

09 JAN, 2020

Property sector to see more foreign buyers in 2020

The Malaysian Reserve



Property sector to see more foreign buyers in 2020

The lower threshold for foreigners to buy property effective this year is forecast to have strong increase in demand for property from foreign buyers

by SHAHEERA AZNAM SHAH

MORE foreign buyers are expected to fill in the local property market in 2020 as a result of floor price threshold reduction for foreigners, said Juwai IQI Group ED Kashif Ansari.

According to a survey conducted by Juwai IQI, Ansari said 80% of real estate agents anticipated more foreign customers for the next 12 months compared to a year ago.

"With the lower threshold for foreigners to purchase property effective this year, we foresee a strong increase in demand for property from foreign buyers.

"According to our recent survey, conducted between Nov 6 and Nov 21, 2019, on more than 300 real estate agents, the industry is expected to report strong growth in transactions, prices and rents.

"The findings have revealed that 80% of the respondents nationwide are expecting foreign buyers to buy more property in the next 12 months than in the last 12 months," he said in a statement yesterday.

Perak, Kuala Lumpur, Selangor and Sarawak are expected to receive the highest number of foreign buyers, while Melaka and Pahang will see lesser take-up



On the property outlook for this year, Ansari says Malaysia's economic and infrastructure stability will help maintain its position as an option for property investment among foreign buyers

from the buyers' group.

"The areas where most of the respondents believed to have an increase in foreign buyer transactions are Ipoh (Perak), Kuala Lumpur, Selangor and Sarawak, while the transactions in Melaka and Kuantan (Pahang) are expected to fall," he added.

On the property outlook for this year, Ansari said Malaysia's economic and infrastructure stability will help maintain its position as an option for property investment

among foreign buyers.

"Malaysia will continue to be on the global investors' radar due to its political and economic stability, as well as infrastructure stability.

"For 2020, we believe the market will remain resilient. The current economic climate and historical data speak for a rebound in Malaysia's real estate market throughout 2020," he said.

The glut in the local property market will be well-managed

throughout 2020, in line with the upward trajectory of the industry.

"Malaysia has opened its doors to many foreigners who have called Malaysia their second home. The introduction of Malaysia My Second Home (MM2H) Scheme has positioned the country as one of the most foreign-friendly countries in South-East Asia for real estate investors," he said.

"According to the Ministry of Tourism, Arts and Culture, a total of 9,439 applications were received

from July 2018 to Nov 20 last year. Out of which, 4,487 applications have been approved."

"Since the launch of MM2H in 2002 until November 2018, the initiative has drawn 43,466 applications from 131 countries, mainly from China," he said.

He added that it is estimated that Chinese buyers accounted for RM8.4 billion (US\$2 billion) of property sales in 2018, which is 12.1% of total transaction value and 0.4% of total transaction share.