

Davos
Baukultur
Alliance

INNOVATIVE
PRACTICE
CASE STUDY



UrbanWave

UrbanWave is a home co-ownership scheme that offers financial support to homeowners purchasing and refurbishing run-down homes in prime locations. This initiative helps young families achieve affordable homeownership.

GEOLOCATION Klang Valley, Malaysia

TIMEFRAME 2023 to present

PRESENTED BY Urbanmetry

**HIGHLIGHTS FROM THE DAVOS
BAUKULTUR QUALITY SYSTEM**

[Definitions](#) ↗

GOVERNANCE	DIVERSITY
FUNCTIONALITY	CONTEXT
ENVIRONMENT	SENSE OF PLACE
ECONOMY	BEAUTY

In Malaysia, 1.9 million homes are vacant as of 2022 – almost 20% nationally.¹ Of these homes, 435,000 are within the Klang Valley, where homes in established neighbourhoods are often left abandoned. Younger generations are priced out from buying these homes due to the cost of renovation. The UrbanWave co-ownership programme provides accessible funding for homeowners to purchase, renew and restore homes, encouraging the rejuvenation of mature neighbourhoods in central locations and enhancing environmental performance and quality. The programme seeks to make liveable houses affordable and improve quality of life for the community, diverting funds from unsustainable development models to promote healthy real estate and housing sectors.

UrbanWave homes are chosen based on age, land tenure and price. Prices must match Urbanmetry's proprietary artificial intelligence (AI) property price prediction machine, Nowcast™² to ensure that financially sound investments are being made. In exchange for funding, UrbanWave co-owns the house with the homeowner for a minority stake of up to 40%. The homeowner retains majority ownership and full occupancy rights and can restore and renovate the house to their liking. If or when the house is eventually sold, any profits from the sale are shared between UrbanWave and the homeowner.

Over the past year, seven homes have benefited from the UrbanWave programme and are nearing on-site completion with another 20 homes expected to join the programme in 2024.



Key outcomes

ENVIRONMENT Upcycling existing homes has a far lower carbon footprint than new builds and greatly enhances the energy use of the building. Properties also go through a flood risk check before entering the UrbanWave programme. Typically, the abandoned properties are located within central neighbourhoods; therefore, new residents have far less need to use a private car compared to where many are currently living – in the outer areas of the metropolitan area. This, therefore, reduces emissions and the subsequent negative air quality impacts.

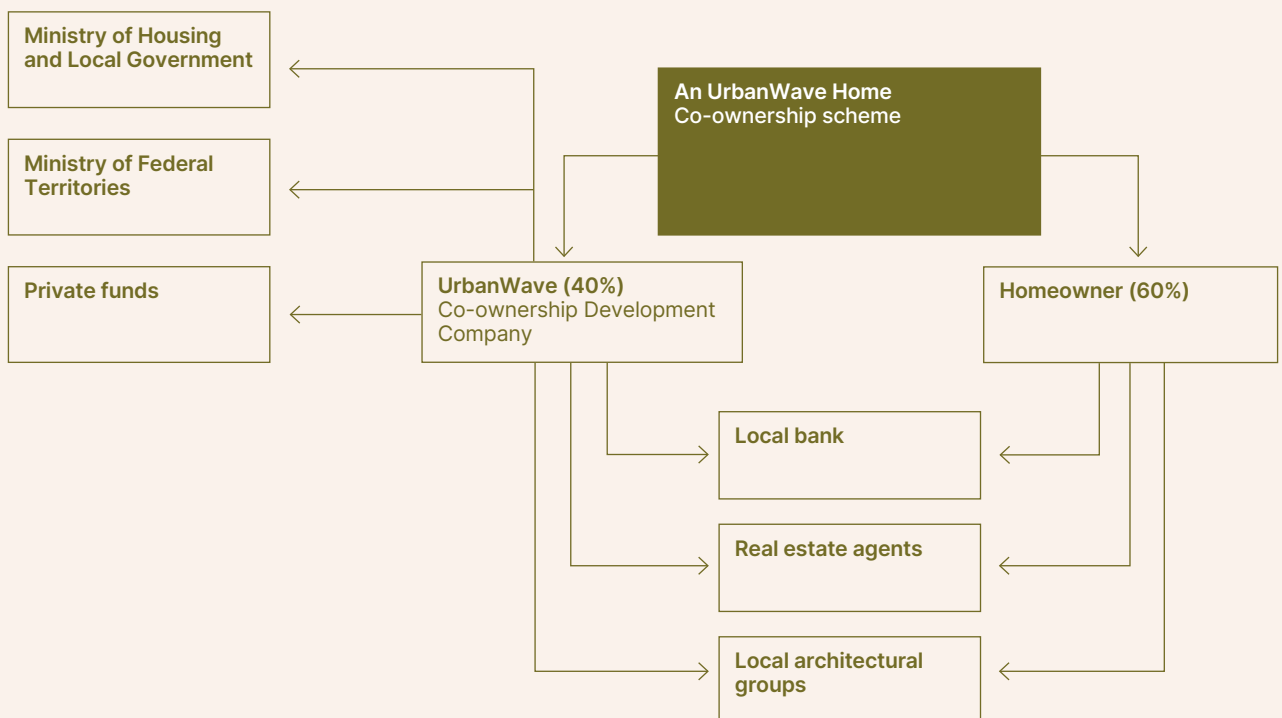
ECONOMY UrbanWave diverts funds from speculative property investments into a longer term, sustainable and socially beneficial development model. The business model discourages owners from “flipping” houses, by encouraging owner-occupancy. Furthermore, the programme has pioneered the creation of a new mortgage product where only the homeowner is named in the mortgage while both the homeowner and UrbanWave are named in property ownership documents.

DIVERSITY By making centrally-located housing more affordable, UrbanWave assists families of varying ethnicities and incomes to move into traditionally higher-income and monoethnic neighbourhoods, encouraging ethnic and social class diversity.

CONTEXT UrbanWave homeowners are supported to restore their homes to incorporate design elements that better respond to the tropical climate and diverse heritage of the existing neighbourhoods. In addition, UrbanWave homes can preserve the heritage of neighbourhoods and help to reduce problems associated with abandoned housing.

SENSE OF PLACE The programme reinvigorates existing neighbourhoods and new residents help build on existing social networks unlike many new urban developments that need entirely new social infrastructure. By giving homeowners the opportunity to own a home in an urban location, homeowners can choose to live in the same neighbourhood as their family and community, positively contributing to homeowners’ well-being. With the freedom to design to their liking, the homeowner has the freedom to express their identity through the design of their home, making each home unique to the homeowner.

Stakeholders



“UrbanWave financially empowers diverse homeowners to create beautiful homes with a sense of place while fulfilling their environmental and functionality aspirations.”

Urbanmetry



BEFORE

AFTER



Replicability

The model of financing the restoration or repurposing of abandoned housing in a sustainable manner is easily replicable across different contexts because the legislation and banking regulatory framework of Malaysia is similar in most Commonwealth countries. Malaysia also has a matured mortgage market akin to many global contexts.

Replicating homeowner support mechanisms is another crucial step. Urbanmetry provided financial guidance by helping homeowners calculate the upfront costs of buying a house. Furthermore, to guide homeowners through the renovation process, Urbanmetry hosts a series of talks where architects, designers and experienced homeowners have a platform to share their experience and provide guidance on home renovation. To support this knowledge, Urbanmetry curated a list of sustainable construction and design businesses that homeowners can choose from to undertake refurbishment.

Lessons learned

Purchasing a home is often seen as a milestone with long-term impacts on clients' lives. Furthermore, due to the novelty of UrbanWave, educating the clients on the concept of funding in exchange for joint ownership with a relatively unknown entity requires significant time and monetary investment. Partnerships with trusted entities

such as banking institutions and government agencies help to build trust with clients, giving them the confidence to enter co-ownership with UrbanWave.

Communicating the terms and conditions of the scheme can be challenging if financial literacy is low. Thus, accessible training needs to be facilitated within the process for prospective homeowners who require it when starting a project.

Identifying stock that is worth purchasing is a key aspect and is currently made possible by the proprietary tool, Nowcast™; therefore, developing equivalent locally specific tools will be necessary for other projects.

Finally, creating strong partnerships across sectors is important. Throughout its development, the UrbanWave programme has engaged the Ministry of Housing, Ministry of Federal Territories and Local Government as well as major banks and architecture groups in the development and implementation of the project to enhance its robustness, expand the trust in the new model with consumers and scale its adoption.

Next steps

In addition to continued work with key institutional and professional organizations, Urbanmetry is leveraging additional partners such as real estate agents to scale the programme significantly to upcycle many more abandoned homes for local families in the region and beyond.

Read more

Explore more studies in the full publication:
[Innovative Practice](#)

Read the Eight criteria for a high-quality Baukultur:
[The Davos Baukultur Quality System](#)

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Endnotes

1. Department of Statistics. (2020). *Malaysia Census*. <https://open.dosm.gov.my/dashboard/kawasanku>
2. UrbanVault. (n.d.). Nowcast.

Cover image: Petaling Jaya, Malaysia – GettyImages