INHOUSE MALAYSIA · INVESTOR EDUCATION SERIES

The 15-Point Due Diligence Checklist *every Malaysian property investor* must review before committing capital

The exact questions our 600+ members are taught to ask before a single ringgit leaves their account — whether they invest with us or anyone else.

Most investment losses in Malaysia don't come from bad markets. They come from questions that were never asked.

Over 14 years in Malaysian and international property, we've seen the same pattern repeat: intelligent, successful professionals — doctors, lawyers, business owners — commit six figures on the strength of a glossy brochure and a persuasive salesperson. The deals that go wrong almost always failed one of the fifteen checks below.

Print this. Bring it to every investment presentation you attend, including ours. A promoter who welcomes these questions is telling you something. So is one who doesn't.

Part One — The Asset

What exactly are you buying — and what is it truly worth?

☐ 01 Confirm what you legally own

Freehold title? Leasehold? A share in a company? A contractual right to profit from an asset? Each is legitimate — but they carry very different protections. Never assume "investment in land" means your name on a land title.

> **Ask:** "Show me the exact legal instrument I will hold, and the clause that defines my rights if the operator fails."

☐ 02 Verify the land or property exists — independently

A land search at the local land office (or HM Land Registry for UK assets) costs very little and takes days. It confirms ownership, size, encumbrances and caveats. Serious operators will hand you the title search unprompted.

> **Ask:** "What is the title number, and may I conduct my own search before signing?"

☐ 03 Verify the value of what you are buying

Commission an independent, licensed valuer to assess both the unit you are purchasing and the building as a whole. There is frequently a mismatch between a building's true worth and the per-square-foot price attached to individual units. UK hotel rooms and student accommodation sold into the Malaysian market are the cautionary tale: units were routinely priced far above genuine market value, dressed up with "guaranteed returns" that were, in substance, the investor's own overpayment being drip-fed back to them. When those owners came to sell — even a decade later — the units never recovered what was paid.

> **Ask:** "Will you accept an independent valuation of both my unit and the whole building before I commit — and does the price per square foot reconcile with it?"

04

Understand the tenure and what happens when it ends

Leasehold is not a defect — most of Malaysia's best-performing assets sit on leasehold land — but you must know the remaining term, renewal mechanics, and who bears renewal cost and risk.

> **Ask:** "How many years remain, who renews it, and what happens to my investment in the final years of the term?"

Part Two — The Operator

Who are you really trusting?

05

Run the company numbers, not the marketing

Every Malaysian company can be checked via SSM (Companies Commission) for under RM20: registration date, directors, shareholders, charges. For UK entities, Companies House is free. Match the entity on your contract to the entity in the brochure — they are not always the same.

> **Ask:** "What is the registration number of the company I am contracting with, and how long has it operated?"

06

Identify the people, not just the brand

Search the directors by name. Look for past ventures, litigation, and how they handled investors when things got difficult. A clean, traceable, public track record matters more than office decor.

> **Ask:** "Who are the directors, and will the person accountable for my money meet me face to face?"

07

Follow the money trail

Which account receives your funds? Is it the operating entity on your contract, a trustee, or an unrelated company? Payments to personal accounts or third-party entities with no contractual role are a walk-away signal.

> **Ask:** "Which entity's bank account receives my payment, and how is it reflected in my agreement?"

08

Ask the regulatory question directly

In Malaysia, schemes that pool funds under a promoter's control may fall under the Securities Commission's remit. A credible operator will explain — in writing — how their structure is positioned, and will not be offended that you asked.

> **Ask:** "Has this structure been reviewed against the Capital Markets and Services Act, and can I see that position in writing?"

Part Three — The Numbers

Do the returns survive scrutiny?

☐ 09 Demand the assumptions behind every projection

A "10% per annum" figure is meaningless without its inputs: yield per unit, operating cost, offtake pricing, occupancy, vacancy. If the promoter cannot walk you through the arithmetic line by line, the number was written backwards — from what sells, not from what the asset produces.

> **Ask:** "Take me through exactly how the asset generates the cash that pays my return."

☐ 10 Distinguish "projected" from "guaranteed" — in the contract

Marketing language and contractual language often differ. Find the clause. Honest operators say "projected" and show you why the projection is credible.

> **Ask:** "Show me the clause in the agreement that describes my returns, and what happens in a bad year."

☐ 11 Treat "guaranteed returns" with extreme caution

A guarantee is only ever as strong as the paid-up capital of the entity giving it. If that entity cannot honour the payments, the guarantee is worth nothing — and you have no recourse. A common structure to watch for: a well-known parent company markets the deal, but the guarantee itself is issued by a thinly capitalised special purpose vehicle (SPV) created solely to carry an obligation the group knows it may never keep. When the SPV fails, the parent walks away untouched.

> **Ask:** "Which entity legally gives this guarantee, what is its paid-up capital, and will the parent company stand behind it in writing?"

☐ 12 Use AI to verify market data and analyse the contract

Agents routinely overstate an area's rental rates and occupancy to move a development — and buyers familiar with the area are often the most vulnerable, because they guess from memory instead of checking. Modern AI tools (Claude, ChatGPT) make verification effortless: ask them to benchmark real asking rents on PropertyGuru or iProperty for the same building and street, sense-check the occupancy assumptions, and review your sale and purchase agreement clause by clause for terms that favour the developer. This is non-negotiable for any short-stay or Airbnb-model purchase, where the entire investment case rests on occupancy.

> **Ask:** "What occupancy and rental figures underpin this projection — and do they match live listings in the same building today?"

Part Four — The Exit

How does this end?

☐ 13 Map every exit door before you enter

Can you sell early? To whom — an open market, other members, or only back to the operator? Is there a buyback, and at what price mechanism? An investment with no defined exit is not an investment; it's a donation with paperwork.

> **Ask:** "If I need my capital back in year three, what are my options — and what would I realistically receive?"

☐ 14 Check the tax position on both sides of the border

Cross-border property — UK land, Australian new-builds — brings double-taxation treaties, withholding rules, RPGT and stamp considerations. The right structure can be highly efficient; the wrong one quietly erodes your return.

> **Ask:** "How are my returns taxed in the asset's country and in Malaysia, and which treaty applies?"

☐ 15 Test the worst case, in writing

What happens if the operator becomes insolvent? If the harvest fails, the tenant defaults, planning is refused? You are not being negative — you are pricing risk. The quality of an operator shows in how thoroughly they've answered this question before you asked it.

> **Ask:** "Walk me through the worst realistic scenario — and show me where my downside protection sits."

Fifteen boxes. Ask us all of them.

InHouse members invest in fully documented opportunities across Malaysian agriculture, UK residential land and Australian new-build property — and every product comes with a due diligence pack built to answer this exact checklist, point by point.

Bring this document to a private consultation at our Bangsar office. We'll go through all fifteen, with the paperwork on the table.

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InHouse — Invest with people who welcome the hard questions.