

Property Market Report 1H 2016:

OVERALL PROPERTY TRANSACTION

According to the statistics published by NAPIC in prelude to the release of its Property Market Report H1 2016, the property market recorded 163,528 transactions worth RM64.6 billion, a decrease of 14% in volume and 19% in value against 1H 2015. The residential sub sector continued to lead Malaysia's property market, with 62% contribution in volume and 51% in value against the total transaction. The following charts illustrate the total transaction trend for the first half of the year 2012–2016 (Chart 1) as well as the key sub sectors' market contribution in both volume and value in 1H 2016 (Chart 2 and 3).



Chart 2: Volume Transaction by sub sector (1H 2016)

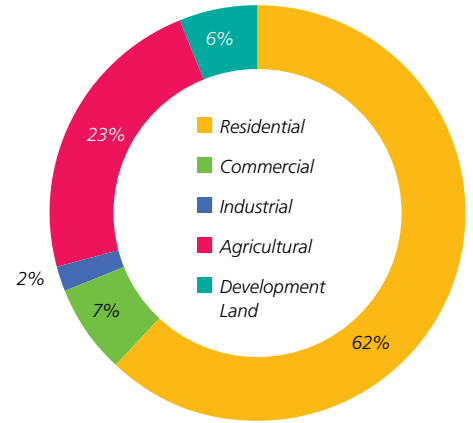


Chart 3: Value Transaction by sub sector (1H 2016)

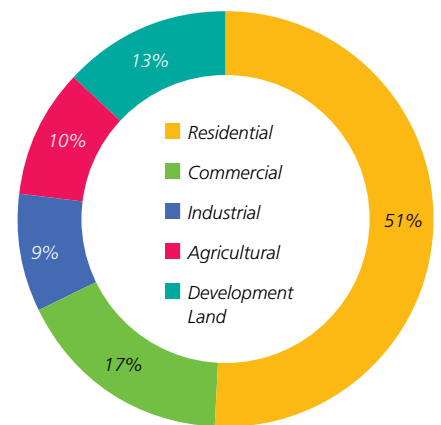
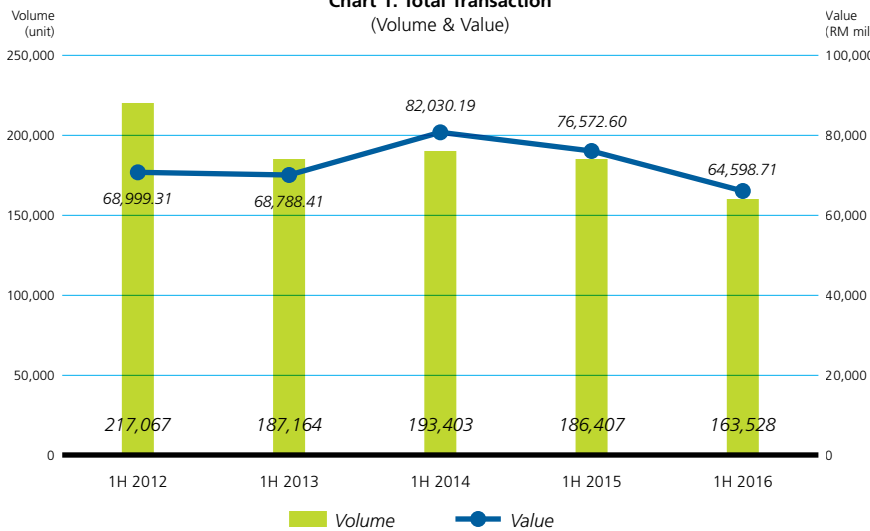


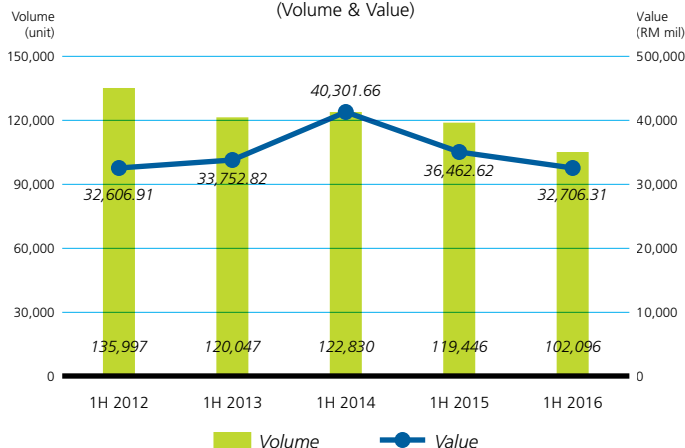
Chart 1: Total Transaction (Volume & Value)



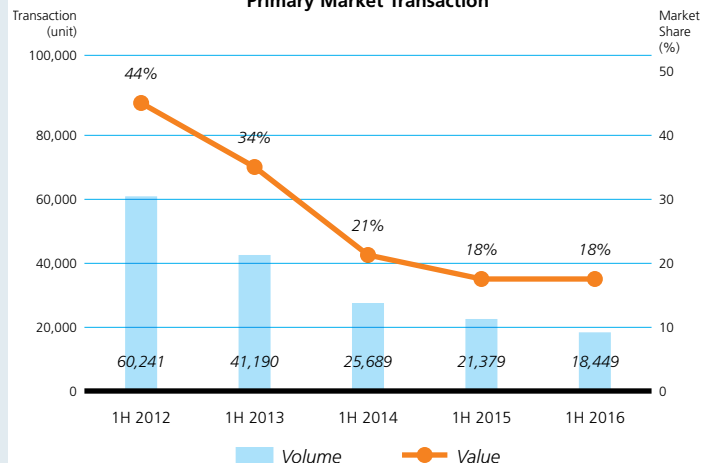
RESIDENTIAL TRANSACTION

There were 102,096 transactions worth RM32.7 billion recorded in 1H 2016, declining substantially by 17% in volume and 11% in value from 1H 2015. In terms of price range, 66% of the residential property transacted during the review period were priced below RM300,000. The primary market also recorded a slowdown, contributing only 18% to the total volume of residential transaction in the review year. The graphs below shows the residential market performance from 2012–2016.

Residential Transaction (Volume & Value)



Primary Market Transaction



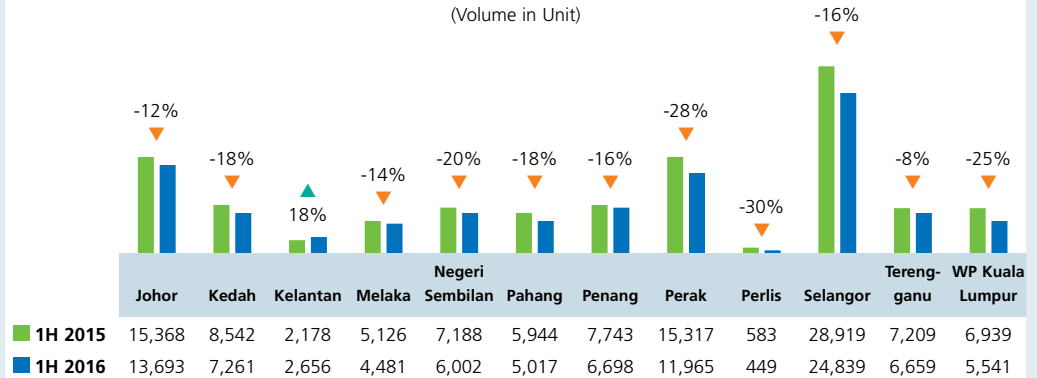
Residential Market Snapshot

RESIDENTIAL TRANSACTION BY STATE

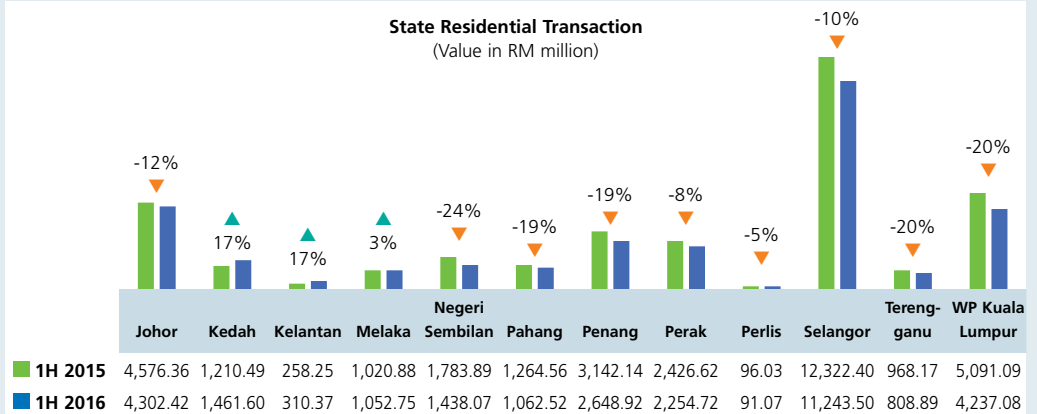
Performance of residential transactions in all states was also generally on a low tone with almost all (apart from Terengganu), experiencing double digit contraction with the exception of Kelantan which recorded a growth of 18% compared to the corresponding period. Meanwhile, states which dominated the market share were Selangor, Johor and Perak, contributing 26%, 14% and 13% respectively. The following table and graphs demonstrate the residential property movement in terms of market share and performance.

State	% Share in Volume Transaction (1H 2016)	% Share in Value Transaction (1H 2016)
Johor	14.4%	13.9%
Kedah	7.6%	4.7%
Kelantan	2.8%	1.0%
Melaka	4.7%	3.4%
Negeri Sembilan	6.3%	4.7%
Pahang	5.3%	3.4%
Penang	7.0%	8.6%
Perak	12.6%	7.3%
Perlis	0.5%	0.3%
Selangor	26.1%	36.4%
Terengganu	7.0%	2.6%
WP Kuala Lumpur	5.8%	13.7%

State Residential Transaction
(Volume in Unit)



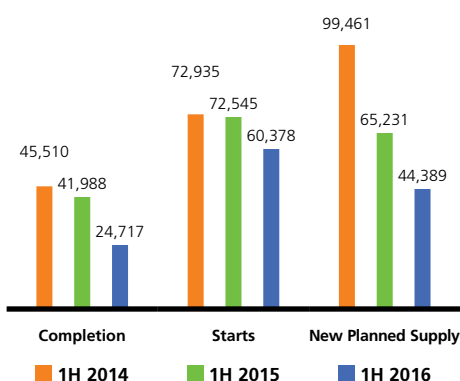
State Residential Transaction
(Value in RM million)



RESIDENTIAL SUPPLY

As at 1H 2016, there were 4.89 million existing residential units, a marginal growth of 1.4% from 4.85 million units in 1H 2015 while other supply indicators subsided considerably. Fewer completions were recorded, down by 41.1% to 24,717 units from 41,988 units in 1H 2015. Similarly, starts dropped 16.8% to 60,378 units (1H 2015: 72,545 units) and new planned supply reduced by 32% (1H 2016: 44,389 units; 1H 2015: 65,231 units). Penang had the highest number of completion with 3,833 units. In terms of starts and new planned supply, Selangor was the most active contributing 12,559 and 7,911 units respectively despite recording contractions in terms of growth. The following graph and table present the residential supply growth trend and its distribution by state.

Residential Supply
(Volume)



State	Completion			Starts			New Planned Supply		
	1H 2015	1H 2016	Change (%)	1H 2015	1H 2016	Change (%)	1H 2015	1H 2016	Change (%)
Johor	6,315	2,974	-52.9	10,933	8,085	-26.0	9,326	6,369	-31.7
Kedah	1,260	546	-56.7	3,128	3,326	6.3	907	148	-83.7
Kelantan	748	1,189	59.0	792	1,247	57.4	741	301	-59.4
Melaka	1,997	69	-96.5	4,021	535	-86.7	—	705	ND
Negeri Sembilan	1,596	1,912	19.8	3,107	4,130	32.9	1,799	2,280	26.7
Pahang	4,014	2,007	-50.0	4,735	3,977	-16.0	5,838	2,968	-49.2
Penang	1,951	3,833	96.5	6,064	7,105	17.2	3,233	1,882	-41.8
Perak	5,516	3,782	-31.4	7,319	7,609	4.0	7,557	6,588	-12.8
Perlis	838	76	-90.9	119	231	94.1	57	68	19.3
Selangor	9,040	2,565	-71.6	13,229	12,559	-5.1	15,681	7,911	-49.6
Terengganu	3,479	1,667	-52.1	1,497	1,974	31.9	1,482	2,460	66.0
WP Kuala Lumpur	853	932	9.3	4,851	3,030	-37.5	15,267	11,173	-26.8

Note:

Completion: When building construction works are completed and a CFITCF/CCC is issued within the review period. The figures in completion are not accumulated from the previous quarter but represent only one review period.

Starts: Building where the foundation and footing works of low rise buildings or works below ground level including piling and foundation of high-rise building started and it does not include site clearing, levelling as laying of infrastructure. The figures in starts are not accumulative and represents buildings that started within a review period.

New Planned Supply: Units where building plan approval obtained from the local authority within a review quarter. The figures in the new planned supply are accumulative and represents buildings in that review quarter.