HERALD®
by Henry Butcher Malaysia

OCTOBER - DECEMBER 2020

Goodbye to an Annus Horribilis 2020 and Welcome to a Better Year Ahead?

As we approach the last lap into the end of 2020, a third wave of the Covid-19 pandemic has hit Sabah as well as the Klang Valley and to curb the spread of the virus, the government has implemented a Conditional Movement Control Order (CMCO) lockdown on Sabah and Kuala Lumpur/Selangor/ Putrajaya where inter district and out of state travel is prohibited unless necessary and supported by a letter from one's employer.

All businesses are however allowed to continue to operate but must abide by the SOPs which initially were a little less stringent than what was imposed during the previous CMCO but subsequently tightened to require those in the management and supervisory categories to work from home with the exception of those in the front line and those providing essential services.

The uncertain political situation at the federal level where leaders of both sides of the political divide claim to have the majority numbers and the right to govern the country have compounded the situation and distracted the government from its focus of navigating the economy safely through the pandemic which has wrought havoc on most businesses.

The coming to an end of the loan moratorium at the end of September which afforded temporary relief to businesses as well as individual borrowers will likely result in a spike in non-performing loan cases which may lead to increased business closures, staff retrenchments and property auctions. The government has tried to mitigate the situation by introducing a targeted moratorium programme where those in need may still be able to approach their banks to structure an extended moratorium or deferment of loan repayment.

How will the situation impact the property market? The data released by the Valuation & Property Services Department of the Ministry of Finance (JPPH) on the performance of the property market in the first half of 2020 has shown the drastic impact of the pandemic and the implementation of the MCO on the market. The report released by JPPH showed a big drop of 27.9% in the volume of overall transactions and a 31.5% decline in the value of transactions.

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A foreseeable slow recovery in the horizon.

When the MCO was implemented in March, all businesses except for those offering essential goods and services had to close and this included property developers' sales offices and sales galleries as well as construction sites and so for a period of about three months, there were no sales activities although some developers managed to collect bookings via their online marketing programmes.

As lawyers' offices were closed during the MCO, buyers were not able to sign their sale & purchase agreements and thus, no sales were recognised during this period. This has resulted in the volume of residential transactions recorded for the first half of 2020 dropping by 24.6% and value wise, declining by 26.1%.

The market, as expected, has worsened in the second quarter compared to the previous quarter with the implementation of the MCO. In response to the softer market conditions, the first half of 2020 also showed a drop of 43.6% in the number of new units launched compared to the corresponding period the year before. Sales performance also saw a deterioration from 30.9% in the first half of 2019 to only 3.3% in the first half of 2020.

What lies ahead for the remainder of 2020 and the following year? With the relaxation brought forth by the Restricted MCO (RMCO), developers were able to resume their sales activities and this has led to some successful launches by a number of developers. There were even a couple of new launches where prospective buyers had to queue overnight just to ensure that they secure the unit of their choice. We were told that the prospective buyers for one of the projects were told to continue queuing only if they had a cheque with them prepared for the first 10% of the purchase price which was quite a tidy sum considering that the selling prices of the units were of quite a substantial value. Whilst all this seems to suggest that the market has turned the corner and is on the road to recovery, the question begs whether this recovery is broad based and can be sustained or is only a temporary respite brought about by the implementation of the new Home Ownership Campaign (HOC) 2020 with its attractive discounts, freebies, easy entry schemes, stamp duty waivers and the current low interest rate environment.

To us, there are still a lot of uncertainties which abound and the country's economic recovery, even with the boost provided by various stimulus packages introduced by the government, is still at a very fragile stage.

The emergence of a second and third wave of the Covid-19 pandemic in China, Europe and Australia and the still ravaging spread of the virus in USA, India and Brazil are sombre moments to ponder upon. The disruptive trade war between China and the USA has a drastic impact on the global economy and the divisive fight for the presidency of the USA and the uncertainty of a smooth handover of power if Trump loses are all causes for concern for investors.

The recovery of our Ringgit and the better performance of the KLCI compared to last year have brought a sense of relief to investors and businesses in the country but the fall in crude oil prices have impacted Petronas's income and therefore, the Malaysian government's as well.

In conclusion, although the second half of 2020 should see a better performance of the residential property market, the year is still expected to end with a reduced volume and value of transactions compared to 2019 due to the loss of three months of sales activities. We expect a full recovery to only take place in the second half of 2021/early 2022, provided there is no global recession and the country's political uncertainties do not drag on for too long.

Tang Chee Meng
Chief Operating Officer

Will the targeted loan moratorium help to ease the burden of the people given prevailing challenging environment?

HENRY BUTCHER REAL ESTATE SDN. BHD.

No.199201004957 (236461-w)

Bungalows and Service Residences For Sale and Rent

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

From RM4,200,000.00 (nego)
Nadayu, Taman Melawati
Type Bungalow **Tenure** Freehold
Built-Up 7,900sf **Land Area** 8,100sf
Bedroom 5+2 **Bathroom** 8
Furnishing Partly/Fully Furnished
Christine Chua (REN09437), 012-3142864

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

RM6,000,000.00
Sierramas East, Sungai Buloh
Type Bungalow **Tenure** Freehold
Built-Up 6,332sf **Land Area** 8,330sf
Bedroom 6 **Bathroom** 6
Furnishing Partly Furnished
CK Lum (REN09439), 016-3028936

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 RM3,000 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 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 RM900 per sq ft
Suria Stonor @ Persiaran Stonor, KLCC
Type Service Residence
Tenure Freehold
Built-Up From 3,700sf
Bedroom 3, 4 **Bathroom** 5,6,7
Furnishing Partly/Fully Furnished
Christine Chua (REN09437), 012-3142864

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 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

For sale from RM550.00 per sq ft (nego)
For rent from RM5,000.00 per month (nego)
Taman Kemensah Heights
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

RM1,400 per sq ft
The Mews, KLCC
Type Service Residence
Tenure Freehold
Built-Up From 925sf
Bedroom 1/2/3/4 **Bathroom** 1/2/4
Furnishing Unfurnished/Partly Furnished
Christine Chua (REN09437), 012-3142864

A New Auction Record

Amid the Covid-19 pandemic, Henry Butcher Malaysian and Southeast Asian Art Auction recorded RM2.83million with a high successful selling rate of 81% on 23 August 2020.

"At current challenging times where things are uncertain, we are grateful that the supporters and collectors continue to acquire art. It is encouraging to have achieved such a result at our recent auction, hopefully it will give a boost to the art industry and bolster market confidence in collecting art.

"We were initially worried about the market response (post-MCO). The previous Henry Butcher Art Auction held on 15 March 2020 recorded RM2.3 million with 60% Lots on offer sold. We have registered a 20% growth this time, compared to the previous auction," said Sim Polenn, Director of Henry Butcher Art Auctioneers.

Lot 141, Ibrahim Hussein, Datuk (b. Kedah, 1936 - d. 2009) Calama Desert, 1991, acrylic on canvas, 182 x 180cm, diptych.

New Record

Most of all, a new record was achieved with Datuk Ibrahim Hussein's Calama Desert (painted in 1991) sold for RM918,400, setting a new auction record (local auctions) for the artist and the auction house. His previous record was at RM797,500 for the piece titled Red, Orange and Core, set in 2012, also at Henry Butcher Art Auction.

Thick masses of the rhythmic throbbing lines like coloured arteries that had been Datuk Ibrahim Hussein's trademark since 1975 dominate the bifurcating expanse that is conjured by the Calama Desert title. It would have flowed sinuously if not for the distraction of a double canvas which has the effect of an abrupt precipice. Herein, spools of parallel lines move in inexorable profusions, sometimes overlapping and sometimes intertwining, sometimes hitting an invisible cul de sac. A metallic sheen profuses in the Calama, part of the Atacama Desert, despite its lodestone of brown copper especially around the Norte Grande region around Chuquicamata and El Salvador with reams along the Andes sections of Andina and El Teniente. Chile is, of course, the world's largest producer and exporter of copper.

Lot 131, Yusof Ghani (b. Johor, 1950) Siri Tari, 1991-1992, mixed media on canvas, 152 x 121cm.

Sim Polenn, Director of Henry Butcher Art Auctioneers.

Calama in the local Kunza parlance means "a town in the middle of water" or "a place where partridges abound". Calama City is the capital of the El Loa province. It is a curious coastal desert, perched on a rarefied 1,500m to 4,000 metres altitude, hyper-arid with an annual precipitation of under 15 mm. (Yet, in 2015 and 2017 a burst of showers turned the dry desert into a garden of blue-pink (Malva flowers), purple (Pata de guanaco) and reds (Garro de Leon and Ananuca blooms). It is extraordinary for its sustenance of a diversity of life with its salt flats (with its flocks of flamingos), geysers, lagoons, its felsic lava, the River Loa running through it, and flanking the Pacific Ocean. It is perhaps such diversity and

Lot 129, Yusof Ghani (b. Johor, 1950) Topeng Series — Terap, 1995, oil on canvas, 200 x 160cm.

positive energy of a desolate place that Datuk Ibrahim celebrated in this work — high mountains, the sea, the river, a lack of vegetation and yet rich in minerals such as copper, molybdenum (a copper-deposit derivative), gold, silver, manganese, lithium, gypsum and sulphur. The top is bounded with dark midnight blue with a sea of purple below, and a curious small patch of pure white on top while the midsection reveals light hues of irregularly shaped swathes as an island blob and in supine abandon.

While inspired by the spirit of the 'Good Earth' place, Ib, as the artist is more popularly known, is not a landscape artist per se (an obscure female figure can be seen in this artwork, top left; blending into the landscape naturally in harmony).

It was on the occasion of his invitational mini retrospective of sorts at the Museo Nacional de Bellas Artes in Santiago, Chile, in June-July 1991, which coincided with the visit there of then prime minister, Tun Dr. Mahathir Mohamad. He was the first Asian to be accorded a major solo exhibition in Chile. As a follow-up, Ib was awarded the Orden de Bernardo O' Higgins, Chile's highest honour bestowed on a foreigner in 1996, the year he turned 60. He received the award in Kuala Lumpur.

Lot 92, Hamir Soib (b. Johor, 1969) The Stitch, 2016, mixed media on canvas, 200 x 240cm.

The Chilean Ambassador then, H.E. Octavio Errazuriz, praised Ib as one who "epitomised the Malaysian spirit, the colours of his beloved land, the richness of the oriental tradition."

In 1993, Ib was awarded Venezuela's Order of Andres Bello "for personalities whose art and literature transcends international borders." He was also given the Crystal Award of the World Economic Forum in 1997.

On the other hand...

Top quality works continue to perform well, reflecting market demand for works from established artists such as Yusof Ghani's Siri Tari, 1991-1992, sold for RM84,000, while his Topeng Series – Terap, 1995 achieved RM67,200.

Dato' Sharifah Fatimah Syed Zubir's Standing Forms, 1996, and Khalil Ibrahim's 2005 abstract work fetched RM61,600 each. Yong Mun Sen's Three Friends, a rare oil painting, was sold to Singaporean collector (post auction) at RM50,000.

Dato' Chuah Thean Teng's iconic batik work titled Mother and Children, c. 1980s, was sold for RM47,040 while Marista "Imajan Dari Pedalaman" 1997 by Awang Damit Ahmad realised RM44,800. Evening Glow 1 by Dr. Jolly Koh sold for RM31,360.

In the contemporary category, Hamir Soib's large-size masterpiece measuring 240 x 200cm fetched RM67,200 and Ahmad Zakii Anwar's Standing Figure 8, 2007, was sold for RM41,440. Saiful Razman's #5, 2013, was sold for RM23,520.

Collectors took the opportunity to acquire works by prominent Southeast Asian artists such as Ronald Ventura's 2008 work which was sold for RM72,800, Natee Utarit's Revolutionist, 2012, at RM42,560 and Nasirun's World At The Time Of Rebirth, 1997, fetched RM38,080.

"In the span of a decade, Henry Butcher Art Auctioneers recorded art auction sales of RM55 million, selling more than 2,400 pieces of artworks, in which 90% are Malaysian Art. We are glad that this auction reflects a widening of interest for works from the region, and participation of new and young collectors," added Sim Polenn.

Irama Wangsa Clinched Two Landscape Awards

No two developers are the same and, in that regard, no two awards should also be the same even if it came from the same development.

A hill park jungle walk right within the development.

Benéton Properties Group has recently been conferred two Honour Awards at the Malaysia Landscape Architecture Awards 2019 by the Institute of Landscape Architects Malaysia (ILAM) for its project Irama Wangsa. The awards are for the Landscape Design Awards Professional Category (Malaysian) and Landscape Development Awards Developer Category.

It's fitting to know that although these are the latest awards received by Benéton Properties the property development company is no stranger to clinching the best accolades from the industry, bagging a number of awards like Building of the Year in 2014 for Rhombus at the FIABCI Malaysia Property Awards and the Architectural Excellence (Residential, High Rise) Award in 2008 for 2 Hampshire by the Malaysia Institute of Architects, just to name a few. For Irama Wangsa, the latest high-rise residential development from the company, it certainly exudes the avant garde touches of Benéton Properties across all nine acres of its built environment.

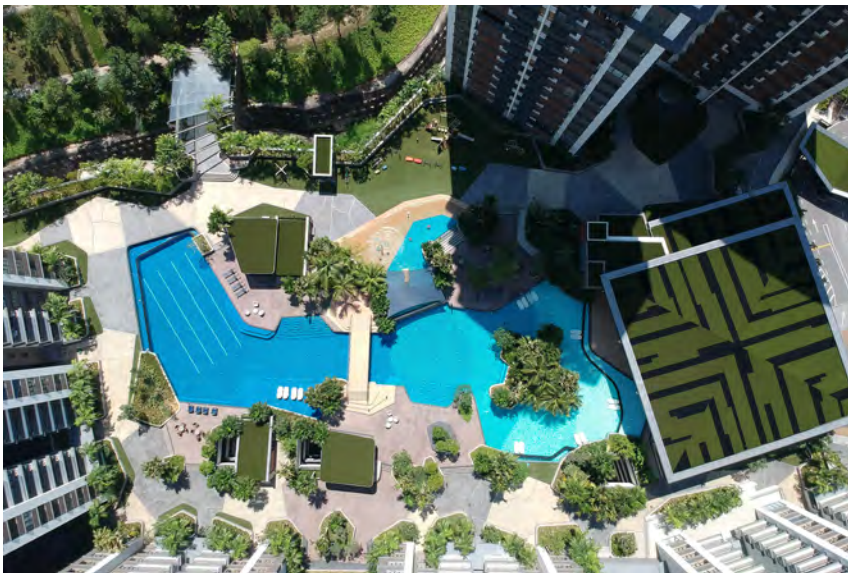
A Climate Calling

First mooted at a time when global temperatures have surged to new levels where videos of melting ice caps made rounds on social media as the most infamous representation of the rapid devastation of the environment, Benéton Properties set out to do what it can to create a living sanctuary that not only provide space for living but also conserving precious greenspaces to enhance the livability factor of the inhabitants. The primary specimen of this thought pattern - the natural hill that occupies 40% of the land area of Irama Wangsa.

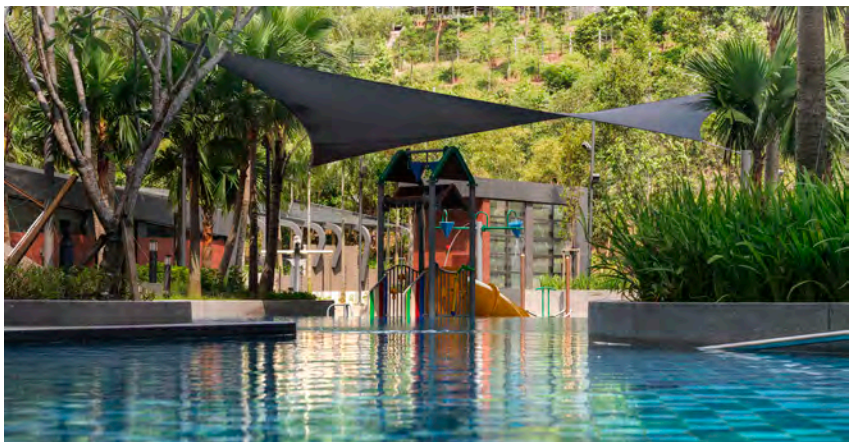
With the focal point centred on the possibility of taking life outside of the living room yet still within the safe confines of the Irama Wangsa perimeter, this "life factor" raises notches higher when it is complemented by the hill that forms part of the landscape architecture and with that, the significant part of the master plan of the development.

The hill-park landscape concept seeks to conserve the existing natural environment including the flora and fauna as much as possible instead of cutting down the hill to create a cultured but artificial park environment. The landscaping design incorporates a walking trail linking the resort pool deck via a bridge up to the hill-top which is crowned by a pavilion for residents to take in and enjoy the serene surroundings and eye-pleasing views. Along the way, residents will be able to enjoy the sights and fragrances wafting from the herbs and fruit trees planted along the hillslope.

Are the awards then a surprise for Benéton Properties?



A bird's eye view of the facilities deck.



Right next to each other, the adults and children pools.

"We are honored by the recognition of our efforts and we consider it a great achievement as we are judged together with other high-quality developments by the captains of the property development industry," said Datin Leong Swee Han, the Chief Operating Officer of Beneton Properties.

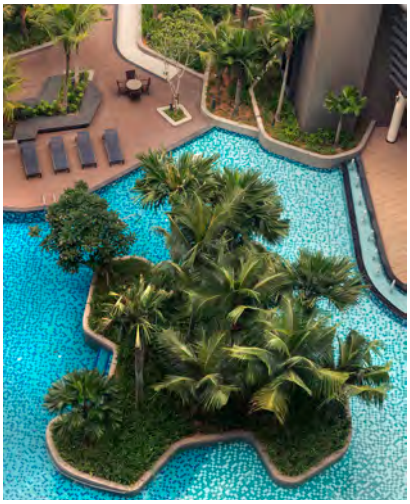
She also added that the awards carried significance to the company as it reflects Benéton Properties' innovative and creative spirit especially in its calculated strategy to combat global warming through its developments. As it stands and even before these new awards, Irama Wangsa was already certified with Green Building Index's Green Rating. The inherent value hence represents a great sustainable reason for the buyers and investors who are looking for new ways to set their property assets apart from the many others in the crowded market.

Future's Urban Legend

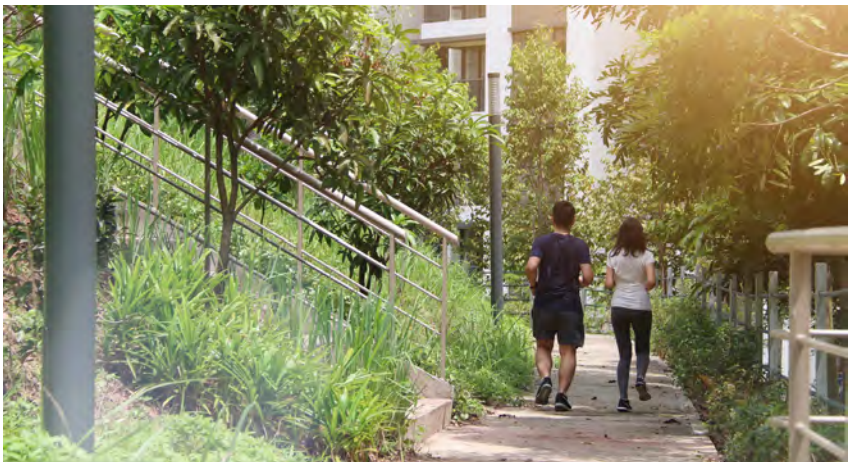
"Not only will the trees in the hillpark help to reduce the carbon dioxide in the area, owners of Irama Wangsa can also take pride in making selected designated areas their very own urban "kebun", participate in "gotong royong" programmes to maintain the pristine nature of the hill and at the same time foster good neighbourliness and co-operation, and harvesting and replanting herbs and fruits as part of their regular community programmes," said Datin Leong.

Coming back to the awards, Benéton Properties' Landscape Architect and contractor, Convergence By Design (M) Sdn Bhd, was awarded the Landscape Design Awards - Honour Awards Professional Category (Malaysian) for the overall landscape design including the hardscape while in the Developer Category, World Finder Resources Sdn Bhd, a subsidiary of Beneton Properties was recognised for its earnest conservation of the valuable trees at Irama Wangsa instead of maximising density in the name of profits. It is not a surprise that Benéton Properties' sincere and empathetic approach to nature has won the hearts of its buyers at Irama Wangsa.

As the future is now somewhat undergoing a revolutionising transformation, first with the Industrial Revolution 4.0 and then the global battle against the Covid-19 pandemic, Benéton Properties Group is cautiously optimistic about the days to come as it strategically sources suitable landbank to continue its development legacy. The rationale? More than just rolling out exemplary property offerings, it is seeking to convey a development philosophy that sings to the tune of contributing to mankind by firstly sustaining the planet's best and most natural resources, and secondly providing maximum value to its buyers and other stakeholders.



An island in the pool, adding to the resort feel and aesthetics at Irama Wangsa.



One can jog by the hill anytime of the day.

Every Irama Wangsa resident now has the opportunity to plant their own herbs, blending in perfectly with nature.

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

For Sale
MARQ Bizpark @ North Klang Kapar Selangor

Located strategically in the north of Klang in Kapar, Selangor, MARQ Bizpark presents a unique opportunity to own a 3-storey retail office space that promises every owner the privilege to call their own a corner unit.

On the immediate, every business that occupies a unit here shall move into a handsome built-up space of 7,300 to 11,100 sq ft on a lot size of up to 20,000 sq ft, sufficient for not only a comfortable retail and office space but also to host guests and customers who stand to enjoy a roomier headroom provided in the 5.6m floor to height space on the ground floor and 3.6m each on the first and second floors. What more when every retail office is served by its own private passenger elevator.

Designed for the modern needs businesses, MARQ Bizpark offers 28 mixed units of cluster, semi-detached and detached retail offices on an 8 acres land space with its own frontal parking, perfect for every commercial need that also includes leisure and entertainment. This is largely attributed to the immediate catchment residing in and around Kapar, and Klang which is only 12km away.

When it comes to accessibility, the freehold MARQ Bizpark is easily connected to the Klang Straits Expressway, New North Klang Straits Bypass/Lebuhraya Shahpadu, Federal Highway, NKVE, North-South Expressway Central Lin k (ELITE), Guthrie Corridor Expressway, KESAS, Lebuhraya Kemuning Shah Alam (LKSA) and NPE. The combination of these road networks improves convenience to places like Port Klang (18km), Petaling Jaya (35km), Kuala Lumpur (44km) and KLIA (67km).

MARQ Bizpark Quick Info

- 3-storey retail office; 15 cluster units, 12 semi-detached units and 1 detached unit.
- Commercial, Freehold.
- Development Size: 8 Acres, Total 28 units.
- Lot Size & Built-Up: 6,600-20,000sf; 7,300-11,100sf.
- Modern architecture, versatile and every unit is a corner unit with parking within each lot.
- Reflected insulated metal decking roof to reduce heat gain.
- Covered drains to maximise driveway.
- Motorised roller shutter.
- Modern façade with full height glass window and high ceiling for flexible work environment with maximised natural lighting.
- Floor-to-floor height: 5.6m on Ground, 3.6m on First & Second Floors.
- Individual passenger lift, and lift & staircase lobby in upper floors.
- 3 phase electrical wiring/150 Amp power supply and M&E riser shaft for future installation & maintenance.
- Heavy duty floor loading: 8kN/sqm on Ground, 5kN/sqm on First and Second Floors.
- Accessibility via Klang Straits Expressway, New North Klang Straits Bypass/ Lebuhraya Shahpadu, Federal Highway, NKVE, North-South Expressway Central Link (ELITE), Guthrie Corridor Expressway, KESAS, Lebuhraya Kemuning Shah Alam (LKSA) and NPE.
- 7km to Kapar Town, 12km to Klang, 18km to Port Klang, 20km to Shah Alam, 35km to Petaling Jaya, 44km to Kuala Lumpur, 67km to KLIA.
- Google map: marq.com.my/gmap
- Waze: marq.com.my/waze

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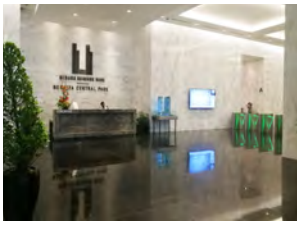
Ryan Ng (REN41928), +6016-677 8628
Nik Asha (office), +603-2693 8380

Retail and Office For Sale and Rent

For Rent
RM2-RM3psf
Southgate @ Sungai Besi
Type Retail/Office
Lettable Area From 540sf
Furnishing Bare/Partly Furnished unit
Nigel (REN09436), 012-3960307



For Rent
RM5-RM6psf
Menara Bangkok Bank @ Jalan Ampang
Type Office
Lettable Area From 780sf
Furnishing Bare unit
Nigel (REN09436), 012-3960307

For Rent
RM5psf
The Pillars, KL Eco City
Type Office
Lettable Area From 3,000sf
Furnishing Bare unit
Nigel (REN09436), 012-3960307

For Rent
RM6psf
Vista Damai @ Jalan Tun Razak
Type Retail Space
Lettable Area 4,000sf
Furnishing Bare unit
Nigel (REN09436), 012-3960307
Ryan (REN41928), 016-6778628

HOC 2020-2021: A Timely Boost to the Property Market

The Home Ownership Campaign 2020 appears to have provided a much needed lifeline to housing developers, all of whom have been badly affected by the slowdown in the property market and the loss of a precious three months due to the lockdown imposed by the government under the Movement Control Order (MCO) to bring the Covid-19 pandemic under control.

With the reintroduction of the campaign which now runs from 1 June 2020 to 31 May 2021, house buyers will be able to enjoy a host of incentives that includes full stamp duty exemption on the instrument of transfer for residential properties priced up to RM1 million, stamp duty reduction from 4% to 3% on the amount above RM 1 million for properties priced more than RM1 million and up to RM2.5 million and full stamp duty exemption for the instruments of securing loans for properties priced up to RM2.5 million. These incentives provided by the government are in addition to the attractive discounts, rebates, easy entry schemes and freebies offered by developers registered under the HOC. The HOC has certainly provided a boost to the otherwise sluggish property market and favourable results were reported by a few major developers for their new launches.

As early as 13 to 14 June, just slightly over a week after the HOC2's announcement and after the movement of people were relaxed under the RMCO, Mah Sing Group Bhd reported that they have chalked up a 90% take-up rate at its M Luna service apartment project in Kepong, Kuala Lumpur. Platinum Victory Holding Sdn Bhd's Vista Sentul apartment also reportedly secured an encouraging take-up rate, at 60% out of its 705 units, even before it was officially launched on 8 August 2020.

Then over in Semenyih, Selangor, the final phase of Setia Ecohill's Heleena with 70 units of double storey terrace homes were said to have recorded a 60% take-up rate over a few days after its official launch on 15 August.

Towards the Merdeka celebration from 29 to 31 August, 202 homes offered through Serenia Ariya, part of the Serenia City township in Sepang by Sime Darby Property Bhd, were swiftly snapped up and secured a 100% take-up rate.

In mid-September, Tropicana Corporation Bhd announced that its phase one development of Edelweiss SOFO & Serviced Residences in Tropicana Indah had garnered a 75% take-up rate, "an astounding response" according to the developer because the project has not been officially launched.

An overnight queue was also spotted in Desa ParkCity before the morning of 26 September as buyers strived to secure a unit from the new 537-unit condominium called Park Place. Keen property buyers who were there early from the night before were actually told to return only when the permissible queueing time is allowed in view of the stringent Covid-19 SOPs but the eager buyers did not budge. The results after two days witnessed up to 86% units of the entire development taken up.

In early October, IJM Land Bhd also saw its 129 double storey link homes in Rimbun Jasmine located next to Seremban 2 in Negeri Sembilan fully taken up within three hours of its private viewing.

Meeting Targets?

Over on the annual sales targets, the performance by certain developers appeared to be bucking the trend. For instance, Paramount Corporation Bhd, who experienced a slow first half of 2020 managed to secure RM370 million sales and RM490 million booking as of 31 August 2020, while LBS Bina Group Bhd recorded RM780 million in sales at the end of July 2020 after the company revised its annual sales target from RM1.6 billion to RM1 billion in April this year.

Mah Sing Group Bhd who secured 60% of its sales in 2019 through HOC2019 have also achieved promising sales of RM761.4 million in the first half of 2020 out of its full year target of RM1.5 billion target.

The positive reports recorded thus far could only signal that there is still buying interest in the market but this was suppressed due to the MCO. As developers took their sales engine online and strategically planned the on-site launches abiding by the SOP's, property buyers and investors made their way into the websites and sales galleries, and placed bookings on properties that offered good value, located in strategic locations or in new townships with good modern infrastructure, lavish landscaping and plenty of facilities and undertaken by a strong developer with sound financial standing and a good track record.

Although it is an open secret that economic numbers are anticipated to be abysmal in 2020, HOC2 has nevertheless given the market a lifeline and much needed assistance to hoist up the dampened numbers. And according to a news report in The Malaysian Reserve on 1 October 2020, HOC2 was reported to have clocked in RM816 million out of the RM55 billion worth of registered projects put up for sale involving 587 projects by 437 developers. The sales is equivalent to only 2% of the sales recorded in 2019 said REHDA but in all fairness, it is still early days of the campaign. With all eyes looking at a recovery in the later part of 2021/early 2022, coupled with a better understanding by the government on how to deal with the pandemic so that the country's economic activities do not come to a complete halt, it is possible to see HOC2 elevating the numbers to a better position even if it is expected fall short of the RM37 billion and 57,000 units of residences achieved in HOC2019.

Covid-19 Real Estate Legal Updates

The Malaysian government introduces special measures to revitalise the real estate market.

Zuhaidi Mohd Shahari, Partner of Messrs. Azmi & Associates, Real Estate & Project.

The Covid-19 pandemic has dramatic consequences for the Malaysian economy and financial markets, and the real estate market is no exception with mounting pressure on the supply and demand. On 07 June 2020, Prime Minister Tan Sri Muhyiddin Yassin announced that the Conditional Movement Control Order (CMCO) will be replaced with the Recovery Movement Control Order (RMCO) for a phased recovery from Coronavirus, commencing with a gradual easing of restrictions and the introduction of new measures to help rebuild the Malaysian economy. Since then, the Malaysian government has introduced various economic initiatives to support this move. These include initiatives that are designed to revitalise the real estate market, which are much welcomed by developers, investors, property owners, potential home buyers and landlords. Without further ado, let us take a closer look at these initiatives which are meant to "revitalise" the real estate market.

(a) Stamp Duty Exemptions on Purchase of Residential Property Under HOC 2020-2021

What is it all about? Homebuyers will be able to enjoy full stamp duty exemption on the instrument of transfer for residential properties priced up to RM1 million while for properties that are worth more than RM1 million up to RM2.5 million, 3% stamp duty on the instrument of transfer. On the other hand, full stamp duty exemption is given on instruments of securing loans. (See Stamp Duty Exemptions).

Eligibility for Exemption. Stamp duty exemptions are given for residential properties which are sold during the period between 01 June 2020 to 31 May 2021. The said 'residential properties' must be as houses, condominium units, apartments and flats including service apartments and SOHO built and used as dwelling; all other property types are not included in this exercise. The service apartment and SOHO must be for residential use only and cannot be converted for commercial activities. Property price (before discount) is within the range of RM300,000 to RM2.5 million. It must be a sale from

Stamp Duty Exemptions

Instruments of Transfer		
Property Price	**Stamp Duty**	**Stamp Duty under HOC 2020-2021**
First RM100,000	1%	Exempted
RM100,001 to RM500,000	2%	Exempted
RM500,001 to RM1,000,000	3%	Exempted
RM1,000,001 to RM2,500,000	4%	3%

Instruments of Securing Loan		
Loan Amount	**Stamp Duty**	**Stamp Duty under HOC 2020-2021**
Up to RM2,500,000	0.5%	Exempted

Charlie Ng Zheng Hui Vice Chair (ChinaDesk) of Messrs. Azmi & Associates, Real Estate & Project.

a developer to a purchaser or co-purchasers, all of whom are Malaysian citizens. A minimum of 10% discount (from property price) shall be provided by the developer. Those properties must be registered with the relevant authority for each region as follows:

- Peninsular Malaysia: Properties registered with Real Estate & Housing Developers' Association Malaysia (REHDA).
- Sabah: Properties registered with Sabah Housing and Real Estate Developers Association (SHAREDA).
- Sarawak: Properties registered with Sarawak Housing and Real Estate Developers' Association (SHEDA).

(b) Stamp Duty Exemptions on M&A Instruments by SMEs

What is it all about? The initiative is created to help local companies build their capacity and encourage the merger of two SME entities or the acquisition of an SME entity by another SME to become a new and larger business entity. The stamp duty exemption will be given for M&A instruments including agreements for the sale or lease of properties (including land, buildings, machinery and equipment); instruments of transfer and memorandum of understanding; loan or financing agreement; and the first lease and/or tenancy agreement.

Eligibility Criteria. Application must be validated through the SME Registration Status System, a registration system platform developed by SME Corp Malaysia. Eligible applications are for M&A exercises undertaken from 01 July 2020 until 30 June 2021. The eligibility criteria imposed on the applicants are as follows:

- 100% Malaysian owned; and
- Have annual sales turnover of less than RM50 million or full-time employees of less than 200, as per the definition of SMEs in the manufacturing sector; or
- Have annual sales turnover of less than RM20 million or full-time employees of less than 75, as per the definition of SMEs in the services sector.

(c) RPGT Exemption is Given Up to Three (3) Residential Properties per Individual

Following the gazetting of Real Property Gains Tax (Exemption) Order 2020 on 28 July 2020 ("Exemption Order"), an individual is exempted from paying RPGT on the chargeable gain accruing on the disposal of up to three (3) units of residential property if the following conditions are fulfilled:

- the individual must be a citizen who is the sole or joint owner of the property being disposed;
- the property disposed must be a 'residential property', namely a house, a condominium unit, an apartment or flat in Malaysia, and includes a service apartment and a small office home office (SOHO) which is used only as a dwelling house;
- the residential property must be disposed on or after 01 June 2020 until 31 December 2021;
- the residential property which is being disposed of is not acquired by way of transfer between spouses; or gift between spouses, parent and child, or grandparent and grandchild where the donor is a citizen; and
- the sale and purchase agreement or the instrument of transfer for the disposal of the residential property is executed on or after 01 June 2020 but not later than 31 December 2021 and is duly stamped not later than 31 January 2022.

Where an individual disposes of more than three (3) units of residential properties, the disposer may elect any three from the said disposals to be exempted and the election so made shall be irrevocable. In the case where the contract for the disposal of a residential property is a conditional contract which requires the approval of the Federal Government or a State Government, the exemption shall only apply if:

- the contract for the disposal of the residential property is executed on or after 01 June 2020 but not later than 31 December 2021 and is duly stamped not later than 31 January 2022; and
- the approval of the Federal Government or the State Government concerned for the disposal of the residential property is obtained on or after 01 June 2020.

It is important to take note that the RPGT exemption given under the Exemption Order does not absolve the disposer from complying with the requirement to submit any returns or information under the Real Property Gains Tax Act 1976.

Comments

The real estate industry and the national economy have a mutual and close tie, and a far-reaching impact. From an economic standpoint, the function of real estate industry in the national economy could be reflected from its role in inducing direct economic effect, for the other industries such as construction, manufacturing, banking and the professionals that provide services to the real estate industry. Therefore, it is a wise and right decision for the Malaysian government to revitalise and guide the real estate industry via initiatives introduced, so as to enable this industry to continue to play an active role in stimulating economic growth.

This article is written by Zuhaidi Mohd Shahari and Charlie Ng Zheng Hui, Partner and Vice Chair (ChinaDesk) respectively of Messrs. Azmi & Associates. Both authors have a focus in the Real Estate & Project discipline of the law firm.

Leveraging Trademark and Its Valuation

By Adie Gupta

Most SME business owners are busy running and growing their businesses. The focus generally is on sales/ revenue growth, increasing profits, fixed and other assets such as inventories, debtors, creditors etc. Many of the vital assets which are intangible in nature are not front of mind including, the people/staff, goodwill etc. One such asset which can increase in value over time, perhaps significantly, and can help a business expand and grow faster, is the trademark.

Oftentimes, trademarks and tradenames are used interchangeably but these intangible assets are somewhat different. From a practical point of view, for a single tradename company which uses the tradename as the trademark, these are similar and as such can be valued together. This is not the case with multiple trademark companies where each trademark may be for a different product or service and the tradename (or the overall Branding) may cover the entire business.

MyIPO notes on its website (http://www.myipo.gov.my/en/trademark-basic/):

Definition of Trademark

- Trademark means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.
- Sign – any letter, word, name, signature, numeral, device, brand, heading, label, ticket, shape of goods or their packaging, color, sound, scent, hologram, positioning, sequence of motion or any combination thereof.
- Collective Mark – A collective mark shall be a sign distinguishing the goods or services of members of the association which is the proprietor of the collective mark from those of other undertakings.
- Certification Mark – A certification mark shall be a sign indicating that the goods or services in connection with which it shall be used are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics.

Functions of Trademark

- Origin: A trademark helps to identify the source and those linked for the products and services trade in the market.
- Choice: A trademark assists consumers to choose goods and services with ease.
- Quality: Consumers define a certain trademark for its known quality.
- Marketing: Trademark play a significant role in promoting. It's common for consumers to make purchases based on continuous effect of advertising.
- Economic: Recognised trademark is a valuable asset. Trademarks may be licensed or franchised.

An SME trademark owner can allow other party or parties to use the trademark while retaining the ownership of it. This can be lucrative and can be done by entering into a license agreement with another

2020	2019	Logo	Name	Country	2020	2019
1 =	1	amazon	Amazon		$220,791M	$187,905M
2 ^	3	Google	Google		$159,722M	$142,755M
3 v	2		Apple		$140,524M	$153,634M
4 =	4		Microsoft		$117,072M	$119,595M
5 =	5	SAMSUNG	Samsung Group		$94,494M	$91,282M
6 ^	8	ICBC	ICBC		$80,791M	$79,823M
7 =	7		Facebook		$79,804M	$83,202M
8 ^	11	Walmart	Walmart		$77,520M	$67,867M
9 ^	14	PING AN	Ping An		$69,041M	$57,626M
10 ^	12		Huawei		$65,084M	$62,278M

Source: Brand Finance

party. A trademark license is between a trademark owner (or licensor) and another party (or licensee) where the licensor allows the licensee to use the trademark.

Trademark licensing covers franchising, distribution agreements, and merchandising. It also plays a crucial role in how services and goods are marketed, distributed, and sold locally and internationally so the licensor can have control on these matters. Most of these licenses have provisions which control the length or term of the license agreement. They also include matters such as the royalty rate for the use of the trademark (which can be based on revenue, gross or other levels of profit), the territory/jurisdiction(s) the license covers and if the licensee has exclusivity to the trademark.

Most license agreements will also include provisions about quality control i.e. the quality of services or goods that are offered or produced under the licensed trademark so the licensor can maintain their standards.

Case Study

ABC runs a successful restaurant in Kuala Lumpur. It has been around for 25 years with a high number of patrons across Klang Valley. Through word of mouth, its popularity has increased, and it has been covered in various magazines, social media and blogs.

The restaurant is now being managed by the three children of the founders. The second generation believes that the growth as a standalone restaurant is limited and they should open more outlets to leverage the trademark and the well-known name (Branding) of the restaurant. They are contemplating a few options including opening new outlets on their own, franchising and delivery through their own riders and other channels. All these options are possible only due to the trademark and the branding of the ABC restaurant.

What About the Global Big Brands?

While the values of these global brands may be high, the approaches in determining their values are no different than those for the trademarks of any SME business.

Valuation of trademarks is essentially the determination of how much a company's unique/distinguishing trademark is worth. Trademarks are used to identify/distinguish a company's unique products and services from its competitors. Trademarks can present challenges from a valuation, damages (infringement or other loss), and transfer price (tax) perspective.

Trademarks are created through use and need not necessarily be registered. Registration is generally recommended as if an infringement occurs, it can make enforcing the right easier.

Common methods to determine a trademark's value include:

- Income Approach - using past and projected profits.
- Market Approach - using comparable transactions of similar assets.
- Cost Approach - using the cost of recreating/reproducing a trademark.

Relief from Royalty ("RFR"), which is estimating royalty savings by virtue of owning the trademark is a subset of the Income Approach and it is the most common approach for the valuation of trademarks. RFR is based on the concept that a company does not have to rent a trademark it owns.

Steps involved in RFR valuation include the following:

- Estimation of the future royalties which would have to be paid to the owner of the trademark for its use on an arm's length basis.
- Calculation based on savings from owning the trademark or relief from royalties that would otherwise be paid to the owner.
- The net after tax royalty fee calculated each year (for the life of the trademark) and discounted to present value using a discount rate.

Valuation of trademarks is not a straightforward exercise. It involves research, information gathering, support for assumptions and cross-checks. It is subjective in nature and involves the valuer's judgement on certain assumptions. Time needs to be spent on understanding many different aspects of the trademark and the relevant business, otherwise there is always the risk of over-valuing or under-valuing something if it is not properly understood.

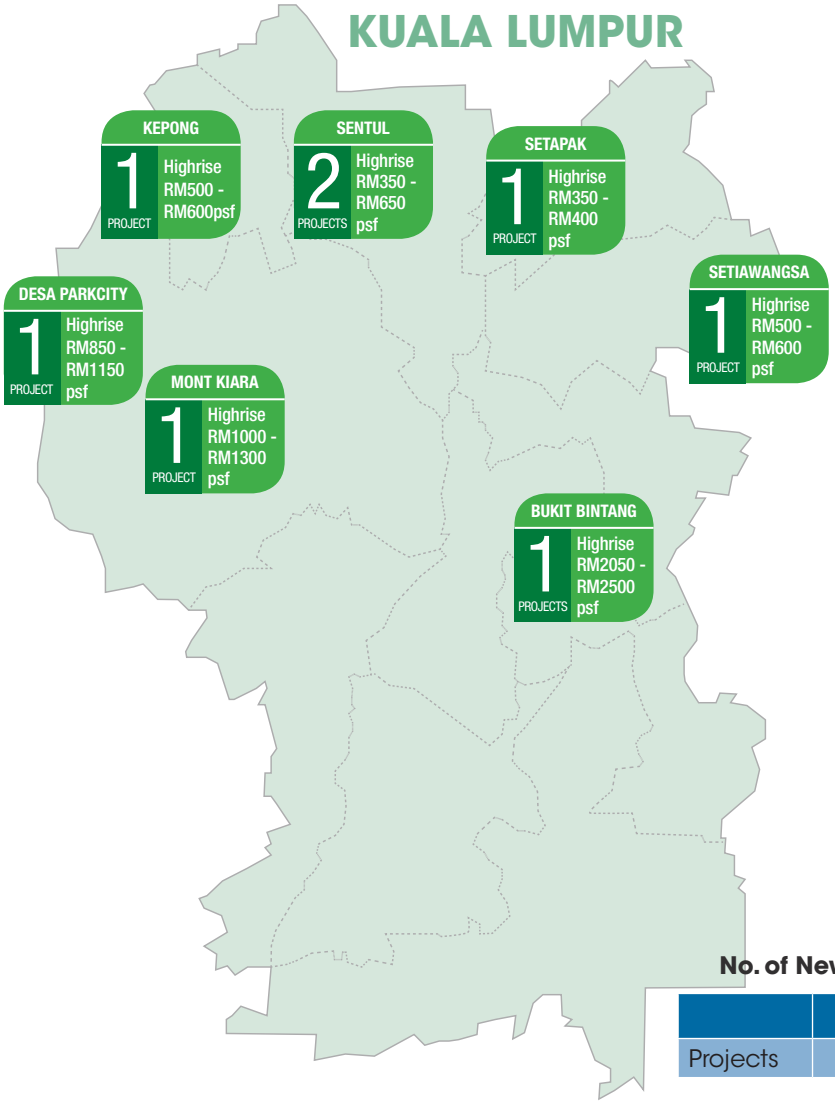
In conclusion, SME owners should pay attention to the trademark(s) they may have created in the normal course of business. Registration, marketing and advertising and other trademark and brand building exercises can pay rich dividends if the trademark is leveraged properly. Valuation of the trademark can go a long way for business owners to understand how to use it for growth and business expansion.

This article is written by Adie Gupta, Managing Director of Spring Galaxy, an Associate of Henry Butcher Malaysia. Adie provides valuation and related advisory services to the corporate sector in Malaysia, Singapore and the wider AsiaPac region. He has over 20 years of valuation and corporate finance experience. He is a regular speaker at conferences and other forms on valuations, M&A and Intellectual Property (IP) topics.

Spring Galaxy is a transaction advisory firm specialising in business valuations and transaction support services. For more information, please visit https://springgalaxy.com

Klang Valley Property Launches Picking Up Pace

Although significantly lesser compared to 3Q 2019 due to the Covid-19 pandemic, there were more projects rolled out towards 3Q 2020. *By Henry Butcher Research*



- Based on the data compiled for Klang Valley's new launches up to 3Q 2020, there is a significant drop when compared to the corresponding period of 3Q 2019. Specifically, Kuala Lumpur experienced a 63.6% drop from 22 (3Q19) to 8 projects (3Q20) while Selangor declined 63% from 54 (3Q19) to 21 projects (3Q20).
- Consistent with the dip in new launches, the number of new units in Kuala Lumpur reduced by 53% from 13,888 (3Q19) to 6,526 (3Q20) and in Selangor 64% from 19,433 (3Q19) to 7,010 (3Q20).
- Launches of new properties were rather subdued in the first half of 2020 but signs of the market picking up pace was spotted from May 2020 onwards when the Movement Control Order (MCO) eased. In fact, performance was getting back to 2019's level between July to September with 3, 6 and 8 new launches respectively, almost equaling the corresponding periods in 2019 with 4, 6 and 9 new launches.
- Different from what was reported in the previous edition's "Klang Valley Property Launches Muted by Covid-19" on 1H2020's new launches where zero launches were spotted in 2Q 2020, our research team subsequently discovered 3 launches conducted online by developers as they leveraged on the internet to roll out projects as a solution over the lockdown imposed on sales gallery as stipulated by the MCO.

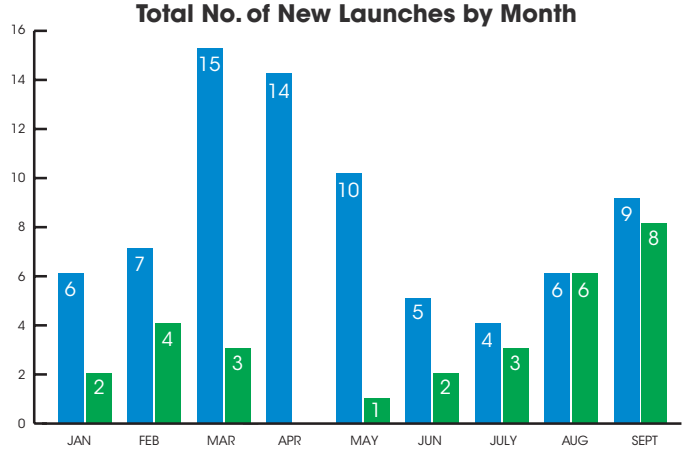
No. of New Launches

	2019	2020
Projects	76	29

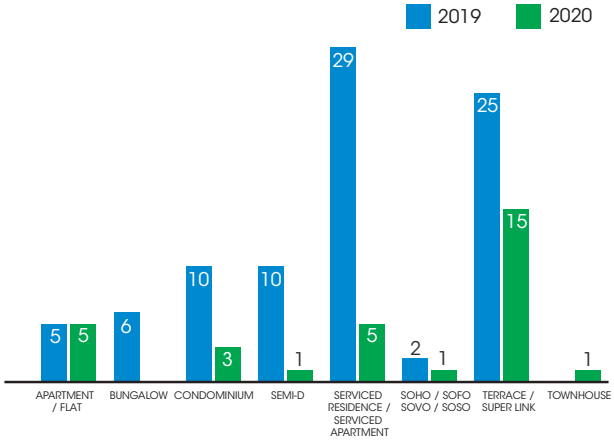
No. of Units Launched in New Projects

	2019	2020
Units	33,321	13,536

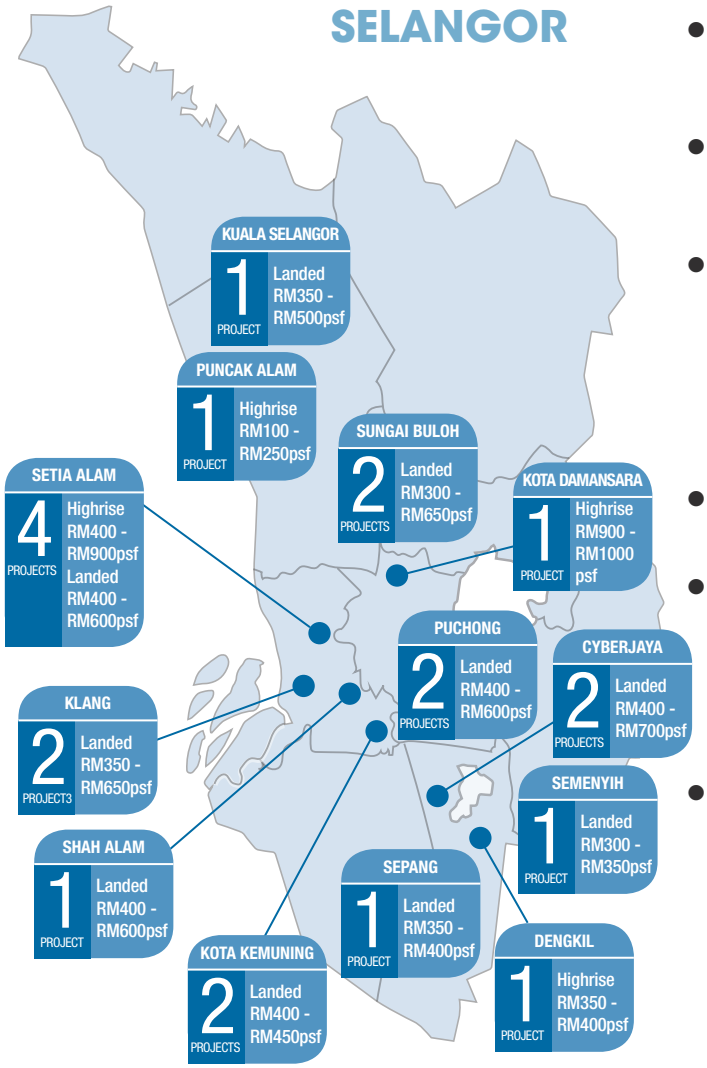
Total No. of New Launches by Month



Types of Projects



SELANGOR



- In a total reverse from 2019 where there were more high rises (46) launched than landed properties (41) in the period under our observation, 2020 saw more landed properties (17) launched compared to high rises (14).
- The number of units in high rises showed a drastic decline, dropping 66% from 28,377 units of high rises in 2019 to 9,657 units in 2020 but the drop was not as significant in the landed category, declining by 21.5% from 4,944 to 3,879 units.
- In terms of property type, there were new launches for all categories albeit at a lower number with bungalows as the only absentee in the three quarters of 2020. Landed terrace houses had the most new launches up to 3Q 2020 with 15 projects followed by apartments and service apartments with 5 projects each whereas in the corresponding period in 2019, service apartments topped the chart with 29 projects followed by semi-detached and condominium with 10 each.
- From the perspective of built-ups, the trend is somewhat similar with a higher proportion of projects offering more than 1,800 sq ft and between 601 to 1,000 sq ft in 2020.
- RM601,000 to RM800,000 is the most popular price range with 19 out of 31 projects offering properties within the price bracket in 2020 compared to the corresponding period in 2019 where the above RM1 million price tag had the most number of projects (43) carrying properties of that value. The shift in trend could largely be influenced by the increasingly challenging market environment.
- Setia Alam produced the most number of new launches with 4 projects in the period under observation in 2020 followed by Cyberjaya, Klang, Kota Kemuning, Puchong, Sungai Buloh and Sentul with 2 projects each. The higher number of launches in 2019 were led by Kajang, Klang and Shah Alam with 5 projects each followed by Bangi, Sepang and Sungai Buloh with 4 projects each. These are indicative of where the Klang Valley property development market is trending towards and that is out of the city centre and further into the suburbs in Selangor.

Unit Sizes by Projects

15%	Below 600sf	10%
24%	601sf - 800sf	32%
38%	801sf - 1,000sf	32%
20%	1,001sf - 1,200sf	26%
18%	1,201sf - 1,500sf	23%
17%	1,501sf - 1,800sf	23%
15%	1,801sf - 2,000sf	35%
44%	Above 2,000sf	45%

Pricing by Projects

39%	Below RM400,000	19%
40%	RM401,000 - RM600,000	32%
38%	RM601,000 - RM800,000	61%
38%	RM801,000 - RM1,000,000	52%
49%	Above RM1,000,000	52%

Price Per Square Feet (PSF)

59%	Below RM500	68%
53%	RM501 - RM750	39%
17%	RM751 - RM1000	16%
5%	RM1,001 - RM1,500	6%
3%	Above RM1,500	3%

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.

HENRY BUTCHER
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Ibrahim Hussein, Datuk *Figures On The Beach*, 1980, estimate **RM525,000 - 850,000**

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

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