



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"
Responsive | Respected | Responsible | Relevant

MEDIA RELEASE

**WISMA REHDA, KELANA JAYA, PETALING JAYA
WEDNESDAY, 10 OCTOBER 2018**

MEDIA BRIEFING - REHDA PROPERTY INDUSTRY SURVEY 1H 2018

REHDA Property Industry Survey 1H 2018's findings revealed that although the number of units launched contracted, those in the segment priced RM500,000 and below experienced a jump to 65% of the total launches (1H 2018 : 65%; 2H 2017 : 52%). Participated by 152 REHDA members from 12 states across Peninsular Malaysia, majority of the respondents indicated a neutral outlook for 2018.

Launches

More respondents reported having launches in 1H 2018 (1H 2018 : 40%; 2H 2017 : 34%) albeit the number of units launched experienced a 12% contraction (H1 2018 : 13,233; H2 2017 : 15,082). Apartment/Condominium overtook 2 – 3 storey terrace houses as the most launched residential property type. Properties priced at RM500,000 and below remained the most launched for three consecutive periods in 1H 2017 (44%), 2H 2017 (52%) and 1H 2018 (65%). The most launched selling price by most states were in the range of RM100,001 – RM500,000 with the exception of Kuala Lumpur and Selangor (RM500,001 – RM700,000).

Sales Performance

Although launches experienced a reduction, sales performance on the other hand grew by 6% (H1 2018 : 51%, H2 : 45%). 6,764 units were recorded sold with 2-3 storey terrace houses taking the lead (2,858 units) mostly located in Sepang and Shah Alam followed by apartment/condominium (2,047 units) located mostly in Cheras and Segambut.

First time house buyers continue to make up majority of the purchasers. 42% of the buyers bought for self-dwelling whilst 35% were purchasing for family members.

Affordable Housing

The percentage of respondents reported to have affordable housing components in their development has increased (1H 2017 : 37%; 2H 2017 : 41%, 1H 2108 : 47%). Top three suggestions from the respondents to encourage provision of affordable housing were reduction of development charges, lower land conversion premium and exemption of capital contribution.

Unsold Units

The percentage of respondents with unsold units increased from 66% in 2H 2017 to 75% in 1H 2018, majority of which have up to 30% unsold stock. Most of the unsold units appears to be equally distributed within the price ranges of RM250,001 – RM500,000 (mostly in Kuantan and Alor Setar), RM500,001 – RM700,000 (mostly Johor Bahru and Shah Alam) and RM700,001 – RM1 mil (mostly Johor Bahru and Puchong).

End-financing and unreleased Bumiputera units remained the two major issues for unsold units. Respondents facing end-financing problems increased to 89% in 1H 2018 and 39% of the loan rejections were for properties priced RM500,000 and below. Contributing factors to the financing issue include lower margin of financing offered, ineligibility due to buyers' income and adverse credit history (CTOS/CCRIS).

Business Operations

93% of the respondents were reported to be affected by the current economic scenario with compliance costs remaining the top factor affecting developers' cash flow in both 2H 2017 and 1H 2018, followed by material and labour cost as well as land cost. Respondents also noted that the overall costs increase of doing business have gone up to 8% (2H 2017 : 6%).

Affected respondents have taken various measures to boost sales with aggressive participation in online/social media marketing/property portals taking the lead followed by assisting buyers with the first 10% down payment as well as enhancing products' innovation and creativity.

Future Launches and Outlook for 2H 2018 and 1H 2019

Nearly half of the respondents planned to launch in 2H 2018 with a total of 15,852 units comprising 8,991 strata units, 6,433 landed units and 428 commercial units. However, 2/3 of them expected their sales performance to be 50% and below. Most of the states will be launching properties in the RM100,001 – RM500,000 with the exception of Penang and Selangor (RM500,001 – RM700,000).

In general, majority of the respondents were neutral towards the economic/business outlook and the property industry outlook for 2018. However, more respondents are optimistic of the market in 2019.

Issued by:

The Communications, Public Relations & Publication Committee,
REAL ESTATE AND HOUSING DEVELOPERS' ASSOCIATION MALAYSIA (REHDA)

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.

For more information please contact:-

REHDA Secretariat
+603-7803 2978
secretariat@rehda.com
www.rehda.com