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Housing Purchase Decision: The Variations Type of Housing Development in Malaysia

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Abstract

This article aims to review the variation of house development in Malaysia. Currently, several categories of house property are available in Malaysia, which commonly includes terraces, bungalows, apartment, flat, condominium, and semi-D among others. The cost of property varies based on its category, size, and placement. The selling of a developing property is under the management of the Housing Development (Control and Licensing) Act 1966 ("HDA") for accommodation. Furthermore, HDA consists of some degrees of protection for homebuyers. The National Land Code 1965 (NLC) governs the tenure and land ownership in Peninsular Malaysia, and it was effective on 1st January 1965. Moreover, Sabah and Sarawak have enacted particular groups of rules, namely the Sabah Land Ordinance and the Sarawak Land Code, respectively. Notably, the variety of property names are essential as it contributes to various entitlements. Under the Torrens system in Malaysia, the individual with a position of the proprietor of the property name is perceived as the legal owner. Therefore, it is encouraged that the homebuyer performs a name search at the end of the land registry or office for verification regarding the details of the property name before purchasing it. Property names include the master, individual, strata, Bumiputera reserve, commercial, or residential. In the case of property tenure, it may either be freehold or leasehold. Homebuyers need to understand the various types of housing development in Malaysia for their security and protection.

Keywords: type, variation of houses, property, Housing Development Act

Introduction

Housing is essential for every individual to properly have a resting time, obtain comfort, and lead an efficient life. As a developing country, Malaysia has been involved in many new developments, especially in the housing sector. As a result of the innovation of the human race, modern housing on operational areas comprises some designs and patterns. Having compatibility with the modern dwellers, the designs have been optimised to create adaptability to a hectic current lifestyle.

Various architects, designers, and developers are continuously paying effort to create a design, which is not only appealing to the buyers but also develops a more thorough method to residential lifestyle. In this case, green technology, environment-friendly areas,

recreational facilities. Notably, these conveniences are the primary factors of buyers' preference for landed property, in terms of additional areas and comforting atmosphere.

Property cost varies based on its category, size, and placement. Particularly, the landed estate in Klang Valley incurs a higher price than the price of the units in tall buildings. Traditionally, the landed estate in Malaysia normally appears with an individual name (leasehold or freehold). However, the increasing demand among the gated-and-guarded communities leads to the emergence of strata names for property development. Therefore, it is indicated that regular regions and resources in the development are monitored by the Joint Management Body (JMB) or the Management Corporation (MC), while residents are required to perform payment for maintenance charge every month.

The knowledge and understanding of the Housing Development Act (HDA) its commercial and residential names are essential. Similarly, the awareness from property buyers and owners regarding the regulations, which protect their legal rights and interest, is important. To illustrate, the HDA offers protection to the buyers' from upcoming disagreements with the property developer.

Research Methodology

This study is in the archival category, with its outline functioning as a review of the empirical literature on the variation type of housing development in Malaysia. Relevant data in this study were obtained through secondary sources, namely academic journals, conference papers, articles, textbooks, and the World Wide Web (cyber internet).

Discussion on the Variations Type of Housing Development in Malaysia

This article focusing the discussion on i) property tenure, ii) property title, iii) Bumiputera reserve, iv) residential vs. commercial title, v) Housing Development Act (HDA), and iv) type of houses.

Property Tenure

The choice between freehold or leasehold is nearly the first question presented during the decision to purchase or make an investment in a property from the sub-sale market or the developer. Therefore, the developers are inclined towards emphasising the freehold tenure to attract the public. Moreover, the National Land Code, 1965 (Act 56 of 1965), outlines the land laws of Malaysia, while 40 of the National Land Code, 1965 highlight that the state land is the property of the state authority.

"When state land is disposed of off by the state authority to an individual in perpetuity for an indefinite period, this land is now granted as freehold title". In the event of the owner desiring to pass on the ownership, the limitations are lesser and more lenient in comparison to the limitations for leasehold property owners. Furthermore, the owner holds infinite rights to distribute and divide the land while being subjected to control town planning. The owner also applies some methods of using the land for public works. However, the State is not allowed to take the land over from the owner when the land is not developed.

Freehold indicates taking complete ownership of the property, which includes the unit and the land it is built on through the registration of the name as the landowner. It could also be known as a perpetual right in the property, in which the property could be inherited upon the owner's passing. For this reason, the passing of the property only takes place in the same family. In the case of freehold properties, the transactions in sales are

more convenient, straightforward, and easier due to the right for the owner to perform any modifications and upgrades on the property. Figure 1 show the example of freehold title.

- a) Freehold title will appear as either "GERAN" or "GERAN MUKIM";
- b) The statement "Tanah yang diperihalkan di atas adalah dipegang untuk selama-lamanya oleh tuan punya..." indicates that the land title belongs to the state owner.

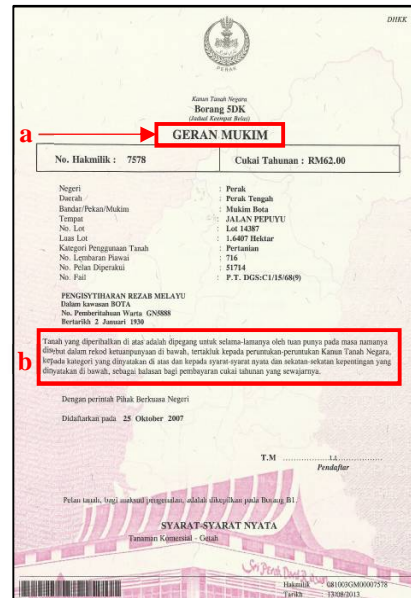


Figure 1: Freehold title

"When the state land is disposed of by the state authority to an individual for a term of years, by virtual of law, not exceeding 99 years, this land is now granted as leasehold title". When the lease period reaches its end, the land must be returned to the state authority. Accordingly, the land would be released to the developer for some durations, which range from 30 to 99 years. When the tenure of a property ends, the extension of the lease should be presented to the state government. Upon approval, the owner will be required to make a payment for premium fees according to the market value of the property or land at that moment. Figure 2 show the example of leasehold title.

- a) Leasehold title will present "PAJAKAN" as either "PAJAKAN NEGERI" or "PAJAKAN MUKIM", which means lease.
- b) The statement "Tanah yang diperihalkan di atas adalah dipegang untuk selama tempoh tahun di atas..." indicates that this land belongs to the stated owner only for specific durations.
- c) This land falls under the statement of "Sekatan-sekatan Kepentingan – Tanah ini tidak boleh dipindahmilik tanpa kebenaran Menteri Besar Perak", which indicates that the ownership of the land cannot be transferred without the permission from Menteri Besar of Perak.

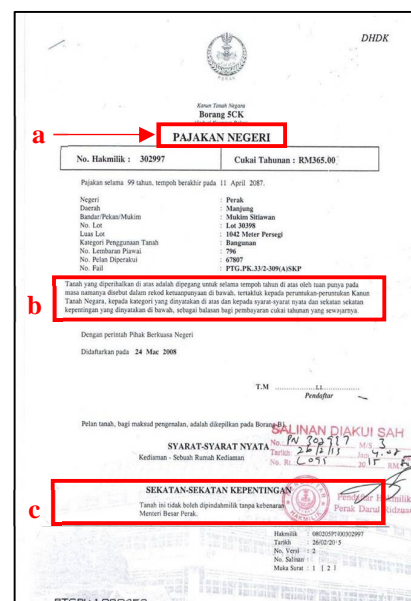


Figure 2: Leasehold title

Table 1 shows that several merits are present in freehold lands. For instance, the limitations faced by the owner is lesser and more lenient upon their attempt to shift their lands to another person. The owner is also allowed to distribute and divide their lands while being subjected to control the town planning. The land would also receive a balanced capital development upon a positive state of the property, although numerous limitations are present in the leasehold lands. In the land legislation, the management of the land is essential for the tenant. However, if the tenant is perceived to be unsuitable, the tenure could be secured, while the lease could be forfeited from the province due to low performance.

Table 1: Comparison between the freehold and leasehold titles

Item/ Tenure	Freehold	Leasehold
Ownership	Complete control over the property	Ownership over the home instead of the land
Tenure	Total ownership until the owner sells the property or shifts it	Duration restricted to 30 to 99 years
Approval required	Few limitations on the transfer of property	Certain limitations are present although not complex
Documentation	Registered as an owner of the land and house	A lease is present until it is terminated
Re-sell	No complication in selling	Requires longer time to sell, while the value might be lower than freehold value
Ease of Finance	Easy to obtain	Financing could be obtained although not in an easy way

Property Title

A Developer Title or Master Title is a document regarding the number for single ownership (*Hakmilik*). It is normally categorised under the title of the developer, an associated organisation, or the real landowner. This categorisation occurs before the land is separated into smaller lots.

When a different landowner is present, a partnership might be created between the developer and the owner before the land development. Before the division of the land into different lots, complete rights over the land would be granted to the developer or landowner. Therefore, it was indicated that the authority to supervise all transactions involves all properties developed on the land. However, when a unit is sold by the developer, who also passes the keys to the buyer, the organisation should pass the ownership of that unit. Ultimately, each omitted unit would be identified with an individual or strata title, with the master title being refuted by the Land Office. Subsequently, the developer would lose any entitlement over the properties developed on the land, while the individual property buyers would not need to be approved by the developed to incorporate the unit into the transactions.

Individual titles refer to all landed properties (except the properties gated and guarded with shared common facilities), which will have the landowners registered under the individual title. In this case, several types of houses are involved, such as terrace houses, bungalows, and semi-detached among others. When a house is purchased by the developer, purchasers should ensure that the developers submit their application to the land office to subdivide the master title into individual titles. In this case, the time frame allocated to make new developments is within six months of the developers' recipient of Certificate of Fitness (CF). However, the property owners could normally obtain their title within a relatively short time. The only exception of the individual title when purchasing a landed property is the presence of common facilities in the development, which would be identified with a strata title.

Strata title is distributed primarily for high-rise properties, including townhouse, apartment, condominium, and several landed properties. These properties share common facilities among others. Furthermore, the holder of the land with strata title should perform the sharing of common facilities and areas with other residents, including the gym, and swimming pool. In the case of individual title properties, property purchasers of the new strata title developments should ensure that the developers present their application to the land office to subdivide the master title into individual titles.

In the case of individual properties, the timeframe allocated for the developers to develop the strata title is within six months of the developers' recipient of Certificate of Fitness (CF). Notably, the difference between individual title and strata title properties is that for high-rise buildings, the strata title is usually applied based on the floor. Compared to the individual title properties, where the title could be obtained relatively quickly, strata titles are usually issued only after seven years although the longest duration for this title distribution was 20 years.

Table 2: Comparison of individual and strata title

Item/title	Individual title	Strata title
Ownership	The buyer holds the ownership of the land and property	The ownership is between the owners of the properties
Issuance	Issued to landed properties	Issued to high rise properties
House type	House with its land, such as semi-D, terrace houses, and bungalow among others	Houses, such as condominium and apartment among others
Registration	Registration is made faster for individual title owners	Comparatively slower than individual
Responsibility	Total responsibility is held by the individual who owns the property	Shared maintenance
Ease of Finance	Acquiring finance is easy for the individual title holder	Acquiring finance might be challenging

Bumiputera Reserve

Bumiputera reserve land parcels could only be available for sale or as rent to Bumiputeras, which is the dominant racial group in Malaysia. Following are the features of this group:

- a) In Peninsular Malaysia, an individual is identified as Bumiputera if his or her parent is a Muslim Malay or Orang Asli.
- b) In Sabah, an individual is identified as a Bumiputera if one of his or her parents is a native of the province. The child of the parents should be from Sabah, or the father should be residing in Sabah during the delivery of the child.
- c) In Sarawak, an individual is identified as Bumi when the parents are the native of the province.

Normally, Bumi units or lots in each new construction, including a particular percentage of the properties (Bumi quota) are only available for sale or as rent to the Bumiputeras. This aspect is crucial among property buyers, especially the buyers of resold houses as these units could only be provided to the Bumi's. The selling of the Bumi to diverse ethnic groups could be made through the approval of the state to distribute the units to the open market.

Residential Vs Commercial Title

Two property titles are present, namely commercial and residential. Provided that houses with a residential title are secured by the HDA, property developers who sell the residential titled properties are not allowed to establish uneven terms on the sale and purchase agreement (SPA). Furthermore, although a commercial-titled property could be utilised as an office or a shop, several commercial properties could be utilised as living quarters, including small office/home office (SOHO) and shophouses.

Several residential properties would also present commercial titles, including condominiums or apartments developed above the shopping malls. However, two significant disadvantages are present in the purchase of a residential property with a commercial title. First, these properties incur a higher long-term cost in comparison to those with the residential title. Moreover, a more significant degree of water and power utilities are present by 30% in comparison to the homes with residential titles. Similarly, the purchase of such residential property also leads to higher maintenance fees and real estate taxes. Second, protection is not offered by the Housing Development Act (HDA) to the owners of the land with commercial titles.

Housing Development Act (HDA)

Housing Development Act (HDA) has an essential function in providing thorough security to the rights of homebuyers. Despite the lack of awareness among the Malaysian new homebuyers in this matter, the homes have assurance against deficiencies for a restricted duration after the keys to the new home are provided.

The assurance for a new home is also identified as the Defect Liability Period (DLP). At this point, the developer should mitigate the flaws discovered in the workmanship without causing any risk on the buyer. Under HDA Malaysia, the DLP requires 24 months, which begin from the distribution of keys. Furthermore, the assurance grants the buyer with an authority to have the developer abide by the specified requirements. In the breach of contract, the Representations in the Sale and Purchase Agreement (SPA) are present along with the file for claims with the related authorities. When a disagreement with the developer occurs, the submission of the claim for defects is made in HDA Malaysia's prescribed contracts. Besides, any relevant problems between the buyer and developer could be passed on to the Homebuyer Tribunal implemented under Housing Development Act.

Housing Development Act As Comprehensive Homebuyer Protections

Most of the homebuyers in Malaysia are first time buyers who do not have a thorough understanding of the real estate world. As a result, the bargaining power exercised by them is significantly limited compared to the developers, who are mostly veterans operating for long years. To protect the buyers' interests, the government implements the HDA. There are various instances when buyers do not carry the procedure or the intricate details of the SPA (Sales and Purchase Agreement) thoroughly. The authority of HDA to exercise a standard format for the purchase agreement would contribute to further understanding among buyers regarding SPA and be more advanced in its standard procedures. The details of the purchase agreement are presented clearly in terms of SPA, which cover the building materials for the SPEC, and the layout and date of completion among others. The implementation of HDA pressurises the developers to abide by the law due to a sense of accountability emerging as an outcome of the provision of this act. Developers are aware that upon their failure to abide by HDA, customers would raise the issues to the tribunal. As a result, the developers could be fined or even get imprisoned.

The Homebuyer Tribunal is a special tribunal used to address all disagreements associated with the buyers. In this case, the buyers can submit complaints without hiring a lawyer. Furthermore, although the claims by the buyer could be up to RM 50,000, it would build an adequately empowered body for the buyer to fix their complaints and potential dispute elements with the developer. However, when the value of the claim exceeds RM50,000, the buyer is allowed to apply an alternative method, which is civil litigation. However, provided that a time limit is present in filing a claim to the tribunal, the claim should be made within 12 months of the CCC (Certificate of Completion & Compliance) issue date and the defect liability period. The money paid by the buyers to the developer is saved in a special account, which is known as the Housing Development Account. Provided that this money cannot be withdrawn efficiently without special clauses, the user's rights are secured with this account.

The implementation of HDA ensures a proper licence, including advertising and sales, permit for the developers before the property is sold. Specific features are crucial in property advertisements, including 1) housing developer's licence number and effective date, 2) advertisement and sale permit number, including the effective date, 3) Name and address of the licensed creator, 4) Occupancy of the land, end data, and possible limitations in preference, 5) Details of the construction, 6) Title of the construction, 7) Predicted date of completion, 8) Category of sold houses (if there is a variation in the categories, such as Type A and Type B), 9) Highest and lowest applicable market cost for every category, 10) Amount of available units for each category, and 11) Amount of parking lots as the extra equipment.

The Coverage of HDA

The simple definition of Defect Liability Period (DLP) refers to warranty duration for new homes, which amounts to 24 months from the day of reception of the Vacant Possession (VP) and the house key. At this point, the developer is responsible for repairing any types of possible construction error, although the buyer is not required to include extra payment for it. Therefore, careful inspection of the house is important, including the report regarding the defects of the home to the developer. To prevent the declaration of bankruptcy or abandonment of the project by the developers with all the buyers' money, a schedule of payment is made based on the stage of the development. There are five main stages of

payments, namely the 1) signing of SPA, 2) completion of the various development stage, 3) vacant position, 4) application for subdivision of the building, and 5) final payment by stakeholder. The purchase agreement should be specified in clear terms to reduce the ambiguity or scope of misinterpretation. This approach would contribute to the improved procedure and fair practice in property transactions.

The Sale and Purchase Agreement (SPA) presents the details on project completion and delivery date. The duration for Schedule H (Strata Titles) is 36 months, while Schedule G (Landed Property, Individual Titles) requires 24 months of the SPA signing date. Notably, the buyer and seller are bound by these dates for the delivery and reception of the pre-determined schedule. This situation reduces the highest uncertainty in the sale and develops model properties. Even when the property is under construction, the delivery of the schedule could be predicted. The developer is liable for the payment of the penalty for any delay in the project completion. The interest for late delivery is calculated on a day-to-day basis at 10% of the rate of the SPA cost per year. Therefore, when the delivery of the project is not performed on time, the developers would need to pay a hefty penalty to every buyer. Overall, the timely delivery of the project is important for the developers.

Information about the building material and SPEC are clearly outlined in the SPA. Accordingly, the buyer would make an informed choice about the type of property to be bought by them. After the property was transferred to the buyer, a duration of 24 months is granted for the buyer to report any faulty workmanship or damage. Any identified is to be rectified by the developer without any charges. When the sale agreement is sealed, the property plans should not be altered without the approval of legal authorities. This action would protect the buyer's interest and reduce the chances of withdrawal and inappropriate use of the buyer's money by the developer.

Properties under HDA protections

Three types of properties are placed under HDA protection, namely as i) Residential title project (new development); ii) Commercial title project with HDA (new development); and iii) Resale projects (with HDA) in the developer defect liability period. The Housing Development Act (HDA) primarily aims to protect the residential buyers' interest. The residential title indicates that the property is mainly developed as a place of residing, implying that all new developments of residential title project throughout Malaysia are placed under had protection. Several commercial properties also originate from the HDA, such as Serviced Apartments or SOHO. The development of these properties is for business and partially for residential purpose.

Although the sub-sale property originates from the first buyer, protection would still be offered to the buyer through HDA as long as the property remains under the developer DLP. However, three other property types are not protected by HDA, namely as i) Fully commercial property; ii) The resale property after the defect liability period for the developer; and iii) Build then sell model. The Housing Development Act (HDA) only covers the properties, which primarily have a residential title, although it does not cover the fully commercial titles, including retail shops, office spaces, and industrial units. Therefore, a careful examination of the sale and purchase (SPA) agreement is important among the buyers before making any payment to the properties. Meanwhile, the SPA is dictated by the contract document based on the buyer's and seller's decisions.

The purchase of secondary market indicates the buyer's agreement to buy the house with its current condition. In other words, when existing houses are sold based on the

buyer's agreement to purchase, the risk is significantly lower compared to purchasing a house yet to be developed. Therefore, buyers should be careful in examining all details related to house purchase, including a floor plan and terms of the SPA when attempting to buy a sub-sale property. Despite the residential title, buyers are not able to seek for any rectification after the deal is made and the house is bought. The developer builds the property, obtains the CCC, and offers it for sale. Provided that the buyer only begins the payment after the completion of the project, the property does not fall under the HDA ambit. However, few developers are currently adopting this "build then sell" model due to their need to utilise a high amount of money to complete the projects before earning any money from the buyers.

Type of Houses

Terrace houses

Terrace houses are the most common types of houses in Malaysia, which are connected in one row, with each house being separated with walls on both sides. Each row of houses may consist from 10 to 12 units. Normally, terrace houses are built in an area ranging from 630 to 1,830 square feet and on an average of approximately 1,050 square feet. Furthermore, while these houses exhibit a similar design, they may consist of one-, two-, or three-story houses. Notably, the most common terrace house in Malaysia is the two-story house with four to five bedrooms and three to four bathrooms. Figure 3 show the example of terrace house floor plan.



Figure 3: Terrace house floor plan

Table 3: Comparison between terrace houses

Type	Terrace	Link houses	Super link
Land size	22 ft x 65 ft	24 ft x 75 ft	34 ft x 80 ft
Built-up size	600 - 1,600 sqft	1,200 - 2,000 sqft	2,000 – 2,800 sqft
No. of bedroom	3 - 4	4 - 5	5 - 6
No. of bathroom	3	3 – 4	4 - 5

Table 3 shows that terrace houses consist of three types, namely 1) terrace, 2) link house, and iii) super-link. Overall, these houses have similar characteristics, with built-up size being the only difference. Notably, the terrace exhibits the smallest built-up size in comparison to link houses and super-link. Furthermore, the regular land size for the terrace is 22 feet width and 65 feet length (22 ft x 65 ft), while the regular built-up size ranging from 600 sqft to 1,600 sqft. Compared to the terrace, link houses have a larger built-up area, with the typical land size amounting to 24 feet width and 75 feet length (24 ft x 75 ft), while the built-up size ranging from 1,200 sqft to 2,000 sqft. In the case of super-link, its typical land size normally amounts to 34 feet width and 80 feet length (34 ft x 80 ft), with its typical built-up size ranging from 2,000 sqft to 2,800 sqft. Figure 3 shows the example of terrace house floor plan and Table 4 shows the range of the costs of terrace houses by the State in Malaysia First Quarter 2019 in Malaysian House Price Index by Valuation & Property Services Department.

Table 4: The range of the costs of terrace houses by state

State	Price range (RM)
Kuala Lumpur	837,287
Selangor	519,981
Johor	316,693
Pulau Pinang	489,391
Negeri Sembilan	224,834
Perak	196,194
Melaka	156,377
Kedah	167,638
Pahang	214,194
Terengganu	190,558
Kelantan	182,180
Perlis	157,356
Sabah	413,840
Sarawak	330,436
MALAYSIA	381,048

Semi-Detached (Semi-D) Houses/ Cluster

This house design involves the sharing of one building between two homes, which are separated by a wall in the middle. Every house comprises an additional area for land space behind and beside it. Despite the lacking of luxury similar to bungalows, the Semi-Ds still have a level of personal space. The regular built-up size ranges from 2,300 sqft to 5,600 sqft. Although cluster houses consist of a large built-up, these houses are built in clusters. Therefore, the type of house is a comparatively new idea in the market. Furthermore, cluster homes exhibit high-rise and landed property designs, which serve as the merits for high rises due to the adequate natural lighting received by the units. Figure 4 and 5 shows the example of Semi-D and Cluster landed property floor plan.



Figure 4: Semi-D floor plan



Figure 5: Cluster landed property floor plan

Table 5 shows that the range of semi-detached (Semi-D)/cluster houses price by State in Malaysia First Quarter 2019 in Malaysian House Price Index by Valuation & Property Services Department. Kuala Lumpur listed as the highest semi-detached/ cluster price at RM2,367,883 followed by Selangor at RM993,477, and the lowest price listed in Kelantan at RM252,223. In average, semi-detached/ cluster houses in Malaysia listed at RM647,737.

Table 5: The range of semi-detached (Semi-D)/cluster houses price by state

State	Price range (RM)
Kuala Lumpur	2,367,883
Selangor	993,477
Johor	684,626
Pulau Pinang	671,047
Negeri Sembilan	436,165
Perak	333,859
Melaka	435,195
Kedah	324,346
Pahang	368,935
Terengganu	312,389
Kelantan	252,223
Perlis	337,494
Sabah	699,530
Sarawak	556,752
MALAYSIA	647,737

Bungalow Houses/ Zero-Lot Bungalow

Bungalows are independent building on vast land area, which is normally the property of the bungalow owner. Furthermore, the construction of bungalows is to commemorate spacious living. Being prominent in Malaysia, this type of building comprises numerous rooms, with the regular built-up size for a bungalow ranging from 2,000 sqft to 12,500 sqft. However, the built-up size could expand until it develops into one of the most prominent residential methods. The cost of the bungalow also varies widely based on the location and

land area. Notably, the zero-lot bungalow has similarities with the bungalow, with the size of its area an exception. To illustrate, the area is small, with the house being situated in a corner of the plot of the area to optimise the compound space. Figure 6 and 7 show the example of bungalow and zero-lots bungalow floor plan.



Figure 6: Bungalow floor plan



Figure 7: Zero-lots bungalow floor plan

Table 6 shows the range of detached/bungalow houses price by state in Malaysia First Quarter 2019 in Malaysian House Price Index by Valuation & Property Services Department. There are huge different range of detached/ bungalow houses between Kuala Lumpur and others state in Malaysia. Kuala Lumpur listed at RM3,884,605 which is more than RM3 million different from others state. In average detached/ bungalow houses listed at RM661,968 in Malaysia

Table 6: Range of detached/bungalow houses price by state

State	Price range (RM)
Kuala Lumpur	3,884,605
Selangor	839,361
Johor	420,283
Pulau Pinang	786,914
Negeri Sembilan	376,473
Perak	196,224
Melaka	283,638
Kedah	414,909
Pahang	191,018
Terengganu	317,969
Kelantan	170,049
Sabah	602,947
Sarawak	509,250
MALAYSIA	661,968

Townhouse

Townhouses are comparatively newly developed housing conception, in which the sharing of a multi-storey house is performed by two or more owners as shown in Figure 8. In this

sharing, every owner would occupy a single or double conjoined floor. The outside appearance of townhouses precisely resembles the terrace houses. Furthermore, these units are suitable for families who plan to reside together while maintaining each personal space, such as young families and their parents. However, the primary demerit of townhouses is that one may be involved in a negative relationship with one of the neighbours.



Figure 8: Two-storey townhouse floor plan

The regular built-up size amounts from 560 sqft to 7,000 sqft. While several units have a similar entrance and porch area, other units begin with different entrances, which are situated at the front, back or beside each other. Variation is also present in the layouts due to the separation between several two-storey units to provide a space for each owner on one level. Meanwhile, partitions could be created in the three-storey units to ensure that a floor and a half is occupied by every owner.

Flat/ Apartment

This building is a low-end residential option, which exhibits simplistic styles without any balconies. Lifts are provided in taller buildings, while four- to five-storey buildings are only provided with stairs. Car parks in flats are normally not constructed and frequently insufficient, leading to the double-parking of cars within the compound and along the roads. Furthermore, the majority of the flats in the possession of Malaysia are targeted to the lower-income group. Besides, buyers should fulfil specific standards, which are normally in the form of the monthly household salary of below RM 2,500 upon their purchase of the flats.

The price of the People's Housing Project (*Program Perumahan Rakyat (PPR)*) under the scope of the Ministry of Housing and Local Government ranges from RM30,000 to RM35,000. Furthermore, PPR comprises two types, namely PPR for Rental (PPRS) and PPR for Ownership (PPRM). The houses under both PPRM and PPRS would be developed based on the requirements of low-cost housing as outlined in the National Housing Standard for Low-Cost Housing Flats (CIS3:2005). The development of the houses under PPRM and PPRS would implement the requirements for the construction of low-cost housing, which commences in the National Housing Standard for Low-Cost Housing Flats (CIS2). The units comprise three-bedroom homes, with measurements ranging from 650 sf to 700 sf.



Figure 9: Flat Program Perumahan Rakyat (PPR), 418 units, 5 Storey Flat Machang PPR, Kelantan Darul Naim.

An apartment is normally of the height of five-storey and above. Surrounded by security, it is equipped with elevators and connected to outdoor parking space. The apartment consists of amenities, including landscape, playgrounds, parking spaces, and 24-hour security as shown in Figure 10. Notably, not only the apartment is a low cost, which leads to its suitability as a starter home, the cost for maintenance and service would be lower than the condominium cost. Comparatively, the affordability of an apartment is higher and frequently perceived to have higher accessibility as an investment method. Moreover, the range of the regular built-up size is 550 sf - 1,200 sf. Provided that the apartments situated close to LRT or along the MRT stations are the preferred choices for the rental market, the apartments are currently among the prevalent categories of residential property.



Figure 10: Apartment, Developer: S P Setia Berhad Group, Development: Seri Pinang Apartment, Setia Alam, Selangor.

Table 7 shows the range of high-rise cost by state in Malaysia First Quarter 2019 in Malaysian house cost index by the Valuation & Property Services Department. Based on data, only eight state that has listed apartment residential development, which are Kuala Lumpur, Selangor, Johor, Pulau Pinang, Negeri Sembilan, Melaka and Sabah. In average, apartment listed at RM338,281 in Malaysia.

Table 7: The range of high-rise cost by state

State	Price range (RM)
Kuala Lumpur	488,870
Selangor	266,758
Johor	230,370
Pulau Pinang	339,936
Negeri Sembilan	101,571
Melaka	135,584
Sabah	353,939
MALAYSIA	338,281

Condominium

The condominium is mainly popular in urban regions, which comprise the high-density population. Normally, this type of property shares one or more walls, including other units in a similar building. The condominium is equipped with a wide variety of amenities, firm safety, and parking spaces situated basement or indoor.

Among the requirements to be complied with before the construction of a condominium is the land area of 4,000 sqm and larger as the common area is within 650 sf - 1,500 sf. The design of the condominium unit may vary from three to four bedrooms. Furthermore, this category of accommodation is well-known among homebuyers due to 24-hour security and facilities, including activity areas, children’s playground, gymnasium, and swimming pool. Accordingly, the tenants must make a payment for the monthly maintenance, sinking funds, and service fees.

Taller buildings not only contribute to an improved perspective, but it also indicates that the property is denser with higher units and number of occupants. However, certain limitations are present in Homeowners Association (HOA) rules, such as no entry of pets nor renovation in the weekend. Condominiums are normally provided with a residential title and protection by HDA, while the other condominiums are granted with commercial or residential titles although the commercial title is more common. However, if a commercial title is made, no protection would be offered by the HDA.



Figure 11: Condominium

Figure 11 shows a development by Developer Setia Promenade Sdn Bhd (S P Setia Berhad Group), Development: Setia Sky Vista, Relau, Pulau Pinang; Development info: 27-

storey and 32-storey towers resided by a total of 426 residences. Setia Sky Vista comprises two towers connected to a majestic Sky Bridge, which offers various exclusive facilities. The residence area is within 910 sqft - 1,479 sqft with a launch price at approximately RM550 psf. The market price is within RM500k - 900k.

Serviced Apartment/ Residences/ Suite

Similar to hotels, serviced apartments, residences, and suites are equipped with room service, housekeeping amenities, and bellboy services among others. While condominiums are normally provided with a residential title, the serviced residences are upscale commercial units with management similar to that of the hotels. Furthermore, the residents are making more payment for utility bills, rent, and maintenance due to the placement of the properties on commercial land. In general, these residential units are more luxurious compared to condominiums.

Holding a commercial title, the serviced residences or suites are high-end properties, which combine the commercial and residential units and are either connected to a shopping mall, shop lots, or office units. The units are also completely equipped with furniture and applicable for short and long-term rental. The rent includes all amenities, such as the front desk concierge, main lobby, three-tier security, housekeeping, and parking facility among others. However, serviced residences are not qualified for the Syabas water tariff migration programme. Some serviced apartments are also known as HDA (housing development Act) protection, with its electric tariff convertible to residential rate.

Penthouse/ Loft/ Duplex

A penthouse is the highest unit of a residential high-rise, which normally covers the entire floor or a minimum of half of the floor. Extravagance in a high rise is illustrated through these categories of properties as it resembles semi-detached or two-storey house in the sky. Although the penthouses previously built are one-storey, the changing trends have transformed the penthouses into two-storey homes. Normally, the presence of only a single penthouse in a single block of high-rise contributes to its status as the most highly-priced unit. Moreover, lofts and duplexes fall under a similar category with varying names and are normally two-storey units in a residential high-rise. Overall, all these properties could carry either a commercial or a residential title based on the land title.

The common built-up size amounts from 1,000 sf to 5,000 sf. These units offer the highest extravagance and space combined with attractive views at a high cost due to the floor space. Several units would even be equipped with private swimming pools and lift lobbies, such as the penthouses in Klang Valley is Tijani in Bukit Tunku and Pavillion Damansara Heights, which are the most high-priced penthouses. Overall, these units are ideal for young people who prioritise a completely personal space. To illustrate, their distance from the city and major transportation links contributes to their suitability with regular commuters. Although the designs are not suitable for families, these properties are ideal for a single individual or couple.

Figure 12 (a) and (b) shows a development by developer Symphony Life Bhd, Development: Tinjani 2 North, Bukit Tuanku, Kuala Lumpur; Development info: There are 154 units available at Tinjani 2 North project with a built-up from 2,827 sf to 3,133 sf. With a launch price at approximately RM650 psf, it was completed in January 2009. The market price ranges from 1.61 to 3.01 million.



Figure 12 (a): Penthouse



Figure 12 (b): Tinjani 2 North, Bukit Tuanku, Kuala Lumpur Development Layout Plan.

Soho/ SoFo/ SoVo/ Vos

Being new in the market, introduction to these types of the property was made when the developers were connected to the Housing Development Act (HDA) in the development of 70 units of homes in a 1-acre land. However, provided that a commercial title enables the development of 100 in similar 1-acre land, such developments are made as a result of the additional profit it offers.

The SoHo units could be utilised as either offices or homes. They are also provided with a residential title and placed under the protection of HDA, while the remaining units carry a commercial title and not protected by HDA. The majority of SoHo is equipped with condominium facilities, such as swimming pools and gyms. Furthermore, the units consist of a bedroom, living room, and a fully-fitted bathroom, with the regular built-up size ranging from 500 sf to 1,200 sf. The unit owners are exempted from the Real Property Gains Tax (RPGT) exemption. Notably, these properties would be a preferable option for individuals who have not built a family. Besides, convenient access to loans and investment option is available for renting during the property boom in Malaysia. Overall, these properties may be low-cost and convenient office spaces for start-ups and small businesses.

The Small Office Flexible Office (SoFo) units could be utilised as offices, which are also known to be flexible due to the presence of breaking space in the walls of the chosen unit numbers to increase the area. Following the absence of barriers between the designs, the units contribute to flexibility. The owners or tenants could adjust the units into office, home, or both based on their preference. This aspect is categorised under the commercial title without any protection by the HDA jurisdiction.

Small Office Versatile Office (SoVo) and Versatile Office Suites (Vos) are not distinguished from SoHo despite the different names. The size of these properties is within 400 sf – 800 sf. Complete with the business facilities, the units are preferred by start-up organisations. Notably, although the SoVo's design is similar to SoFo, it is only applicable for commercial purposes. This property is categorised under the commercial title without any protection by the HDA jurisdiction.



Figure 13 (a): SoHo Floor Plan



Figure 13 (b): SoHo - House



Figure 13 (c): SoHo - Office

Figure 13 (a), (b) and (c) shows the development by developer Oasis Garden Development Sdn Bhd (Mah Sing Group); Development: M-City, Jalan Ampang; Development info: M City is a 4.96-acre freehold mixed development, which has a potential to be suitable for individuals to reside in, work, have fun, and play through the combination of serviced apartments, SoHo, sky villas, and boutique three-storey shops. Comprising four layouts, the built-area ranges from roughly 781 sqft – 1,330 sqft. With a launch price of approximately RM790 psf, the market cost ranges from RM700,000 to 1 Million for SoHo units.

Shop House

Shophouses are single units of two- or three-storey shops in a commercial area as shown in Figure 14. The ground floor units are frequently made for banks, food junctions, or retail shops. Typically, there are times when the upper floors are utilised as residential homes by the owners of the businesses downstairs or as dorms for their workers. Besides, more costly rents could be commanded in shophouses in hectic places, such as Bangsar or SS2 in Petaling Jaya.

Shophouses are homes situated on top of the shops. Despite the commercial name carried by the shops, the houses can be provided with a residential title based on the developer's capability to implement the residential title. If the developer is not able to modify the land title to residential title for the homes, the homes will not be granted with HDA protection.



Figure 14: Shophouses, Developer: Naim Land Sdn Bhd, Development: Two-storey shop houses at Desa Bahagia, Permayjaya, Miri

Conclusion

Property-buying reflected one of the biggest milestones in an individual's life. Some buyers might solely purchase properties for investment purposes, while others aimed for a lifestyle upgrade. Meanwhile, people might also engage in impulsive property-buying as a competitive advantage against others. Although the competitiveness enabled people to own the same properties as others, the duplication of another person's life goals made property-buying a complete sham. The understanding of the various types of housing development and their impacts on homebuyer's housing purchase decision and rights is important.

The initial step in property-buying (property selection) needed due consideration to ensure a smooth buying process. A property could denote a house for family members, an ideal shop, or a landed property (a villa) that might not be actualised if the deal fell through. As settling with second choices did not promote property-buying, the purchasing of lands or properties needed to be holistically conducted. Although the first step (property search) was a physical aspect, individuals tended to feel overwhelmed by the process as the mind was not trained to identify specific features in property selection. Additionally, individuals intending to purchase properties might be influenced by others' opinions. The action could be detrimental as another individual's aspirations and expectations were not equivalent to one's property-buying objectives. Despite attempted duplications, the ensuing outcome could prove to be confusing. Hence, the initial error that potentially occurred during property selection involved opinions based on other people's experiences.

As property evaluations needed to be conducted based on the buyer's current needs, property selection under peer pressure could result in an unnecessary purchase. Secondly, the property might not reflect the buyer's lifestyle and subsequent requirements. Lastly, the technicalities, insufficient knowledge, legal implications, and documentation procedures in property-buying were significant barriers to be addressed. Therefore, familiarisation with property-related terms, a sound understanding of the procedures and timelines, and a firm grasp of the constructional aspect of properties were deemed necessary before finalising the purchase.

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