

The Challenge of Change

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In this first part of a series seasoned property developer TEH LIP KIM highlights how the dynamics of buying homes and strategies adopted by developers have changed irretrievably



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Buying a home is not something people in Malaysia take lightly these days. Today homeowners are a savvy lot. They are aware that home ownership is a monumental investment decision. It's not like buying a fancy car, which can be traded in or up, or changing partners in mid-life, which is messy but manageable. Nor is owning a home simply a question of that old battle cry of property developers – location, location, location.

The contemporary home buyer in Malaysia is in search of quality, style, ambience, the right neighbourhood and security. And in many cases, price is no longer the driver.

Behold the second generation of home buyers – educated, informed, demanding – those who in the idiom of the property developers are described as upgraders. These are not people just looking for basic homes. They are out there to make a statement in their choice of an abode and the lifestyle they plan to create.

And here lies the challenge for property developers today. If they reflect hard enough on the property marketing environment they will realise they are no longer “in control”.

The market has moved beyond having a valid licence and the obligatory sales promotion kit embellished with fanciful drawings of what the buyer's home may look like. Glossy and glamorous visuals no longer lure customers. Buyers no longer come like moths to the flame. The boot in a manner of speaking, is on the other foot.

Today buyers dictate the substance style and quality of the “home”, not the house, they seek. Remember

that ancient piece of wisdom? A “house” is not a “home”. The buyer is the architect of the “home”. This is a paradigm shift in the property development industry. Developers have to spruce up their act to meet the challenge induced by this perception change.

First off, it is worth noting that the expectations of contemporary developers are high and they are dedicated to delivering what has been promised. They realize that promises fulfilment is today the essence of good branding and marketing.

Developers have in recent times become keenly aware that meeting timelines in delivering the product matters a great deal. Buyers need constant reassurance and confidence in the developer. There is a keen appreciation of the fact that if a developer loses momentum the buyer will lose faith. Given that a home purchase represents a significant part of the buyer's financial resources a breach of faith will do irreparable damage to the buyer seller business relationship and grievously undermine the image of the developer in the marketplace.

As a matter of fact, developers are fast embracing change to include “vital statistics” outlining “actual amenities and facilities that are integral to the housing development or estate. Steps include implementing ISO 9001 standard and specifications for quality management in construction to ensure that the work done adheres to international standards. Others have chalked a mile farther by getting a stamp of approval from the Singapore Construction Quality Assessment System (CONQUAS) for architectural and external works.

Developers also understand that executing an environmental management plan prior to and throughout the construction work will also benefit the community. Equally, ensuring that the environmental plan is well implemented, monitored and audited will boost purchasers confidence in any given property project.

Making good on promise

As we move ahead it is obligatory for us as property developers to realise that we have to make good our promises to our customers - current and potential. Is what they see at the show house - minus the furnishings - what they get?

No less, we must constantly ask ourselves do we really understand our customers or have we focused too much on marketing the “show” and lost sight of what we had originally set out to do. And that is to build good quality houses that last.

A large number of educated Malaysians will be buying for the first time in the very near future if not today. They certainly have different tastes and requirements from their parents. It's in the hands of developers to discover what they want, how they want it and why? Yes, that's today's big challenge!

Yet, how do developers truly figure out what the new buyer wants. For starters, we can put ourselves in their shoes and ask ourselves: Do we want to live here? What can this house and neighbourhood offer me?

Teh is the managing director of SDB Properties Sdn Bhd, a lifestyle property company. Bouquets and brickbats are welcome, send in your email to md@sdb.com.my.