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LUXURY SEGMENT

Transactions tapering off

K. BEGUM

THERE is a slowdown in transactions for properties above the RM1 million mark in Malaysia and a greater cooling off in interest for those priced more than RM2 million, but this phenomenon is temporary.

PropertyGuru Malaysia country manager Sheldon Fernandez said the drop in property transactions was mainly due to consumers adopting a wait-and-see approach.

"Save for a few exceptions, during property downturn conditions, luxury properties are the first and most to be impacted.

"Buyers usually opt for more economical alternatives or just hold back till the market improves," said Fernandez.

PropertyGuru considers properties priced at RM1.5 million and above as part of the luxury market category.

The PropertyGuru Market Index, which tracks the movement of home prices on a quarterly and yearly basis, showed prices in the luxury market category fell in the third and fourth quarters of last year.

However, Fernandez said the prices have since bounced back to the original position, even recording an increase in price in the first quarter of this year.

The index consists of sub-indices for the key property markets of Kuala Lumpur, Selangor, Johor and Penang, as well as for property types (landed and high-rise homes).

"Overall, according to our observation, property supplies from the last quarter of

2016 to early this year in Kuala Lumpur have dropped by 21 per cent, while asking prices only went up by three per cent," he said.

Moving forward for the luxury property segment, Fernandez said, developers would

typically look to sell the lifestyle experience and the glamour factor, which is the prestige of the address and its future investment value as well as the proven track record of the developer.

"These are the strategies that will allow them to continue launching products in the market. There will also need to be a key distinguishing concept or factors like an eco-conscious development or award-winning master plan."

Fernandez said projects such as Y008 @ 8 Conlay had done fairly well despite the uncertainty in the property market.

Y008 @ 8 Conlay is hailed as one of the most expensive properties in Kuala Lumpur.

Reaching an astonishing price of RM3,200 per sq ft, many are eagerly anticipating the outcome of this ambitious undertaking.

Pavilion Suites in Jalan Bukit Bintang is also doing well. This is a 51-storey serviced residence tower comprising 383 units.

The layout, ranging from 718 sq ft to 1,254 sq ft, is selling from RM2.5 million.

"The development offers the finest services that money can buy! It has a world-class couture concierge service that expands to providing private yacht, jet and limousine services upon request, as well as assistance in running daily errands and fulfilling housekeeping chores," said Fernandez.





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