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OUTLOOK

Bright future for Negri Sembilan

FOLLOWING the slowdown in the country's economy, property transactions in Negri Sembilan declined in both volume and value for the first nine months of last year.

There were 13,855 transactions worth RM3.997 billion recorded — a decrease by 10 and 18 per cent in volume and value, respectively against the same period in 2015.

The residential sub-sector strengthened its dominance with about 68.7 per cent of total market share, followed by agriculture at about 18 per cent, commercial (7.5 per cent), development land (approximately 2.5 per cent) and industrial sub-sectors (two per cent).

RESIDENTIAL

The residential segment registered a drop of about 11.4 per cent in terms of number of transactions to 9,516 from 10,740. In terms of value, the sector softened by about nine per cent to RM2.318 billion from RM2.548 billion. Generally, prices of residential properties have not only maintained but there has been some price increases in some prime locations.

COMMERCIAL

The commercial sub-sector registered a fairly strong fall for the first nine months of last year, descending by double-digit percentages in terms of volume and value. Aside from economic factors, the introduction of the Goods and Services Tax (GST) has adversely affected the sub-sector.

The volume of transactions decreased from 1,252 in the first nine months of 2015 to 1,040 in the first nine months of last year for a drop of 16.9 per cent.

In tandem with this drop, the value of transactions also decreased from RM765.92 million to RM639.24 million, showing a decrease of 16.54 per cent during the corresponding period.

INDUSTRIAL

In the industrial segment, the volume of transactions decreased to 251 in the first nine months of last year from 279 in the same period of 2015. The value of transactions also decreased to RM369.53 million from RM585.74 million in the same corresponding period of 2015.

As compared with 2015, the market volume

was down by 10 per cent but total value dropped by a whopping 36.91 per cent.

AGRICULTURAL

The sub-sector performed slightly better than the other sub-sectors, registering a softening in volume and value of 6.7 and 16.3 per cent, respectively, from January to September last year, compared with the same period of 2015.

With commodity prices in an upsurge trend, this sub-sector is expected to further outperform other sub-sectors in the short- and middle-term.

DEVELOPMENT LAND

There were 371 transactions recorded in the first nine months of last year, compared with 505 in the same period a year before, indicating a drop of 26.5 per cent.

Total value in the period of time was RM256.08 million, from RM480.21 million previously.

This 46.67 per cent drop in total value indicates that demand for landbanks by developers in the state has slowed due to the softening market.

OUTLOOK

Overall, long-term performance of the Negri Sembilan property market will remain in a positive note.

Based on the 11th Malaysia Plan, the focal upcoming development for the state involves upgrading infrastructure and public amenities.

Among the proposed infrastructure developments are Seremban Middle Ring Road Phase 3; the upgrading works of several main roads, including Jalan Utama Bandar Sri Sendayan - KLIA, Jalan Seremban - Kuala Pilah and Jalan Nilai - Salak Tinggi - Lukut - Port Dickson; and new highways, namely Paroi - Senawang - KLIA - Salak Tinggi Highway (SKLIA) and the KLIA Port Dickson Highway.

The much-talked about Kuala Lumpur-Singapore High Speed Rail network will have a stop in Seremban and this augurs well for the state's overall development.

Another catalytic development proposed for the state is the formation of Malaysian Vision Valley, an integrated economic development valley in the western part of Negri Sembilan. The development implementation period spans from 2016 to 2045.

Some RM260 billion will be allocated for the development expenditure, of which RM5 billion has been allotted for the project commencement through Budget 2016. The 108,000ha coverage encompasses the towns of Nilai, Seremban and Port Dickson, which will complement developments in the Klang Valley, in particular Kuala Lumpur and Putrajaya.

This long-term development is set to spur domestic and foreign investment, which in turn is expected to drive the property sector.

Negri Sembilan is located next to Klang Valley, and the state's performance is in part influenced by the latter. The state's property prices are still very attractive to buyers from Klang Valley.

Prices of property are expected to soften but generally to be stable across the districts with positive movements in agricultural sectors. The spillover housing demand from Klang Valley, although softened, will still support properties prices.

The state's overall performance this year is likely to register lower transaction volumes and

values. However, due to the state's strong fundamentals, the softening of the property market is likely to be temporary.

We believe the market will regain a positive movement for most of the sub-sectors in 2018.

Story courtesy of Henry Butcher Malaysia



Santai in Bandar Ainsdale, a project by Sime Darby Property Bhd.



*Bandar Sri Sendayan,
a project by Matrix
Concepts Holdings Bhd.*



*Aerial view
of Seremban 2,
a project by
IJM Land Bhd.*