HB ADVISOR

JULY - SEPTEMBER 2021

PLUS

Market Comeback Interrupted by Rising Cases & MCOs. **pg 6**

Cheras North. **pg 8**

Benefits of Performing Business Valuation. **pg 10**

Will Writing 101. **pg 12**

Entering Second Half of 2021 With Greater Optimism?

Tang Chee Meng

We have now entered the second half of 2021. The first half of the year has been anything but uneventful. First, the Prime Minister Tan Sri Muhyiddin Yassin sought and secured the the Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah's approval to declare a state of emergency for the whole country effective from 11 January 2021 to 1 August 2021. Under the rules of the emergency, various restrictions were placed on movement of people not only from one state to another but also from one district to the next. Parliament was suspended and only companies offering essential goods and services which were listed by the Ministry of International Trade and Industry were allowed to open for business whilst those which were not, had to close their shutters with their staff required to work from home.

To make matters worse, when the number of Covid-19 positive cases continued to shoot up, the government implemented firstly MCO 3.0 and then a full lockdown under a Full Movement Control Order (FMCO) from 1 to 14 June which was later extended to 28 June. Worse is to come as the government has just announced an Enhanced Movement Control Order (EMCO) for 14 localities in Kuala Lumpur and 34 mukims in Selangor under which even stricter control over movement of residents and operation of businesses will be enforced.

All these lockdown restrictions had a significant impact on all businesses and in particular, hit the retail trade as well as those involved in the tourism and hospitality industries badly. For those of us in the property services sector, only staff involved in property management were allowed to operate as usual but with strict SOPs. Those dealing in real estate agency and project marketing were the most badly affected as these were not considered as essential services. There was at least one case being circulated on social media, though not independently verified, of a real estate agent being fined together with his clients for being caught conducting a property viewing and the fines were not small sums. For real estate agents and negotiators whose source of income is from commissions earned from closing deals, this is a very depressing state of affairs and those without sufficient reserves to tide them through this difficult period, have turned to other avenues to put rice on their tables for their families eg. home based food catering businesses, food deliveries and working as e-hailing drivers or taking up a full or part time job in other industries for those lucky enough to find alternative employment under current trying times.

What does the rest of the year hold for all of us?

The property industry, like the stock market, requires a number of key ingredients to be in place for it to boom and flourish. Firstly, the country should be recording positive economic growth as this will put more money into the pockets of everyone which will then find its way into the property market, amongst other things. It is also important for investors' sentiments not to be negatively affected by adverse developments in not only the economic sphere but also the country's political situation. The speed at which the country reaches herd immunity in its fight against the Covid-19 pandemic is also crucial in restoring normalcy in the daily lives of the people so that businesses can recover and grow, and

KDN PP18893/11/2015(034373)

for the investors to return to the equity and property markets. So where are we in all these areas?

In the political arena, the current administration appears to be more unstable compared to a year ago. The surge in Covid-19 infections despite the proclamation of a state of emergency as well as the constant flip flops in government announcements on the SOPs plus the perceived uneven treatment of VIPs and celebrities compared to normal folks have led to a feeling that the government is unable to handle the pandemic and have given rise to frustration as well as anger against those in power.

In a recent development, the Yang di-Pertuan Agong has met with the leaders of all the major political parties to discuss the situation and has then met with his brother rulers to seek their views on the current state of affairs. The Palace as well as the rulers have issued statements suggesting that Parliament be reconvened as soon as possible although this quickly became a point of debate between the opposition and government leaders as to how soon is "as soon as possible". The royal statements also mentioned that there would not be any need for the emergency to be extended beyond its current 1 August 2021 end date.

On the day before the meeting of the rulers, the Prime Minister came up with a post pandemic exit plan (NRP) which set various targets for the four phases of the plan to map out its recovery path out of the pandemic. Although short on details and panned by the opposition, the plan is at least a step forward in the country's journey out of the economic quagmire brought about by the pandemic. Nevertheless, the royal call to reconvene parliament asap has taken another dimension as the opposition could well use this as a way to bring down the government which it claims has lost its majority and therefore the legitimacy to continue to rule. The months ahead would certainly be very interesting and intriguing as both sides of the political divide will play out their cards. However, the political uncertainty will not be helpful to the investment climate of the country.

On the economic front, the Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz has indicated that his ministry is studying whether the GDP growth rate for 2021 as projected in his budget speech last November needs to be revised. 2020 saw the country registering a negative growth of 5.6% which was the second worst decline after the 7.5% negative growth in 1998 brought about by the Asian Financial Crisis. The general consensus is that the business slowdown caused by the declaration of emergency and the introduction of FMCO will certainly have a negative impact on economic growth and will bring down GDP growth from the earlier projection of between 6 to 7.5%. This may in turn translate to a slower recovery of the property market.

The most positive development is the recent ramping up of vaccination rates from the under 100,000 shots given out per day before June 2021 to above 250,000 vaccinations a day currently. In fact, the government has confidently projected that the vaccination rates would go above 400,000 shots a day in August in order to achieve 80% herd immunity by September.

As at 24 June 2021, a total of 6.3 million doses were reported to have been given out to 1.73 million people or covering about 5.4% of the population. Achieving herd immunity is the key to returning to a state of normalcy and recovery of the economy; the sooner we achieve it, the less financial pain and emotional stress suffered by businesses and the rakyat.

For the property market, there was some good news for property developers in that the Home Ownership Campaign (HOC) which was due to end in June 2021 has now been extended to December 2021. Some equity analysts have predicted the property market to stage a gradual recovery in the second half of the year due to the current low interest regime, wider availability of affordably priced products and reduced pricing which may encourage people to take the opportunity to own a home. This paves the way to a higher level of optimism in the property sector although it is still left to be seen whether we have finally seen the proverbial light at the end of the tunnel. We can only pray and hope our leaders get their act together and take the right steps to lead us out of this dark and harrowing period in our history. Although the government has unveiled another RM150 billion aid package called Pemulih to assist businesses as well as the B40 and M40 groups, the decision of the government to put Kuala Lumpur and Selangor, where the country's economic engines are located, under an EMCO will have a drastic impact on the economy, especially if the lockdown is extended for too long and will lead to increased business closures, pay cuts and retrenchments, and ultimately impact investor's confidence. With this in mind, our house view is that the property market will not show any dramatic recovery for the remaining months of the year and at best, growth will be flattish. If the government is able to achieve its targets set under the NRP, we may see a more marked improvement in the market in 2022.

Let us pray and hope that we will be able to celebrate our New Year, Chinese New Year, Hari Raya, Deepavali and Christmas in 2022, the way we have always been doing before the pandemic came and disrupted our lives.

To all our readers, stay safe and stay healthy and please remember to observe the SOPs at all times.

Tang Chee Meng
Chief Operating Officer

Footnote:
Since the writing of this Editor's Note:

a) The government has announced that Dewan Rakyat proceedings will take place from 26 to 29 July and 2 August whilst the Senate will sit for three days from 3 to 5 August.

b) The Minister of Finance has also indicated that GDP growth for 2021 will likely be closer to 4%.

c) As of 12 July 2021, the country has administered more than 400,000 daily doses of the Covid-19 vaccination.

d) In the latest announcement by the government, the EMCO for 34 mukims in Selangor which ended on 16 July 2021, will not be extended whilst there are a number of areas for which the EMCO has been imposed or extended.

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Exclusive Lots For Sale, Seputeh Heights

In the strategic location tucked between Kuala Lumpur and PJ is a high end gated & guarded residential development featuring 103 bungalow lots for sale. Seputeh Heights is beautifully landscaped, adorned with decorative street lighting and equipped with jogging tracks and a children's playground.

Convenience is a real plus being so easily accessible via Federal Highway, connecting to the KL city centre, Mid Valley Megamall, Bangsar, PJ, Old Klang Road and Cheras. North-South Highway is only less than 10 minutes away and the NKVE is no more than 20 minutes drive.

Highlights

- 41 acres, 103 Bungalow Lots, Gated & Guarded.
- Freehold; Land and Encumbrances: Nil
- Land size range from 8,000sf to 23,000sf.
- 24-hour security, perimeter fencing, drive through access gate system.
- For sale at RM700psf negotiable.
- Maintenance charges, RM0.065psf.
- Accessibility via Jalan Syed Putra, KL-Seremban Highway, Bangsar-Federal Highway.
- Beautifully landscaped, decorative street lighting, jogging tracks & children's playground.
- Nearby amenities include established schools & colleges, Mid Valley Megamall, business centers, financial institutions, hotels, restaurants, kindergartens, police station, fire station, private hospital & clinics.
- Developer: Berjaya Tagar Sdn Bhd, a wholly-owned subsidiary of Berjaya Land Bhd.

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July - September 2021

HB ADVISOR

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Technology, *Finally* Ripe for the Picking

Covid-19 has been hammered for many things but one area where it is lauded for is technology.

The curtailment of movement has given rise to the increased use of tech through a plethora of apps for everything from education, entertainment, food delivery and a host of e-commerce offerings. As global citizens congregate on the Internet, it is but safe to say that all these tech platforms are not new, they were merely thrust under the spotlight because of pandemic restrictions.

Just over in the last decade, one of the rising scions was fintech or financial technology. The aim was to democratise financial services to the man on the street and bring them closer to the financial realm. Needless to say, it imploded mass adoption as it appeals without the hassle of queues and long waiting time on the phone.

Like fintech, newer processing magic was to follow suit into the mainstream such as Big Data, Internet of Things (IoT), Machine Learning, Artificial Intelligence (AI), Blockchain and the less daunting Virtual Reality (VR) and Augmented Reality (AR). The turnaround however could not have happened had fintech not taken off in a big way because aside from the self or non-regulated marketing technology (eg. social media), accounting, supply chain or enterprise systems, just to name some examples, fintech was probably one that had the most stringent compliance requirements from central banks and monetary authorities both in the domestic and foreign markets. Fintech's superior implementation hence became a hallmark of where technology can go and one such bold pursuit witnessed the property sector as an unassuming beneficiary.

Property Technology

PropTech as it is commonly known, Covid-19 has opened up the opportunity for technology in this discipline to flourish behind closed doors. Although the marketplace is flushed with classified portals for marketing purposes, developers could not move the needle if there was no digital way to go from expressed interest to committed signatures to seal the deal. Realising this gap, several companies have been on the hot pursuit to fulfill this loop.

Founded in 2015, TRB Ventures Sdn Bhd provides an end-to-end solution called MHub that helps complete the property purchase cycle by connecting all stakeholders like the property developers, real estate agents, banks, lawyers and the buyers in the ecosystem. It does this with its suite of ten apps to facilitate booking, a CRM to handle customer data, loan application as well as defects management and management of residential schemes.

Another company that also extends such tech services is Infra Mobile Digital Sdn Bhd via its individually marketed apps dubbed ProSales, ProHouse, ProBuilder etc. Aside from the similar services like MHub, it has a module to bridge the communication process in the construction side of the business and assists in documenting defects post-handover that complies with building regulations.

Completing the Circle

Seeing that completing the business cycle may be the game changer of what proptech could provide, household names like iProperty and PropertyGuru have also striven to penetrate the market in as much detail as possible with either large geographical coverage or API (Application Programming Interface) integration with tech partners or both.

For example, around April 2019, PropertyGuru began offering home loan eligibility assessment to interested buyers. Doing the same around the same time was also iProperty.com who via LoanCare began providing property buyers with the feature to evaluate one's loan eligibility with up to 17 banks in Malaysia. The service is said to be powered by Finology, another tech setup behind the personal finance website called Loanstreet. PropertyGuru on the other hand partnered MyProperty Data, which it subsequently acquired from TechnoDex Bhd in November 2020, to offer the service.

Another feature worth mentioning is PropertyGuru's FastKey, promoted as a service that connects newly launched properties to the agents for a speedier sales cycle. It also provides an end-to-end documentation process for the benefit of the buyers and sellers. The tool is said to have a reach exceeding 50,000 agents from its home base in Singapore, Malaysia, Indonesia, Thailand and Vietnam.

In May 2020, right in the thick of the Covid-19 pandemic, it also launched Storyteller as a virtual walkthrough that combines 3D visualisation of the subject property, its surroundings and a video presentation by the property developer.

To the uninitiated, the two proptech companies have since merged into one where PropertyGuru made a full acquisition of REA Group Ltd in May 2021 which owned iProperty.com.my and Brickz.my in Malaysia and thinkofliving.com and Prakard.com in Thailand. This expansion by the PropertyGuru Group is in itself an exciting tale given the once fearsome rivalry between the two - homegrown iProperty and from across the Causeway in Singapore, PropertyGuru.

Rivalry however breeds healthy competition for the market and in the Malaysian proptech space, there have been a rising number of market entrants especially just in the last decade alone. For example, the less talked about iBilik which was established in 2011 and caters to rooms, home stays and short term rentals has shown that it now has footprints in Malaysia, Singapore, Indonesia, Philippines and Brunei.

In 2013, another proptech company called Red Ideas Sdn Bhd leveraged tech's accuracy and timely reporting for the operational and management of real estates. After spending some time developing the software, it launched JagaApp in 2015 and rolled out features such as the emergency assist, visitors management system, general updates about the subject property from the management body etc. The company was then listed on the LEAP (Leading Entrepreneur Accelerator Platform) Market on Bursa Malaysia in 2017 and by 2020, it reportedly has more than 400 sites using the app.

The property management offices of Henry Butcher also engage the use of more than four different apps to fulfill its property management duties for the clients. These apps are usually chosen together with the management body of the specific projects because other than the familiarity of use, there are also other considerations that make it a better match such as its technical configuration, users expectations and the cost of procuring its services.

Where No Tech Has Gone Before

The future of proptech would also not be complete if it did not involve scenes mimicking Star Trek and Star

The future of property is here today.

Things of science fiction can now be seen to market properties.

Wars, and this is where virtual reality (VR) and augmented reality (AR) can stretch the possibilities of imagination into the digital goggles for an intricate exploration and hard to forget experience. Established in 2016, VR Lab Bhd made VR and AR virtual tours possible for property developers. If at one time the gadgets and technology were still too new for ease of adoption, time and space have proven that this can now be done because VR Lab's services were seen as possible avenues that can circumvent the lockdown that prevented gallery viewing by prospective customers.

The narrative of proptech can actually go much further than what we can see. With every conceivable purpose programmable to be compatible between protocols of devices, gone are the days where machines fail to shake hands due to its proprietary built-ups. These days the APIs are the tunnels that connect all seamlessly in unison and to perform the desired tasks with just a few taps on the screen. The convenience has also yielded ground for a conveyancing documentation system called Lesys Property System, developed by Lepro System Bhd founded in 2016, to pair with apps to complete the legal documentation process without having the agreements couriered to each other.

In all, the data points researched to arrive at this article exceeds 23 companies with each having its own set of USPs (unique selling propositions), and so the functionality extended by such technologies can be endless, more so when technological updates are constantly shipped with new patches and improvements.

As far as adoption goes, the Malaysian market is pretty well entrenched and has no problems assimilating the use of say the Internet of Things (IoT) for keyless entry and management of short term door accessibility, or like how blockchain can be utilised for tokenising real estate ownership, peer-to-peer lending and investing. Unknowingly, the Malaysian brick and mortar business may have just landed at a runway that far exceeds the traditional limitations of plot ratios and scarcity of topography, and it is actually ready for take off.

At this point, it may be relevant to point out that market proponents have categorised the differing proptech into four distinct verticals and they are Marketing & Promotion for Buying & Selling, Operating & Management, Automation of Smart Buildings, and Investing & Financing. Nevertheless, these categories will surely be challenged in form and structure as new formulations come into play to meet the needs of tomorrow's demand.

But regardless of where the Malaysian proptech industry is headed to, some veterans might recall that before all the evolutionary talk of the current tech play, IFCA MSC Sdn Bhd founded in 1987 was just about the only few companies that served the property industry back then. In comparison to the more flamboyant and younger technopreneurs of today, one can say this company has contributed its part to fan technology familiarisation so the new breed of apps and modules may not be too alien to everyone. Looking back, we have indeed come a long way.

HENRY BUTCHER REAL ESTATE SDN. BHD.
No.199201004957 (236461-w)

Bungalows and Service Residences For Sale and Rent

RM2,800,000.00 (nego)
Bandar Mahkota Cheras
Type Bungalow **Tenure** Freehold
Built-Up 6,000sf **Land Area** 7,700sf
Bedroom 7 **Bathroom** 7
Furnishing Fully Furnished
CK Lum (REN09439), 016-3028936

From RM2,750,000.00 (nego)
Kemensah Heights, Ampang
Type Bungalow **Tenure** Freehold
Built-Up 3,600sf **Land Area** 5,736sf
Bedroom 6 **Bathroom** 6
Furnishing Partly Furnished
CK Lum (REN09439), 016-3028936

From RM3,350,000.00 (nego)
Maplewoods Saujana, Shah Alam
Type Semi-D **Tenure** Leasehold
Built-Up 4,300sf
Bedroom 5 **Bathroom** 6
Furnishing Partly Furnished
Christine Chua (REN09437), 012-3142864

RM6,500,000.00 (nego)
Sierramas, Sungai Buloh
Type Bungalow **Tenure** Freehold
Built-Up 8,000sf **Land Area** 9,990sf
Bedroom 5+2 **Bathroom** 6
Furnishing Partly Furnished
Linda Ooi (REN09433), 012-2363065
Nigel (REN09436), 012-3960307

For sale from RM550.00 per sq ft (nego)
For rent from RM5,000.00 per month (nego)
Taman Hevea Kemensah
Type Semi-D **Tenure** Leasehold
Built-Up 3,600sf **Land Area** 2,960sf
Bedroom 5 **Bathroom** 6
Furnishing Unfurnished /Partly Furnished
CK Lum (REN09439), 016-3028936
Carolyn (REN09438), 017-8722781

From RM3,000 per sq ft
Four Seasons, KLCC
Type Private Residences
Tenure Freehold
Built-Up from 1,098sf
Bedroom 1/2/3 **Bathroom** 2 / 3
Furnishing Partly/Fully Furnished
Christine Chua (REN09437), 012-3142864

From RM5,570,000.00 (nego)
Jalan U-Thant Kuala Lumpur
Type Condominium (Simplex, Duplex, Triplex)
Tenure Freehold
Built-Up 3,568sf to 6,601sf
Bedroom 4+1
Furnishing Partly /Fully furnished
Christine Chua (REN09437), 012-3142864

From RM1,700 to RM2,110 per sq ft
Le Nouvel, KLCC
Type Service Residence
Tenure Freehold
Built-Up from 1,700sf
Bedroom 2/3 **Bathroom** 2
Furnishing Partly/Fully Furnished
Christine Chua (REN09437), 012-3142864

From RM3,800,000.00
Oval, KLCC
Type Service Residence
Tenure Freehold
Built-Up 3,700sf
Bedroom 3+1 **Bathroom** 4
Furnishing Partly/Fully Furnished
Christine Chua (REN09437), 012-3142864

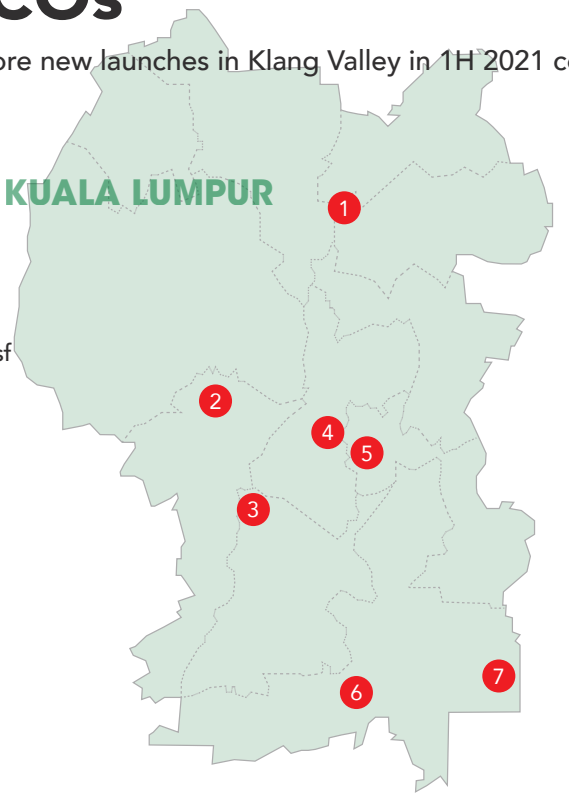
From RM1,900,000.00
Ruma Residences KLCC
Type Service Residence
Tenure Freehold
Built-Up from 900sf
Bedroom 2, 3 **Bathroom** 2 / 3
Furnishing Partly/Fully Furnished
Christine Chua (REN09437), 012-3142864
Nigel (REN09436), 012-3960307

From RM1,600,000.00
Tropicana Residence KLCC
Type Service Residence
Tenure Freehold
Built-Up from 700sf
Bedroom 1/2/3 **Bathroom** 1/2/3
Furnishing Partly/Fully Furnished
Christine Chua (REN09437), 012-3142864
Nigel (REN09436), 012-3960307

From RM2,155,000.00 (before rebates)
Retail @Cantara Residences, Ara Damansara
Type Retail Lots (12 units only)
Tenure Freehold
Built-Up From 1,841sf to 4,682sf
Facing East **Furnishing** Bare unit
Nigel Chin (REN09436),012-3960307
**Attractive rebates & special promo given by developer

Market Comeback Interrupted by Rising Cases & MCOs

Nevertheless, there were more new launches in Klang Valley in 1H 2021 compared to 1H 2020.



Kuala Lumpur

1) **Setapak = 1 Project**
   Highrise = RM500 - RM550psf
2) **Bangsar = 1 Project**
   Highrise = RM1000 - RM1300psf
3) **Taman Desa = 1 Project**
   Highrise = RM500 - RM600psf
4) **KL City = 1 Project**
   Highrise = RM800 - RM900psf
5) **Pudu = 1 Project**
   Highrise = RM350 - RM400psf
6) **Bukit Jalil = 1 Project**
   Highrise = RM600 - RM700psf
7) **Alam Damai = 1 Project**
   Highrise = RM650 - RM700psf

Number of New Project Launches

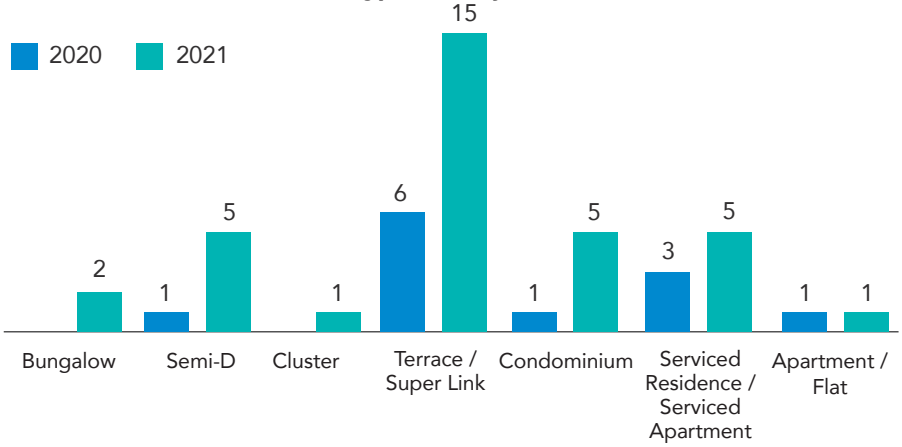
	2020	2021
Projects	12	31

Number of Units Launched in New Projects

	2020	2021
Units	6,037	6,931

- There were a total of 31 projects launched in Klang Valley in the first half of 2021, almost 3 times the total launched in the same period of 2020. The glaring difference is attributed to the Covid-19 pandemic which saw Malaysia experiencing the Movement Control Order (MCO) starting from 18 March 2020.
- Selangor had a higher number of launches over both periods, registering 24 projects (or 77%) in 1H 2021 against Kuala Lumpur's 7 projects (23%). In 1H 2020, Selangor had 9 projects (75%) while Kuala Lumpur launched 3 projects (25%).
- With a rise in activity after a year from the pandemic, 1H 2021 registered a 14.8% increase in the number of units launched with 6,931 units compared to 6,037 units.
- New projects in Selangor contributed 3,701 units (47%) in 1H 2021 ahead of Kuala Lumpur's 3,230 units (53%). The trend was however reversed in the corresponding period in 2020 with Kuala Lumpur's 3,317 units (55%) edging Selangor's 2,720 units (45%).
- Reflective of the continuous implementation of the MCO albeit at a different variant depending on the state of the caseloads nationwide and in every state, the overall trend of new launches picked up significantly in March and April 2021 with 11 and 7 launches respectively, quite unlike 1H 2020 with only 3 launches in March and none in April.
- Project launches in 1H 2021 were again pressured by the increasing infectious rate of Covid-19 resulting in only 4 launches in May and 1 launch in June when the country was already undergoing its nationwide lockdown under full MCO beginning 1 June 2021, preceded by MCO3.0 which began on 12 May 2021 and followed by Klang Valley's stricter MCO from 25 May 2021. Launches were however making its way into the market in May and June 2020 with 1 and 2 launches respectively after the first MCO was loosened to a Conditional MCO from 4 May 2020 and Recovery MCO from 10 June 2020.
- Terrace/Superlink homes continued dominating Klang Valley's new launches in 1H 2021 with 15 projects or 44%, which is almost half of the total 34 new projects in the market. In the same period previous year, the same category recorded 6 new launches out of a total of 12 projects.
- New landed properties more than doubled highrises in 1H 2021 with 23 projects (68%) compared to 11

Types of Projects



projects (32%). The gap of difference was narrower in 1H 2020 with 7 landed projects (58%) against 6 highrise projects (42%).

- In terms of units launched in both the landed and highrise categories, both registered an increase with highrise projects going from 4,697 units in 1H 2020 to 4,849 units in 1H 2021 (up 32.36%) while the landed category went from 1,340 units in 1H 2020 to 2,082 units 1H 2021 (up 55.37%).
- With regards to built-up, the more prominent sizes were the 801 to 1,800 sq ft which was offered by 31 out of 34 projects in 1H 2021.
- Built-ups measuring above 2,000 sq ft were offered by 20 out of 34 projects in 1H 2021 compared to 6 out of 12 projects in 1H 2021.
- If pricing is a measure of market performance, then 1H 2021 proved to be a better period with 11 projects offering units above RM751 per sq ft as opposed to only 2 projects offering the same price range in 1H 2020.

Selangor

1) **Sungai Buloh = 3 Projects**
Landed = RM300 - RM1000psf

2) **Petaling Jaya = 1 Project**
Highrise = RM800 - RM1,000psf

3) **Setia Alam = 2 Projects**
Landed = RM350 - RM750psf

4) **Klang = 3 Projects**
Landed = RM350 - RM650psf

5) **Shah Alam = 2 Projects**
Landed = RM450 - RM550psf

6) **Subang Jaya = 1 Project**
Highrise = RM500 - RM700psf

7) **Puchong = 1 Project**
Landed = RM750 - RM950psf

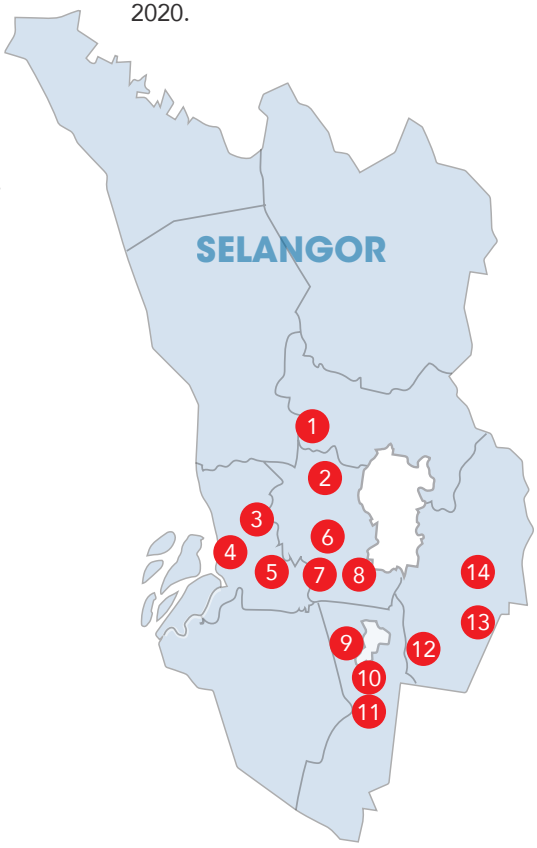
8) **Sri Kembangan = 1 Project**
Highrise = RM550 - RM700psf

9) **Cyberjaya = 2 Projects**
Landed = RM600 - RM1,100psf

10) **Dengkil = 1 Project**
Landed = RM300 - RM400psf

11) **Sepang = 1 Project**
Landed = RM300 - RM400psf

12) **Bangi = 2 Projects**
Landed = RM350 - RM550psf



13) **Semenyih = 3 Projects**
Landed = RM250 - RM500psf

14) **Kajang = 1 Project**
Highrise = RM550 - RM600psf

UNIT SIZES BY PROJECTS

2020		2021
0%	Below 600sf	6%
33%	601sf - 800sf	12%
33%	801sf - 1,000sf	24%
25%	1,001sf - 1,200sf	21%
17%	1,201sf - 1,500sf	24%
25%	1,501sf - 1,800sf	24%
33%	1,801sf - 2,000sf	15%
50%	Above 2,000sf	59%

PRICING BY PROJECTS

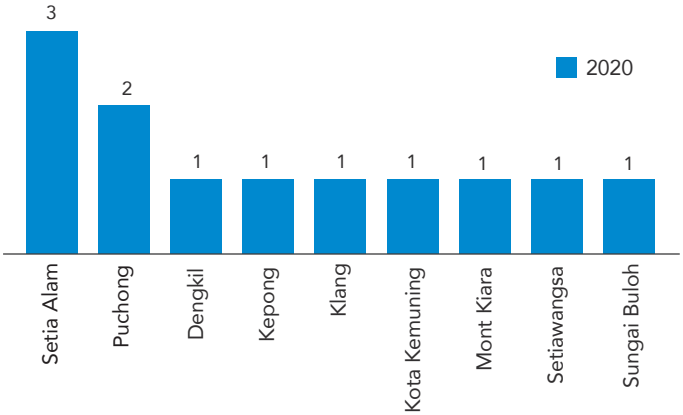
2020		2021
17%	Below RM400,000	9%
25%	RM401,000 - RM600,000	35%
58%	RM601,000 - RM800,000	62%
50%	RM801,000 - RM1,000,000	53%
67%	Above RM1,000,000	68%

PRICE PER SQUARE FEET (PSF)

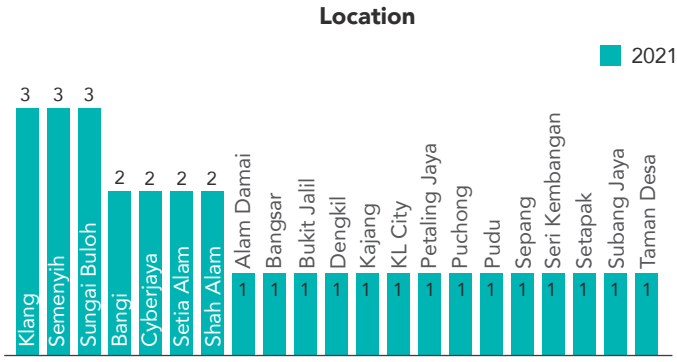
2020		2021
67%	Below RM500	50%
58%	RM501-RM750	44%
8%	RM751-RM1,000	26%
8%	RM1,001-RM1,500	6%
0%	Above RM1,500	0%

NB: The percentages shown in the table are based on our analysis of the projects that we surveyed but they are not computed based on the number of units within those projects. The way to read this table is as follows eg. based on the projects that we analysed, 56% of them included units of above 2,000 sq ft in size. It however does not mean that 56% of all the units are above 2,000 sq ft. Each project will probably only have very few units of above 2,000 sq ft in size.

Location

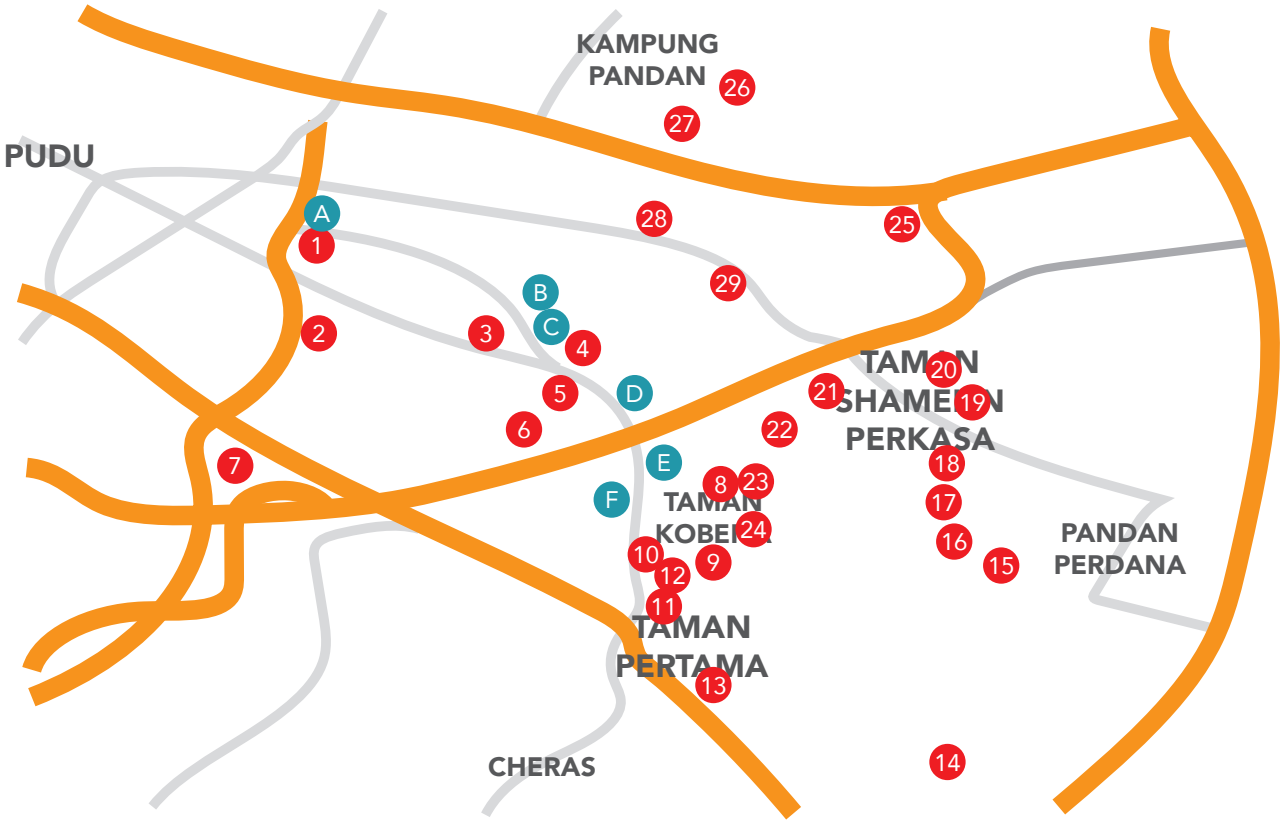


Location



Cheras North

Positioned to meet urban demand.



LEGEND

UNDER CONSTRUCTION

COMPLETED

PRICE RM(psf)

BELOW 200 | 201 - 300 | 301 - 400 | 401 - 500

501 - 600 | 601 - 700 | 701 - 800 | ABOVE 800

* = Asking Price

QUICK STATS

	Built Up (SF)	Price (RM PSF)
Maximum	2,508	1,103
Minimum	527	257
Median	964	431

Primary

A) One Cochrane Residences
B) Sunway Velocity Two
C) Una Service Apartment
D) Lavile KL
E) Parc 3 @ Cheras
F) M Vertica

Secondary

1) Plaza 393
2) Warisan
3) V Residence
4) Amaya
5) Taman Miharja 1
6) Miharja Condo
7) Taman Miharja 2
8) Taman Kobena
9) Villa Seri Puteri
10) Pertama Residency
11) Vila Vista
12) Vistaria
13) Taman Pertama
14) Seri Bahtera
15) Astaka
16) Shamelin Bestari
17) Bustan
18) Sri Shamelin
19) Arena
20) Shamelin Star
21) Sri Cempaka
22) D' Alamanda
23) Villa Tropika
24) Pudu Impian
25) Casa Ria
26) Pertiwi
27) BAM Villa
28) Taman Maluri
29) Manor

- Cheras was originally part of Hulu Langat in the state of Selangor. However on 1 February 1974, part of it was annexed as Kuala Lumpur to form the Federal Territory. As such, the northern part of Cheras under Kuala Lumpur which borders Ampang comes under the city council of Kuala Lumpur (DBKL) while in the southern side under Selangor which borders Kajang is under the Kajang Municipal Council (MPKJ).

- The entire Cheras locality has 11 MRT stations out of the 31 stations allotted on the Sungai Buloh-Kajang MRT line. This adds to the already robust road accessibility via East-West Link Expressway, MRR2 (Middle Ring Road 2), Kajang SILK Highway and Cheras-Kajang Expressway.

- A full suite of life conveniences can be found in Cheras such as conventional shops for groceries, dining, banking, shopping malls, hospitals, sports & recreation grounds and education institutions up to the tertiary level like UTAR (Universiti Tunku Abdul Rahman) and UCSI University.

- This value map covers a wide area in Cheras North which encompasses Taman Maluri, Shamelin, Taman Miharja, Taman Pertama, Taman Bukit Ria, Taman Bukit Mewah and Pudu Ulu with approximately 29 existing and 6 new high rise developments.

- In the 1990's, high rise developments were mostly dominated by flats with general built-ups of below 667 sq ft. Taman Kobena Flats however had larger units measuring up to 969 sq ft.

- BAM Villa, Casa Ria and Miharja Condominium were later introduced to the market and featured larger units of between 936 to 1,173 sq ft.

- The first decade of the 2000's saw the addition of 8 apartments & service apartments offering homes from 566 to 1,076 sq ft, reflecting the changing appetite of property buyers in Cheras.

- Based on our data, Pertiwi Indah Condominium and Warisan City View were the only 2 condominiums completed in the first decade of the 2000's. Unit built-ups were between 904 to 1,281 sq ft.

- The trend in Cheras' property market continued to change in the 2010's with 6 condominiums coming on stream and joined by 4 service apartments which were considered new in this part of Kuala Lumpur.

- Condominiums that were subsequently built in 2010's were significantly larger in unit built-ups, offering buyers and investors between 947 to 2,508 sq ft per unit. Service apartments on the other hand had varying sizes, ranging from 657 to 1,655 sq ft.

- Moving into the 2020's, 4 service apartments and 2 condominium projects are slated to be completed between 2021 and 2022.

Primary Development (Completion Year & Built-Up, sq ft)

Completion	Project	Type	Minimum	Maximum
2021	Lavile KL	Service Apartment	750	1,060
2021	M Vertica	Condominium	850	1,000
2021	One Cochrane Residences	Condominium	926	1,227
2021	Parc 3 @ Cheras	Service Apartment	592	1,226
2021	Una Service Apartment	Service Apartment	807	1,356
2022	Sunway Velocity Two	Service Apartment	635	1,281

Secondary Development (Completion Year & Built-Up, sq ft)

Completion	Project	Type	Minimum	Maximum
1994	Miharja Condominium	Condominium	959	/
1990's	Casa Ria	Condominium	1,001	1,173
1990's	Taman Kobena	Flat	969	/
1990's	Taman Maluri	Flat	527	/
1990's	Taman Miharja Fasa 1	Flat	581	650
1990's	Taman Miharja Fasa 2	Apartment	799	844
1990's	Taman Pertama	Flat	549	/
1996	BAM Villa	Condominium	936	1,173
2002	Plaza 393	Apartment	915	/
2005	Warisan City View	Condominium	904	1,055
2000's	Arena Shamelin	Apartment	1,023	/
2000's	Bustan Shamelin	Apartment	1,023	/
2000's	Manor Apartment	Apartment	926	/
2000's	Pudu Impian	Flat	667	/
2000's	Sri Cempaka Service Suite	Service Apartment	566	/
2000's	Sri Shamelin	Apartment	614	/
2000's	Seri Bahtera Flat	Flat	614	/
2007	Astaka Heights	Apartment	1,076	1,184
2007	Pertiwi Indah	Condominium	1,001	1,281
2009	Pertama Residency	Service Apartment	603	936
2012	Vistaria Residensi	Condominium	1,453	1,701
2013	Amaya Maluri	Service Apartment	657	1,655
2014	D'Alamanda	Service Apartment	695	1,424
2014	Villa Seri Puteri	Condominium	1,302	2,508
2010's	Shamelin Bestari	Condominium	1,044	/
2010's	Vila Tropika	Condominium	947	/
2016	Shamelin Star Residence	Service Apartment	1,119	/
2016	Vila Vista	Condominium	1,582	1,679
2019	V Residences @ Sunway Velocity	Service Apartment	883	1,512

Benefits of Performing Business Valuation

By Adie Gupta

In general, businesses grow overtime and so should the value. But how do you measure that? Undergoing a business valuation process can help you answer that question.

Business valuation services can be extremely important in certain contexts. Let us look at these contexts in some detail in this article.

Selling A Business or Shares

When selling a business or company to a third party, one needs to make sure that what is obtained is fair value or at least what the market may be prepared to pay ie. its market value. The asking value should be appealing to potential buyers but should not undervalue the relevant business or the company.

Undergoing a proper business valuation process enables equity owners to know the value of their shares and ensures they are prepared to sell when the time comes. Business owners should verify that no money is left on the table and that the shares are valued fairly, just as one would when selling a property or an asset.

Buying A Business

Even though sellers and buyers often disagree on the value of a business or company, the ultimate value is determined by what purchasers are prepared to pay. A robust business or company valuation will look at the history of the relevant business or company, market circumstances, projected income, comparable companies or businesses, consider economic and market parameters, risk and opportunity factors to help ensure that the investment one is considering making is viable.

Business valuation therefore becomes paramount before buying any business or company. It is prudent to engage an experienced business valuer to provide

an independent and objective view and a guide on the value, and hence the price one should pay. Often emotions can play a part in overpaying or not seeing through certain risk factors in the haste of completing the transaction. Again, an independent and objective view here would reduce risks to a considerable degree.

Funding

When negotiating with banks or other possible investors for capital, an objective valuation is often required. Professional assessment of the relevant business or company's value is recommended since it improves the lender's/ funder's confidence in the borrower/funds seeker.

Planning Exit Strategy

When planning to sell a business, it is crucial to first establish a base value for the business or company and then develop a strategy to grow and improve its profitability to boost its value as an exit strategy. The business exit strategy should begin far in advance of the exit, considering many possible scenarios and options. In addition, valuing the relevant business or company over a period when the owners are attempting to grow and improve its profitability also helps in understanding the success of the business exit strategy.

Litigation

During a court action, such as a personal injury lawsuit, divorce or a dispute over the value of a business or shares, one may be required to submit proof of the relevant business or shares' worth so that any damages awarded are based on the actual value of the business or shares rather than inflated figures assessed by a lawyer.

General Accounting and Finance Planning

A depreciation plan may not reflect the actual worth of business assets and if the balance sheet has not been adjusted for numerous conceivable modifications, it might throw up a value which is not at all practical or commercial ie. far from market value.

In any event, valuations based on balance sheet may undervalue, many a times significantly, the underlying business and any intangible assets (IAs) or intellectual properties (IPs) it may have created over the years. Having a current business valuation will provide the business owners with helpful information that will assist in making better business or corporate decisions.

Every business has its value and valuation helps to give it a fair assessment.

Important Points

A valuation is a procedure for determining a business or entity's market worth. Business restructuring, shareholder conflicts, stock option schemes, mergers and acquisitions, and takeovers may all require business valuation.

Most experts consider valuations to be a critical component of sound decision-making in companies, both now and in the future. Even though it is difficult to anticipate what will happen in the future, companies must plan for uncertainties.

Business valuation is a critical financial analysis tool that requires the expertise of a valuation professional with the necessary experience, commercial acumen and credentials. When business owners choose low-cost valuations, they often overlook the substantial advantages of doing a robust and independent valuation with trained valuation professionals.

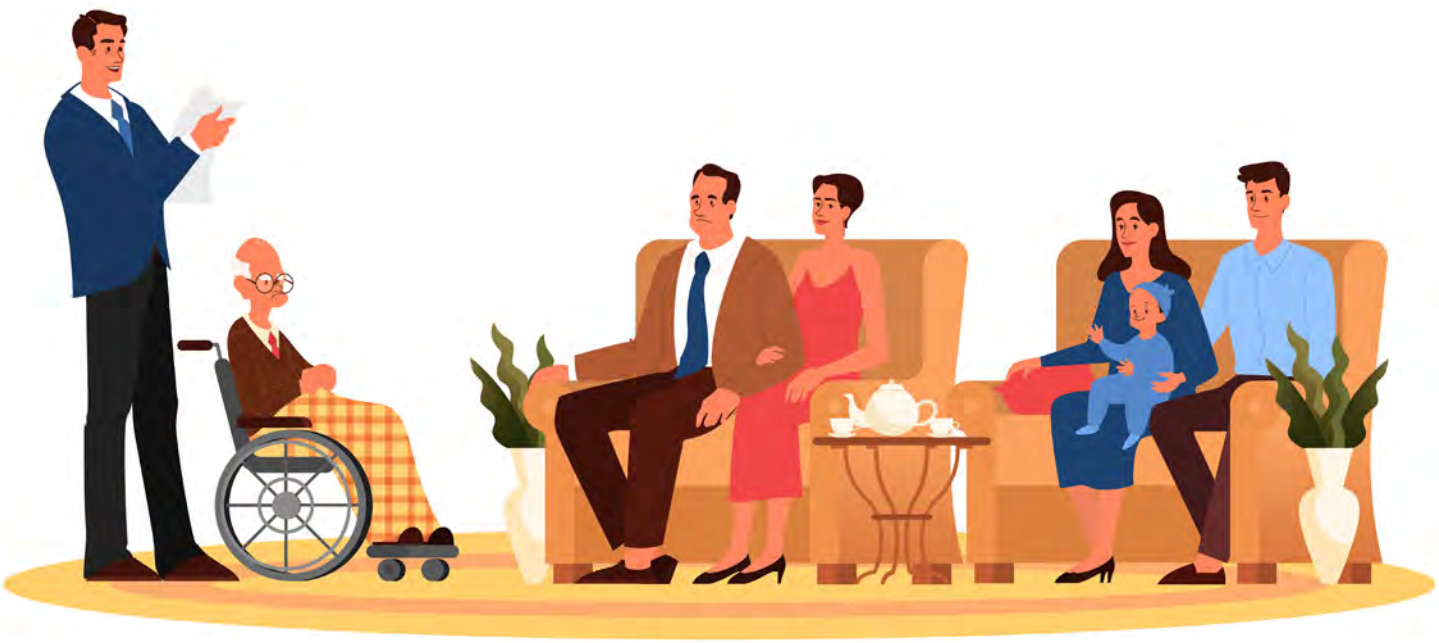
Business owners can not only negotiate a tactical sale of their company, but they could also devise an exit strategy, get funding, and lower their financial risk during a lawsuit by undertaking a business valuation exercise.

This article is authored by Adie Gupta, the Co-Founder and Managing Director of Spring Galaxy, an Associate firm of Henry Butcher Malaysia. Adie has been providing valuation and strategic advisory services to the corporate sector and government agencies across the Asia Pacific region for more than 20 years. He is a regular trainer for accounting bodies, business schools, angel networks as well as speaks at various conferences and other forums on valuation and IP.

Spring Galaxy is a business valuation and strategic advisory services provider. For more information, please visit https://springgalaxy.com

Will Writing 101

Death is not the end. There remains the litigation over the estate ~ Ambrose Bierce
(a similar expression in Chinese ~ "人在天堂，钱在银行，亲人对簿公堂")



Will writing is a topic that many still find unpleasant to discuss. Some take it into their own hands to write their Will but before you consider this option, here's what you need to know.

What is a Will?
It is a legal document detailing your intention on the distribution of your estate in the manner you desire and to the Beneficiaries of your choice. Once executed a Will is valid but it only takes effect upon your demise. With a Will, the distribution of assets will be much faster than without one.

The person making the Will is known as the Testator, whereas the person who inherits or benefits from the Will is known as the Beneficiary. The person who is appointed in the Will to carry out the instructions in the Will is known as the Executor.

For a Will to be valid, a Testator must be of sound mind, has executed the Will voluntarily and is at least 18 years old. The Testator must also understand the contents of his Will.

In the case of *Gan Yook Chin & Anor v Lee Ing Chin & Ors*, the issue on the testamentary capacity of the Testator was raised ie. whether the Testator who was at the material time so debilitated was capable of having a sound disposing mind. The Federal Court ruled that the Will was valid as the Testator had understood the nature and effect of his act, and the extent of assets he was disposing of under the Will. Hence, in determining the capacity of the Testator to make his Will, it is the soundness of mind or mental capacity of the Testator at the time of execution of the Will that matters.

Who can be appointed as the Executor?
The Executor must be of sound mind and at least 18 years old. A Testator may appoint up to 4 Executor(s) in his Will. If any Beneficiary is an infant (below 18 years old), administration will be granted to not less than two (2) individuals.

If there is a Will, the Executor shall apply to the High Court for a Grant of Probate and to distribute the estate according to the Will. The application will generally take two to three (2-3) months.

Who can be a Beneficiary to a Will?
A Testator may distribute his estate to anyone and in any manner he desires, including to the Executor. The more common Beneficiaries of a Will are the spouse and children of the Testator ("Family Member").

If you wish to leave a Family Member out of your Will, it is advisable to state your intention clearly in the Will with reasons thereof in order to avoid potential challenge to your Will by any aggrieved Family Member. For instance,

an indication in the Will that "there has been adequate provision for the Family Member made during the Testator's lifetime".

In the case of *Harjinder Kaur Sham Singh & Anor v Balvinder Singh Sham Singh & Ors*, the movable and immovable properties of the deceased were to be equally distributed to her two sons to the exclusion of her daughters because they had been given sufficient jewellery, cash, clothes as well as payment of the customary dowry expenses by the deceased.

What constitutes a valid Will?
A valid Will must be in writing, signed by the Testator in the presence of at least two (2) witnesses **present at the same time**, and such witnesses shall subscribe the Will in the presence of the Testator.

Witnesses need not know the contents of the Will but should witness to the fact that the Will was executed by the Testator voluntarily and without any undue influence or coercion.

Please note that the Beneficiary or spouse of Beneficiary cannot be a witness to the Will.

What happens if a certain asset is left out from the Will?
It is common to include in a Will a residuary clause to deal with distribution of any assets not specifically mentioned or assets acquired after the making of the Will. The Testator has the liberty to determine how these residuary assets should be dealt with. Alternatively, the Testator may opt to deal with such assets specifically via a new Will or a Codicil.

Other Considerations
Special Instructions
You may wish to give your Executor other special instructions, such as an instruction for the Executor to hold a certain asset upon trust as guardian, custodian and trustee for the benefit of a Beneficiary who is disabled or a minor and to empower the Executor to utilise the asset for the maintenance, education and benefit of the disabled or minor Beneficiary.

Employees Provident Fund/Insurance Proceeds
Please note that your funds with EPF and insurance proceeds will be distributed according to your nomination with EPF and insurance company respectively.

Assets Outside Malaysia
A Will made in Malaysia may include assets both within and outside Malaysia, subject to the re-sealing of the Grant of Probate in foreign jurisdiction in order for it to take effect in another jurisdiction (subject to the Reciprocal Enforcement of Judgments Act of each country). A Testator may also consider having multiple Wills for assets in different jurisdictions. However, it is paramount to make clear in each Will that any subsequent Will for assets in another jurisdiction will not replace the previous Will.

Selling of Assets
It is advisable to include a clause in the Will empowering the Executor to sell certain assets. By having this clause, the Executor is spared from having to apply for a separate Order for Sale from the Court.

How to revoke a Will?
A Will is a living instrument. It can be revoked before the Testator's death in circumstances such as the making of a new Will, Testator's subsequent conversion to Islam, Testator's marriage or re-marriage after the making of a Will (save for a Will expressed to be made in contemplation of such marriage or re-marriage) or if the Will is intentionally destroyed by the Testator or someone else under his direction.

Conversely, a divorce will not result in the revocation of previous Will.

Can a Will be signed electronically?
No. Section 5(2) of Wills Act 1959 specifically enumerated the requirement for the presence of the Testator and Witnesses at the same time. In addition, the Witnesses will have to bear witness to the mental capacity of the Testator at the material time and his voluntary execution of the Will.

Conclusion
Will writing is an intricate matter. The best option is to consult a lawyer who is familiar with Will writing. Otherwise, there is a risk that your intentions may not be carried out effectively.

This article is written by Chee Siah Le Kee & Partners, Advocates & Solicitors. The information provided above is for general informational purposes only and not intended to constitute legal advice. Readers should contact their lawyers to obtain advice with respect to any particular legal matter. For more information, please email csilk@csilk.com.my.

Section 5(2) of Wills Act 1959 stipulates that the Will must be signed with physical presence of the Testator and Witnesses at the same time.

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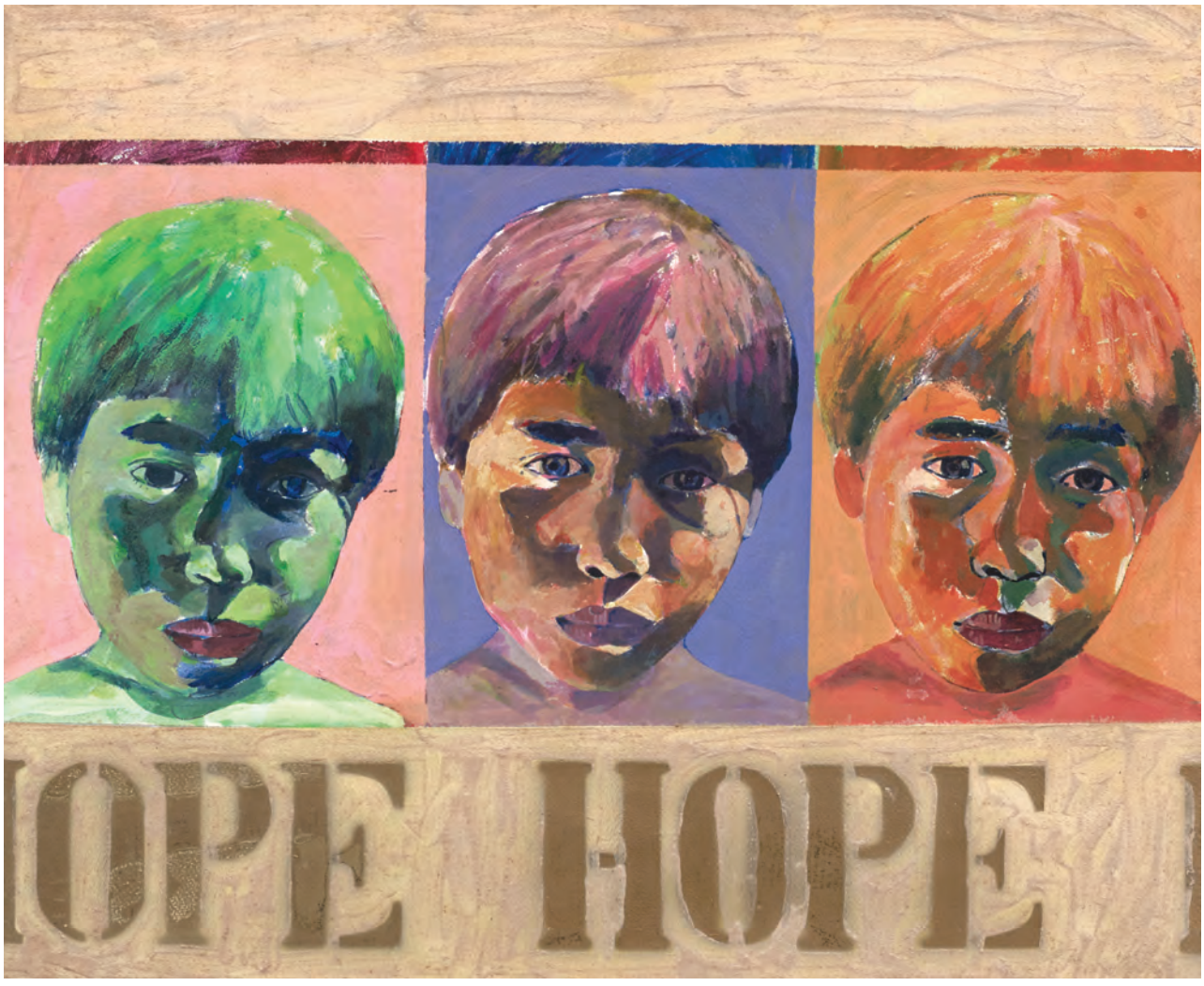

AHMAD SHUKRI MOHAMED *Hope Series I*, 1990, mixed media on paper, 46 x 56cm

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2016 **RM 2.4** million auction sales
2017 **RM 3.3** million auction sales
2018 **RM 5.8** million auction sales
2019 **RM 8.3** million auction sales
2020 **RM 8.5** million auction sales