



CBRE | WTW REPORT

'Real estate sector likely to be muted'

KUALA LUMPUR: CBRE | WTW does not expect the country's real estate market to improve much this year due and has maintained a "neutral" outlook on the sector.

Group managing director Foo Gee Jen said there might not be many promising developments in the next three months due to the new round of the Movement Control Order.

Demand for residential properties especially would likely be on a need basis rather than on an expansionary mode, he added.

CBRE | WTW expects the overhang in the residential market could persist for the next two years.

"The rate of urbanisation and demographic growth will provide minimal buying support, especially for first-time buyers.

"Pricing for the overall residential market will move sideways for the middle and affordable



Demand for residential properties will likely be on a need basis rather than on an expansionary mode this year, says CBRE | WTW.

segments," said Foo in virtual media briefing yesterday.

"However, there will be price correction for the higher-end market."

On whether developers would be building more affordable units priced RM300,000 and below, Foo said the issue should relate to availability of good accessibility, connectivity and basic infrastructure.

"There have been mismatches. For example, we see some projects built at the wrong locations, with no accessibility or proper infrastructure. Until this is properly addressed, I do not see this

segment growing," he said.

Meanwhile, Foo said the real estate services and investment company anticipated an increase in foreign direct investments for the logistics and warehousing segment.

"Our survey has shown that it will likely surpass the commercial real estate segment. Demand will come from the e-commerce segment."

He added that although there might not be strong growth for the coming years, Malaysia could look forward to gradually returning normalcy and regaining certainty this year. **Bernama**