



Headline	Unsold properties increase despite higher demand
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Unsold properties increase despite higher demand

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DESPITE an increasing demand for new homes, the property sector is seeing an increase in the number of unsold properties, a clear result of the cooling measures introduced by the government in 2014 to curb speculative activities.

Real Estate and Housing Developers' Association Malaysia Wilayah Persekutuan Kuala Lumpur (Rehda KL) deputy chairman Chan Kin Meng said the imbalance is further aggravated by the inception of the current stringent lending rules.

"The demand for new homes is there, but cooling measures and strict lending guideline have impacted the sentiment (in the market)," Chan told reporters at the 8th International Conference on World Class Sustainable Cities 2016 yesterday.

The annual conference was co-organised by the Rehda KL, the Malaysian Institute of Planners and the Malaysian Institute of Architects.

"The ability to borrow is

challenged due to responsible guidelines. Banks are prudent and cautious," he said.

According to the Malaysian Institute of Real Estate Agents, the annual demand for properties in Kuala Lumpur is about 150,000 units but the supply is only about 100,000 units.

Meanwhile, the National Property Information Centre's latest statistics show that 18,908 of the 81,894 units of residential and commercial properties, which were launched in the first-quarter of 2016 (1Q16), have remained unsold.

The statistics show that these unsold properties amounted to RM9.4 billion, an increase of 15.9% from the value of unsold units in the 4Q15.

A property analyst with a local brokerage told *The Malaysian Reserve* that the desire to own a house, particularly among young adults, is still a challenge due to the stringent lending by banks.

He said the demand for houses is increasing, but price factors and ability to borrow continue to dampen sentiment in the market.