



Locations, leakages and lakes...

Identifying prime investment-grade residential properties requires you to look at various factors.

by **Lim Siew May**

“Location, location, location” is probably the most quoted mantra in property investment. Yet, when you have to choose from a few property units in the same location or housing project, how do you choose the best unit in terms of physical and geographical aspects?

For property investor Chu Hong Keong, who works for a multinational financial services company, there are three types of locations to look at. The first would be the area that you’re going into, such as Taman Tun Dr Ismail, Damansara Heights or Puchong. Second, you might want to narrow down your search to a section of the area; for instance, you might want to see whether the property is near a park or the shops. Lastly, look at the road on which the property sits and the position of the property. All these can make a big difference in rental income and resale value, says Chu.

Identify the major defects

Most importantly, you must feel comfortable while viewing the property. If you are, then you can start examining other details, opines Chu.

While you’re at it, avoid spending too much time on superficial things like the paint work and the garden, which are only minor issues, says Chu. James Tan, associate director of Raine & Horne International Zaki + Partners, suggests that you look for major defects like roof leakage, termite infestation, structural cracks along the foundations and sewerage blockage.

Chu emphasises good structure, which includes the layout of the property, the number of columns and pillars as well as the foundation of the land. If there are too many columns, it would be very difficult to renovate the house, he explains. If you notice a gap between the wall and the floor, it is a sign of earth movement, which denotes a structural problem.

To detect roof leakage, Chu often visits “odd spots” such as the storeroom and the toilet in the master bedroom. “Usually, people touch up water stains on the ceiling in the living room because it’s unsightly to guests. But most people wouldn’t touch up the ceilings of the odd spots,” he says.

When inspecting the living room, note whether there is a fresh coat of paint on the ceiling. According to Chu, ceilings are typically painted over with emulsion paint. “If you see one shiny patch, that could mean that there has been a leak and the owner has used gloss paint to cover it up.” While emulsion paint absorbs water, gloss paint is waterproof.

Floor quality is also another important factor. “Whether you’re walking on timber or marble flooring, make sure that it’s not hollow. Use your hand to tap the flooring,” says Chu, adding that if the workmanship of the floor is poor, the repair work would get “troublesome”.

Peter Yee, property coach and author of *You Can Become Rich in Property*, does not mind hairline

cracks but he takes note of cracks on columns, especially if they are an inch or longer. Check the piping system by turning on all the taps. Flush the toilets to test the water pressure, he adds. Additionally, check the wiring by turning on all the lights.



CHU: You will have to pay a little bit of premium to get back a lot of premium



TAN: Look for major defects like roof leakage and termite infestation



YEE does not mind hairline cracks but takes note of cracks on columns

which can be very hot. Unlike corner lots, you don't have enough land to plant trees to mitigate the heat."

While Tan reckons that sun orientation is not as crucial here as it is in India, he agrees that it would be better to have a property that faces north or south. This would make the house cooler, he says.

Pay a premium for more land

If you have the financial capacity, pick a corner lot, says Chu. "When investing in properties, I believe that you will have to pay a little bit of premium to get back a lot of premium." Corner lots are usually in high demand because of the extra land, he opines. That said, the corner lot should not be on the main road, where traffic is heavy.

Tan agrees. "Corner lots are generally limited and do command a premium when selling for capital gain," he says, adding that a unit that faces the park, greenery or a lake is preferred, especially if it's situated within a legally gated and guarded development.

If you cannot afford a corner lot,

choose an intermediate unit carefully. Chu, who prefers to pay a premium for completed properties, reckons that it's important to know who your neighbours are. "If your neighbour is a kindergarten operator, the unit will look funny, and it'd make your house look out of place," he says. "In the morning, there will also be a lot of traffic, and you'd have cars parked in front of your house."

Also, it's best to avoid buying next to an extensively done-up unit. "It will dwarf your house and make it look out of place," he says.

If you're getting an intermediate lot, Yee reckons that the main entrance should face north or south. "Then, you don't get direct sunlight,

Pay attention to the view and the surroundings

Do not buy a residential property that faces a busy main road to avoid environmental pollution and inconvenience. It should be at least three to four houses away from the main road, says Yee.

Avoid units near facilities like power lines, schools, commercial areas, mosques, temples and oxidation ponds as well as hill slopes [to avoid potential landslides], adds Tan.

While you're at it, avoid T-junctions like the plague. "T-junctions have certain risks. Car lights shine directly into your house. Accidents may happen because of the

A RESIDENTIAL PROPERTY CHECKLIST (Physical and geographical attributes)

PHYSICAL ATTRIBUTES AND CONDITION

Direction that the property is facing:
Intermediate/corner lot:
Floor level (for high-rise or walk-up apartment):
Layout:
Built-up area:
Land size (for landed property):
Ceiling:
Walls:
Piping:
Floor quality:
Three-phase wiring:
Air conditioners:
Grills:
Alarm system:

FACILITIES/AMENITIES (5KM RADIUS)*

Market/supermarket:
Schools:
Hospital:
Public transport (Bus/LRT):
Local council:
Shops:
Playground:
Parking:
Banks:
Others:

SURROUNDINGS* *

Gated:
Guarded:
Safe/Secure:
Quiet/Peaceful:

FACILITIES TO AVOID**

→ TNB substation	→ Places of worship like temples and mosques
→ Petrol station	→ Transmission line
→ Main road	→ Oxidation pond
→ Open spaces	→ Squatter area
→ Graveyard	→ River/Drains (Flooding may occur)

Sources:

*Residential Property Inspection Checklist by Inova Technology Sdn Bhd

** Raine & Horne International Zaki + Partners

location of the property," says Chu, adding that his friend had problems selling such a property.

The view is another factor that you should consider. Says Yee, a good view would include water features

like a river, pond or swimming pool, a mountain or the city. If it's a few hundred meters from a park, forest reserve or sea, that's good, he adds.

While Chu agrees that "green is always good", he cautions that the

adjacent playground or park should be well maintained. Ideally, the park or playground should be separated from your home by a corridor or a road. If a playground is very close to your house, there may be privacy and security issues. And you might get footballs being kicked into your garden frequently, says Chu.

Likewise, water features like a lake should not be too close to your unit, he adds. "Otherwise, you will have issues of dampness and snakes. Make sure that your unit is more than 100m away [from water features]."

Additionally, if your unit is facing empty land, find out what will be developed on it, as it will affect your investment in the future, Chu adds.

Pick the right floor

If you're investing in a high-rise unit, go for the 10th floor or higher, if possible, says Yee. "You'll get a better view and less noise. And it'll be cooler." That said, avoid a top-floor unit, especially if the property is 10 to 20 years old, he cautions. "There will be problems with roof leakage."

Chu agrees, adding that for top-floor units with roof tiles, there could be potential tile movements due to exposure to strong winds. Also, in the event of roof leakage, it would be difficult to carry out repairs.

For Tan, floor level isn't important for a high-rise condominium because of the availability of lifts. Of course, if you're buying a walk-up apartment, go for lower floors. Chu reckons that one should try buying a first- or second-floor unit, as upper units are not ideal logistically. A ground floor unit is also not ideal, unless it offers certain advantages, he notes. "If the ground floor gives you extra space, if it's well positioned and not near main traffic flow, then it's not so bad. Otherwise, you won't have privacy." ■