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Rehda members see better market in 2H2017

The local property market is expected to perform better in the second half of the year than in the first half, a survey conducted by the Real Estate and Housing Developers' Association (Rehda) shows.

This was revealed by Rehda president Datuk Seri FD Iskandar in a media briefing on the association's property industry survey for 2H2016 at Wisma Rehda on April 19.

The survey says more than half the 165 Rehda members across the peninsula will launch projects in the first half of the year. However, three quarters of the respondents are expecting below 50% sales in the first six months of launch.

Prices of future launches are also expected to remain the same in most states, except in Negeri Sembilan, Johor, Penang and Kuala Lumpur, where they are being reduced.

Meanwhile, Kelantan, whose house prices were in the below RM200,000 bracket in 1H2016, will see them rise to the RM200,001 to RM500,000 range.

2H2016 survey results

According to the survey, a total of 13,276 units were launched in 2H2016, almost twice as many as in 1H2016.

The residential stratified unit was the most popular product launched in the second half of 2016, especially in Penang (Jelutong, Seberang Prai Tengah and Butterworth), the Kuala Lumpur city centre and Selangor (Kajang, Bandar Setia Alam and Sri Damansara).

In terms of sales, 5,973 units were sold in the second half of 2016 compared with 2,829 in 1H2016.

Nearly half the residential units launched in 2H2016

were priced at RM500,000 and below. Prices remained stable in most states except Melaka, Penang and Kelantan, where there was a reduction. Meanwhile, the number of properties priced at RM1 million and above doubled in 2H2016.

The survey also reveals that there was a rise in the number of commercial units launched in 2H2016, up from 233 in 1H2016 to 528. Most of the units are located in Kedah (Langkawi, Bedong and Kuala Muda), Penang (Seberang Tengah), Selangor (Shah Alam, Kajang, Hulu Langat) and Negeri Sembilan (Seremban). It is noteworthy that more commercial units priced below RM1 million were sold in 2H2016 than in 1H2016.

Sales may have improved overall in 2H2016 but the survey also indicates that the number of unsold units in the RM250,000 to RM1 million range increased 17%.

"The percentage of unsold units in both the residential and commercial sectors is at a worrying 72% as developers now need a much longer time to sell their properties. But it also depends on the location. For example, if you sell properties priced from RM500,000 to RM1 million in places like Tanjung Karang, the market may not comprehend such prices," FD Iskandar pointed out.

"I think people are still looking for properties, especially residential. However, they are taking their time as there are a lot more choices. But what is more pertinent is the end-financing. It is taking people longer now to get loans."

According to the survey, end-financing and loan rejection remains the top reason for unsold units, affecting 85% of the 165 survey respondents. More than half these units are priced below RM700,000. — By

Chai Yee Hoong



FD Iskandar (centre) presenting the survey with other Rehda members (from left) deputy secretary-general Tan Ching Meng, national treasurer Datuk Muztaza Mohamad, secretary-general Tiah Oon Ling and past chairman Datuk Anthony Adam Cho