



Headline	Real estate sales continue to weaken
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# Real estate sales continue to weaken

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**PETALING JAYA** Residential properties continued to lead new launches in the property and real estate industry, however, at a reduced volume, said Real Estate and Housing Developers' Association Malaysia (Rehda) in its property industry survey for the first half of the year (1H16).

The survey was carried out with 157 respondents who made up of Rehda members from across Peninsular Malaysia.

Association president Datuk Seri FD Iskandar said commercial unit sales saw a decrease of 30% from 331 last year, while the residential market continued to rise, driven by domestic buyers for own occupation or upgrading.

FD Iskandar said sales performance dwindled to 39% for 1H16 from 59% in 1H15, with only 2,829 units sold compared to 5,185 last year. Only 32% of respondents said they had launches in 1H16.

He noted that the industry's trend has reverted back to landed properties which dominated the launches, especially in Selangor and Johor.

FD Iskandar said the nationwide residential unit selling price trends remained similar to 2H15 and properties

priced below RM200,000 increased by nearly two and a half times.

"Both unsold residential and commercial units stood at 71% this year, in comparison to 62% in 2H15," he said.

He said the difficulties in obtaining financing, low demand in interest to purchase and unreleased bumiputra quotas are to blame.

He added that 45% of home buyers for 1H16 were for home upgrades, while first time home buyers decreased by 13%.

FD Iskandar said the level of optimism for the real estate industry next year has improved, with 41% of respondents in the survey having a neutral outlook. Only 21% of the respondents were optimistic on the improvement of the industry.

"Many are hoping that the market and economy will be better for the next year."

He said the residential market was still driven by domestic buyers, with the end-financing issue remaining as major hurdle.

"Developers continue to come up with various measures to boost sales and will continue to undertake cost cutting measures to counter the rising costs of doing business," FD Iskandar said.