



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

**WISMA REHDA, KELANA JAYA, PETALING JAYA
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MEDIA BRIEFING - REHDA PROPERTY INDUSTRY SURVEY 1H 2017

The findings of the REHDA Property Industry Survey (PIS) 1H 2017 gathered by the Real Estate Housing Developers' Association Malaysia (REHDA) from 153 respondents across Peninsular Malaysia generally revealed that the challenging market for the property sector remained for the first half of 2017.

The survey reported residential properties continue to lead new launches with 53% of them are strata units despite volume drop in overall performance by 9% from the preceding half (1H 2017:32% ; 2H 2016:43%).

Sales Performance

Although launches experienced a reduction, sales performance on the other hand, showed a slight growth from 45% to 48% with increased demand in landed properties particularly the 2-3 storey terrace and single storey terrace as well as serviced apartment and low cost house/flat.

Similar trend was observed for buyers' profile where majority of the purchasers are first time house buyers mainly purchasing for self-dwelling.

Launches

Number of launches for both residential and commercial have reduced significantly by 31% and 34% in comparison to the previous half. Albeit the reduction, similar percentage (4%) for commercial units launched were recorded for 1H 2017 and 2H 2016. Strata properties continued to dominate residential market with most launches were mainly in Selangor covering areas in Klang, Shah Alam, Hulu Langat, Seri Kembangan and Puchong.

Unsold Units

Overall, about three quarter of the respondents were reported having unsold units with majority of them stating end-financing and loan rejection as well as low demand/interest and unreleased Bumiputera quota as the main reasons for the unsold units. 41% of the unsold units are properties below RM500,000 located mainly in Johor, Kedah, Melaka, Pahang, Perak and Perlis.

End-financing remained the major issue for the unsold units with 73% of the respondents reported facing the problem. About half of the loan rejection are for properties priced RM500,000 and below. Contributing factors to the financing issue include ineligibility of buyers' income, credit history/

CTOS/CRISS, lower margin of financing, bank requesting more documents and limited quota for low cost and affordable housing.

Business Operations

Findings of the survey revealed that 40% of the respondents' organisations were highly affected by the current economic scenario. The top 3 cost components reported to affect the cash flow were land, material and labour as well as compliance costs. 51% of the respondents also reported that cost of doing business has increased up to 10%.

Aside from adopting cost cutting measures in operation and production/delivery, affected respondents also reported that they have taken initiatives to help boost sales such as assisting buyers with the first 10% down payment, reviewing selling prices, as well as enhancing innovation and creativity of their products.

Future Launches and Outlook 2H 2017 and 1H 2018

Number of future launches was anticipated to increase in 2H 2017 with moderate sales performance expected within the first six months of launch. Most states would either retain or lower their prices at RM500,000 and below with the exception for Selangor and Kuala Lumpur.

Overall, majority of the respondents were neutral towards the economic/business outlook as well as the property market for 2H 2017 and 1H 2018.

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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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