



MEDIA RELEASE

WISMA REHDA, KELANA JAYA, PETALING JAYA

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MEDIA BRIEFING – REHDA PROPERTY INDUSTRY SURVEY 2H 2020 AND MARKET OUTLOOK 1H & 2H 2021

The global pandemic which affected Malaysia since last year has contributed considerably on the lacklustre performance of the Malaysian property market. This is evident from the results of the REHDA Property Industry Survey 2H 2020. Only a slight increase of launched units was recorded (0.7%) amongst the 134 respondents, with a 2 percentage points increase in sales performance.

Launches

The second half of 2020 saw the launch of 12,640 residential units compared to 12,556 units in 2H 2019, with 2-3 storey terrace houses being the most popular offering (4,120 units) followed by serviced apartment (3,250 units) and apartment/condominium (3,059 units). Price-wise, 80.8% of the units were in the range of RM250,001 – RM500,000 and RM500,001 – RM700,000, while 7.8% were within the RM100,000 – RM250,000 range and 6.4% were priced between RM700,001 to RM1 million.

Sales Performance

Sales performance was better in 2H 2020, increasing from 43% in 2H 2019 to 45% in the period under review. Out of the 5,736 residential units sold, 2,467 units were in the 2-3 storey terrace category, making it the most popular choice. The second top performing type was serviced apartment with 1,225 units while 1,082 units of apartment/condominium were sold in 2H 2020. First-time buyers made up a majority of purchasers in the period under review, and most homes bought were for the purpose of self-dwelling, purchasing for family members and for investment.

Unsold Units

64% of respondents reported to have unsold residential units in the period under review, with a majority of them having less than 30% unsold stock for both residential and commercial types. At 30%, terrace house had the highest percentage of unsold residential type, followed by semi-detached/bungalow at 29% and apartment/condominium at 26%. End-financing issues continued to be the main reason for loan rejection in 2H 2020, which affected 92% of respondents. Other top reasons were unreleased Bumiputera units and low demand/interest.

Business Operations

Overall cost of doing business increased by 12% in 2H 2020, according to 51% of the respondents. 98% of them remarked to have been affected by the current economic scenario, and those who are ‘highly and severely affected’ have increased to 42% compared to 26% in 2H 2019. Compliance cost remained the number one cost component affecting cash flow, followed by material and cost labour, as well as land cost.

Future Launches and Outlook for 1H and 2H 2021

In total, 13,037 units are being planned for launch in 1H 2021, consisting of 12,874 residential units (6,998 strata units and 5,876 landed units) and 163 commercial units. Amongst respondents with future launches, majority of them (83%) anticipated their sales performance to be 50% and below for the first 6 months. Kedah/Perlis, Negeri Sembilan, Pahang and Selangor planned to launch residential units within the RM250,001 – RM500,000 price range, whereas three states (Johor, Penang and Wilayah Persekutuan Kuala Lumpur) aimed to offer units priced between RM500,001 – RM700,000.

Respondents were neutral about the economic and business outlook for 2021, although notably, there were concerns about consumers’ purchasing power in the first half of the year. The same was reported with the property industry outlook, specifically with regards to residential sector growth. However, in both cases there are increased optimism for 2H 2021.

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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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