



**SHAREDA**  
沙巴房地產發展商公會

# 2020 Property Development Annual Report



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## 1.0 Message from MINISTER OF LOCAL GOVERNMENT AND HOUSING, STATE OF SABAH

I am glad and grateful to receive such a revealing and informative report. In this Age of Information, the value of information itself is of utmost importance to many.

I read through this report and found it to be stimulating and the data compiled is just outstanding. A practical guide to all players involved in the property development industry and more. I would like to extend my compliments to the SHARED A Research Unit for dedicating their time and effort to fulfilling this inaugural report. Their innovative approach will definitely propel the property development industry in Sabah to another level.

I can see that the report also identified numerous pressing issues and problems faced by SHARED A members with government departments. I am pleased to inform that our government departments are more than willing to work hand in hand with SHARED A to resolve the issues in question. I am proud to say that under the leadership of Mr Francis Goh as president of SHARED A, SHARED A had been extensively reimaged to be a better and excellent professional association. The assistance provided by all fellow SHARED A members in fulfilling the promise of building affordable homes is greatly appreciated by the government. Working together and bringing us closer will ensure that we progress fast without neglecting any industry.

I believe there will be more contributions from Mr Francis Goh and SHARED A in years to come as key players in Sabah property development industry.

Thank you.

A handwritten signature in black ink, appearing to read 'Haji Hajiji'.

Yang Berhormat Datuk Seri Panglima Haji Hajiji Haji Noor  
*Minister of Local Government and Housing, Sabah*

## 2.0 Foreword By SHAREDADA PRESIDENT

Since I joined SHAREDADA in 2004 as a council member, I constantly highlighted the importance of producing property development annual report through the formation of an exclusive research team consisting of property executives who specialize in compiling market studies and market analysis by recording property news, property launches, price range, project sales performance and gross development value of each development project launched by our SHAREDADA members. However, this vision was not executed until now.

After I took over as president of SHAREDADA on 27 March 2013, I decided to accommodate this idea of creating an annual report as one of my promises to my fellow SHAREDADA members. There is a need for crucial and detailed information on property development and market analysis in Sabah. With this Property Development Annual Report prepared by SHAREDADA, it will act as relevant source of reference for related government departments, professional bodies, real estate players, SHAREDADA members and our counterparts REHDA in West Malaysia and SHEDA in Sarawak as well.

In the past, SHAREDADA's members relied on market reports prepared by professional valuers and economic researchers. The report usually consists of figures that did not accurately reflect the total revenue generated by Sabah property developers. The gross development value of a project was not recorded due to developers' reluctance to disclose and only the number of units of the property built were included. Absence of the right information may diminish the accuracy of such valuation. This may also affect the gross development value (GDV) and gross contract value (GCV) for precise market assessment. Therefore, this SHAREDADA inaugural annual report aims to reveal the actual data which reflects the importance of property development industry to Sabah's economy and affirmed that this industry is performing in par with or even superior than the 4 main key industries namely palm oil, oil & gas, tourism and manufacturing sectors.

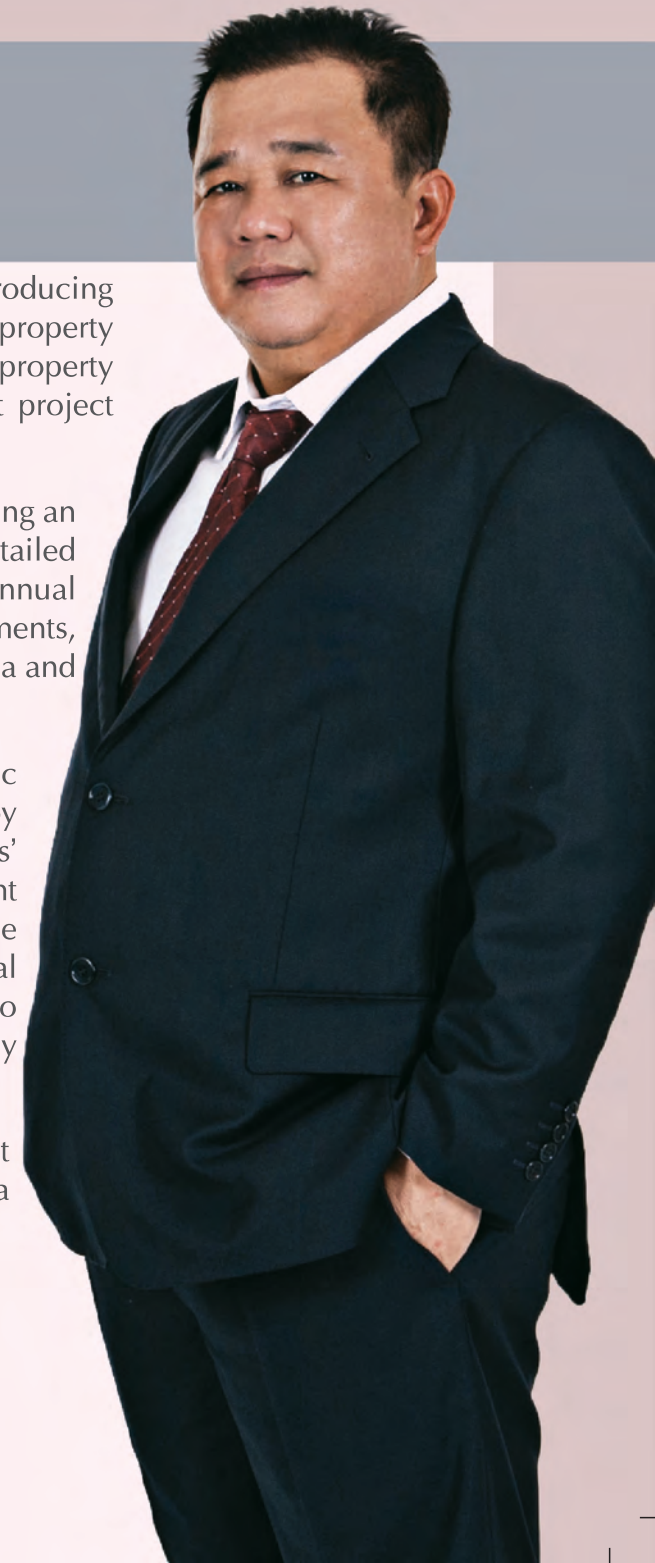
The SHAREDADA Council and I representing 183 SHAREDADA members are proud to present our very first Property Development Annual Report. With this report, we aim to provide greater clarity and serve as a guiding beacon in the property development industry of Sabah.

Thank you.

*Francis Goh*

Mr. Francis Goh, A.S.D.K

President of SHAREDADA



# 3.0 An Overview Of Property Developments Launched By SHARED A Members in 2013

BY SHARED A PROPERTY RESEARCH UNIT.

## 3.1 INTRODUCTION

Through observation of the period before March 2013, SHARED A indeed lacked accurate and adequate information made available to the public due to the shortage of expertise in analysing the property market and conducting market surveys. Even though our secretariat did record sales and property launches by SHARED A members, our members would also rely on property reports and outlook conducted by other professional bodies and valuers.

Property development projects with a Gross Development Value (GDV) of RM10 billion per annum had been achieved by SHARED A members for 3 consecutive years from 2010 until 2012. It was regrettable that a thorough market assessment of these 3 years could not be executed.

Under the helm of our visionary President, Francis Goh, SHARED A property research team immediately took constructive measures to realise such a report through the recruitment of skilful and experienced property executives. This annual report prepared by SHARED A is a pilot project that will be produced annually with precise data statistics for market reference to all real estate players in Sabah.

## 3.2 PROPERTY MARKET TREND ANALYSIS

SHARED A members have generated an estimated Gross Development Value of RM 7.562 billion to Sabah's state economy for the year 2013. Such an achievement has proven to be ranked third as compare to other major industries in Sabah, namely, palm oil industry (RM 15.3 billion), oil & gas industry (RM 10 billion), tourism industry (RM 5.6 billion), and manufacturing industry (RM 3.5 billion).

It is disheartening to note that the contributions by developers are often misconstrued and projected a wrong impression to public and government agencies. However, developers are partly to be blamed for their reluctance and unwillingness to disclose information on their respective project's GDV which is highly regarded as business secrecy.

## 3.3 SUMMARY OF GROSS DEVELOPMENT VALUE (GDV)

### “SHARED A MEMBERS GENERATED AN ESTIMATED TOTAL GROSS DEVELOPMENT VALUE (GDV) OF RM7.562 BILLION IN 2013.”

Below Is A Table Showing The Analysis Of Property Development Products Produced Throughout Sabah For The Year 2013.

No.	Property Type	No of Units	GDV (RM)
1	Condominiums & Apartments	6804	2,056,000,000
2	Commercial Developments *	1726	1,521,536,000
3	Industrial Developments	160	153,500,000
4	Landed Residential **	4421	1,825,178,000
5	Mixed Developments *** (Integrated developments)	2014	2,006,000,000
	<b>Total GDV</b>		<b>7,562,214,000</b>

\* Commercial properties comprised of shop offices, shop lots, shoplex and retail shops.

\*\* Landed residential properties comprised of single storey terrace, double storey terrace, semi-detached and detached bungalow

\*\*\* Mixed developments comprised of retail malls, anchor malls, hotel suites, service apartments, SOHO, SOVO and business suites.

The recorded RM 7.562 billion GDV is derived from various residential, commercial, industrial and mixed development projects implemented by SHARED A members. Resulting a spillover effect to over 164 related industries.

### 3.4 PROPERTY DEVELOPMENTS ARE CONCENTRATED ON 5 MAJOR DIVISIONS IN SABAH

Among the total GDV of RM7,562,214,000, the West Coast Region has always been the ‘hottest’ region which produced a GDV of RM 5,133,878,000. Lahad Datu is ranked second in the race with a total GDV of RM687,000,000 and is the highest in the East Coast region. The Interior region has produced a total GDV of RM615,900,000 ranking third. Tawau in the East Coast region is in 4th place producing a total GDV of RM547,936,000 and Sandakan is ranked fifth with a GDV of RM477,500,000. Kudat division is ranked last with a total GDV of RM100,000,000.

Rank No.	Regions	Condominium and apartment		Mixed Developments		Commercial Properties		Industrial Properties		Landed Residential Properties		Total GDV (RM)
1	West Coast region	1,651,000,000	4,692 units	2,006,000,000	2,014 units	499,000,000	397 units	147,000,000	152 units	830,878,000	1,555 units	5,133,878,000
2	East Coast - Lahad Datu	85,000,000	320 units	NA		429,000,000	566 units	NA		173,000,000	336 units	687,000,000
3	Interior region	NA		NA		348,000,000	438 units	NA		267,900,000	1,087 units	615,900,000
4	East Coast - Tawau	NA		NA		135,536,000	173 units	NA		412,400,000	1,037 units	547,936,000
5	Sandakan	250,000,000	1,440 units	NA		80,000,000	76 units	6,500,000	8 units	141,000,000	406 units	477,500,000
6	Kudat	70,000,000	352 units	NA		30,000,000	76 units	NA		NA		100,000,000
												<b>7,562,214,000</b>

### 3.5 TOTAL GROSS DEVELOPMENT VALUE HAS DROPPED BY 25% IN 2013 AS COMPARED TO PREVIOUS YEAR

According to SHARED A statistics and records from 2010 to 2012. Although Sabah property development industry has achieved a significant growth with a total GDV of RM10 billion consecutively in the past 3 years. Yet in 2013, the sector has experienced a substantial drop in supply for about 25% due to the following factors:-

- (i) The decrease in GDV in the first quarter of 2013 was inevitable and anticipated. One of the notable reasons is the delay of the development plan approval process due to the technical nature of the approval procedure. The delay is mainly caused by the following procedures:
  - a. Environmental Impact Assessment (EIA) - an assessment of the possible impact of a proposed project may have effects on the environment.
  - b. Traffic Impact Assessment (TIA) - a study which assesses the adequacy of the existing or future transportation infrastructure to accommodate additional traffic flows created by a proposed development.
  - c. New ruling that necessitates the submission of development plans to Central Board for perusal before approval given by local council.
  - d. Certain sensitive development under DBKK’s jurisdiction requires the consent and endorsement by Sabah State Cabinet.
  - e. Delay of endorsement for sub-division and conversion approval by Hasil Bumi.
- (ii) Speculations on the imposition of Goods and Service Tax (GST) and uncertainties about the Budget 2013 had also affected the property market tremendously and delayed the launching of new developments in the 4th quarter of 2013. Some negative remarks and presumptions by market observers deterred investors from engaging the market. Rumours on government measures to curb speculation in the property market and the increase in Real Property Gains Tax (RPGT) to curb short term gain by property investors are some reasons for the slowdown.
- (iii) Slow sales performance due to difficulty in obtaining end financing from banks by purchasers.

Lido Four Seasons Residence along Kepayan Lido Bypass



### 3.6 TENDENCY TO BUILD APARTMENTS AND CONDOMINIUMS DEVELOPMENT IN KOTA KINABALU

The rising land cost and the scarcity of feasible land resulted in a state-wide increase in apartment and condominium development over the years. Landed properties are no longer an attractive options to developers due to lower return of investment.

For example, the second lot at Jalan Bundusan has a selling price ranging from RM 3.5 million to RM 4 million/acre. It is common that a developer can only build 12 units of landed terraced-house per acre of land. The developer will have to sell at a minimum price of RM 750,000/unit in order to attain a 20% profit or RM 150,000 per unit. The return of investment at RM 1.8 million will not be compatible to the capital input for RM3.5 million as the investment factor is only 50% of the initial capital investrust.

This growing trend in developing condominiums and apartments can be affirmed with recent launches in year 2012 – 2013. Among the notable launches during this period are Tropicana Landmark and Lido Four Seasons Residence in Penampang, The Suritz in Kolombong, and Jesselton View in Luyang. According to SHARED A's recorded statistics, there are 4,692 units of apartments and condominiums launched in 2013 with a GDV of RM 1.651 billion. The launching prices of these high-rise residential condominiums located within 12km radius from city centre range from RM 380 to RM 500/sq.ft.



Tropicana Landmark at Bundusan



The Suritz in Kolombong

### 3.7 PROPERTY DEVELOPMENTS LAUNCHED IN 2013 - THE WEST COAST REGION OF SABAH

Developments seen in the West Coast of Sabah stretch from Kota Kinabalu, Penampang, Putatan, Papar to Tuaran

#### Highrise Condominiums & Apartments Developments

No	Project	Location	No Storey	Property Type	Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Lido Four Seasons Residences	Kepayan	15	Condominium	840	1,000	330,600 - 393,500	330.6 - 393.5	305,000,000	2 Jan 1013 2012
2	The Peak SOHO	Tanjung Lipat	15 & 17	Condominium	212	497 - 920	286,800 - 689,800	577 - 750	74,000,000	Q1 2013
3	University Utama Condominium Ph 3	Menggatal	5	Condominium	720	414 - 717	198,888 - 249,888	348	144,000,000	Q1 2013
4	Millenium Residency Ph 1A	Kolombong	4	Apartment (Walk Up)	96	688 - 806	212,225 - 293,420	308 - 364	24,000,000	Q1 2013
	112				695 - 798	249,677 - 342,295	359 - 429	28,000,000	Q4 2013	
5	Jing Yuen Condominium	Minintod	9	Condominium	72	1200 - 3100	396,000 - 1,240,000	330 - 400	35,000,000	12 April 2013
6	Sepanggar Residence	KKIP	14	Apartment with Lifts	448	720 - 1010	230,000 - 320,000	319	110,000,000	15 April 2013
7	Kondominium Seri Manis	Jalan Lintas	8	Condominium	50	1400 - 2100	580,000 - 940,000	414	30,000,000	12 May 2013
8	Kristal Heights Block A	Kepayan	10	Condominium	61	1500 - 2001	687,000 - 1,027,000	458 - 513	42,000,000	25 May 2013
9	Lido Avenue	Lido	26	Condominium	228	1385 - 1628	684,000 - 720,000	493	148,000,000	8 June 2013
10	Bay 21 Too	Likas Bay	26	SOHO	286	395 - 1851	276,500 - 1,480,000	700 - 800	150,000,000	Q3 2013
11	Green Field Residence	Menggatal	7	Condominium	252	814 - 1050	244,200 - 315,000	300	70,000,000	Q3 2013
12	The Loft C	KK City Centre	9	Condominium	110	690 - 2609	810,000 - 3,000,000	1174	123,000,000	6 July 2013
13	Jesselton View	Luyang	11	Condominium	80	906 - 2922	553,000 - 2,082,000	610 - 712	66,000,000	Q3 2013
14	Aman Sari Lofts	Pulutan, Menggatal	7	Apartment	42	775 - 1227	280,200 - 450,000	361	13,000,000	24 Aug 2013
15	BayShore Condominium	Likas Bay	8	Condominium	28	1527 - 1609	725,325 - 810,500	475 - 504	20,000,000	9 Sept 2013
16	Sierra Apartment Ph 3 A2-2	Menggatal	4	Apartment	224	712 - 952	190,755 - 285,000	267	47,000,000	25 Oct 2013
17	Tropicana Landmark	Jalan Bundusan	21	Condominium	149	1215 - 2753	546,400 - 1,804,800	450 - 656	101,000,000	Q4 2013
18	Puri Fantasi	Mile 2, Off Jalan Tuaran	5	Condominium	42	1300 - 1600	500,000 - 607,000	380	21,000,000	20 Dec 2013
19	The Palm Condominium	Kinarut	16 17	Condominium	256	1090 - 3655	302,000 - 1,688,000	277 - 461	100,000,000	Q4 2013 (Official 2 Feb 2014
					384	1090	287,800 - 494,800	272 - 412		
Total					4692			Total	1,651,000,000	





Bay 21 Too at Likas Bay

#### (i) PRICES FOR HIGH RISE CONDOMINIUMS IN KOTA KINABALU

It is noted that there are a few condominiums with the price range of RM 650 to RM 1,175/sq.ft (within 5km from the city centre). In spite of the relatively higher prices per sq.ft, it is justifiable for such pricing due to its premium location with sea view that these condominiums are built on, for instance Bay 21 Too at Likas Bay, The Loft C at KK City Centre, Riverson Walk and The Peak SOHO at Tanjung Lipat, Likas.

Due to limited supply of premium location with sea view, it is unlikely to have many high end condominium development in the near future. Hence, the market price of condominiums and apartments is expected to hover around RM500/sq.ft. Higher selling price for such premium properties is justifiable as vacant land within 5km in city capital is now sold at RM 300 to RM 400 / sq.ft.



The Peak SOHO at Tanjung Lipat, Likas



The Loft C, KK City Centre

(ii) DEPLETING SUPPLY OF LANDED DEVELOPMENTS

The statistic collected by SHARED A Research Unit concluded that 4421 units of landed residential products were launched in 2013. The number of landed development is lower compared to condominium developments. Among the landed properties launched are Taman Cerah Ph 7B at Tuaran By-pass, Taman Rimba 2 & 3 at Menggatal, D'Sri Gayang at Sulaman, and Vistana Heights at Iramanis. Most of the landed developments are located beyond 15km from the KK City Centre.



Taman Cerah Ph 7B at Tuaran Bypass



Vistana Heights at Iramanis



Taman Rimba 2 & 3 at Menggatal

Most landed property developments in Kota Kinabalu are moving out to sub-urban area beyond 15KM from KK City Centre.

### 3.8 PROPERTY DEVELOPMENTS LAUNCHED IN 2013 IN THE WEST COAST REGION

The following are the list of landed residential developments launched in 2013 along the west coast region consists of Kota Belud, Kota Kinabalu, Papar, Penampang, Putatan, Ranau and Tuaran.

#### Landed (Residential) Property Developments in the West Coast Region

No	Project Name	Location	No Storey	Property Type	Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Taman Seri Juta	Kinarut, Kawang	1	Terrace	29	1280	330,000 - 468,000	256	17,000,000	13 April 2013
			2	Terrace	15	1600	416,000 - 540,000	321		
2	Taman Seri Pelangi Ph 2C	Jalan Tuaran By pass	2 1/2	Terrace	12	2214	1,080,000	488	12,000,000	17 April 2013
3	Taman Makmur Ria	Jalan Pulutan, Menggatal	2	Terrace	58	1611 - 1658	388,888 - 548,888	241 - 338	24,000,000	22 April 2013
4	Villa Era Kolopis	Kasigui, Penampang	2	Terrace	17	1670	500,000 - 538,000	299 - 322	8,500,000	Q2 2013
			2	Semi Detached	4	2036	900,000 - 1,000,000	442 - 491	3,600,000	
5	Taman Pertama / 1st Garden Residence	Kg Mahandai, Penampang	2	Semi Detached	60	2050	768,000	374	46,000,000	Q1 2013
6	Taman Cerah Ph 7B	Tuaran Bypass	2	Terrace	17	1605	509,000 - 692,800	317 - 432	10,000,000	
7	Taman Seri Chimera	Kolombong	3	Semi Detached	4	3870	1,300,000	335	10,000,000	7 May 2013
			4	Semi Detached with Lift	2	7000	2,700,000	385		
8	Taman Mahkota Ph 2	Jalan Bundusan	2	Semi Detached	24	2279	1,200,000	527	28,000,000	23 May 2013
9	La Gloxinia Garden	Kinarut South	2	Terrace	475	864 - 1036	248,800 - 348,800	287	120,000,000	27 May 2013
10	Taman Flamingo Ph 2B	Menggatal	2	Terrace	48	1075	410,243	381	23,000,000	9 July 2013
			2	Semi Detached	5	1270	640,000	504		
11	Taman Nambazan	Penampang Papar Old Rd	2	Terrace	26	1200	318,000 - 488,000	265 - 407	10,000,000	11 July 2013
12	King Fisher Cove	Likas	3	Terrace	24	3400	1,300,000	382	31,000,000	13 Aug 2013
			1 1/2	Duplex Condo	44	1483 - 1850	600,000 - 825,000	404 - 445	26,000,000	
13	Taman Rimba 2	Menggatal	2	Terrace	101	1750	458,000 - 600,000	262 - 343	50,000,000	19 Aug 2013
	Taman Rimba 3		2	Terrace	171	1298 - 2020	530,100 - 826,000	408	99,000,000	
14	D' Ambience	Taman Bukit Seppanggar	2	Detached	8	4982	2,000,000	401	16,000,000	7 June 2013
15	Taman Putra Pogun	Kibabaig, Penampang	2	Terrace	62	2198	650,845 onwards	296	35,000,000	Q3 2013
			3	Terrace	36	3,600	900,000	250	30,000,000	
			2	Semi Detached	42	4,200	1,100,000	262	43,000,000	
16	Aman Sari Residence	Jalan Pulutan, Menggatal	2	Terrace	43	1700 - 1900	600,000 - 675,000	353	26,000,000	24 Aug 2013
17	Vistana Heights	Iramanis	2	Semi Detached	22	3286	1,350,000 - 1,360,000	411	29,000,000	30 Aug 2013
18	D' Sri Gayang	Sulaman	2	Terrace	60	1,254	288,000 - 446,000	230 - 360	18,000,000	30 Aug 2013
19	Taman Bukit Hijau @ Green Hill Park	Tuaran Bypass	3	Semi Detached	14	2,595	1,058,800	408	14,000,000	28 Sept 2013
20	Taman Laman Hijau Ph 2	Kepayan	2	Semi Detached	20	2,832	1,388,888	490	27,778,000	25 Oct 2013
21	Taman Keluarga Ph2	Penampang	2	Detached	1	3,000	3,000,000	1000	3,000,000	Q 4 2013
			2 1/2	Semi Detached	14	2,849	800,000 - 1,300,000	281	12,000,000	
22	Prima Sumundu	Minintod	2	Terrace	97	2,508	618,450	247	59,000,000	5 Oct 2013
					Total Units	1555			Total GDV	830,878,000

Prima Sumundu at Penampang



With the escalating land cost in the town centre, developers are moving towards suburban area (beyond 15km from city centre) where land prices per acre are still relatively cheaper. Developers are still able to build more landed residential products to meet the ever ready market demand. Many landed residential were developed in suburban areas of Kota Kinabalu such like Taman Seri Juta at Kinarut, Taman Bukit Hijau@Green Hill Park at Tuaran Bypass, Taman Albion at Pulutan Menggatal, Taman Rimba at Bandar Sierra and Taman Seri Gayang at Jalan Sulaman.

(i) LANDED RESIDENTIAL ARE THE MOST SOUGHT AFTER

Landed residential developments remained the most sought after despite rising land and building costs. This is mainly due to the lower risk nature of development and the constant demand from the market. Based on the trend of sales, landed residential has consistently achieved 100% sales performance even if the price is beyond the purchasing ability of most first-time home buyers. The sales performances of high-rise residential products are not comparable to landed residential due to better capital gains, larger space factor and higher density for maximum usage of land.



Taman Bukit Hijau@Green Hill Park at Tuaran Bypass

Landed residential products remained the most sought after properties merely because most buyers still prefer to have their foot step on their own compound with spacious front porch and backyard.

Oceanus Waterfront Mall at KK City



## (ii) COMMERCIAL AND RETAIL PROPERTIES DEVELOPMENTS IN WEST COAST REGION

In 2013, the City Centre of Kota Kinabalu experienced a momentous growth of retail malls with new launches coupled with ongoing developments in the suburban areas such as Tuaran By-pass, Menggatal and Penampang.

The mall culture had gradually flourished in Kota Kinabalu. With the intensifying number of ongoing retail malls in the heart of the city, for example the upcoming Imago Mall @ KK Times Square, Oceanus Waterfront Mall @ KK Waterfront, Riverson Walk and Pacific City in Likas Bay. It is expected that the market would experience a substantial increase in retail space supply and also a stronger competition in the retail sector when all these developments are completed.

The commercial and retail scene had progressively moved towards suburban areas with their captive catchment market along main roads due to the intense competition in the City Centre and also the soaring land prices. For instance, the Grand Merdeka Mall at Menggatal is offering an affordable price range as low as RM136,000/unit. Retail mall in suburban areas can fetch up RM520 to RM1,000/sq.ft C-Park at Penampang with a starting price of RM2.4 million for 3 to 4-storey commercial unit and in the Palm Square development with 2-3 storey shop lot in Kinarut is fetching a selling price of RM1.4 million.



Pacific City at Likas



Imago Mall at KK City

## Mixed developments launched in 2013 in West Coast region

## Mixed Development In West Coast Region

No	Project Name	Location	No Storey	Property Type	Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Grand Merdeka Mall	Bandar Sierra, Menggatal	3	Mall	840	105 - 13,095	78,897 - 9,635,497	751	1,000,000,000	7 May 2013
2	C - Park	Jalan Pintas, Penampang By pass		Hotel Suites	288	386 - 1300	380,000 - 1,300,000	985	500,000,000	30 Nov 2013
			3	Shop Lots	8	4175.1	3,288,888	788		
			4	Shop Lots	40	4629 - 11,495	2,438,888 - 4,888,888	527		
3	8 Avenue	KM14, Jalan Tuaran ByPass	13	Commercial SOVO	55	730 - 1316	400,000 - 1,000,000	548 - 760	148,000,000	Q4 2013
						259	345 - 839	275,000 - 1,000,000		
4	Pacific Heights Ph 1 @ Pacific City	Likas Bay	13	Condominium	204	1060 - 3450	742,159 - 3,036,000	700 - 880	176,000,000	14 Nov 2013
5	Sutera Avenue - The Residences	KK City	4	Service Apartments	320	726 - 1220	605,000 - 910,000	800	182,000,000	11 Jan 2014
					Total Units	2014			Total GDV	2,006,000,000

Most mixed developments are located in suburban areas beyond 10km from the city centre fetching a moderate price from RM 527 to RM 1,200/sq.ft. The take-up rate of Grand Merdeka is encouraging as this type of neighbourhood mall concept with smaller size retail space are welcomed by the suburban community and will establish itself as the upcoming trend as traffic congestion in the city centre worsens and deters suburban dwellers from visiting malls in the city centre.

## Commercial Property Developments in West Coast Region

No	Project Name	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Palm Square	Kinarut	2	Shop Lots	32	2166 - 2466	1,098,000 - 1,488,000	506 - 603	100,000,000	Q4 2013 (Official 2 Feb 2014)
			3	Shop Lots	40	3550 - 3770	998,000 - 1,488,000	281 - 394		
2	HM Penampang	Jalan Penampang Lama	1	Split Level Office Cum Showroom	4	5000	2,980,000	596	10,000,000	30 April 2013
3	Royal Plaza Putatan	Putatan	2	Shop Lots	38	2400	900,000 - 1,000,000	375 - 417	34,000,000	10 May 2013
4	1 Telipok Commercial Centre	Telipok Town	2	Shop Lots	50	2411 - 2510	768,800 - 998,000	319	38,000,000	6 Aug 2013
5	Pintas Avenue	Kg Nosoob, Penampang Bypass	3	Office Shop	18	3683 - 3689	1,488,888 - 1,698,888	404 - 460	27,000,000	7 Sept 2013
6	La Gloxinia Avenue	Kinarut	2	Shop Lots	20	3373	638,000 - 868,000	189 - 257	13,000,000	3 Oct 2013
7	Suria Inanam	Inanam Laut	3	Shops	110	3308 - 4148	1,478,745 - 2,371,147	447 - 571	180,000,000	9 Oct 2013
8	Harumas 118	KKIP	3	Shops	38	3792	988,000 - 1,200,000	260 - 316	37,000,000	Q4 2013
9	Menggatal Plaza	Menggatal	2	Shop	47	2704 - 2993	1,100,000 - 1,250,000	406	60,000,000	Q4 2013
					Total Units	397			Total GDV	499,000,000

Pintas Avenue at Penampang Bypass



**(iii) COMMERCIAL PROPERTY DEVELOPMENTS**

A total of 9 commercial property developments were launched in 2013 consisting of 2-3 storey shop offices. The selling price ranges from RM 300 to RM 500/sq.ft depending on the location of the property. 3 storey shop offices located along Jalan Penampang such as Pintas Avenue with a selling price set from RM 1.48 million to RM 1.7 million and the 4 storey shop lots at C-Park is selling from RM2 million to RM2.4 million or approximately RM 550/sq.ft.

**(iv) INDUSTRIAL DEVELOPMENTS IN WEST COAST**

There are 152 units of industrial shops ranging from RM1.5 million to RM1.9 million for industrial shop offices and semi-detached warehouses launched in the Sabah West Coast region.



C Park at Penampang Bypass

**Industrial Property Developments In West Coast Region**

No	Project Name	Location	No Storey	Property Type	Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Idamas 118	KKIP	3	Warehouse Semi Detached	12	5744	1,500,000	261	16,000,000	Q1 2013
2	Kimani s Industrial Park Ph 1	Kimani s	2	Industrial Shop	98	2421	610,000 - 720,000	252 - 297	60,000,000	7 March 2013
3	Bundusan Industrial Park	Jalan Penampang Lama	2	Terrace Light Industrial	22	3348.6	1,565,000	467	33,000,000	8 Sept 2013
			2	Semi Detached Light Industrial	20	3826	1,900,000	496	38,000,000	
					Total Units	152			Total GDV	147,000,000

### 3.9 LANDED PROPERTY DEVELOPMENT STILL EMINENT IN THE INTERIOR REGION

A fair amount of property developments launched in the interior region are apparent in districts such as Beaufort, Keningau and Sipitang. The property developments in the interior division are focussed more on landed property and commercial shop offices.

#### Landed (Residential) Property Developments In The Interior Region

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Taman Eramas Ph5	Beaufort	2	Semi Detached	30	2112	344,500 - 403,000	163 - 191	10,500,000	Q1 2013
			2	Terrace	24	1320	211,850 - 288,000	160 - 218	5,000,000	
2	Taman Lumat	Lumat, Beaufort	1	Semi Detached	4	943	180,500 - 370,000	191 - 392	13,000,000	Q2 2013
			1	Terrace	84	836 - 912	150,000 - 212,000	179 - 232		
3	Taman Jaya Ph2	Keningau	1	Semi Detached (A)	24	1028.28	318,000	309	7,000,000	15 April 2013
			1	Semi Detached (B)	24	1197.38	368,000	307	8,000,000	
			2	Semi Detached	24	1873.45	518,000	277	12,000,000	
4	Taman MDK Ph 3B	Keningau	1	Detached (A)	2	1672	428,000	256	800,000	Q2 2013
			1	Detached (B)	16	1766	538,000	305	8,600,000	
			2	Detached	4	2453	580,000	235	2,000,000	
5	Villa Botanika	Sipitang	1	Terrace	168	909	238,000	262	39,000,000	Q2 2013
6	Sungai Liawan Residence	Keningau	2	Detached	8	2600 - 3100	903,000	347	7,000,000	10 May 2013
7	Taman Rahim	Keningau	2	Terrace	85	1555	300,000 - 409,000	193	26,000,000	26 July 2013
8	Harmony Villa	Keningau	1	Terrace	195	924	255,000	275	49,000,000	Q3 2013
9	Taman Adika Ph 11	Kg Bariawa, Keningau	1	Terrace	141	970	180,500 - 244,150	186	25,000,000	26 Sept 2013
			2	Terrace	158	1200	220,000 - 312,000	183	35,000,000	
10	Taman Foh Sang 3B	Beaufort	1	Terrace	58	1,155	249,850	216	14,000,000	12 Dec 2013
11	Taman Perwira Biah Ph3	Keningau	1	Terrace	38	800	158,888	199	6,000,000	Q4 2013
					Total Units	1087			Total GDV	267,900,000



There are a total of 1087 unit of landed property products launched in 2013 with price ranging from RM150,000 to RM903,000 or RM160 to RM300/sq.ft. Landed property developments are still feasible and welcomed by interior purchasers because cheaper land can be found easily despite higher contract cost does not severely affect the tendency of such development trend in the interior region.

### Commercial Property Developments in the Interior Region

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area(SF)	Price	RM /PSF	Estimated GDV	Launching
1	Beaufort Square	Beaufort	2 & 3	Shops	126	2385 - 4581	710,660 - 1,577,501	298 - 344	100,000,000	Q1 2013
2	1 Beaufort Commercial Centre	Beaufort Town	2 & 3	Shops	108	2400 - 3600	574,425 - 610,000	239	62,000,000	7 March 2013
3	Bandar Mingo	Beaufort	2	Shop Lots	45	2400	605,000 - 650,000	228	27,000,000	10 May 2013
			3	Shop Lots	64	3600	901,000 - 1,060,000	239	57,000,000	
4	The 1 Plaza	Keningau	2	Shops	27	2209.24	757,120 - 1,017,120	342	22,000,000	18 May 2013
			3	Shops	23	3313 - 3533	1,133,000 - 1,300,000	342	26,000,000	
5	Datun Commercial Complex	Keningau	2	Shops	7	2700	1,050,000 - 1,250,000	388	7,000,000	25 Sept 2013
			3	Shops	38	4050	1,250,000 - 1,300,000	333	47,000,000	
					Total Units	438			Total GDV	348,000,000

There are a few commercial property developments launched as the demand for shop lots is still strong considering the ongoing urbanisation process in both Beaufort and Keningau. Overall performance and sentiments for the property sectors in the interior region were positive with a steady growth due to the relatively cheaper land cost. Developers tend to build landed residential in districts such as Beaufort, Keningau and Sipitang. With cheaper land cost in the interior region, new launches of affordable homes are prominent. There were about 11 landed residential launched in 2013 with 1,087 units for sale such as Taman Eramas Ph.5 in Beaufort with 30 units of 2-storey terraced houses priced at RM210,000 onwards, and 158 units of 2-storey terraced houses in Taman Adika Ph 11, Keningau with launching price below RM312,000.



Taman Eramas at Beaufort

### 3.10 PROPERTY DEVELOPMENT LAUNCHED IN THE KUDAT REGION

There were not many property developments launched in Kudat region except in year 2013 only two developments known as 1 Avenue Commercial Centre and 1 Avenue Residence in Kota Marudu.

#### (i) PROPERTY DEVELOPMENTS LAUNCHED IN THE KUDAT REGION

*Kudat Region: Kota Marudu, Kudat, Pitas, Tandek, Langkon and Matunggong.*

#### Property Developments In Kudat Region

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	1 Avenue Commercial Centre	Kota Marudu	3	Shop Lots	76	630 - 1890	100,000 - 468,000	204	30,000,000	9 Nov 2013
2	1 Avenue Residence		4	Apartments	352	653 - 875	183,000 - 258,000	280	70,000,000	
					Total Units	428			Total GDV	100,000,000



1 Avenue Commercial Centre at Kota Marudu



1 Avenue Residence at Kota Marudu

### D Perdana Square at Lahad Datu



### 3.11 PROPERTY DEVELOPMENT LAUNCHED IN THE EAST COAST OF SABAH

#### (i) Lahad Datu

The market in Lahad Datu was perceived as strong and vibrant backed by strong purchaser's holding power in the previous year. The deteriorating safety concerns in Lahad Datu with large number of illegal immigrants, and the recent intrusion incidents had aggravated the property market. Palm oil priced averaged at RM2,352/tonne in 2013, which is lower than the price in 2012. This has dampened the market sentiment due to lesser fund channelled into property investments as some cash rich planters may lose some of their purchasing power and interest in Lahad Datu but divert their attention for property investment in Kota Kinabalu City Center.

#### (ii) Mini Propex Lahad Datu

The sales performance in Lahad Datu catalysed a slow sales respond as evident in the latest mini PROPEX which was held in November 2013. The alarmingly low response from the market cautioned many developers to be more prudent in launching new developments in Lahad Datu.



Palm Heights at Lahad Datu



First Palm City Centre at Lahad Datu

Generally, small palm oil planters favour commercial developments. However, this trend has lost its momentum with the decline in palm oil prices. Many properties transacted merely for investment rather than owner-occupancy. An abundance of commercial space in Lahad Datu is foreseeable when new commercial properties such as First Palm City Centre, I Peak Business Centre, D Perdana Square and Palm Heights are completed 2 years from now.

## Commercial Property Developments In Lahad Datu

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	First Palm City Centre Ph 1A	Lahad Datu	2	Shoplex	154	520 - 840	256,000 - 424,000	492 - 505	46,000,000	Q1 2013
2	Bandar Seri Gemilang	Tungku, Lahad Datu	1	Shops	44	985	338,000	343	15,000,000	Q1 2013
3	I Peak Business Centre	Lahad Datu	2	Shop Lots	125	3250	802,221	246	166,000,000	28th June 2013
			3	Shop Lots	15	4875	1,253,054	257		
			4	Shop Lots	10	6500	1,803,332	277		
4	D' Perdana Square	Lahad Datu	2 & 3	Shop Lots	120	2820 - 4398	998,000 - 1,600,000	353	155,000,000	28th Oct 2013
			3	Shop Lots	20	4020 - 5196	1,600,000	398		
5	Palm Heights	Lahad Datu	2	Shop Office	78	2794	588,000 - 768,000	210	47,000,000	1st Nov 2013
					Total Units	566			Total GDV	429,000,000

So far only one condominium development was launched in Lahad Datu. With a built up area of 974 to 1306/sq.ft, the 320 condo units at Palm Garden has a selling price of RM254,600 to RM367,110. Most residential in Lahad Datu still focused more on the landed property developments.

## Apartment/Condominium Property Developments in Lahad Datu

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Palm Garden	Lahad Datu Town	4	Condominium	320	974 - 1306	254,600 - 367,110	261	85,000,000	Q1 2013
					Total units	320			Total GDV	85,000,000

## Landed (Residential) Property Developments in Lahad Datu

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Bandar Seri Gemilang	Tungku, Lahad Datu	1	Terrace	170	700 - 850	200,000 - 250,000	286 - 294	34,000,000	Q1 2013
2	I Peak Residency	Lahad Datu	2	Terrace	44	2239	484,000 - 531,000	216 - 237	22,000,000	Q4 2013
			3	Terrace	14	3020	980,000 - 1,100,000	325 - 364	14,000,000	
			2	Semi Detached	22	3014	999,000	331	22,000,000	
			3	Semi Detached	10	4273	1,400,000	328	13,000,000	
			2	Detached	8	4876	2,500,000	513	20,000,000	
			3	Detached	4	6803	3,500,000	514	13,000,000	
3	I Damansara	Lahad Datu	2	Terrace Ph 2A	42	2430 - 3200	460,000 - 690,000	189 - 215	20,000,000	Q4 2013
			2	Semi Detached 1B	22	3000	692,000	231	15,000,000	
					Total Units	336			Total GDV	173,000,000

## 3.12 PROPERTY DEVELOPMENT IN TAWAU

Property prices in Tawau has leaned towards medium cost developments priced below the RM450,000 bracket. For instance, Taman Sawit at Balung with single storey terraced houses, Bandar Sri Indah Ph.5 2-storey terraced houses, and Desa Ranggu at Jalan Ranggu with single storey terraced houses priced from RM206,800 per unit onwards. The demand for condominiums is low because of their preference for landed property. Thus, no condominium development was launched in 2013 at Tawau.

## Landed (Residential) Property Developments in Tawau

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Taman Sawit	Balung, Tawau	1	Terrace	499	760	206,800 - 364,000	272 - 479	121,000,000	Q2 2013
2	Bandar Sri Indah 5E & 5F	Tawau	2	Terrace	416	1548 - 1649	309,000 - 1,960,000	200 - 335	136,000,000	1st Sept 2013
	Indah Regency		2 1/2	Detached	110	5132	1,050,000 - 1,960,000	205 - 382	141,000,000	1st Sept 2013
3	Taman Anugerah	Jalan Sin Onn, Tawau	2	Semi Detached	12	3533	1,200,000	340	14,400,000	Q4 2013
					Total Units	1037			Total GDV	412,400,000

### 3.13 PROPERTY DEVELOPMENTS IN SANDAKAN

The landed property sector in Sandakan region remained the most active, with new launches such as 115 units of 2-storey terrace house in Taman Jati, and 150 units of 2-storey terrace house in Taman Impian at Mile 7. 2013 also saw the launching of residential under the affordable homes scheme, and notable development such as Taman Permata with 6-storey SPNB apartment at Mile 8, Jalan Labuk with starting price of RM 150,000 per unit. The selling price of landed property ranged from RM 261,000 to RM 367,000 or RM 240 to RM 320/sq.ft.



#### Landed (Residential) Property Developments in Sandakan Region

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Taman Sejati Ujana Ph6	Jalan Airport, Sandakan	2	Terrace	51	1296	309,000 - 449,000	238	20,000,000	13 Apr 2013
2	Taman Mawar Ph 5B	Sandakan	2	Terrace	56	1071	261,000 - 367,000	244	16,000,000	13 Apr 2013
3	Astana Heights	Sandakan	2	Semi Detached	34	2712	714,000 - 1,200,000	263	28,000,000	25 May 2013
4	Taman Jati	Mile 7, Jalan Labuk, Sandakan	2	Terrace	115	1100	294,500	268	34,000,000	Q2 2013
5	Taman Impian Ph 1	Kg Batu Putih,	2	Terrace	70	899	278,000 - 388,000	309	20,000,000	21 Sept 2013
	Taman Impian Ph 2	Sandakan	2	Terrace	80	902	288,000 - 388,000	319	23,000,000	
					Total Units	406			Total GDV	141,000,000

There are 2 commercial property developments consisting of 2 and 3 storey shop lots with price ranging from RM 700,000 to RM RM1.468 million or RM 260 to RM 330/sq.ft. Apartment development is not that common in Sandakan as only 1 project was launched in 2013.

#### Apartments / Condominium Property Development in Sandakan Region

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Taman Permata	Mile 8, Jln Labuk Sandakan	6	Apartment	1440	750 - 850	150,000 - 200,000	200	250,000,000	Q2 2013
					Total Units	1440			Total GDV	250,000,000

### Commercial Property Developments in Sandakan region

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Labuk Commercial & Business	Mile 10, Jalan Labuk, Sandakan	2	Shop (30' x 45')	24	2700	700,000	259	17,000,000	Q1 2013
			3	Shop	8	4050	1,100,000	271	9,000,000	
2	Taman Nasalim Ph 7A	Jalan Labuk Lama, Mile 8, Sandakan	2	Shop	4	3028 - 3313	998,510 - 1,185,600	330	4,000,000	Q2 2013
			3	Shop	40	4492 - 4936	1,268,888 - 1,468,888	282	50,000,000	
					Total Units	76			Total GDV	80,000,000

### Industrial Property Development in Sandakan Region

No	Project Name	Location	No Storey	Property Type	No Units	Built Up Area (SF)	Price	RM / PSF	Estimated GDV	Launching
1	Labuk Commercial & Business Centre	Sandakan, Mile 10, Jalan Labuk	2	Ware House	8	2700	805,000 - 900,000	298 - 333	6,500,000	Q 1 2013
					Total Units	8			Total GDV	6,500,000

With a typical built up area of 2,700 sq.ft and selling at RM 805,000 to RM 900,000, Labuk Commercial and Business Centre is the only 2-storey light industrial development in Sandakan that was launched in 2013.



#### 3.14 CONCLUSION

Despite the challenges and limitations, the above statistic shown the overall GDV contributed by the property development industry remains strong and steady driven by continuous market demand from the domestic prospects and property investors. Based on a survey conducted by SHARED A during PROPEX 2013, the demand for residential houses in Kota Kinabalu is still high despite the decrease in GDV. An estimated 15,000 property units are needed annually in Kota Kinabalu to cope with rapid urbanisation process, in constant increase in population and escalating number of domestic and foreign property investors. However, the market demand is not met mainly due to stringent loan process and approvals by bank that has softened the market demand and therefore create a higher market risks.



## 4.0 Property Development Outlook 2014 BY SHAREDA PROPERTY RESEARCH UNIT

By observing the property development market in 2013, it is foreseeable that downward cycle will continue in the first and second quarters of 2014 as most developers are deterred from launching new developments. Yet, this trend would slowly diminish and we expect an improvement for more property launches to be shown in the third and fourth quarters of 2014, particularly for property developments located on prime and strategic locations.

Developers are hesitant in launching new projects in the first and second quarters of 2014 because of the unclear policy of GST to be imposed in April 2015. Developers may need some time to adopt the implementation of GST to be imposed on commercial property and be accustomed with the new tax reconciliation on building material and professional services tax. Another reason is the qualification of potential buyers in taking up loans from banks. The property development is expected to slow down this year as prospective buyers face difficulties in securing their end financing although the market demand is always present.

With the strict lending guidelines imposed by Bank Negara based on “net income” and “net loan value” coupled with stringent assessment on the credit worthiness of borrower such as background check on their CCRIS and CTOS by most commercial banks will deter the ability of potential buyers to purchase property. The increased fuel price, commodities and electricity tariff will harshly reduce the disposable income of potential buyers forcing them to reconsider their loan repayment ability.

Most of the developers would re-evaluate their strategies and adopt a “wait and see” attitude for the time being leading to a lack of supply in property market despite the constant demand is still strong.

The property development sector will focus on apartments and condominiums development rather than landed residential. Nevertheless, some developers would be more inclined to develop landed property in suburban areas where they would vie for heavily populated suburban niche market. More launches of landed property development and commercial shop offices will be seen in small townships like Papar, Beaufort, Tenom and Keningau in the Interior Region and Kunak and Telupid in the East Coast of Sabah.

The market may experience a sluggish pace for commercial property development in the City Centre, in particular shopping malls and retail outlets as most of the commercial banks will offer a low loan margin for retail lot acquisition. Commercial shop lots will face a similar fate where the supply of such property will be reduced unless the development is situated on a prominent location. Most credit facilities are reluctant to offer bridging finances for commercial development and hence discourage developers from launching their commercial property development.

Developers are advised to conduct feasibility studies and market surveys before launching their projects. Pre-launch market test is necessary to ascertain whether their development is feasible to commence. If the market response is not satisfactory, it is still early to revise the marketing plan as to reduce risk of project abandonment. Other than that, developers will have to be well informed on the proposed location of the SHAREDA & MLGH affordable home schemes and the PR1MA home schemes as well to avoid active market competition.

The speech at the opening ceremony of SHAREDA PROPEX 2013 by the Minister of Urban Wellbeing, Housing and Local Government, Dato' Abdul Rahman Dahlan, stressed that the average GDP per capita in Malaysia is below RM5,000. Similarly, the Property Market Report 2012 revealed that the disposable income of a middle-income household is less than RM4,000, which is well below the property prices in Kota Kinabalu. This has prompted the federal and local governments to orchestrate various affordable housing schemes and incentives, for instance 1 Malaysia Housing Programme (PR1MA) priced at RM400,000 per unit and below, and MyHome Scheme lauded by the National Housing Council with RM30,000 housing subsidies is allocated for first time house buyers to purchase a house priced below RM120,000 to RM250,000 in Sabah.

SHAREDA also received confirmation that 6000 units of PR1MA affordable apartment will be built around Kingfisher Park in Kota Kinabalu and another 2000 units apartments in both Tawau and Sandakan respectively. Each apartment under the PR1MA housing scheme will be sold not more than RM 400,000 per unit in 4 major townships such as Kota Kinabalu, Tawau, Lahad Datu, and Sandakan.

Akin to the effort and initiatives of the federal and local governments, some SHAREDA members may shift their focus towards developing affordable homes and fulfilling the pledge to build 10,000 affordable homes under the joint effort of the Ministry of Local Government and Housing (MLGH) and SHAREDA.

Besides that, SHAREDA has made several proposals to the government and Bank Negara to include the banks and financial institutions in fulfilling similar social corporate responsibility as SHAREDA for home ownership to the community. Bank Negara should similarly impose a quota on all banks to provide compulsory end financing approvals to all first time home buyers. The burden of providing more affordable homes to the middle income earners would not rest only on the shoulders of private developers and government linked development companies, but also on the banks who should help to achieve our Prime Minister's promise to build 1 million affordable homes for the medium lower income group in Malaysia.

Construction cost for development projects by SHAREDA in 2014 will see an expected increase of 9% compared to 2013. This is because the Malaysia Hardware Supplier Association and Sabah Hardware Traders Association both confirmed a 15% increase in building materials cost due to increase in fuel price and electricity tariff.



2013年12月29日 星期日

詩華日報

# 徐立仁：多因素衝擊

# 五金建材料漲15%



董毓明

報導

(本報亞庇廿八日訊) 亞庇五金機械建材商公會主席徐立仁表示，在多個因素衝擊之下水漲船高，本州五金及建築材料漲價肯定是勢在難免，大部份的五金建材料將面對介於十至十五巴仙之間的調高幅度。

徐主席今日接受電話聯絡詢及有關西馬部份五金業者將在明年調高五金售價；而五金批發商公會會長劉慶和及馬來西亞五金機械建材總商會會務顧問丹斯里方天興，昨日在報章上發表有關五金建材料預料將在明年漲價之事項發表意見時如此回應。

他說，單只是中國的匯率走強就造成入口成本上漲，加上明年電費漲價與最低薪金制及西馬大道通行費將漲價，致使西馬入貨成本升高、運輸費調高都會為五金行業帶來衝擊及增加成本負擔，因此，在此情

形下五金建材料漲價是勢所難免及無奈的。

此外，本地部份五金業者受訪時說，儘管因各項有關漲價而掀開的連鎖效應，為五金建材業者帶來沉重的成本負擔而醞釀漲價，但事實上沙巴的市場并不大，一些五金可能不會貿然起價，尤其很多是長期支持的顧客，一些業者可能會自己承擔漲幅，寧願薄利多銷，還有若有較多存貨的商家實行不漲價拉攏顧客，到時對調高銷售價格的商家則形成不利因素。

無論如何，亞庇五金機械建材商公會預料也會在近

期召開會議，商討有關漲價趨勢和應對步驟，希望能夠讓本地五金建材行業面對的衝擊降至最低點。

西馬五金批發商公會會長劉慶和昨日指，在上述各項因素影響下，五金建材料價格明年預料將漲至少十五巴仙，馬來西亞五金機械建材總商會會務顧問丹斯里方天興則認為基於各種因素，預計五金建材料價格將有所上漲，但漲幅不會很大，雖然一般上五金建材料業者對明年上半年整體經濟表示樂觀，盼望明年下半年後會有所好轉，並強調最重要的是業者之間的互相扶持，掌握全球趨勢和動態。

## 4.1 PRICE HIKE OF BUILDING MATERIALS

Since 60% of a property development comprised of building materials cost, it is foreseeable that the Gross Contract Value of any development will increase by at least 9% (60% x 15% = 9%). The imposition of 6% Goods and Services Tax will further burden the contract cost as well. Thus SHARED Property Research Unit opined that overall property selling prices will be increased by 5.0% in year 2014. The overall construction cost will further increase by another 3.6% if GST is to be implemented on April 1st, 2015 making a total increase of 12.6% for construction cost in 2015.

## 4.2 CONCLUSION

To conclude, developers have to be more sensitive to market needs and wary of financial risks coupled with market confidence when launching their projects in 2014. The property development market is expected to slow down with lesser number of launches and the total gross development value will be decreased apportionately.

THE PROPERTY DEVELOPMENT INDUSTRY WILL PROGRESS AND PROPEL FORWARD ONLY IF BANK NEGARA ENCOURAGES ALL BANKING INSTITUTIONS TO RELAX THEIR END FINANCING POLICY AND LENIENCY IN HOUSING LOAN APPROVALS. THE PERCEPTION OF MALAYSIANS HAVING HIGHER HOUSEHOLD DEBTS (83%) BY BANK NEGARA NEED TO BE REVIEWED AS TO COMPLEMENT THE PROPERTY DEVELOPMENT INDUSTRY WHICH HAS A DIRECT IMPACT ON 164 RELATED INDUSTRIES.

# 5.0 Property Development : The Key Industry For Sabah's Economic Growth

If SHAREDA members have generated a total Gross Development Value (GDV) of RM7.562 billion in 2013, then a total of RM6 Billion (80% of total GDV) will be created through distribution of contract works and spill over to 164 related chain supply and employments as stipulated below:-

## **A CONSTRUCTION AND ENGINEERING SECTORS (35)**

1. Property developers
2. Property consultants
3. Architects
4. Town planners or urban planners
5. Civil engineers
6. Structural engineers
7. M & E engineers
8. Maintenance engineers
9. Quantity surveyors
10. Building surveyors
11. Land surveyors
12. Site engineers
13. Project managers
14. Construction managers
15. Geo technics consultants
16. Valuation officer
17. EIA (Environmental Impact Assessment) consultants
18. Safety and health officers
19. Interior designers
20. Landscape architect
21. Horticulturists
22. Interior design contractors
23. Sewerage and drainage contractors
24. Earthwork contractors
25. Soil test contractors
26. Water tanks suppliers

27. Water filters suppliers
28. Landscape contractors
29. Model makers (architectural)
30. Bar benders
31. Draughtsman
32. Supervisors
33. Foreman
34. Chainmen
35. Welders

## **B LEGAL & FINANCE SECTOR (14)**

36. Bankers
37. Lawyers
38. Legal managers
39. Fund mangers
40. Accountants
41. Account managers
42. Finance managers
43. Account executives
44. Account clerks
45. Auditors
46. Financial analysts
47. Loan officers
48. Collectors
49. Budget and cost analysts

## **C INFORMATION AND COMMUNICATIONS TECHNOLOGY SECTOR (8)**

50. Computer Engineer
51. Systems analyst
52. Network administrator
53. Programmer
54. IT animation and graphics specialists
55. Computer technician
56. Illustrators
57. Web designer

## **D MANUFACTURING/SMALL AND MEDIUM INDUSTRIES (12)**

58. Piling suppliers
59. Hardware suppliers
60. Cement suppliers
61. Ready mix suppliers
62. Steel bar suppliers
63. Sand suppliers
64. Stone suppliers
65. Timber suppliers
66. Plywood suppliers
67. Fuel suppliers
68. Roofing suppliers
69. Sanitary wares suppliers

**E SUBCONTRACT WORKS (57)**

- 70. Roof contractors
- 71. Ceiling contractors
- 72. Ironmongery contractors
- 73. Plumbing contractors
- 74. Tiling contractors
- 75. Tiles suppliers
- 76. Electrical contractors
- 77. Electrical appliances suppliers
- 78. Wallpaper suppliers
- 79. Metal & iron work contractor
- 80. Water proofing suppliers
- 81. Waterproof specialists
- 82. CCTV suppliers
- 83. Office equipment suppliers
- 84. Aluminium formwork suppliers
- 85. Steel bars suppliers
- 86. Door and windows suppliers
- 87. Plaster ceiling suppliers
- 88. Air conditioners suppliers
- 89. Air conditioners installers
- 90. Furniture suppliers
- 91. Aluminium doors and windows suppliers
- 92. Fire fighting equipment suppliers
- 93. Piping suppliers
- 94. Electrical conduit suppliers
- 95. Electrical cable suppliers
- 96. Tele communication appliances suppliers
- 97. Water meter suppliers
- 98. Bore pile suppliers
- 99. Bore pile contractor kitchen specialists

- 100. Carpet suppliers
- 101. Curtain suppliers
- 102. Premix suppliers
- 103. Road contractors
- 104. Road curb suppliers
- 105. Drainage contractors
- 106. Precast drain suppliers
- 107. Pump suppliers
- 108. System formwork suppliers
- 109. Glass suppliers
- 110. Hardscape contractors
- 111. Concreting equipment suppliers
- 112. Children's' playground equipment suppliers
- 113. Gym equipment suppliers
- 114. Swimming pool specialists
- 115. Swimming pool contractors
- 116. Gutters and downspouts specialists
- 117. Flooring contractor
- 118. Lighting specialists
- 119. Audio-visual suppliers
- 120. Container or transport box suppliers
- 121. Plants suppliers
- 122. Turf contractors
- 123. Bricklayers
- 124. Carpenters
- 125. Plasters
- 126. Tile layers

**F TRANSPORTATION (7)**

- 127. Piling contractors
- 128. Crane suppliers
- 129. Crane operators
- 130. Transport and machinery suppliers
- 131. Lift suppliers
- 132. Heavy machinery suppliers
- 133. Transporters-freights, shipping, lorries

**G EDUCATION & COMMERCIAL (2)**

- 134. Providers of premises for higher learning institutions
- 135. Providers of premises for commercial shops and offices

**H TOURISM (4)**

- 136. Hotel & resort operators
- 137. Hotel & resort managers
- 138. Holiday makers
- 139. Airline companies

**I REAL ESTATE MANAGERMENTS (19)**

- 140. Property managers
- 141. Property executives
- 142. Property investors
- 143. Real estate agents
- 144. Property negotiators
- 145. Property agents
- 146. Marketing managers
- 147. Security company
- 148. Handyman (repair person)
- 149. House buyers
- 150. Real estate investors
- 151. Shop owners
- 152. Office occupants
- 153. Property magazines (advertisements)
- 154. Newspapers (advertisements)
- 155. Land sellers
- 156. Authorities' runners
- 157. Clerk of works
- 158. General workers

CONTRIBUTOR OF RATE, ASSESSMENT AND PREMIUM PAYMENTS TO GOVERNMENT'S AUTHORITIES AND GLCS (5)

- 159. Assessment Rate To Local Councils And City Hall
- 160. Contributors of Land Premium and Annual Rent to state government
- 161. Income tax to the government by property developers
- 162. Telephone Bills To Telecommunication Service Companies
- 163. Capital Contribution And Electrical Bills To Tenaga National Berhad Or SESB
- 164. Water Bill To Water Works Department

“PROPERTY DEVELOPMENT DOES CREATE A POSITIVE SPILL-OVER IMPACT TO THE SABAH STATE ECONOMY THROUGH 164 JOBS AND CHAIN SUPPLY INDUSTRIES RELATED TO THE PROPERTY DEVELOPMENT INDUSTRY. CONSTANT DELAYS OF DEVELOPMENT PLAN APPROVAL BY LOCAL AUTHORITIES WILL UNDOUBTEDLY INHIBIT THE OVERALL ECONOMIC PERFORMANCE AND PROGRESS OF THE STATE.”

*Francis Goh*  
President of SHAREDA

The creation of ample jobs opportunity by property development industry in Sabah with its chain reaction on to other 164 construction and supply chain has stimulated our state economic's growth in the past. It is evident from the list that the industry plays a vital role in fueling the local chain supply and construction industries.

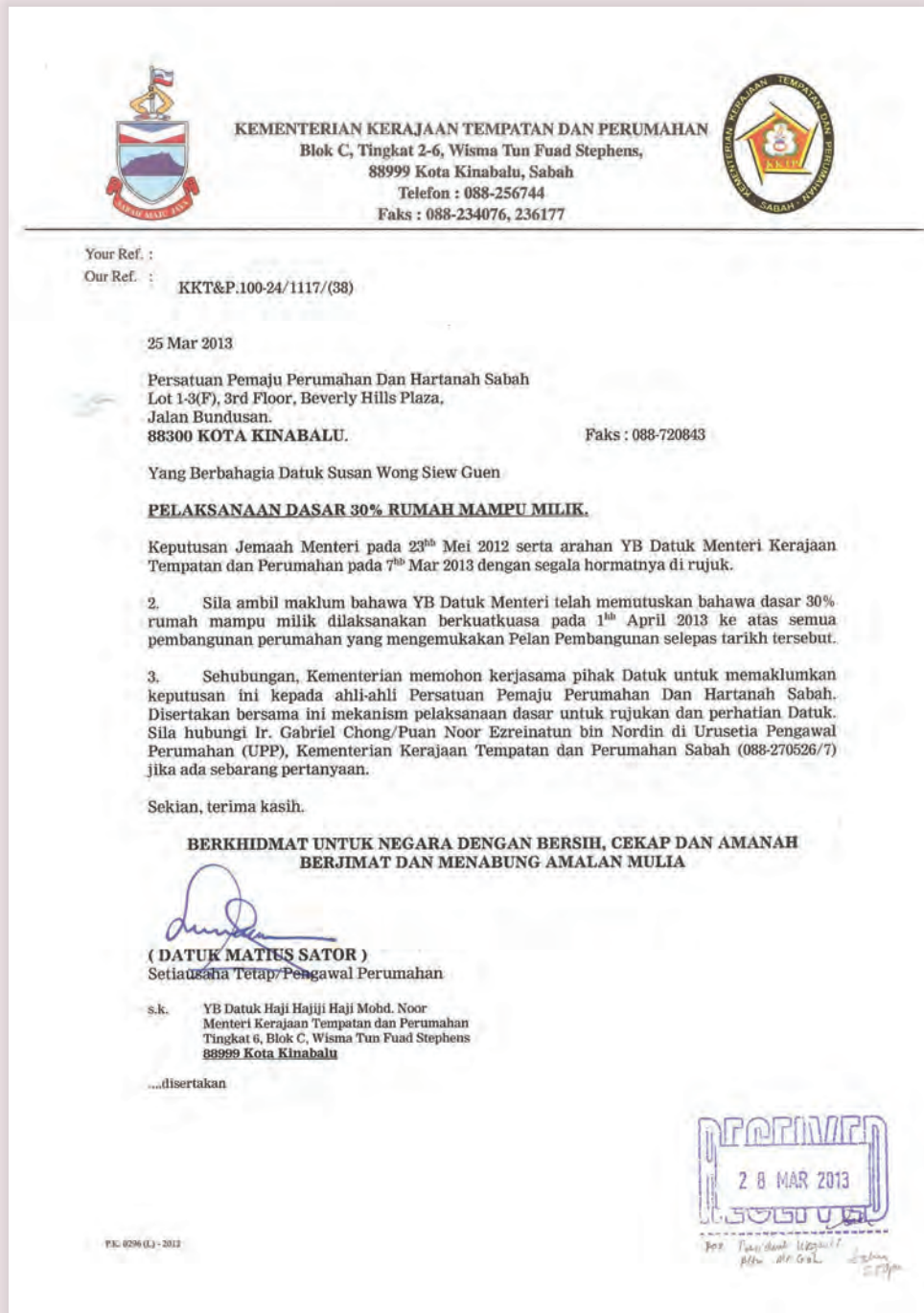


## 6.0 Why SHAREDA Oppose The Mandatory Imposition Of 30% Affordable Home Policy And Implementation Mechanism

SHAREDA has received a letter dated 25 March 2013 from the Ministry of Local Government and Housing informing with effect from 1 April 2013, all housing developments proposal must incorporate 30% for affordable housing. SHAREDA immediately arranged a courtesy call to Datuk Hajiji to oppose the above mandatory imposition on property developers.

The following are the reasons for the objection of the above policy:

- (i) Property development is one of the key drivers for the State economy that contributed a Gross Development Value no less than RM10 billion per annum with a spillover effect to 164 supply chain industries and creator for thousands of employment.
- (ii) In fact, throughout the past 5 years, SHAREDA members have built not less than 30,000 units of residential products priced below RM250,000 with a size area of 850-1000 sq.ft in Sabah categorised as affordable housing with various types such as single storey house, double storey house, walk-up apartments or apartments with lift, to supply for the market need. Even in 2012, a record of 6000 units affordable homes had been completed by SHAREDA members.
- (iii) SHAREDA will act as an industry leader to assist the Government in building the desired number of affordable houses for the medium lower income group i.e. 10,000 units in the next five years apart from 20,000 units to be built by GLCs.
- (iv) SHAREDA advises Government to listen to the voice of the industry players and not to pressure the private developers into building affordable housing without assessing the negative impact created if such mandatory imposition is to be implemented.
- (v) The cross subsidy of the 70% of higher cost housing on the 30% affordable houses is grossly unfair to the house purchasers as it is discriminatory to the higher income group whereby the government should be reminded that they are the taxpayers who had paid their dues.
- (vi) Developers do pay 26% income tax. Such tax should be used to subsidise affordable homes projects to be developed by Government linked development companies just like what the Singapore government has practised.
- (vii) A new developer will not be able to build the 30% Affordable Homes first in another location before building their intended housing development. Most beginners will rely on the prominent developers to build more affordable housing if the new ruling is forcefully implemented. This will deprive the interest of new beginners or bumiputera developers from venturing into property development.



(viii) The above policy is without any buy back guarantee from the Government. Developers may face stagnant sales which may also increase the risk of project abandonment as reflected in REHDA's report that more than 40,000 units of low cost housing were unoccupied in West Malaysia due to low sales performance and undesirable locations.

(ix) More developers will tend to build commercial development instead of residential. Thus, the decrease in residential supply and housing prices will margin surge.

(x) The escalating price in housing due to soaring land price and the construction cost is about 20%-30% higher in Sabah as compared to West Malaysia.

(xi) It is impossible to build the affordable homes with price capped at RM250/sq.ft around major cities/towns in Sabah. 90% of SHAREDADA members will be unable to operate and shift to other business ventures if the above ruling is implemented. The property development market will be dominated by the few large developers together with public listed development companies from Peninsular Malaysia who are able to cope with the mandatory imposition of 30% affordable homes quota. The supply of residential house will be monopolised by the existing few.

(xii) Affordability should progress with time. The price could be capped for the affordable housing but should be based on the free market force.

(xiii) In view to the above reasons, SHAREDADA is appealing to the kind consideration of our Minister of Local Government and Housing, Datuk Hajiji to retract the above ruling and SHAREDADA is willing to build 10,000 units affordable homes within the next 5 years with our counter proposal.

(please refer to pg.29)

## 6.1 PROPOSED INCENTIVES FOR AFFORDABLE HOUSING SCHEMES

To encourage participation of housing developers in building more affordable homes, SHAREDADA requests that the Government provide incentives to those affordable home housing projects such as:-

- Subsidy to first house buyers to purchase affordable homes.
  - A One-Stop-Centre for speedy approvals for all Affordable Housing Schemes.
  - Water Reticulation: 15% surcharges to be waived by Jabatan Air Sabah (except supply and installation of water meter).
  - SESB contribution per unit to be uniformed at RM450 in line with TNB ruling in West Malaysia.
  - Land premium for conversion to be waived by Land and Survey Department.
  - Reduce Bank Guarantee in lieu of HDL from 5% to 3% for all Affordable Housing Scheme recognised by MLGH.
  - A Recognition/Appreciation Certificate to be issued and awarded by MLGH to any property developers who built Affordable Homes.
  - Local Authorities or District Office to assist in promoting and marketing of the products.
  - The State owned financial institutions should assist to provide zero entry and speedy end financing to local house purchasers.
  - To offer joint-venture with GLCs on State's land owned by the government to develop more affordable homes such as at Sadong Jaya at Sembulan, Tanjung Aru, Kepayan Ridge, etc.
- (xiv) The location of the affordable homes can be built in any major township or any district within the state of Sabah depending on the market demand, viability of the site and feasibility of the project.
- (xv) "Affordable Home" does not mean Low Cost Housing.
- (a) SHAREDADA requests that a special Affordable Home Committee to be formed between the relevant Government Authorities and SHAREDADA, and to include professional bodies, GLCs such as JPN, LPPB, SUDC, SPNB, KKIP, Borneo Housing, SEDCO, etc, to study, formulate strategy, instigate measures and offer certain incentives to property developers as to encourage them to build more affordable homes for the nation.

"WE WISH TO EXPRESS OUR DEEPEST GRATITUDE TO DATUK HAJIJI FOR HIS UNDERSTANDING OF SHAREDADA'S CONCERN AND RETRACTION OF THE MANDATORY IMPOSITION OF 30% AFFORDABLE HOME QUOTA. HE HAS ENTRUSTED SHAREDADA WITH THE TASK OF BUILDING AFFORDABLE HOMES IN SABAH. SHAREDADA IS TRULY GRATEFUL FOR HIS ACTIONS AND WILL TREASURE HIS TRUST AND CONFIDENCE IN US BY FULFILLING OUR PLEDGE TO PRODUCE AT LEAST 10,000 UNITS AFFORDABLE HOMES WITHIN 5 YEARS FROM 2014."

## 7.0 SHAREDA's Promise In Building 10,000 Units Of Affordable Homes For Sabah

SHAREDA led by its President, Francis Goh with its council members have made the proposal to set up an affordable home special task force committee to the government.

SHAREDA'S President proposed that the task force includes industrial players and affordable home providers who will collaborate closely with the Ministry of Local Government and Housing to monitor the overall progress, performance and speed of the implementation of affordable home schemes in Sabah.

The task force's responsibilities are to oversee the design, location, size and pricing to fit the requirements of the lower-income group. Guidelines and requirements must be set up properly to fit all affordable home providers without any conflict or complications.

SHAREDA has managed to convince the Ministry to retract the 30% policy quota on affordable homes by providing evidence that members of the association had in previous years built a great amount of affordable homes although it was not announced publicly.

In return, SHAREDA is committed to built and deliver 10,000 units of affordable home with selling price set not more than RM250,000 for the next 5 years.

SHAREDA is willing to commit to the number because about 16,052 units of affordable homes have been built since 2010.

Mr Francis Goh also noted that there are developers who built landed properties and medium-cost apartments 10km within the city centre that sell more than RM 300,000 to RM 400,000 due to the expensive land cost.

Developers who wish to built properties with this price range can embark on this segment through a joint-venture agreement with PR1MA Berhad that will identify feasible locations in major townships such as Kota Kinabalu, Sandakan, Tawau and Lahad Datu to build another 20,000 units of affordable homes with the selling price ranging from RM 150,000 to RM 400,000.



*Mementos given during the talk by the President of SHAREDA, Francis Goh Datuk Matius Sator officiated the event. L-R: Mr Chew Sang Hai, Mr Francis Goh, Datuk Matius Sator(Permanent Secretary to the MLGH), Mr Reggie Sua (Head of regional office SPNB in Sabah), Tuan Haji Muzafar Mohamed (PR1MA vice president) and Dato' John Chee Shi Tong.*



SHAREDADA is committed to build more affordable homes especially in the suburban areas of Sabah to meet the demand of the lower-income group. Developing affordable homes is one of SHAREDADA's corporate social responsibilities.

Since approximately 50,000 affordable homes are expected to be built in various districts in the next five years, SHAREDADA has proposed that all the affordable home providers to discuss the matter in a forum as to inform all the industrial players on what type of projects, numbers of units to be built and the project's location to avoid market competition and standardize the necessary guidelines and market distribution.

Exemplary Guidelines for the SHAREDADA-MLGH affordable home scheme in Sabah.

HIGH - RISE APARTMENTS	
CEILING PRICE	RM250,000
SIZE : 850 S.F.	
PRICE P.S.F : RM295	
CORNER UNIT	+ RM20,000 to RM25,000
Different of Height (Level) : Each level gradually decreased by RM1,500 to RM2,500 per floor	

LANDED PROPERTIES	
Built up area = 850 s.f.-1,200 s.f.	
CEILING PRICE	From RM250,000 to RM350,000
Selling price for intermediate : Built up area x RM295 p.s.f say 1,000 s.f. : RM295,500 Corner unit to RM35,000 Inter Corner to add RM25,000 per unit	

**HIGH-RISE APARTMENT**

	Corner	Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Inter Corner	Corner	Corner
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Level 10	275K	275K	250K	250K	250K	250K	250K	250K	265K	265K	265K	265K	250K	250K	250K	250K	250K	250K	275K	275K
Level 9	273K	273K	248K	248K	248K	248K	248K	248K	263K	263K	263K	263K	248K	248K	248K	248K	248K	248K	273K	273K
Level 8	271K	271K	246K	246K	246K	246K	246K	246K	261K	261K	261K	261K	246K	246K	246K	246K	246K	246K	271K	271K
Level 7	269K	269K	244K	244K	244K	244K	244K	244K	259K	259K	259K	259K	244K	244K	244K	244K	244K	244K	269K	269K
Level 6	267K	267K	242K	242K	242K	242K	242K	242K	257K	257K	257K	257K	242K	242K	242K	242K	242K	242K	267K	267K
Level 5	265K	265K	240K	240K	240K	240K	240K	240K	255K	255K	255K	255K	240K	240K	240K	240K	240K	240K	265K	265K
Level 4	263K	263K	238K	238K	238K	238K	238K	238K	253K	253K	253K	253K	238K	238K	238K	238K	238K	238K	263K	263K
Level 3	261K	261K	236K	236K	236K	236K	236K	236K	251K	251K	251K	251K	236K	236K	236K	236K	236K	236K	261K	261K
Level 2	259K	259K	234K	234K	234K	234K	234K	234K	249K	249K	249K	249K	234K	234K	234K	234K	234K	234K	259K	259K
Level 1	257K	257K	232K	232K	232K	232K	232K	232K	247K	247K	247K	247K	232K	232K	232K	232K	232K	232K	257K	257K
<b>Total Selling price (RM) 49,800,000.00 ÷ 200 Units</b>																				
<b>Total Unit = 200 Units</b>																				
<b>Average Selling Price / unit = (RM) 249,000 / unit (Not more than RM250,000 / unit)</b>																				

### 7.1 SHAREDADA-MLGH AFFORDABLE HOME SCHEME (10,000 UNITS) TO BE IMPLEMENTED BY SHAREDADA MEMBERS

After several meetings conducted by SHAREDADA with their 183 members, there are 28 development projects under SHAREDADA-MLGH Affordable Home Scheme with an average selling price not more than RM 250,000 for 850/sq.ft high-rise apartments or RM 295/sq.ft for landed housing development. SHAREDADA wishes to convey our greatest appreciation to our members who voluntarily participates in this affordable home scheme programme.

The list of projects and its location are as follows:

Total of Affordable Housing Scheme Planned/proposed for Implementation by Private Developers/SHAREDADA Members In Sabah from 2014-2018

### 7.2 HIGH-RISE APARTMENTS

NO	PROJECT NAME	DISTRICT	PROPERTY TYPE	B.U.A (SF)	SELLING PRICE (RM)	NO. OF UNITS	PROJECT STATUS
1	Taman Timbok Jaya Kg. Timbok	Tuaran	Apartment with Lift	850	RM 225,000 – RM 250,000	1,200	DP Approved
2	1 Avenue Residence Kg. Langkon	Kota Marudu	Apartment	Net area: 653 - 875 Gross area: 700 - 917	RM 183,000 – RM 258,000	352	DP Approved
3	Bandar Sri Indah Affordable Housing At BSI South at Mile 10, Jalan Apas (Ph. 1)	Tawau	4-Storey Walk-Up Apartment	850	RM 200,000 – RM 350,000	256	Design Development Stage
	Bandar Sri Indah Affordable Housing At BSI South at Mile 10, Jalan Apas (Future phases)					816	
4	Proposed Development at Jalan Kiansom, Inanam	Inanam	Apartment		RM 250,000	864	Design Development Stage
5	Proposed Mix Development Mile 17½, Tuaran Road (Stage 1)	Tuaran	Apartment	850 - 887	RM 250,000	1,304	DP submitted pending comments from relevant Authorities.
6	Ria Heights, Proposed Housing Development Jalan Utara (Phase 2)	Tawau	Apartment	725 – 1,052	RM 200,000 – RM 350,000	1,024	Design Development Stage
7	Proposed Amalgamation, Subdivision & Development of 240 units 5 Storey Apartment with Lift on CL.015370288 & CL.015370297 (with Strata Title to be applied for) Jalan Sepanggar, Kg Guidan, Menggatal.	Kota Kinabalu	5 Storey Apartment with Lift	957 – 1,063	RM 288,888 – RM 368,888	240	DP Approved

continued

NO	PROJECT NAME	DISTRICT	PROPERTY TYPE	B.U.A (SF)	SELLING PRICE (RM)	NO. OF UNITS	PROJECT STATUS
8	Amalgamation Conversion & Subdivision of NT.213110555 & NT.213110582 comprises of 4 & 5 Storey Walk-up Apartment & 3 Storey Semi-Detached Shop Office Kg Maang	Penampang	4 & 5 Storey Walk-up Apartment	780 - 870	RM 200,000 – RM 280,000	118	DP submitted to Central Board pending for approval.
9	Proposed 18-21 Storey Apartments (With Subsidiary (Strata) Title To Be Applied) on NT.213101921, NT.213089297 & PL.216170740. Jalan Minintod	Penampang	18-21 Storey Apartment	850	RM 226,750 – RM 275,750	216	No objection from relevant authorities. Pending Endorsement from Council.
10	Taman Sawit Phase 4a Km 35, Sungai Balung	Tawau	4 Storey Walk-up Apartment	667 - 746	RM 168,800 – RM 228,800	256	DP amended and approved by Majlis Perbandaran Tawau
11	Taman Sejati Ujana, Phase 2A Mile 7, Off Airport Road	Sandakan	4 Storey Apartment	720	RM 151,500 (Intermediate) RM 154,700 (Corner)	64	DP Approved
12	Proposed Seri Maya 2, Lok Kawi Heights Lok Kawi	Papar	7 Storey Apartment	506 – 1,066	RM 200,000 – RM 250,000	238	DP Approved
13	Proposed 4-Blocks of 512 units Medium Cost Apartment with Subsidiary Titles To Be Applied On C.L.035319389 At KM 4 Jalan Kota Belud	Kota Belud	9-10 Storey Apartment	879	RM 236,000 – RM 279,000	512	Pending for approval
<b>TOTAL UNITS (STRATIFIED)</b>						<b>7,460</b>	

## 7.3 LANDED PROPERTIES

NO	PROJECT NAME	DISTRICT	PROPERTY TYPE	B.U.A (SF)	SELLING PRICE (RM)	NO. OF UNITS	PROJECT STATUS
1	Taman Timbok Jaya Phase 2 Kg. Timbok	Tuaran	2 Storey Terrace	1,100	RM 298,000 – RM 333,000	110	DP approved
2	Taman Sinar Indah Jalan Luagan, Kg. Luagan	Beaufort	2 Storey Terrace	1,200	RM 298,000 – RM 333,000	589	DP submitted and pending for approval.
3	Taman Luagan Jaya Jalan Luagan, Kg. Luagan	Beaufort	1 Storey Terrace	1,000	RM 278,000 – RM 313,000	86	DP endorsed 8 Mar 2013

continued

NO	PROJECT NAME	DISTRICT	PROPERTY TYPE	B.U.A (SF)	SELLING PRICE (RM)	NO. OF UNITS	PROJECT STATUS
4	Taman Madai Indah Proposed Housing Development located at Lot 31 (CL.245360427), Lot 32 (CL.245360418) and Lot 36 (CL.24536040934) – 740 acres. Lormalong, Kunak.	Kunak	Bungalow	1,398	RM 400,000	6	DP submitted and approved by Majlis Daerah Kunak, Pending comments from Central Board
			1 Storey Semi-D	1,054	RM 320,000	24	
			1 Storey Terrace type D	995	RM 160,000	105	
			1 Storey Terrace type E	814	RM 180,000	52	
			2 Storey Terrace	1,532	RM 250,000	83	
			2 Storey Shophouses	2,414	RM 450,000	5	
5	Taman Wawasan Juta, Phase 2 Off Jalan Pasir Puteh	Keningau	1 Storey Terrace	800	RM 288,000 – RM 328,000	74	DP submitted pending comments from relevant authorities.
6	Taman Impian Mile 7, Off Jalan Airport	Sandakan	2 Storey Terrace	900	RM 278,000 – RM 388,000	234	Phase 1: DP approved Phase 2: DP approved Phase 3: Queuing in Central Board for approval
7	Proposed Amalgamation, Subdivision and Housing Development On Lot 6A & Lot 6B, Part of CL.045335064 Jalan Tuaran, Telipok	Tuaran	2 Storey Terrace	1200	RM 330,000 – RM 365,000	89	Pending approval by the District Council
8	Taman Salaping Kg. Salaping	Kota Marudu	1 Storey Terrace	880	RM 220,000 – RM 250,000	101	DP & BP Approved. Pending premium approval from Lands And Surveys Department / Hasil Bumi Department.
9	Taman Sawit Phase 3a Km 35, Sungai Balung	Tawau	1 Storey Terrace	750	RM 186,800 – RM 269,800	91	DP amended and approved by Majlis Perbandaran Tawau
10	Ria Heights, Proposed Housing Development Jalan Utara, (Phase 1)	Tawau	1 Storey Terrace	1,185	RM 200,000 – RM 350,000	239	DP submitted to Central Board
			2 Storey Terrace	1,465		230	
11	Ria Heights, Proposed Housing Development Jalan Utara, (Phase 2)		2 Storey Terrace	1,465	RM 200,000 – RM 350,000	161	Design Development Stage

continued

NO	PROJECT NAME	DISTRICT	PROPERTY TYPE	B.U.A (SF)	SELLING PRICE (RM)	NO. OF UNITS	PROJECT STATUS
12	Taman Jati Mile 7, Off Airport Road, Sandakan.	Sandakan	2 Storey Terrace	1,160	RM 284,200 – RM 342,200	115	DP & BP Approved. DL & AP submitted to MLGH and pending for approval
13	Taman Mawar Phase 5B Jalan Mawar, Off Jalan Sibuga, Sandakan.	Sandakan	2 Storey Terrace	1,071	RM 274,800 – RM 337,180	173	DP Approved
14	Taman Sejati Ujana, Phase 6 Mile 7, Off Airport Road, Sandakan.			1,296	RM 325,000	280	DP Approved
				1,512	RM 420,850		
15	Proposed 194 units Single Storey Terrace House, Guard House, Club House, SESB Sub-Station, Swimming Pool, Sewerage Treatment Plant, Detention Pond, Elevated Water Tanks on CL24100, Mile 8, Jalan Apas, Tawau.	Tawau	1 Storey Terrace	980	RM 280,000 – RM 350,000	194	DP submitted pending comments from relevant Authorities.
<b>TOTAL UNITS (LANDED)</b>						<b>3,041</b>	

**GRAND TOTAL (STRATIFIED + LANDED) : 10,501****SUMMARY:**

PROPERTY TYPES	TOTAL PROJECTS	TOTAL UNITS
HIGH-RISE APARTMENT	13	7,460
LANDED TERRACE HOUSES	15	3,041
<b>GRAND TOTAL</b>	<b>28</b>	<b>10,501</b>

**7.2 AFFORDABLE HOUSING DEVELOPMENT (5001 UNITS) TO BE LAUNCHED IN 2014**

Affordable Homes to be launched in 2014

No	Project Name	Type	No. of unit
1	Timbok Jaya Apartment, Tuaran (April)	Apartment	1,200
2	Kota Marudu Apartment (April)	Apartment	400
3	Taman Luagan Jaya, Beaufort (June)	Single storey terrace house	86
4	Taman Sinar Indah, Beaufort	Double storey terrace house	589
5	Sri Indah Apartment, Tawau	Apartment	1,072
6	RiaHeights, Tawau	Single storey and double storey Double storey terrace house	469 161
		Apartment	1,024
		<b>Total (units)</b>	<b>5,001</b>

SHAREDA - MLGH  
Affordable Homes Scheme



## TIMBOK JAYA APARTMENT

Timbok Jaya Apartment at Tuaran consists of 1,200 apartment units, under the affordable homes scheme will be launched in 2014.



single-storey

# TAWAU RIA HEIGHTS



double-storey



double-storey

Taman Luagan Jaya at Beaufort is another affordable home scheme that will be launched in 2014.

# LUAGAN JAYA BEAUFORT

single-storey





# 8.0 Reasons of Property Price Hike in Sabah

## I. Price Hike In Land Aquisition

Land price has surged up to RM3 Million per acre for development land located along Jalan Lintas to Kepayan, Jalan Donggongon to Jalan Bundusan, Inanam By Pass and Jalan Kolam which is 12 KM radius within the city centre. Due to active competition among local developers, public listed companies from West Malaysia and palm oil plantation owners, the land located in the city centre has surged up to RM300 to RM400 per sq/ft within 5KM radius from the city centre and prime land for property development cost RM3 million per acre along Jalan Bundusan and RM4 million an acre along Jalan Lintas which is about 10KM away from the city centre.

## II. Price hike in fuel that led to the increase of:

- a. Transportation costs of building materials
- b. Transportation costs of ready mix
- c. Cost of earthworks for site preparation
- d. Cost of heavy machineries

## III. High logistics cost caused by Cabotage policy

- a. High handling charges for imported building construction materials
- b. High operational for local manufacturing and production costs

## IV. Electricity tariff hike

- a. Led to the increase of operational cost for machinery, for example tower crane, welding machine and hoist lifts
- b. Led to the increase of property management fee for common properties such as compound lighting and other amenities

## V. Developers have to bear the “Capital Contribution” for Sabah Electricity Sdn. Bhd. (SESB)

- a. Contributions to SESB and other departmental charges
- b. Developers are forced to tag in the above capital contribution into their selling price

## VI. Increase of building materials and labour cost

- a. The Sabah Hardware Trading Association has announced an increase of 15% in building materials supplies cost due to the increase in electricity tariff and fuel price.
- b. Cabotage policy
- c. Levy for construction workers
- d. Shortage of labour and skill supervisors



## VII. Delay in development plans approval

Led to the increase of the holding cost to developers due to the following stringent procedures imposed by local authorities:

- a. Central Board approval (double handling by local council and Central Board)
- b. EIA and slope high risks committee's approval
- c. Traffic Impact Assessment (T.I.A)
- d. Higher liaison fee for Development Plan submissions development plans approval

## VIII. Lack of good transportation systems

## IX. Lack of transparent and good delivery systems

Developers have to spend more to expedite the approvals, license and permit applications.

## 8.1 POSSIBLE SOLUTIONS:

- I. The government needs to expedite the construction of new roads and other infrastructures to open up more feasible lands for housing projects, as this would help stabilize the land prices when the supply increases.

- II. The government should consider halting foreign purchasers from buying vacant lands in Sabah, to avoid competition for the feasible site for development projects, which leads to the scarcity of feasible development site and increase of land price.
- III. The government could encourage foreign investors, to purchase only first-hand properties from local developers and not from the sub-sale market.
- IV. Improve the Government Delivery System via
  - a. E-filing
  - b. E-application
  - c. E-correspondence
- V. Reduce corruption
- VI. Retract all bad policies
- VII. Abolish monopoly of business by GLCs
- VIII. Abolish all quota system
- IX. Lower fuel price and electricity tariff
- X. Improve the traffic system and public transport system
- XI. SESB should not to change capital contributions and departmental charges

4

THE BORNEO POST  
Wednesday, December 4, 2013

HOME

## Power tariff hike to hit businesses hard — FSI

**KOTA KINABALU:** The Federation of Sabah Industries (FSI) deeply regrets the impending rise in electricity tariff for Sabah and Labuan effective January 1, 2014.

Its honorary secretary, Yap Cheen Boon, said the announced increase of 5 sen/kWh will severely impact on the costs of doing business for industrial and commercial segments in Sabah.

He pointed out that industrial/commercial groups are heavy users of electricity. For most businesses in Sabah power is a

major part of operational costs too. This increment of over 15% will severely erode the bottomline if not viability of businesses.

"Businesses in Sabah have traditionally suffered from higher costs of doing business compared to their Peninsular Malaysian counterparts. With unresolved hindrances such as Cabotage Policy leading to high logistical on-costs, limited market exposure, and recently enforced Minimum Wage, the tariff hike will compound the difficulties of doing business ahead.

"Electricity supply has always been troubling and inconsistent in Sabah, with erratic power generation and weak electricity transmission network. Businesses suffering from blackouts-induced down-time and machine failure have invariably limited recourse. Increasing tariff without a corresponding improvement in service is unfair and punishing to businesses; now with just one month's notice given, leaving no other options but to endure it," he said in a statement yesterday.

Yap also said that FSI is concerned

that costs of goods will go up in response to the tariff rise along the raw material - manufacturing - distribution supply chain. This will undoubtedly lead to undesirable inflationary pressures in the economy, with negative implications for both businesses and consumers.

As evidenced from cost rises in the past due to various factors such as reduction in diesel/sugar subsidies/implementation of minimum wage etc, he said the prices of goods and services in the market will increase inevitably.

"Such passing on costs to consumers might be due to profiteering or businesses struggling to survive, but the outcome is a spiral increase in prices, which will adversely affect consumers with multiplied effect.

"FSI believes that industrial/commercial segments being the core engine of economic growth be given assistance to cushion the tariff rise. This should be provided in the form of tariff-free usage quota, if not a delayed implementation in Sabah for 12

months, in view of the inherently erratic power supply situation within the state," he said.

Whilst FSI agrees with the government subsidy rationalisation objective in raising the tariff to offset increasing fuel prices, it stresses that a balanced and weighted approach is necessary in order not to burden or even to drive industrial/commercial players out of business.

"Sabah is not on the same level field as Peninsular Malaysia, as such should have its own timeline for rationalisation," said Yap.

# 9.0 Price Comparison For Building Materials Between Sabah (KK) And West Malaysia (KL)

## 9.1 BUILDING MATERIAL PRICE

Description	Unit	Ex KK (RM)	Ex KL (RM)	Variance	
				RM	%
<b>BUILDING MATERIAL - SUPPLY PRICE</b>					
<b><u>Steel Bar</u></b>					
Y10 - Y12	ton	2658.00	2422.50	235.50	10%
Y16 - Y32	ton	2530.00	2311.67	218.33	9%
R10 - R12	ton	2720.00	2343.75	376.25	16%
<b><u>BRC</u></b>					
BRC cut to size	kg	3.06	2.52	0.54	21%
<b><u>Cement</u></b>					
Cement x 50kgs bag	bag	17.60	17.60	0.00	0%
<b><u>Quarry Product</u></b>					
River Sand	mton	36.66	42.37	-5.71	-13%
Chipping 3/8"	mton	41.00	29.76	11.24	38%
Aggregate 3/4"	mton	59.40	25.53	33.87	133%
Aggregate 1½"	mton	52.00	28.36	23.64	83%
Crusher Run	mton	41.75	22.41	19.34	86%
<b><u>Building Material</u></b>					
Clay Bricks	pcs	0.42	0.31	0.11	35%
Cement Sand Bricks	pcs	0.29	0.19	0.11	57%
Plywood 4' x 8' x 12mm (WBP)	pcs	55.00	45.00	10.00	22%
300mm x 600mm Ceramic Tile "white horse"	m2	49 - 53	38 - 40	11 - 13	33%
300mm x 300mm homogeneous Tile "white horse"	m2	29.00	22.40	6.60	29%
<b><u>Ready Mix</u></b>					
Concrete G15 N/M	m3	240.00	180.00	60.00	33%
Concrete G20 N/M	m3	252.00	185.00	67.00	37%
Concrete G25 N/M	m3	262.00	194.00	68.00	37%
Concrete G30 N/M	m3	273.00	204.00	69.00	36%
Concrete G35 N/M	m3	283.00	215.00	68.00	33%
Concrete G40 N/M	m3	347.00	227.00	120.00	53%

Description	Unit	Ex KK (RM)	Ex KL (RM)	Variance	
				RM	%
<b>ROAD WORK - SUPPLY PRICE</b>					
<b>Premix Asphaltic Concrete</b>					
AC 10 (wearing course)	mton	248.33	178.76	69.57	39%
AC 20 (wearing course)	mton	249.33	175.06	74.27	42%
<b>Road Furniture</b>					
Guardrail	LM	268.80	145.80	123.00	84%
<b>Oil &amp; Lubricant</b>					
Diesel	Ltr	2.723	2.73	(0.01)	0%
Bitumen 80/100	mton	2,550.00	2,300.00	250.00	11%
<b>ELECTRICAL WORK - SUPPLY &amp; FIX PRICE</b>					
Lighting points c/w switches	1	65.00	50.00	15.00	30%
13A socket outlet c/w fittings	1	110.00	75.00	35.00	47%
Fan point c/w switch	1	90.00	60.00	30.00	50%

Description	Unit	KK (RM)	KL (RM)	KK	KL
				Departmental Charge	
<b>Capital Contribution</b>					
to Sabah Electrical Sdn Bhd	1	5500 - 6500	Nil	20%	Nil
to Telekom Malaysia	1	800 - 1500	Nil	-	Nil
to Jabatan Air	1	300 - 500	Nil	15%	Nil

## REHDA wants GST to be implemented gradually

**PETALING JAYA:** The Real Estate and Housing Developers' Association Malaysia (REHDA) has proposed that the goods and services tax (GST) be implemented gradually as it will have an adverse impact on the affordability of housing to the people.

Its Finance and Investment Committee Chairman, Datuk Ng Seing Liong, said the six per cent GST, which would be imple-

mented from April 1, 2015, was quite high and the consumers would be burdened by it.

"The developers' margins will also be lower with the GST," he said at a media briefing on 'GST -- Impact on the Housing Industry' here yesterday.

Ng said REHDA has submitted its proposals on the GST to the government and was awaiting the response.

"REHDA has requested the

Finance Ministry give serious consideration to the proposals as the implementation of GST in its current form will cause financial hardship, adding to the costs of development resulting in overall increase in house prices and will be eventually passed on to the buyers," Ng said.

He said one of them was that REHDA wanted the government to extend the zero-rated goods and

services to major cost components of property development projects like steel bars, iron, cement, concrete and aggregate sand or consider provisions for some relief to the suppliers to help them deal with cash flow issue.

"The suppliers may end up passing the costs in the form of higher prices," he said.

The industry also wanted the stamp duty on transfers of real property be maintained at the current

maximum three per cent instead of the proposed four, he said.

Ng said the imposition of GST would add another layer of cost as there were already multiple 'taxes' imposed such as real property gains tax, Construction Industry Development Board levy and service tax.

Another proposal, he said, was to allow developers adopt a fixed allocation -- either built-up, land area (acreage) or any method (segregation between residential

and commercial property development) -- in claiming residual input tax credits as this would help ease the administrative burden when claiming residual input tax.

For sale purchase agreements of land entered prior to appointed date of April 2015, payments received of invoices issued prior to the appointed date where the supply of land is made available after appointed date will not attract GST, he said. - Bernama

# 10.0 Urgent Issues Addressed By SHAREDADA: Outcome & Resolutions

## 10.1 THE NEGATIVE IMPACT OF TELEKOM (TM) AS AN ESSENTIAL SERVICE TOWARDS OUR INDUSTRY

### (i) BACKGROUND

Prior to year 2007, in order to subscribe a telephone fixed line facility, developers were requested by TM to provide basic infrastructure such as manhole only and the supply and installation of cable and other equipment will be borne by TM. Subsequently in year 2007, TM requested developers to share the cost for the above installation before the supply of telecommunication cables.

However, the above proposal was rejected by developers in West Malaysia and Sarawak whereby the status quo remains unchanged in both West Malaysia and Sarawak.

In Sabah scenario, a dialogue session was held between TM and SHAREDADA Council on 20th April 2009 and the outcome of the dialogue dictates that TM will waive the cost sharing if developers provide a database of owners to subscribe the fixed line services in the initial period of 3 years. This arrangement includes 50% confirmed applicants with minimum of 1 Fixed Line and 1 Streamyx per unit for urban residential projects, whereas for commercial projects would consist of 70% confirmed applicants with minimum of 3 fixed lines and 1 Streamyx per unit. In a few instances, such understanding was fulfilled. However, it is unfortunate to note that the said arrangement is no longer applicable and was held on hold for a momentarily long period without any grounds and results.

SHAREDADA in 2012 continues the negotiation process with TM with the aim of acquiring discount in cost sharing. This discount is however contingent to various factors and are only given to developer on case to case basis.



Mr Azman Yusoff, General Manager, SME Sales, TM receiving a memento from Mr Francis Goh in the presence of SHAREDADA and TM delegates on 26.09.2013 at Wisma Kinsabina, Kota Kinabalu.

The above scenario is rather preposterous and similarly pictured a different doctrine to our Federal Government GLC of One Malaysia Policy. The question prevails as to whether the action taken by TM in Sabah is justifiable for Rakyat Sabah and Developers to bear higher cost than our West Malaysia counterparts.

We would like to acknowledge Telekom (TM) for their time & effort in the Dialogue Session held on 26 September 2013.

### (ii) SHAREDA'S STANCE ON TM'S COST SHARING

SHAREDA Council has opposed the above proposal with the following facts:-

1. It is undeniable that all TELCO providers are already making huge profit, therefore it is unjustifiable for developers to bear the additional capital expenditure in respect of the imposed capital contribution
2. Additional capital contribution would ultimately increase the housing cost for Rakyat in Sabah as the burden to bear this cost increment will be passed down to the purchasers.
3. There is no legislation enabling TM to collect cost sharing from Sabah developers.
4. TM is utilising developers as a tool to charge more and earn extra profit by using the excuse of share capital contribution. The so called capital contribution ought to be invested and paid by TM in order to provide the basic infrastructure before TM could receive payment charges from the end users. This kind of capital investment can be recovered through a nominal factor built on to the billing to their end-users, e.g. registration fees, deposit payment or connection charges.
5. It is unfair for TM to impose share capital contribution while relying on developers' products to garner end-users (house-buyers) who shall eventually subscribe to TM's service for the rest of their tenure. Whereby, developers only earn once after they have successfully disposed of the products after 36 months of construction period.

### (iii) SHAREDA'S DRASTIC APPROACH

1. After the election of Office Bearers in 2013, SHAREDA President instructed his Deputy President to call for a press conference on 16 August 2013 to voice our grievance and request all members not to paid cost sharing to TM. Subsequently a Joint Communique by MDC also released for the above matter. SHAREDA also forwarded another letter to the Federal Minister and State Cabinet to waive the cost sharing.
2. Soon after, TM had decided to pay a courtesy call to the President and Council Members on 26 September 2013. During the meeting, it was agreed that developer has the right to choose the smart partnership or normal process for cable installation.
3. In the meantime, developer also has the right to choose other TELCOs for installation of telephone services at their own discretion.
4. The above minutes had been circulated to all members for their further action and information.

## 10.2 SESB CONSUMER CONNECTION CHARGES - REDUCTION OF UP TO 50% ON PROJECT COST

### (i) BACKGROUND

SHAREDADA noticed that the CCC in Sabah is 700% more expensive than West Malaysia. Since the establishment of SHAREDADA, we had requested SESB to reduce the CCC since high CCC would hinder the inflow of manufacturing investment and FDI from West Malaysia and foreign country. It also hinders the development of affordable residential homes which may increase by RM5,000 - RM8,000 per unit in their costing.

The calculation of Consumer Connection Charges Calculations (CCC) in West Malaysia is as follow:-

- 70% - 80% of capital distribution would be collected from consumer by monthly billing as electricity in West Malaysia is higher than Sabah.
- 20% - 30% of capital expenditure would be collected as CCC from developer.
- There is a tablet for calculating CCC for various projects in West Malaysia.

Whereas in Sabah, the CCC is estimated which includes the following items:-

- Capital expenditure including infrastructure for project electricity supply, additional cost for upgrading the infrastructure of transmission and production capacity.
- Profit and attendance or supervisory fee by Sabah Electricity Sdn Bhd (SESB) (10%).
- There is no tablet for calculation of CCC unlike TNB in West Malaysia. Sabah developer is only able to estimate the cost through guessing. Hence there is no transparency and this encourages abuse of authority.

### (ii) PRO-ACTIVE APPROACHES / ACTIONS

A briefing session on Consumer Connection Charges Calculations (CCC) with tariff restructuring had been conducted on 14 July 2011 by Sabah Electricity Sdn Bhd (SESB) General Manager, Ir. Ahmad Fuad Kasim, whereby SESB agreed to implement the new CCC with reduction of up to 50% for new electricity connections together with this new tariff to be effective on 1st January 2012.

At another presentation carried out by SESB on 13th September 2011, the new CCC is aligned with the State Government's effort to reduce the high up-front capital cost borne by new customers (where reduction of 50% of project cost in contrast to the current practice of 100%). The calculations of CCC are as below:-

Current CCC	New CCC (Effective on 1 <sup>st</sup> Jan. 2012)
Consumer Connection Charge (CCC) = A+B+C+D	Consumer Connection Charge (CCC) = <b>A(0.5)</b> +B+C+D

Where by:

- A = Project Cost (Material + Petty Contract + Labour + Transportation)  
 B = Special Features (if any)  
 C = Development Charge (10% of A)

- D = Processing FEE (Rm100)  
 E = Zoning Charge  
 (if applicable -for 'Greenfield' areas where electricity infrastructure is not yet available or improvement to existing system is carried out by SESB at its own cost first)

After the aforesaid briefing, SHAREDA had given their feedback to SESB on 23rd September 2011 and the proposal is focused on three main items as stated below:-

1. Exemption of 10% zoning charge on maximum demand for affordable home scheme which is initiated by government and private developer. Besides that, billing for zoning charge with breakdown details and drawing were requested to be provided to the developer or contractor before payment is made.
2. SESB was required to submit the land and building size requirement for various type of sub-station in the new CCC proposal before finalisation for project cost estimating purpose.
3. SESB to review the rigid cut-off date for the submission of Complete Electricity Supply Application and SHAREDA suggested SESB to allow the developer to submit the application anytime during the year after they have obtained the Development Plan approval.

However, when the new CCC formula has yet to be implemented. On 13th May 2013, a Joint Committee consisting of the members listed below was formed and headed by SHAREDA. A Joint Memorandum was submitted to SESB regarding the non-fulfillment of 50% discount on consumer connection charges (CCC) by SESB.

### (iii) JOINT COMMITTEE

1. SHAREDA – Mr Goh Fah Shun
2. FSM – Y.Bhg. Datuk Seri Panglima Wong Khen Thau
3. IEM, Sabah Branch – Ir. Lo Chong Chiun
4. ACEM, Sabah Branch – Ir. Fung Yin Khun
5. PAM, Sabah Chapter – Ar. Victor Wong
6. RISM, Sabah Branch – Sr. Maria Othman
7. Sabah Hotel Association – Mr Christopher Chan



GROUP PHOTO OF REPRESENTATIVES OF SESB WITH STAKEHOLDERS FROM SHAREDA, IEM SABAH BRANCH, ACEM SABAH BRANCH, PAM SABAH CHAPTER, RISM SABAH BRANCH, FEDERATION OF SABAH INDUSTRIES (FORMER FSM) AND SABAH HOTEL ASSOCIATION.

After the submission of Joint Memorandum, a dialogue at SESB with all parties was held on 21st June 2013. During the meeting, SHAREDA was informed that the rebate of 50% is only given to individual lot but not inclusive of high voltage user and that RM60 million additional grant needed to be allocated from the Federal Government in order to fulfill the pledge of which was inadvertently left out in the working paper presented by SESB during the meeting of 14th July 2011 and 13th September 2011.

SHAREDA together with other associations were very bitter during the above dialogue with SESB, SHAREDA President openly condemned SESB for using SHAREDA as a tool to obtain the government subsidy, but failed to fulfill their pledge after the subsidy was given by the Federal Government. It is also unethical for a GLC who earns huge profit every year, e.g Tenaga Nasional has earned 4.5 billion in year 2012, to impose a share capital contribution to developers while SESB is relying on SHAREDA's residential products for a recurring income through monthly electrical bills from our house buyers. In the meeting, SHAREDA President also challenged SESB to name any business in the world that requests no capital investment. The so called "Share Capital Contribution" should form part of their monthly billing to consumers through a reasonable recovery period and not to "rob" from developers.

### (iv) CONCLUSION

After that meeting, SHAREDA's Deputy President has persistently negotiated with SESB and the ultimatum was finally obtained that a REDUCTION OF CONSUMER CONNECTION CHARGES in the electricity tariff for Sabah and W.P. Labuan came into force effective on 1st January 2014, i.e. developers or consumers applying for electricity supply will be given a reduction of up to 50% of the project cost.



## 10.3 COURTESY CALL TO MAJLIS DAERAH PENAMPANG FOR SPEEDY APPROVAL OF DEVELOPMENT PLANS

SHAREDADA President Francis Goh led a delegation of its members including Malaysia Architect Association (PAM) Sabah Chapter, The Institution of Engineers Malaysia (IEM), Sabah Branch and The Association of Consulting Engineers Malaysia (ACEM) Sabah Branch in a courtesy call and meeting with Penampang District Council (PDC), Executive Office Mr Soudi Samy and components of its technical committee comprised of representatives from the State Drainage and Irrigation Department, District Health Department office, Public Works Department and The Fire and Rescue Services Department on 30 July, 2013.

Mr Soudi chaired the joint meeting to deliberate and discuss the following concerns and recommendations in compliance to the endorsement/approval of Development and Building Plans imposed by PDC:-

### 1. Speedy Approval of Development and Building Plans

- The context of delay in approving the property developments in Penampang District is due to irregular council meetings and several oddities in the internal rulings. The delegation is grateful to the District Council for understanding the industry players' problems, especially on the delay on the approval of development plans submitted.
- Currently all development plans are handled by only one qualification unmatch Diploma holder "Engineer" who lacks in depth knowledge in architecture and wholly rely on technical comments from 8-10 related departments. PAM has suggested that they are willing to send qualified architects to assist in providing comments for development plans.
- Recommended that PDC recruit more technical personnel to improve their performance to match the influx of submission of plans as not to hinder the development pace in Penampang. The duration for the approval usually takes more than 18 months now. The longer it takes to approve, the higher the holding cost incurred by developers.
- SHAREDADA stressed not to include comments from Telco as a pre-requisite condition for approval of DP or BP as the Central Board has rejected TM's application as a compulsory Advisory Department.
- PDC accepted the above recommendations and assured that they will take pro-active measures to hold regular meetings and process the above plans efficiently in the near future.

### 2. Drainage and Irrigation/MASMA Report

- The requirement that MASMA report and drainage to be submitted and approved prior to DP approval is one of the factors of delay. Proposed that the detailed submission of MASMA report and drainage at the Building Plans stage, provided DID approval given prior to BP approval.
- PDC accepted the above proposal to defer the detailed submission of MASMA report and drainage at the BP stage on case to case basis.

### 3. Renovation Plan of Single Building

- PDC concurred that for renovation plan of single building, it is not required to submit to Jabatan BOMBA as no approval is required as advised by PAM Sabah Chapter.

4. Building Plan to Land and Survey Department and Town Planning Department

- PDC concurred with the views of PAM Sabah Chapter that the practice to forward the BP to Lands and Surveys Department and Town Country Planning Department for comments is unnecessary as they are not in the capacity or ability to do so, resulting in further delay in the approval process.

5. Penampang Local Plan

- To urged PDC to gazette the Penampang District Local Plan promptly so that it becomes a standard document with zoning on the lands clearly defined.

6. Professional Representation in PDC's Technical Committee

- PDC thanked PAM Sabah Chapter and IEM/ACEM, Sabah Branch for volunteering to provide free consultant services to assist the Building/Technical Committee of the Council maybe once a week in all technical aspects.

Mr Goh concluded that the meeting was very fruitful and that the District Council's Executive Officer has accepted some of the recommendations deliberated and believed it can shorten the approval of DP by at least six (6) months, if developers can be given a conditional DP approval while waiting for compliance to technical comments by other relevant quarters prior to the approval of the BP.

With the DP's conditional approved, the developer can move forward to the next process i.e. apply to the Lands and Surveys Department and calculation of land premium to be endorsed by Hasil Bumi.

Meanwhile, Mr Soudi said the District Council welcomed the offer of assistance from PAM and IEM/ACEM and will discuss the above matter in a full council meeting as it needs approval. He expressed hope to have more meetings so that they can exchange experience, opinions, ideas and suggestions for the improvement of delivery system in Penampang Council.



A word of thanks to all parties involved and to the District Council's Executive Officer, Mr Soudi Samy for a productive meeting.

*Mr Soudi Samy, Executive Officer of Majlis Daerah Penampang receiving a memento from Mr Francis Goh, SHAREDA President in the presence of all present.*

## 10.4 COURTESY CALL TO MAYOR OF KOTA KINABALU CITY HALL (DBKK) FOR SPEEDY APPROVAL OF DEVELOPMENT PLAN

Sabah Housing and Real Estate Developers Association (SHAREDA) led by President Mr Francis Goh Fah Shun paid a courtesy call to Y.Bhg. Datuk Abidin Madingkir, Hon. Lord Mayor of Kota Kinabalu City Hall at the latter's office held on 5 September 2013.

Mr Goh introduced his Council Members from SHAREDA and highlighted the challenges faced by developers in a detail briefing to the Hon. Lord Mayor and his management team as follows:-

1. Property Development is the key Economic Driving Force for Sabah
  - Estimated annual GDV: RM10 Billion
  - 10,000 residential units built annually to meet a market demand of 15,000 units
  - fail to bring this message to the Government
  - property development is not given the same recognition as oil & gas, palm oil, manufacturing and tourism sectors
2. Contributions by Property Developers towards the Community and Economy
  - Major tax payers
  - Create employments
  - Improving the standard of lifestyles and living
  - Provide affordable homes for the nation
  - Main contributor to banking, professional services, building materials supplies, furniture, machineries, etc
  - Affecting more than 164 related business and occupations
3. Reasons of Property Price Hike
  - Increase of land cost, fuel, labour cost (shortage of labours), building materials (Cabotage Policy), demand pull factor, etc.
  - Higher holding cost caused by delay on DP processing by Local Authorities, Central Town And Country Planning Board (CB) approval, EIA and slope high risks committee's approval, Traffic Impact Assessment (TIA), delay of endorsement for offer of land conversion/subdivision, higher liaison fee for DP submissions, density of 80 units per acre for high rise developments, DP within CBD refers to State Cabinet for approval, etc.
  - Unreasonable charges imposed by utility companies such as SESB for capital contribution and departmental charges and furthermore Telekom is imposing shared capital contributions to developers lately.

4. Challenges faced by Property Developer
  - Restriction of profit margin capped at 30% by Housing Controller.
  - Estimated profit set by developers decreases while overall GDV increases.
  - Developers dare not tag irrational pricing to their products.
  - Less residential projects launched in 2013 due to the delay of DP approval. Supply less than demand.
5. The Adverse Impact of Mandatory Imposition of 30% Affordable Homes
  - May increase market risks as boycott by buyers on unfair pricing of charging less to 30% quota and charging more to the balance of 70%.
  - Shape-up the 'Robin Hood' culture and create psychological imbalance to discerning buyers.
  - May cause abandonment of projects with no guarantee of good sales performance and oversupply of property in the outskirts areas.
  - Difference in social stratification. It is difficult to mix the 30% less affordable group with the 70% affordable group in a high rise tower block apartment.
  - Restriction on the freedom of innovation in architectural design due to constraint imposed on affordable home quota.
  - Undefined target market.
  - Discourage beginners to venture into property development if they are forced to firstly complete the 30% affordable home.
  - Will slowdown the economic growth in property development industry.
6. Affordable Home Projects implemented by SHAREDA Members from 2010-2013 in Sabah Total: 16,455 units = 15,169 units completed + 1,286 units on-going, a good evidence that SHAREDA members has built an ample amount of affordable homes.
7. SHAREDA – MLGH Affordable Homes Guidelines - General info to DBKK
  - High-rise apartments: Selling price is RM250,000 per unit / Size: 850 sf Rate per sq. feet not exceeding RM295
  - Landed properties: Built-up area of 850 – 1,200 sf / Selling price rate per sq. feet not exceeding RM295 psf
  - SHAREDA Members will launch 10,000 units of affordable home schemes from 2014.
8. On-line marketing “www.shareda-mlgh-affordablehome.com” was launched for sales and registration to reduce market risks and fair distribution to all districts in Sabah
9. Incentives Appealed by SHAREDA for Affordable Home Providers
  - Speedy Approval for DPs at the One Stop Centre set up by MLGH/Government; relaxation on setback requirements, prompt issuance of land conversion and Housing Developer's Licence (HDL), etc.
  - Incentives – waiver for capital contribution by SESB / Telekom, uniform charges for premiums, reduce the BG from 5% to 3% in lieu of HDL under 1Malaysia one rate, Certificate of Recognition by MLGH, etc.

10. During the visit, SHAREDA urged Datuk Mayor to expedite the development approval and to take initiative to gazette the draft local plan of Greater Kota Kinabalu. It is ironic for a city without an approved local plan. DBKK was reminded that any delay of development plan approval will cause higher holding cost to developer and it will eventually be transferred to higher selling price in their development products. The Lord Mayor concurred with SHAREDA's view promised to take constructive measures to resolve the issues mentioned.



We wish to thank The Hon. Lord Mayor, Y. Bhg Datuk Abidin Madingkir for hosting SHAREDA during a courtesy call on 5 September 2013.

*Mayor Datuk Abidin Madingkir receiving a nostalgic picture of the old capital, Jesselton in the North Borneo era from Mr Francis Goh at the courtesy visit.*

## 10.5 THE POTENTIAL AND CHALLENGES FACED BY PROPERTY DEVELOPERS IN PROMOTING LEISURE PROPERTY DEVELOPMENT IN SABAH, COURTESY CALL TO YB DATUK SERI PANGLIMA MASIDI MANJUN.

Sabah Housing and Real Estate Developers Association (SHAREDA) led by President Mr Francis Goh Fah Shun paid a courtesy call to Yang Berhormat Datuk Seri Panglima Masidi Manjun, Minister of Tourism, Culture and Environment, at the latter's office on 9 January 2014.

SHAREDA President, Mr Francis Goh, gave a briefing on "The Participation by Property Developers in Promoting Leisure Property Development in Sabah – The Potential & Challenges" to Datuk Masidi to point out key issues in relation to leisure property development by property developers who intend to diversify into leisure tourism.

SHAREDA has pledged full support to the Ministry of Tourism and Sabah Economic Development Investment Authority (SEDIA)'s proposal in turning our beautiful and scenic coastal shoreline extended from Tuaran toward the tip of Borneo into "Kinabalu Gold Coast" similar to Brisbane in Australia or Bali.

Mr Francis Goh said that the leisure property development related to tourism industry will be the upcoming trend in Sabah as many projects have been approved or under construction. This will entice more foreigners to reside in Sabah under the Malaysia My Second Home (MM2H) Programme.

However, strong challenges are faced by leisure property developers such as the jurisdiction of property management and hotel management, whether it can be merged and managed concurrently by Management Corporation or Body Corporate and whether leisure properties development should be exempted from Housing Development (Control and Licensing) Enactment, which made 30% bumiputera quota a compulsory imposition and 10% open space should be surrendered.

Mr Francis Goh reiterated, "Leisure property is a commercial product meant for property investment". In other words, it means a purchase with the intention for return profit, and not purely for owner occupancy. Any developer who is keen to build hotel suites or resort villas must obtain a letter of support from the Ministry of Tourism prior to development approval. For those leisure properties sold to investors with interest schemes such as "Leased Back Guarantee" or "Share Rental Pool" concept, the company must be a public company i.e. a Berhad or Public Listed Company and the prospectus and interest schemes offered must gain approval from Registrar of Companies (R.O.C).

Datuk Masidi fully agreed with the aforesaid proposal, as lately there were complaints raised by foreign buyers for non-fulfillments of the returns promised by resort developers. Datuk Masidi also concurred with the views of SHAREDA that clear guidelines and policies to be drafted by the State Attorney-General for the Land (Subsidiary Title) Enactment to be introduced in Sabah should cover issues related to leisure property development particularly horizontal subsidiary titles which commonly applied on resort villas.

Mr Goh added, "Land (Subsidiary Title) Enactment is an important legislation law to govern any properties with subsidiary titles for sale to individual ownership. Unlike before, hotel facilities and room accommodation were built on a single parcel title and wholly owned by a hotel owner. Nowadays, developers are also developing hotel suites and resort villas for sale. Thus, there must be a good policy to govern and control the conduct of the investors. The return of investment given by resort owners or developers must be clearly stipulated and protected by the law. With this in place, SHAREDA will ensure that a lot of property developers will venture into leisure property developments as to assist Ministry of Tourism to boost the high-end tourism market in Sabah and attract more MM2H applicants to stay and make Sabah as their second home".

Mr Goh commended that SHAREDA will improve its services by setting up a SHAREDA (MM2H) Sdn Bhd to provide services with reasonable charges to its members and foreign investors or MM2H applicants to process the necessary paperwork and approvals under the MM2H programme in Sabah.

Datuk Masidi concurred with SHAREDA's proposal that the selling price ceiling of property to foreigners should be capped at RM750,000 instead of RM1 Million.

#### CONCLUSION

Datuk Masidi concluded that a meeting amongst the inter-government departments that involves his Ministry, Ministry of Local Government and Housing, SEDIA, State Economic Planning Unit, Lands and Surveys Departments and State Attorney-General will convene as soon as possible to legislate clear policies/provisions for the leisure property developments to flourish in Sabah. This includes the endorsement of the threshold price for Sabah properties under the MM2H programme to be capped at RM750,000 and also urging Bank Negara Malaysia (BNM) to consider reviewing certain restrictions and regulations to approve loans for investment in tourism industry such as hotel in order to promote leisure property developments and tourism industry in Sabah .



Our sincere thanks to YB  
Datuk Seri Panglima Masidi  
Manjun, Ministry of Tourism,  
Culture and Environment for  
the courtesy call with  
SHAREDA on 9 January 2014.

*Mr Wesley Chai, Ar. Ronnie Ang, Dato' Ir. John Chee, Mr Francis Goh, Yang Berhormat Datuk Seri Panglima Masidi Manjun, Mr Chew Sang Hai, Sr. Chua Soon Ping; Ministry of Tourism Permanent Secretary Datuk Michael Emban; Ministry's Admin Officers Encik Christopher Jintoni and Puan Hajjah Mariam and Puan Salina Lee Abdullah.*

## 10.6 REVIEW OF OUTDATED BUILDING BY-LAWS AND SPEEDY LEGISLATION OF NEW SUBSIDIARY TITLES ACT FOR SABAH.

Sabah Housing and Real Estate Developers Association (SHAREDA)'s President Mr Francis Goh together with his Council Members visited the newly appointed State Attorney-General Sabah, Datuk Hajjah Mariati Robert at the latter's office at Menara Tun Mustapha on 16 January 2014.

At the meeting, Mr Goh expressed his views to Datuk Hajjah Mariati Robert on the urgency to review the existing laws i.e. Land (Subsidiary) Title Enactment which is outdated that governs any properties with subsidiary titles for sales to individual ownership. It is pertinent to incorporate good policies in property management and to govern and control the conduct of the investors through a uniform "Subsidiary Titles Act" which has yet to be drafted and gazetted by State Government of Sabah.

Some members in SHAREDA are in the midst of planning and gearing up to develop more leisure properties to promote Malaysia my second home but this is restricted due to lack of clear guidelines for leisure property development, e.g. either leisure property is a commercial development or residential development?

Several issues were discussed at the meeting and summarised below:-

1. Urgency in drafting up the new "Subsidiary Titles Act" by incorporating Approved Subsidiary Acts from West Malaysia and to be improved with:-

- (i) Land (Subsidiary) Title Enactment; Uniform Building By-Law (UBBL), proposed Street, Drainage and Building Enactment, proposed Building and Common Property (Maintenance and Management) Enactment, etc.
- (ii) Proposed Leisure Property Development i.e. Resorts, Villas, Hotel Suites, Chalets and etc. to be classified as tourism products under the purview of the Ministry of Tourism Sabah.
- (iii) Proposed Business Suite, SOHO, SOVO and etc, to be categorised as commercial products.
- (iv) Horizontal or Vertical subsidiary titles can be applied on leisure property development .
- (v) Property managers :- To spell out the various specification and qualification for different types of appointed personnel to manage common properties or leisure property such as a Property Manager, Valuer, Qualified person, Certified Mall Manager, Developer and Hotel Manager .
- (vi) To have clear terms of reference/ definition on the types of property classified for commercial and residential purposes, 10% open space policy, land given to Utility Department/SESB/Local Authorities.
- (vii) Guidelines for gated and Guarded properties which include horizontal subsidiary titles, common properties, management corporation, sinking fund and monthly management fee and etc.



2. To expedite the gazette of the Draft Local Plans 2020, Structure Plans / Local Plans for Kota Kinabalu, Sandakan, Tawau, Lahad Datu, Penampang and etc.
3. Tenure Lease of 999 years is reduced to 99 years after conversion. Change of land use should be restored back to the owner based on the original terms of tenure similar in the original Master Titles.
4. Stringent Bank Negara Ruling on the borrowings due to high household debt and 70% net income to qualify for housing loan; and to relax the lending restriction imposed onto leisure property developments and hotels as negative industry should be reviewed to enhance the tourism development industry in Sabah.
5. High holding cost incurred by developers due to the delay for endorsement of premium for conversion and subdivision by Hasil Bumi.
6. Property prices in Sabah is surging as compared to Peninsula Malaysia due to several reasons such as higher transportation cost in shipping and building materials, escalating land cost and price hike in fuel and electricity tariffs are the contributing factors.

Datuk Hajjah Robert has requested SHAREDA to submit their legal point of view prepared by their legal advisor on the CL 999 issues for her to study and presented to the State Government for review.



*Presentation of Memento to the Sabah State Attorney-General Datuk Hajjah Mariati Robert from SHAREDA President Mr Francis Goh during the courtesy call. Also in the pic: L-R Ms Salina Lee Abdullah, Sr. Chua Soon Ping, Mr. Ben Kong Chung Vui, Dato' Ir. John Chee, Ar. Ronnie Ang and Ms. Chew Fei Sean from SHAREDA.*

We are most obliged to Datuk Hajjah Mariati Robert for the warm reception during our courtesy call on 16 January 2014.

## 10.7 COURTESY CALL TO SETIAUSAHA HASIL BUMI, MR AMAT MOHD YUSOF AT MENARA TUN MUSTAPHA FOR PROMPT ENDORSEMENT OF DEVELOPMENT CONVERSION APPROVAL.

SHAREDA is very grateful to have a fruitful meeting with the newly appointed Setiausaha Hasil Bumi, Encik Amat Mohd Yusof led by SHAREDA President, Mr. Francis Goh. SHAREDA took the opportunity to deliver a summary list of outstanding applications pending for their conversion and subdivision approval and there were a few pressing issues highlighted by the President, Mr. Francis Goh and the Council Members during the visit.

### (i) THE DELAY OF ENDORSEMENT FOR THE CONVERSION AND SUBDIVISION FROM NT TO CL FOR DEVELOPMENT PROJECTS

The striving efforts by SHAREDA members on the conversion of Native Title (NT) Land and sub-divided titles were highlighted and presented to Encik Amat Mohd Yusof. SHAREDA explained that the issuance of letter of offer for land conversion and sub-divided titles were delayed for many months. This is particularly important as most Country Lease (CL) Title lands have been exhausted over the past years. Therefore, the supply of CL Title lands is limited and developers are stretching their pockets to purchase more expensive CL title lands. As an alternative solution to the said issue, developers are obligated to opt for potential native land for property development. Thus SHAREDA is urging the Hasil Bumi department to expedite on the endorsement process as most developers are bearing high holding cost including overhead cost. Encik Amat has promised that his office together with the Chief Minister's office would review all outstanding applications promptly. There is no reason for the delay caused by Hasil Bumi in giving prompt approval to developers as the payment of premium which forms an important revenue to the State's coffer will be collected by Land and Survey department once conversion is approved.

### (ii) MASTER TITLE OF CL999 YEARS IS REDUCED TO CL99 YEARS AFTER CHANGE OF LAND USE GRANTED BY HASIL BUMI

Another plaguing issue discussed in the meeting was the 999 years leasehold title that was reduced to 99 years leasehold title when surrendered for subdivision. It is discouraging to note that SHAREDA had taken up this issue since year 2011 with the State Authority which promised to review the above policy, and it has yet to be resolved until now. Furthermore, SHAREDA presented a compilation of legal expert's view and facts to assist Encik Amat and his office to facilitate the matter. By having such close-knit working relationship between SHAREDA and the Hasil Bumi office, hopefully the prolonged issue of reduction of 999 years leasehold term to 99 years would be resolved as the government does owe an explanation to many house buyers who bought properties held under 999 master titles.

“SHAREDA SPEAKS UP FOR BUMIPUTRA BUYERS”

**(iii) PROPOSAL TO LIFT RESTRICTION FOR BUMIPUTRA LOTS SOLD TO NON-BUMI WITHIN 5 YEARS**

SHAREDA has also raised the matter related to the caveat imposed onto the Bumiputera units/lots that a bumiputra lot can only be sold to a non bumiputra after 5 years. SHAREDA members have no qualms and objections for the imposition of 30% quota of Bumiputera units/lots on every residential development. However, it would be more beneficial for any Bumiputera house buyers to have such restriction lifted. Such restriction imposed on the Bumiputera units/lots would deprive the interest of Bumiputera buyers from property investment, which is the most lucrative means of investment to garner wealth. In fact, the property value of a Bumiputera units/lots would be perceived as an inferior value as compared to other non-bumi units, though all units are of equal market value.

President Francis Goh also highlighted SHAREDA's pledge to build 10,000 units affordable homes in the next 5 years, which is in line with the Government's initiative to provide more affordable homes for middle income Rakyat. Hence, SHAREDA urges the Hasil Bumi office to approve the outstanding land conversion applications, that would expedite SHAREDA's effort to fulfill the building of 10,000 units of affordable homes. SHAREDA is delighted to be informed by Encik Amat that his office and fellow colleagues are practicing an open-door policy where developers and SHAREDA members are welcome to discuss their grievances with their office personnel from Monday to Friday (8:00am to 5:00pm) and urged developers not to engage the service of "runner" in submitting their land conversion application when dealing with Hasil Bumi.

"Many thanks to Mr. Amat for his prompt response and willingness to resolve the pressing issue mentioned during the courtesy call. He has shown strong support and cooperation by adopting an open door policy to ensure an efficient delivery system that enhances the property development industry in Sabah."



*Token of appreciation was presented to Encik Amat Mohd Yusof by Mr Francis Goh, SHAREDA President, and accompanied by SHAREDA Council Members and SHAREDA Youth Committee*

## 10.8 COURTESY CALL TO Y.BHG. DATUK IR. JAMES WONG, PRESIDENT OF SANDAKAN MUNICIPAL COUNCIL

SHAREDA President lauded the efficiency and good governance in the delivery and administration system of the Sandakan Municipal Council under the dynamic leadership of President Y.Bhg. Datuk Ir. James Wong at the courtesy call held on 12 September 2013 in conjunction with the 4th Council Meeting of SHAREDA in Sandakan. Mr Goh remarked that SHAREDA Members in Sandakan commended that Sandakan Municipal Council is reputed to be one of the fastest approval local authorities with ISO certified, setting high Standard Office Practices (SOP) with open-door concept in their services that other local authorities should emulate in particular, the speedy approval for Development/Building Plans (DP/BP). As seen in recent years that the pace of development and economic growth in Sandakan has stepped up tremendously. Also, he commended and hoped that the municipality will one day be transformed to acclaim city status in the near future.

During the meeting, SHAREDA urged MPS to reject the inclusion of TM to be a compulsory advisory member of the Building and Development Committee of which TM will charge capital contributions on the development cost to amortise their capital expenses. This only happened in Sabah but not in West Malaysia or Sarawak. TM contemplated to enact telecommunications as an essential item but was rejected. In fact, TM is not the sole provider for telecommunication services and not compliance to the competitiveness act. The developer has the right to choose which Telcos to be their service provider for their development. Hence, it is categorily unfair for the developer to pass the said charges to the house buyer or consumer in near future.

Datuk Ir. James Wong concurred with SHAREDA and stated that TM is not a compulsory committee member in MPS in the Building and Development Committee for approval of DP/BP, but to seek for technical comments from TM whenever deem necessary only. Subsequently, he confidently assured SHAREDA Members that he will personally check and make sure that the submissions to MPS are in order. Otherwise, the developer or consultant will be called in to give explanation or to submit development brief annexed with the DP. He informed that MPS implemented an effective fast track method to obtain comments or feedbacks from the respective departments in a faster pace by allowing the developer and consultant to collect and distribute the said drawings/documents from MPS to the relevant departments. This method has proven to be prudent and effective over time, except in cases required re-zoning or special industry involved approval by the Central Board in lieu of the Sandakan Draft Local Plans still not gazetted. MPS is steadfast to adhere strictly to the zoning layout in the Draft Local Plans of Sandakan and will pursue to gazette them soon. MPS will continue to uphold their services and management system set-up in compliance to ISO standards which is commendable and accepted by the Ministry of Local Government And Housing (MLGH), who tasked MPS to beef up other Local Authorities in Sabah, to emulate their good governance.

Other pertinent issues discussed included the imposition of 30% Affordable Homes on Private Developments effective 1 April 2013 and Mr Goh informed MPS how the imposition was retracted through appeal and pledge by SHAREDA to MLGH to build <10,000 units priced at RM250,000 per unit or a rate of RM295 psf for the next 5 years in Sabah. The size of the built-up unit for residential stratified is 850sf and landed is 1,200sf. In comparison to the house price built by PR1MA is capped at >RM400,000 per unit and JPN house price capped at >RM350,000 per unit. MPS informed that in Sandakan, the new project launched by PR1MA is priced at >RM260,000 per unit. SHAREDA assured that all affordable home providers will be given a recognition certificate for their contributions by MLGH. In this note, MPS assured SHAREDA that they will prioritise and fast track approval for affordable housing scheme development in Sandakan.

SHAREDA also highlighted to MPS on other causes of delay in DP approval such as the compliance of DID for MSMA or Detention Pond, JKR for Traffic Impact Assessment Report or road networks and EIA report for sensitive area; the compliance of 10% Open Space for high rise residential and commercial developments proposed for considerations to include the sports and recreation activities in the retention pond, gym facilities, common property with covered roofing between the 2 blocks, etc.; requested the deferment of assessment paid for issuance of Draft Title of properties to be allowed as practiced by DBKK; the restriction of 30% Bumiputera quota and application for waiver of Bumiputera Units were also discussed in-depth and to pursue further with the Government.

SHAREDA concluded by putting in record of thanks and appreciation to Y.Bhg. Datuk Ir. James Wong, MPS President and his Senior Officers who came out in full force to welcome and meet with SHAREDA Council in a successful and dynamic roundtable discussion to mitigate issues of concern and to seek for amicable solutions in tandem with SHAREDA's strive towards the betterment of housing and property development industry in Sandakan and throughout the state.



*In the picture, is the presentation of memento to the President of Sandakan Municipal Council Y.Bhg. Datuk Ir. James Wong by SHAREDA President Mr Francis Goh in the presence of SHAREDA Council Members and Senior Officers of Sandakan Municipal Council on 12 September 2013 at the latter's conference room.*

Thank you to President Sandakan Municipal Council, James Wong for the warm hospitality given during our courtesy call on 12 Sept 2013.

**SHAREDA Council Members (2013-2014)  
with Guest of Honour**

**Y.B. Datuk Seri Panglima Haji Hajiji Haji Noor (Minister of Local Government and Housing, Sabah)**



L-R Sitting:

Ben Kong Chung Vui (Secretary-General), Dato' Ir. John Chee Shi Tong, JP (Vice President), Chew Sang Hai (Deputy President),  
Y.B. Datuk Seri Panglima Haji Hajiji Haji Noor (Minister of Local Government and Housing, Sabah), Francis Goh Fah Shun (President),  
Datuk Susan Wong Siew Guen (Immediate Past President), John Tan Duo Zer (Vice President), Wesley Chai Meng Kong (Treasurer-General)

L-R Standing:

Chew Fei Sean (Council Member), Pengiran Saifuddin bin Pengiran Tahir, JP (Council Member), Sr. Chua Soon Ping (Council Member),  
Quek Siew Hau (Council Member), Dato' Jimmy Pang Kia Lock (Council Member), Ar. Ronnie Ang Guo Wei (Council Member),  
Reggie Sua (Council Member), Ir. Melvin Disimond (Council Member)

## SHAREDADA PROPERTY RESEARCH UNIT



L-R Sitting:

Chew Fei Sean, Francis Goh, Salina Lee

L-R Standing:

Jimmy Choo, Naveen Nallayan, Kelvin Goh, Dywne James, Peggy Chin

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