



Property prices dropped in 1Q21

The need to buy property in 2021 is still there among 1 in 3 Malaysians, says PropertyGuru

by AZALEA AZUAR

PROPERTYGURU'S Malaysia Property Market Index (MPMI) 1Q21 found asking prices for properties in Malaysia have dropped quarter-on-quarter.

In its MPMI first-quarter 2021 (1Q21) report, Kuala Lumpur (KL), Johor and Penang registered a drop of 1.8%, 0.83% and 0.78% respectively, while Selangor is the only market with a slight increase of 0.84%.

According to the PropertyGuru website, there are more affordable options for purchasing property due to the subdued asking prices coupled with favourable government incentives.

The National Property Information Centre revealed that 50.5% of the new residential launches are properties costing below RM300,000, while 24.7% of the launches are priced between RM300,001 and RM500,000.

On the other hand, landed properties have dominated the new residential launches with 3,127 units launched in the quarter in review.

This adds to the current overhang units in Johor at 20.4%, Selangor at 15.2% and KL at 10.1%.

Sheldon Fernandez, country manager of

PropertyGuru Malaysia believes the intention to purchase property is still there among one in three Malaysians who are likely to purchase property this year, despite the Covid-19 pandemic.

He cited this based on the company's latest Consumer Sentiment Study 1H 2021.

The current property market may observe an early spike in transactional activity this year with the added opportunity of low interest rates.

Bank Negara Malaysia has maintained its Overnight Policy Rate at 1.75%.

"These potential homebuyers are likely to be younger Malaysians who are keen to take advantage of the current market climate. Younger buyers are now keen to capitalise on the current low prices, conducive interest rates and current incentives — especially before the clock runs out on Home Ownership Campaign enticements in May this year," he explained.

Fernandez also assures potential buyers they would be happy with the government's decision to extend the stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers until Dec 31, 2025.

This exemption is for those who want to purchase properties up to RM500,000 per unit.

The selected bright spots within the key regions are resisting the downward trend by registering positive gains. This

is due to increased demands.

Prices in the Ampang Hilir district are moving against the grain with a 10.96% gain. This brings the median asking price to RM975.82 per sq ft (psf) in KL.

In Selangor, the upward trends has increased by 4.35% with a median price of RM958.85 psf, in Damansara Uptown, while in Sierra Mas, Sungai Buloh, it recorded an 5.56% increase to RM633.33 psf, and in Tropicana Indah, Petaling Jaya its upward trends has increased by 14.28% at RM636.36 psf.

Prices have soared in Jalan Scotland, Georgetown (Penang) at 12.23% chalking a median of RM728.27 psf, while Gurney Drive registered a 4.4% increase to RM785.71 psf.

Bright spots in Johor were recorded at Bandar Dato Onn, Johor Baru with a 3.31% increase at RM389.61 psf, whereas Kulai (Senai in Johor) observed an 7.93% increase at RM306.67 psf although it is the state with the largest asking prices decline.

"These bright spots are registering positive gains with younger professionals previously priced out of the market and upgraders who have found good bargains in this climate to make lifestyle enhancements and upgrades, said Fernandez.

He also added that the property market will likely recover at a slower rate compared to our overall economy. Hence, improved financial confidence must first occur to spur consumer demand.