



Persatuan Pemaju Hartanah Dan Perumahan Malaysia  
马来西亚房地产发展商会  
Real Estate And Housing Developers' Association Malaysia  
"Towards Sustainable Development"  
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## **MEDIA RELEASE**

**WISMA REHDA, KELANA JAYA, PETALING JAYA  
WEDNESDAY, 19 APRIL 2017**

### **MEDIA BRIEFING - REHDA PROPERTY INDUSTRY SURVEY 2H 2016**

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The half yearly survey conducted by REHDA Malaysia amongst its members indicated that developers are expecting better property market outlook in 2H 2017. Participated by 165 REHDA members from all 12 states across Peninsular Malaysia, the 2H 2016 Property Industry Survey revealed an increase in the number of launches in 2H 2016 where total units launched has increased by almost double compared to the previous half.

Residential properties continued to lead new launches with more than half being strata units comprising apartments, condominium, serviced apartments and low cost flats. The strata launches which overtook landed properties by 18% were mainly in Penang, Wilayah Persekutuan Kuala Lumpur and Selangor.

### **Sales Performance**

In tandem with the increased launches, sales performance experienced a slight improvement, exceeding the previous half by 6%. Apartment/condominium, double storey terrace and serviced apartment dominated the market share at 31%, 28% and 17% respectively.

### **Pricing**

Nearly half of the residential units launched were priced RM500,000 and below with most states retaining their prices except for Melaka, Penang and Kelantan which showed reductions in their pricing.

## **Unsold Units**

Although sales performance improved slightly, respondents with unsold units in the price range of RM250,000 to RM500,000 and RM500,000 to RM1 million showed an increase of 17%.

End-financing and loan rejection was reported to be the top reason for unsold units affecting 85% of the respondents, more than half coming from the below RM700,000 price range.

## **Business Operations**

Increased cost of doing business continued to be a challenge to developers with 56% respondents reporting cost has increased up to 10%. Major cost components that are affecting business cash flow are materials and labour cost as well as compliance cost such as policies and contributions fees.

Respondents reported that aside from undertaking measures to help boost sales, various cost cutting measures have also been implemented such as freezing new recruitments, giving less benefit or perks for personnel, rescheduling and reducing the scale of project launches.

## **Affordable Housing Projects**

Provision of affordable housing was also reported to remain a challenge with respondents reporting non-feasibility due to increased overall cost of doing business as well as high land price being the major challenges. Nevertheless, the numbers respondents providing affordable housing has increased from 31% in 1H 2016 to 40% in 2H 2016.

## **Future Launches and Outlook 1H and 2H 2017**

Slightly more than half of the respondents planned to launch in 1H 2017, however, the sales targeted were not high. Almost three quarter of the respondents are expecting only below 50% sales in the first 6 months of launch.

Prices of future launches are expected to remain the same in most states except for Negeri Sembilan, Johor, Penang and Kuala Lumpur which are reducing their prices while Kelantan will see prices reverting back to the RM200,001-RM500,000 price range from below RM200,000 in 1H 2016.

Whilst almost half of the respondents were pessimistic on the 1H 2017 outlook, more are anticipating the market to be better in 2H 2017 where level of pessimism is expected to reduce as more respondents are being neutral and more optimistic.

### **Issued by:**

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### ***About REHDA Malaysia***

*REHDA Malaysia is an association of real estate and housing developers founded in 1970. It is recognised as the leading voice in advocacy and governance of the real estate and housing industry. Members of REHDA have built more than 4 million units housing units to date, and contributed in excess of RM20 billion annually to Malaysia's GDP, impacting at least 140 upstream and downstream industries.*

### ***About the REHDA Property Industry Survey***

*The REHDA Property Industry Survey is a half-yearly report conducted by REHDA, covering topics related to the property market, unearthing challenges and gleaning feedback from members on pertinent industry issues and policies during the review period.*

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