



Ipoh property market has most positive outlook

The Juwai IQI Residential Property Survey and Index Malaysia for 4Q19 shows more transactions are expected in the capital of Perak

by FARA AISYAH

IPOH'S property market has the most positive outlook for 2020, a survey revealed.

The Juwai IQI Residential Property Survey and Index Malaysia for the fourth quarter of 2019 (4Q19) showed that more transactions are expected in the capital of Perak.

Prices in Ipoh are pegged to grow 7.6% over 12 months, Juwai IQI group ED Kashif Ansari said.

"Hundred percent of respondents in Ipoh expect local first-time buyers to buy more properties in the state over the next 12 months than in the past 12 months.

"At the same time, 87.5% of respondents predict local upgrade-buyers will also make more property purchases in the coming year," he said in a recent statement.

For the rental market, the survey also shows Ipoh has the highest growth forecast of any state, with rents expected to swell by 12.25%.

Findings from the study, which surveyed industry experts, indicate the industry is confident about residential real estate prices, with a nationwide forecast of a



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5.1% jump in the next year.

Kuantan (+9.4%) and Ipoh (+7.6%) have the strongest 12-month outlook, while Penang (+2.1%) and Sarawak (+3.4%) have the weakest.

The industry is also confident that rents will increase significantly over the next 12 months, with a national forecast of a 5.7% growth.

The majority of respondents forecast rapid growth in the number of transactions that all

buyer groups will complete in the coming 12 months.

Nationwide, 64.7% of respondents expect local (as opposed to foreign) first-time buyers to close more transactions.

Sixty-one percent of respondents expect local upgraders to close more transactions in the new year, while 65% anticipate more local investors to close more transactions.

Meanwhile, 79.7% of respondents across the country expect foreign buyers to buy more property in the next 12 months than in the prior year.

In Johor, 82.8% of respondents forecast that first-time local buyers will buy more property in the coming 12 months.

Seventy-six percent of participants in Johor feel the same about investors, while 62.1% anticipate

growth in local upgrade buyers.

In Kuala Lumpur and Selangor, 82.5% of respondents expect local first-time buyers to purchase more real estate in the year to come, 67.8% expect local investors to buy more, and 63.6% expect local upgrade buyers to do so.

"The lower price threshold for foreign buyer purchasing will also help absorb some of the unsold inventory that has been weighing on the market.

"While the price thresholds are only being lowered for one year, hopefully that will give foreign investors enough time to purchase," Juwai.com executive chairman Georg Chmiel said.

For the market to be healthy, developers need to sell unwanted units in order to build more projects that are suitable for local buyers.

"Our recent survey of hundreds of agents found that 71% approve of the lower foreign buyer price threshold," he added.

Chmiel expects these factors to support the residential real estate market in 2020, where the Malaysian economy is predicted to grow between 4.3% and 4.8% in 2019.

During the tabling of Budget 2020, the government said it will lower the price threshold for foreign property ownership to RM600,000 from RM1 million currently, in a bid to clear the country's residential overhang.