some. FundMyHome seeks to ADD to the many offerings and choices out there.

FIND OUT MORE AT  
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# FundMyHOME

Where everyone can own a home

## COVER STORY



BY SHAWN NG

**M**alaysians, especially the millennial generation, tend to have a special affinity for shopping malls as many of us grew up spending much of our leisure time in one of them especially the ones nearest to our homes.

Visiting the nearest mall was part of our daily lives as we shop for groceries, watch movies, have a meal or two or just spend time with family or friends. But the mall that you frequented during your childhood may no longer be there today as many, especially those small and mid-sized neighbourhood malls, could have closed down, overtaken by competition from newer malls that have mushroomed in the Klang Valley over the years.

According to the National Property Information Centre, there were 1,001 shopping complexes in the country as at end-June 2018, which is about 50% more than the 669 that we had about 10 years ago at end-2008.

In tandem with that, the total retail space has ballooned by about 60.48% from about 105.34 million sq ft to some 169.05 million sq ft over the same period. Meanwhile, occupancy rates have been hovering between 79% and 82% till today. Looking ahead, there are 51 shopping complexes with a total of about 18.84 million sq ft of retail space in incoming supply and another 29 complexes with 14.1 million sq ft of space in planned supply.

While competition is rife today, there are some decades-old neighbourhood malls that continue to thrive and draw the crowds.

According to property consultancy CBRE|WTW, a neighbourhood mall is one that has a net lettable area (NLA) of between 200,000 and 500,000 sq ft serving a catchment area within five to 10 km radius and has an anchor tenant which is usually a supermarket or grocery brand. However, some malls that have a NLA of more than 500,000 sq ft and serving a larger catchment area could also be considered a neighbourhood mall.

Based on occupancy rates as of October 2018, data collated by CBRE|WTW revealed that there are five neighbourhood malls in the Klang Valley that are more than 20 years old but are still enjoying good occupancy rates of 85% and above.

The five malls are Subang Parade in Subang Jaya, Selangor (30 years old), Bangsar Shopping Centre in Bangsar, Kuala Lumpur (28 years old), Klang Parade in Klang, Selangor (24 years old), IOI Mall Puchong and Endah Parade near Sri Petaling, Kuala Lumpur (both 20 years old).

Data from CBRE|WTW showed that the largest of them all IOI Mall Puchong saw its 860,000 sq ft NLA 98% occupied as at to date. The other four malls recorded occupancy rates of between 86.7% and 95%.

### Their strengths

CBRE|WTW managing director Foo Gee Jen attributes the success of these five old neighbourhood

malls to two things — their locations and their ability to evolve with changes in the marketplace.

“Generally, these malls are situated in areas that have undergone rapid urbanisation since the time they were first established between 1980s and 1990s.

“These areas are mostly densely populated today, which then presents a stable source of demand for the malls,” he tells EdgeProp.my.

These neighbourhood malls were also sensitive to changes in the retail landscape especially in the face of rising competition from bigger and newer malls.

Shopping malls could definitely ride on the e-commerce wave to complement the physical retail business, thus leading to the growth of the brick-and-click retail model, offers Foo.

“Neighbourhood malls could explore this prospect by leasing to booths, kiosks, pop-up stores and sales centres to offer the ‘be there feel it’ experience for e-commerce products,” he says.

LOW YEN YEING | EdgeProp.my



Foo says that refurbishment is a proactive action that will help malls to stay relevant.

PATRICK COH | THE EDGE



Tan believes the outlook for neighbourhood malls remains positive.

Refurbishments may also be necessary to improve the mall’s ambience and facilities that could lead to longer stays by patrons and higher shopping expenditure as well, he adds.

For instance, Subang Parade and Klang Parade upgraded themselves in anticipation of rising affluence of the catchment population in their neighbourhoods while IOI Mall Puchong and Bangsar Shopping Centre undertook expansion in line with the growing population in and around the areas

“Such proactive action helped to reposition their status and offerings to stay relevant in the market despite being decades old,” he explains.



IOI Mall Puchong is a 20-year-old mall owned by IOI Properties.

LOW YEN YEING | EdgeProp.my

# OLD, BUT STILL STRONG



Bangsar Shopping Centre has carved a niche for itself as a premium shopping mall, according to its owner BRDB.

PATRICK COH | THE EDGE



Henry Butcher Retail managing director Tan Hai Hsin concurs that old shopping centres require a major refurbishment at least once every 10 years to meet changing consumer behaviour and patterns as well as to compete with newer malls, similar to what Klang Parade, Subang Parade and IOI Mall Puchong have done.

"They also need to change the retail layout to meet retailers' changing requirements," he adds.

However, major refurbishment could be difficult for strata-titled shopping centres such as Endah Parade to undertake due to their multiple-ownership.

"When the retail market and consumer shopping behaviour change, strata-titled shopping centres may not be able to react to the changes quickly.

"Firstly, it requires consensus from the owners in a [stratified] mall before any action on refurbishment and reconfigurations can be done. Secondly, it is difficult for the management to change the configuration of the retail shops because of the many individual owners," he explains.

Nevertheless, Tan believes the outlook for neighbourhood malls remains positive.

"We can't be building mega shopping centres of at least 800,000 sq ft everywhere. Firstly, it requires large tracts of land of 10 acres and above. Secondly, it is super high risk, it can bring down an entire corporation if it fails. Thirdly, it is very costly to build, which could go up to RM300 million and above. Most developers will not be able to secure bank loans," he elaborates.

### Their strategies

Subang Parade, which is the flagship property of Hektar Real Estate Investment Trust (REIT), has a 14-year track record of achieving above 90% occupancy from 2004 to 2017. The occupancy rate slipped to 86.7% in the second quarter this year (2Q2018) due to the mall's upcoming asset enhancement initiatives (AEI), says the REIT.

"Currently, there are plans to conduct AEIs, so occupancy is expected to fall further before rebounding once the AEI project is completed next year," Hektar REIT CEO Datuk Hisham Othman tells EdgeProp.my.

Subang Parade's success is mainly due to its focus on value, convenience and determination to ensure that it still meets the immediate catchment needs, he offers.

"The core market remains the two-car family household, while the secondary market is the young millennial market.

"We chose to focus on customer engagement and on-site experiences to increase dwell time and repeat visits, which we believe will encourage higher spending.

"These strategies have been proven successful in ensuring that our customers, retailers and community members are happy and their needs are fulfilled. In this business, achieving customer satisfaction is key in ensuring the continuity and popularity of the shopping centre," he says.

Klang Parade's owner ARA As-

set Management Ltd country head June Lim notes that it is crucial to manage the asset actively and strive to remain relevant.

"We operate in the firm belief that success can only be derived through close collaboration and a deep understanding of how the mall operates on a daily basis. Although we have our roots in fund management, we're also unafraid to put on our boots and dive deep into the mall's operations, address concerns and improve our facilities and services as and when necessary," she says.

"Secondly, it's important that we understand our audience. The key lies in thinking out of the box to engage the community with activities or tenants they're interested in," she elaborated.

A mall should also be in tune with the times and advancements in technology. Bangsar Shopping Centre's owner and developer BRDB Developments Sdn Bhd's property investment head of operations Lim Suat Chui says mall operators should embrace the latest technology to create value for the younger generation of consumers. This could be a step to future-proof the mall.

"To do that, we are embracing the latest digital and service innovations. We also offer specialty stores with unique experiences to our increasingly connected consumers," she says, citing for example the fact that Bangsar Shopping Centre was among the first malls in Malaysia to offer electric vehicle charging lots in 2013.

In addition, the mall has partnered with car-sharing platforms in 2018 to offer innovative solutions for urban mobility – something



June: The key lies in thinking out of the box to engage the community.



Hisham: We chose to focus on customer engagement and on-site experiences to increase dwell time and repeat visits, which we believe will encourage higher spending.

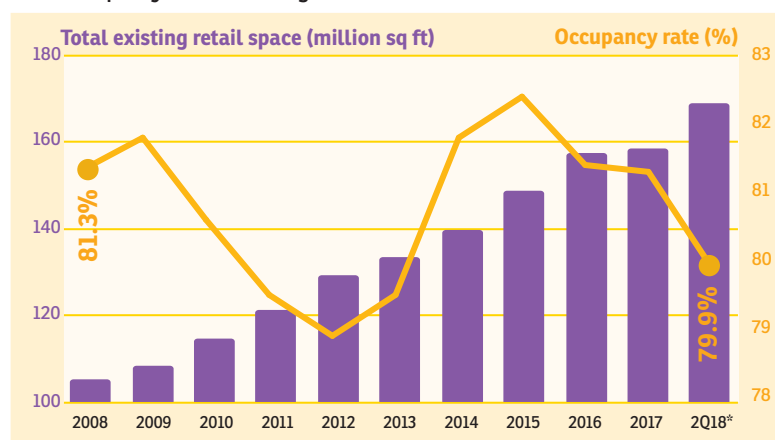
## Five Klang Valley neighbourhood malls of more than 20 years old with at least 85% occupancy

NAME	LOCATION	AGE/YEAR OF OPENING	ESTIMATED NET LETTABLE AREA (SQ FT)	OCCUPANCY RATE (OCT 2018)	ANCHOR TENANT	OWNER
Bangsar Shopping Centre	Bangsar	28 years /1990	345,000	95%	Jason's Food Hall and Tuck Shop	BRDB Developments Sdn Bhd
IOI Mall Puchong	Puchong	20 years /1998	860,000	98%*	Aeon and GSC Cinemas	IOI Properties Group Bhd
Subang Parade	Subang Jaya	30 years /1988	513,251	86.7% (as at 2Q2018)	Parkson and MBO Cinemas	Hektar REIT
Endah Parade	Sri Petaling	20 years /1998	700,000	90%*	Aeon Big	Soon Teik Development Sdn Bhd
Klang Parade	Klang	24 years/1994	675,000	95%	Econsave and Parkson	ARA Asset Management Ltd

NOTE: \*ESTIMATED. SOURCE: CBRE|WTW, WEBSITES OF THE MALLS AND RESPECTIVE MALL OWNERS

## Malaysian retail space on the rise

With occupancy rates hovering between 79% and 82% over the last decade



NOTE: \*PRELIMINARY. SOURCE: NAPIC

which is appreciated by its millennial consumers, she adds.

With an occupancy of 95% to date, Bangsar Shopping Centre has also carved a niche for itself as a premium shopping mall, appropriately serving the high-end enclave of Bangsar.

"Customer experience is key to us. Thus, in contrast to our competitors who cater to a broader market, BSC is known as a distinct mall that offers specialty stores from premium furniture retailers to fine jewellers, local designer labels, and more," Suat Chui concludes.

### Navigating the future

Looking ahead, the mall operators deem that the key to their sustainability is to understand the latest trends happening in the market and their customers' evolving spending habits

"We must always be acquainted with the latest trends happening online and offline. We strive to

keep our heads above the water by adapting to new technologies and trends quickly and efficiently," says ARA Asset Management's June.

For instance, with the rise in technology and e-commerce, many malls are learning to integrate their promotional initiatives online through various apps and loyalty programmes that would reward shoppers with each physical visit, she explains.

Hektar REIT's Hisham notes that malls also have to tap market research to gain a clear picture of their target market and develop strategies with their tenants and customers in mind.

"The key element in retailing strategy is maintaining a focus on your core and secondary markets, like young families or millennials. So shopping centres must anticipate the needs of the customers and observe the opportunities in the market based on the information they have on the customers," he says.



## Challenges to the neighbourhood mall

- 1 **Competition** from new and larger malls in the same residential area
- 2 Difficulty in getting the **right tenant mix** that could differentiate it from the others
- 3 Difficulty in **finding a balance** between optimal space allocation and tenant mix
- 4 The rise of **online shopping** platforms hence prompting physical stores to reduce their retail space requirement

## How malls can stay relevant

- 1 Be **more adaptive** in leasing strategy
- 2 Put more emphasis on **place-making** and **shopping experience**
- 3 Be **consumer-centric**
- 4 Keep tabs of the **latest trends** and **consumer spending habits**
- 5 Do market research to **understand** the market better
- 6 Embrace the **latest technology** and ride the **e-commerce wave**
- 7 Undertake **extension or refurbishment** when necessary



Subang Parade has a 14-year track record of achieving above 90% occupancy from 2004 to 2017.

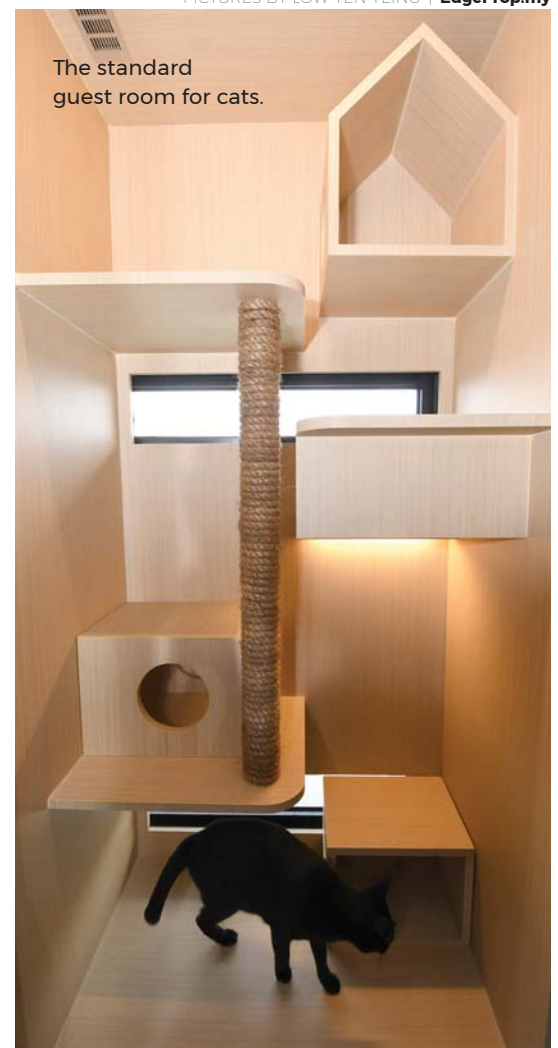
## FEATURE



PICTURES BY LOW YEN YEING | EdgeProp.my



Wee and one of the guests at Cocomomo Setia Alam.



The standard guest room for cats.

# A hotel befitting your beloved pet

BY RACHEL CHEW

**P**ets are often treated as a member of the family and hence facilities for pets and pet owners are becoming very much sought after. One such facility that is in high demand is pet boarding services especially when travelling and overseas holidays become increasingly accessible and popular.

Cocomomo Urban Pets Hotel profile director Wilhelmina Wee tells EdgeProp.my that most pet owners who are preparing to travel either look for friends or family members to babysit their pets, or send their pets to a pet boarding centre.

There are many types of pet boarding services in Malaysia, from home boarding to boarding at veterinary clinics or at non-profit animal welfare organisations, or pet hotels.

"A proper hotel for pets can be difficult to find in the market. This is where we come in," offers Wee.

Cocomomo is a joint venture between Container Hotel Group and Animal Polyclinic & Kennels. In the second half of 2017, the team opened the first hotel at Old Klang Road, Kuala Lumpur in a five-storey shopoffice unit. Due to strong demand, the second hotel opened early this year within a standalone double-storey building located at Eco Ardence, Setia Alam, Selangor.

Both branches offer a variety of facilities akin to a normal hotel (for humans) such as a swimming pool, owners' changing rooms, indoor park, a pet spa and grooming services, a pets 'parking' area as well as a waiting lounge for pet owners.

"The Container Hotel Group has good experience in planning and designing practical yet good-looking hotels while Animal Polyclinic & Kennels knows what environmental setting suits our animal guests best.

"To be honest, the two teams had gone through a hard and long discussion before we came to an agreement on the

planning and design of these two branches," Wee recalls.

The Cocomomo Urban Pets Hotel branch in Setia Alam has a very eye-catching facade shaped like the face of a cat.

"The market outlook is good as there are more awareness on animal rights in Malaysia in recent years. Furthermore, with the better and more affluent urban lifestyle we have now,

some pet owners treat their pets like their own baby. They do not mind spending more money on their pets to compensate for the time they are away from them," Wee notes.

Nevertheless, she says the boarding service is not the biggest revenue contributor for the hotel.

### Among the facilities

"The spa and grooming services, as well as retail, are the biggest revenue contributors for now," she shares. Besides boarding and grooming services, Cocomomo also provides daycare services.

While the in-house guest can enjoy complimentary swimming pool and park access accompanied by their owners, the pool and park pass is also available to the public to enjoy with their pets.

Just like a normal hotel, there are low and peak seasons for the business. There are three types of rooms for dogs and one for cats at Cocomomo Setia Alam.

For dogs, the deluxe room is 11 sq ft, the suite is up to 30 sq ft; and the royal suite is up to 66 sq ft. The

daily room rate starts from RM56.

"For guests in the deluxe room and suites, we will send daily updates to their owners while for guests in the royal suites, there are 24-hour CCTVs to allow owners to view their dogs from their mobile phones anytime," offers Wee, adding that the hotel provides two meals a day.

One of the pet hotel's biggest challenges in running a hotel for animals is to maintain its cleanliness and good sanitation.

"We make sure we sanitise the place with anti-septic daily, especially when we have pets with medical conditions. It is also important to make sure that the place is tick-free," she says.

Moving forward, Wee says Cocomomo will continue to expand in the future. However, the team is not in a hurry to set up more branches.

"We need some time to settle as we had just opened two branches but we definitely have more plans in future because we believe there is much potential in the pet industry," Wee concludes.

The eye-catching Cocomomo Setia Alam.





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