

The Dynamic of Property Business in the Modern World

Md Amanat Ullah, Dr.Seow Ta Wee

Department of Real Estate Management & Business, University Tun Hussein Onn Malaysia (UTHM)
E-mail: mdamanat@yahoo.com

Abstract: The housing property business is becoming a modern professional business in the property market. Most of the high level income group and educated people are mostly looking for a quality of construction and natural green environmental surrounding of housing complex. Malaysia, Singapore and UAE are the best example. Most of the luxury condominiums having the natural green environment and private security due to this natural environmental and security facility brings a big portion of foreign customer to buy the property. Malaysia is giving the second home facility, Singapore also giving the Permanent Residence facility as a result the developers are getting foreign customers at the same times the banks also offered the house loans for them. The total coordination is a magnificent system to grow a national income and it could be a sustainable growth of economy in the particular country. This study can bring the benefit for both the developers or vendor and the customers to guide on the right track to buy and sale the housing property not only in Malaysia but also other part of the world.

Keywords: The Developers or Vendor, Marketing Strategy, Environmental facility, Property, Price, Target Customers or Market, Total Deal and The Purchaser.

Introduction

There is many way to do the marketing to achieve the organizational goal but the marketing strategic is critical and very interesting to apply in the market to reach at the success point. This study will show strategic issues to reach at the success point. We have to start from the vendor level to sell or rental point. The first stage vendor, second is property, third is purchase or rental payment power, finally owner or tenant. Environmental issues and strategic marketing are in between vendor and property as well as target customers and total processing of dealings are in between purchasing power and ownership or tenancy point (J. Blythe, 2005).

1. Owner / Vendor

The word "Ownership" it is a strong relation between a person (individual, group, corporation, or government) and valuable property, such as housing project, house or anything that the owner can sale or donate completely to another person or group that legally accepted by the authority and the owner of property can except the price of the property (Tung Chee Kuan, 2009).



Figure I. Environmental issues in property strategic marketing and Sales Source: Online Marketing and Property (2013)

2. Marketing Strategy for property

Each and every product to sale in the market to the target customers must be subsequent the professional marketing methods. The proper marketing methods can accomplish to the success of housing business. The strategic marketing is

under the marketing department of an organization, so we need to examine how strong the marketing plan or strategic marketing to achieve the organizational goals is. Currently the housing property industry or developers are prominence the environmental fact to illustrate the exclusive clients to buy the property. Therefore, they brings the environmental issues are the strategic plan for marketing. For example: to access and comfortable every part of the house such as standard door size, enough spaces at sitting room, kitchen, bedrooms, bath room, balcony to make a garden, even some of the culture believe in “fengshui”. Therefore the developers do the internal design according to the customers demand as a consequence the internal design and environment is become a strong issue for strategic marketing to achieve the developers business goal. At the same times the customers are happy to buy the property although it is more expensive compare to others and less environmental housing property (Clark, M. 2002; Giese, J. L, & Cote, J. A. 2002; Karna, J. et al 2001).

3. Environmental Issues

This is the modern era many people are looking for healthy environment to live nicely. Now days the green environment is not only a luxury but also it is an essential for human life to survive in the warming globe. That is why the developer pick-up these issues to trade the housing property in the current market and these are working effectively among the prosperous and sophisticated clients. For example: maximum condominium projects in Malaysia such as in Kuala Lumpur, Selangor and Penang are partially success in the property business the reason is the synthetic natural green environment in housing (A. Ullah&Dr.Seow ta Wee, 2013).

external environment firstly, show the green environment or garden and its beauty. Secondly, swimming pool for adult and kids are highlighted on the advertisement separately. Thirdly, playgrounds for children’s basketball, badminton, tannic code etc for adult are more attractive at the demo of property. Currently people also looking for the internal environment that, how is eas property the Eastern & Oriental Bhd, on Saturday. According to the property agent company iProperty.com (2013) In Kuala Lumpur a few years ago, prices for the residency were around RM900 per sq ft. Currently, it is upcoming RM1600 per sqft in the area of KLCC, Damansara, Mont Kiara and Bangsar are stressed as anarea ofluxury residency and the normal sold value of each unites RM3mil now it is increasing up to RM4.5mil due to the green natural environment and good-lookingof the surrounding of housing complex bypark with natural green trees, grass and swimming pool etc (T, Huang, 2011; Elforgani & Rahmat, 2011; M. A Ullah & S Ta Wee 2013).

4. Property

The property is the main product that we sales it in to the market among the targeted customers. The condominium or high raise building with the external natural environment and the internal easy accessible decoration are the strategic plan to manipulate to purchase the high income and well educated customers. Housing property is the most important for everyone to live in the city life with healthy environment and many developers are able to produce the healthy house and apartment at the condominium with an excellent natural environment. These excellent natural environmental issues are becoming a strategic marketing plan to get the targeted customers by advertising and highlighting in to them for instance the iProperty.com and propertyguru.com.my are mentionable agent company for housing in Malaysia and Singapore. The property is an object of legal rights, which embraces possessions or wealth collectively, frequently with strong connotations of individual or group ownership. The owner can transfer the property to any one or any group of people based on the local law. Sometimes the property means anything that has value in the market the things may be tangible, such as house, unite of a condominium, land, goods, or intangible like copyright book etc (D. Myers, 2011).

5. Purchase or rental payment power (Pricing)

The purchase power is most important it means the buyer must be having the power to pay the total price of the property. Usually the buyer buys the property with bank loan or cash payment. The strategic marketing plan shows the way to get the perfect customers who can buy the property. The strategic marketing plan can play the important role in the property market to catch the targeted customers among the high income group of people and influence them to buy the property not only for buyer but also for the next generations therefore many people buy property as soon as they can. This is because of the price of property are gradually increased and many buyer knows the price is dabble compare to year 2007 to year 2013 only the deferent is five years (Ezeanya, A. C. 2004).

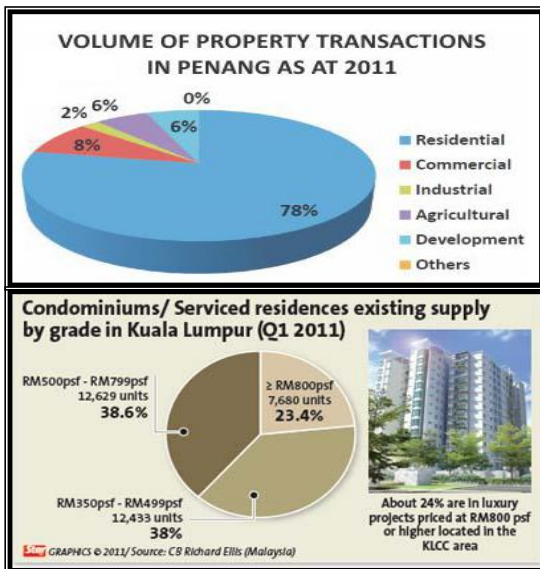


Figure: 3. Environmental issues in property transactions in Penang 2011.

Source: HBMPR / JPPH (2013).

This statistic can prove to us that, the people would not think about the money but they are looking for healthy environment although it is very expensive. Take-up charges of 65%-88% of the first quarter of 2011, Capitalize in MalaysiaKuala Lumpurplanned by developer of housing

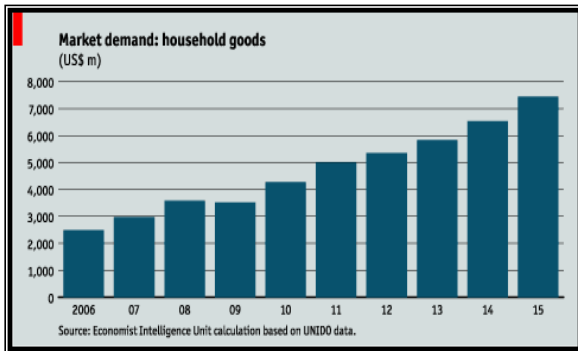


Figure: 5. The pricing is gradually increased double within five years.

Source: Economist Intelligence unit (2013)

The purchase power is a financial capacity to be an owner of any particular objects that, purchaser can select for him or herself. He or she can pay the value of the object that has been owned by vendor before paid, until the full payment of the object the purchaser unable to be an owner. When the purchasers competent to pay the full amount of value of object to the vendor then he or she can legally claim the ownership of that object has been paid to the vendor. Currently the developers practiced in Malaysia that, once the sales and purchase agreement is done by both party's vendor and buyer. If the buyer wants to stay at the house the buyer must pay the rent to the vendor until the ownership transfer from vendor to buyer. It is also need to mention that after sales and purchase agreement the vendor cannot rent to the other tenant because, the ownership can transfer at any time in the year so, the tenancy agreement can less than one year (D, Frank1994).

6. Target customers

The target customer refers to who is the most important person to buy from you. The strategic marketing is playing a great role to describe and discover them from the market. Those people can cover these criteria they are the target customers for the property business.

- I. Level of income
- II. Age and gender group (18-49 years old)
- III. Level of education
- IV. Occupation and life style
- V. Locations and area
- VI.

To find the target customer from the huge market you must need to get the answer the above points or more and customise answer for other business (M, Rubin 2013). The target customer is the main heart of the housing property business. The target is the most specific from the herd to catch the perfect one. To accomplish the target consumer is not too simple to do as a consequently property business must be having a strategic plan and perfect practice in the modern challenging market. The luxury condominium in Malaysia is very expensive for the mid-level income people in the society one the other hand the high level income people is very few hence that, the property industry should look at the foreign high level income people to be the target customers. The tourism ministry of Malaysia gives the

opportunity for foreign people to stay in Malaysia under MM2H programme. That is why the foreign people comes to stay in Malaysia and they buy the luxury units at the condominium it brings both foreign investment and the qualified people in this country at the same times the housing industry got the high profit and government also got the high income tax(S. Moore 2004).

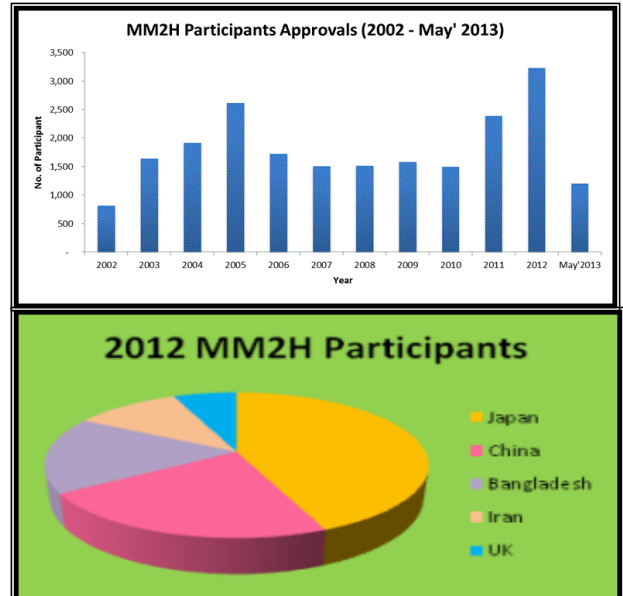


Figure: 6. The target customer for the property business in Malaysia

Source: MM2H (2013).

Finally, it is an idea to practice in property business industry to get the foreign customer to success the property business in the modern Malaysian market. For example Riana Green East WangsaMaju, Bistari condominium PWTC, Suria KLCC etc. The best buyers comes from Japan, China, Bangladesh and so on by getting Malaysia My second Home (MM2H) programme. At the same times, most of them are buy the new house and its minimum price is RM 1000,000.00 therefore, this money goes direct investment to the housing industry (Ministry of Tourism Malaysia, 2014).

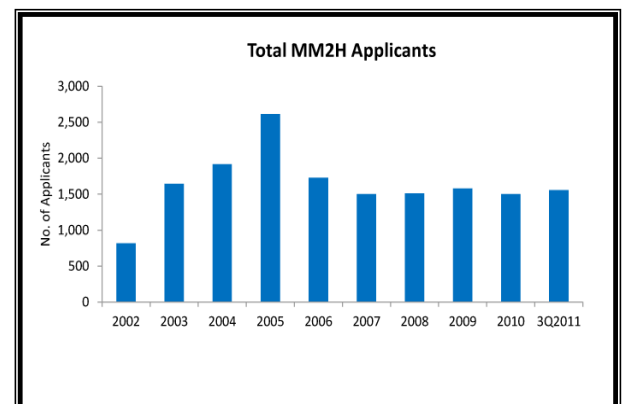


Figure: 6.1. Foreign investment for housing in Malaysia by MM2H.

Source: Ministry of Tourism, Malaysia (2014)

According to the government law each application must invest RM 300,000.00 for MM2H and year 2008, to 2011 average applicant are approximately 1500 X 300,000.00 = RM 450,000,000.00 minimum investment in the housing. As a result Malaysian housing industries are gradually getting sustainability in property business from foreigners buying homes abroad (Ministry of Tourism Malaysia, 2013).

VII. Total processing of dealings

The vendor agree to sale and purchaser agree to buy then the both parties will sign on the sales and purchase agreement, one the second stage the vendor has to pay the gain tax, it has to be mention before sign any agreement the buyer have to pay 10% of total price that has been fixed. Normally the agent / broker company is taking the 9money and they take 2% as an agent fees to start the total process of the dealing, and many steps need to follow until the transfer the ownership, again the owner is become the vendor to sales the property so it is a ongoing cycling processing of dealings (Mc Grew, 2013).

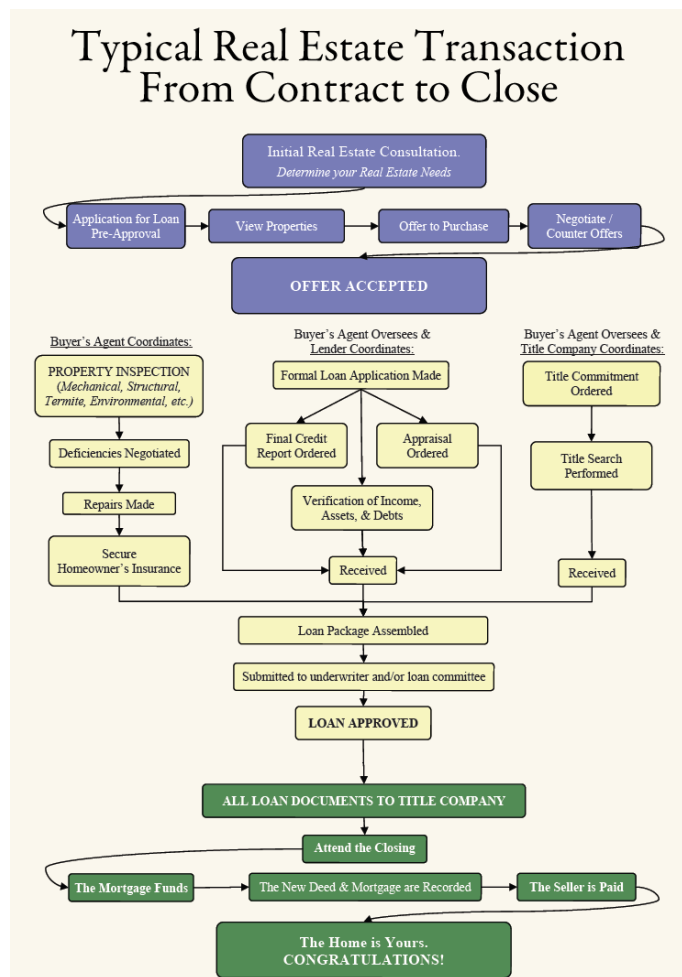


Table: 7.Thetotal processing of purchase a house or property

Source: www.askmcgrew.com (2013)

VIII. Purchaser

The buyer is the final stage of the total processes of strategic marketing plan and practices as well as the buyer become the owner or vendor again. Subsequently this mechanism is the cycling process and this cycling process is the sustainable property marketing system. A purchaser's key duties are very simple just pay the purchase price and getting of the delivery. Currently the legal system is no longer worried with enforcing a just price of the object. A few European countries (include Italy and France) are having the rule for price in special field. The purchaser is harshly responsible to pay that agreed price and cannot excuse himself by invoke his financial strait(J. John, 2009).

Conclusion

The dynamic property business normally follows the eight element to be an owners of a housing property in the modern era. Mostly these eight elements are apply for transfer the property for buy and sale in the modern world. If the above elements are successfully work for both the developers and the customers as a result it could be a sustainable element of the property business in the modern property market.

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