

## **Let's walk the extra mile**

Saturday, July 14, 2007 – Star Bizweek, The Star  
By Teh Lip Kim

### **Developers need to do more to foster long term rapport with homeowners**

Private bankers with high net worth clients understand the importance of service. They know that it is not just the products, which they offer, but also their ability and willingness to listen to the client and understand his needs, that are of the essence. To private bankers, their business is a people centred one that is based on the faith and trust established between banker and client. Why should it be any different for property developers?

Our customers don't just buy a house from us, they are buying a lifetime of experience. In every industry, people are willing to pay more for higher quality and better service, and this is especially true in the case of homes that will last for generations.

The current outlook for the high-end property market in Malaysia is buoyant thanks to the Government's latest liberalisation measures. According to recent reports in the local press developers can't seem to be building high-end developments fast enough to meet the demand for larger luxury homes.

This is good news, but as demand at the top end of the market continues to get stronger and developers rush to get their buildings ready, it becomes even more imperative for us to turn our attention to the service that we provide. Good customer service is one of the core factors on which a developer can build its reputation.

A couple of weeks ago, I was speaking with some friends who were looking to upgrade their homes as their families were getting larger. Like other home purchasers looking for a new home, one of their major concerns was the quality of the home and what would happen when the Defect Liability Period DLP period of 18 months comes to an end. They had heard horror stories where problems only become apparent after having lived in the house for about two or so years - in other words, just after the 18 month DLP period had come to an end!

House buyers want to know that the developer will still be there for them after the liability period expires.

They want assurance that their calls will continue to be answered and their gripes and complaints taken seriously. Why not show that we are prepared to put our money where our mouth is and provide an extended 36-month defect liability period?

As professionals in their own fields home purchasers cannot be expected to know the ins and outs of building a house. In most cases, a person would only buy one to two homes in a lifetime. They would therefore, look to the developer for guidance and this is a trust, which we must not take lightly.

Homeowners also want to know that their properties will be well maintained because the value of their property over the years will depend to a large degree on this Factor. It is not uncommon to hear real estate agents advising their clients against certain properties because "the management there is no good", an issue that really begins with the developer.

It is not enough to provide top notch facilities we need to look after them well and keep them in excellent condition so that residents can enjoy them for generations. This is especially pertinent for homeowners sharing common facilities, such as in condominium projects or gated communities.

One of the major differentiation factors between a developer who delivers high quality products and

services will be the type and level of services that they are able to provide.

The relationship that a developer builds with its purchasers should ideally be a lifelong one rather than one that expires together with the warranty period,

At SDB, for example we have a separate services company called SDB Support Services, which is a one stop call centre that handles maintenance of SDB Properties homes and all related facilities. It also provides general renovation work and home improvement projects for the convenience of our home purchasers.

To us this makes sense, because in addition to providing convenience we are able to let our home buyers have these renovation or home improvement services at a competitive cost. This is because as developers, we are able to obtain fittings and materials at good rates due to buying in bulk for whole developments.

With Malaysia gaining prominence as a global economy and attracting more foreign investors, property developers too have an important role to play in meeting world-class standards. I believe this means not just building top-quality homes but also giving top-quality services to support them.

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**Go green for a brighter future**

Saturday, September 8, 2007 - Star BizWeek, The Star

By Teh Lip Kim

THE world is going green and as property developers we should place priority on how we can contribute towards a better environment and the community at large. Everything that we build will stand as testimony to our craft across many generations. Our buildings will speak volumes about whether we as a society cared for our environment our home.

Property developers can respond to this eco challenge in many ways. Sometimes a small amount of effort is all it takes to bring about a large quantity of benefit. Developers can start off by taking small steps such as making use of natural air, light and ventilation when we design.

If a building is able to make use of what nature has to offer, then that means it is less dependent on electrical power. Layouts that are open and linear, with no nooks and crannies will use less electricity.

In our Park Seven residential development in the KLCC vicinity, for example, we provide a 270 degree view with floor to ceiling windows where the top two panels can be opened for cross ventilation. This invites the breeze through the apartment and welcomes lots of natural light. All the homes in our latest development 20Trees in Melawati have also been designed as such spacious courtyards in homes, long balconies in apartments and large windows ensure that maximum light and ventilation permeates into the home.

Taking this a step further we could think of other environmentally friendly ways to make buildings more energy efficient. These could include planting grass on rooftops which would help keep temperatures down inside buildings translating to a lower dependence on air conditioning in our hot weather and relieving our environment of ozone eating CFCs. Of course on going maintenance will be required and the rooftops could be treated as part of the gardens belonging to the development.

We can also make provision for the water that is used in buildings to be recycled. Tap water can be channelled back into toilets and then treated for use in gardens. We can place solar panels on the roof for sustainable energy use. While solar panels are generally considered an expensive add on in Malaysia

countries such as Japan the Netherlands and Germany already have government initiatives to support the building of integrated solar projects.

We can use recycled or sustainable materials for our construction. For example, a local company has discovered that old tyres need not be thrown away but can be put under the foundation of a house to regulate the temperature inside the home.

We can use technologies that reduce water and energy consumption. If we have a high speed elevator in the building we can collect the energy that it generates on the way down for later use. The problem however is that several of these technologies are at present rather costly for our stage of development.

Building safety is another important consideration that developers here should address. While Malaysia lies outside an earthquake-likely demarcated zone many places in KL felt tremors during the recent earthquakes in Sumatra and thousands of people were evacuated from their high rise buildings until the danger had passed.

So even though the law here does not require buildings to be designed for seismic conditions, we decided to design Park Seven so that it will withstand the horizontal force of an earthquake.

This involved strengthening the joints to provide better control of the lateral movements increasing reinforcements in the columns and constructing closer links in the columns and the beams.

We comply with both the British standards to which Malaysia adheres and the Indonesian seismic code.

Eco friendly designs may add an additional 15% to 20% to the total cost of construction for a developer but this is money that is worth spending. Over in Singapore some flats designed to be environmentally sustainable were recently snapped up at premium prices proving critics wrong who said that they would be hard to sell.

Financial experts too believe that by paying attention to environmental social and corporate governance ESG issues they can affect the way an investment portfolio performs. Two years ago the United Nations Secretary General invited a group of the world's largest institutional investors to jointly develop the UN Principles for Responsible Investing. While being aspirational and voluntary in nature these principles provide investment professionals who are serious about ESG issues with a framework to guide their investment decisions.

Green architecture has in fact taken off to varying degrees in many countries including Singapore.

Our neighbour down south launched a scheme in January 2005 called the BCA Green Mark Scheme under their Ministry of National Development which rates existing and new buildings on their environmental sustainability, quality safety and innovation, and presents cash incentives for buildings that win top ratings.

Regionally, Hong Kong, Japan, South Korea and Taiwan have also implemented programmes to encourage their property developers to move towards more eco friendly and environmentally sustainable buildings.

Malaysia too should get serious in this area if we want to be considered a developed nation. In fact Prime Minister Datuk Seri Abdullah Ahmad Badawi last year called for a balance between development and environmental sustainability in his speech to launch the Ninth Malaysia Plan.

As developers, we build for the future. Let us take the lead to ensure that our buildings are friendly to our

environment, for the benefit of generations to come.

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