



MEDIA RELEASE

WISMA REHDA, KELANA JAYA, PETALING JAYA

THURSDAY, 26 SEPTEMBER 2019

MEDIA BRIEFING – REHDA PROPERTY INDUSTRY SURVEY 1H 2019

144 respondents from all over Peninsular Malaysia took part in the REHDA Property Industry Survey 1H 2019 which, amongst others, found a reduction in the number of launches as well as respondents with launches. However, there was a 15% spike in sales performance. Similar to the previous half, the sentiments towards the economic and business outlook and property industry outlook for the upcoming 12 months remained mostly neutral.

Launches

A total of 10,574 units were launched in the period under review, of which 10,296 units were residential (2H 2018: 11,964 units; 11,563 were residential). 2-3 storey terrace led the launches at 4,048 units, followed by serviced apartment (3,358 units) and apartment/condominium at a distant third (989 units). In terms of price range, the most launched selling price were those between RM250,001 and RM700,000 at 72%.

Sales Performance

Total sales performance went up to 58% from 43% recorded in 2H 2018, with the majority being residential at 6,062 units. The top performers were 2-3 storey terrace houses mainly from Bandar Sri Sendayan in Negeri Sembilan and Durian Tunggal, Melaka at 2,745 units and serviced apartment from Wangsa Maju and Petaling Jaya at 1,732 units. Most buyers were first-time purchasers, mainly for the purpose of self-dwelling, followed by buying for family members and for investment.

Affordable Housing

41% of respondents reported to have affordable housing components in their projects. Respondents came out with some suggestions to encourage the provision of affordable housing, the top three of which were reduction of development charges, lower land conversion premium and exemption of capital contribution charges.

Unsold Units

There was an increase of the number of respondents with unsold units, at 73% (2H 2018: 62%), with a majority of them reporting to have less than 30% unsold stocks. The total of unsold units stood at 5,875

units, higher than 2H 2018's 5,054 units. 34% of these were in the semi-D/bungalow category, as well as terrace house (28%) and apartment/condominium/serviced apartment (24%). 88% of respondents reported having problems with end-financing issues, which is also the top reason for unsold units, followed by unreleased Bumiputera units and low demand/interest.

Business Operations

35% of respondents remarked that for 1H 2019, overall cost of doing business have increased by 9%, while 93% of them noted to be affected by the current economic scenario compared to 87% in 2H 2018. As reported in the last two surveys, the top three cost components affecting cash flow remained to be compliance cost, material and labour cost as well as land cost.

Future Launches and Outlook for 2H 2019 and 1H 2020

A total of 18,373 strata and landed residential units are planned to be launched by 52% of respondents in 2H 2019, with an additional 921 units from mixed development projects and 153 commercial units. Of those with planned launches, 54 of them anticipated their sales performance to be 50% and below for the first 6 months. Most states except for Kelantan, Wilayah Persekutuan Kuala Lumpur, Johor and Selangor planned to launch residential units within the RM250,001 – RM500,000 price range. Selangor is the only state to have mostly units priced between RM700,001 – RM1 million in the pipeline.

Respondents mostly have a neutral outlook towards the property market for 2H 2019, but more optimism is anticipated for 1H 2020.

Issued by:

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

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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