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PETALING JAYA: A total of 75% developers are seeing declining work efficiency due to the Covid-19 pandemic, thus impacting their construction progress of existing developments, a survey by Real Estate and Housing Developers Association (Rehda) Malaysia showed.

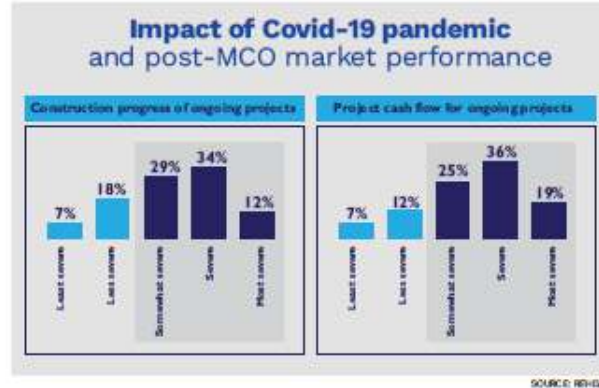
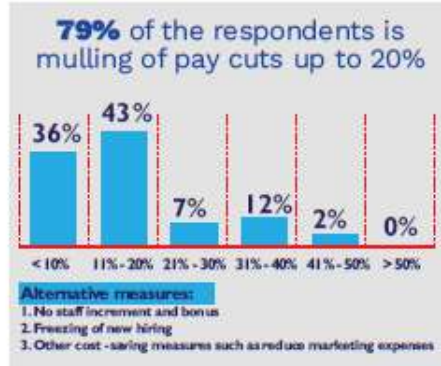
Rehda president Datuk Soam Heng Choon (pictured) said the movement control order (MCO) and post-MCO Standard Operating Procedures (SOPs) have slowed down the overall construction progress — causing some delays in the resumption of operations.

"The mandatory testing for on-site workers and the ten to 14 days forced halting of operations for construction sites with infection clusters — have affected the construction progress," he noted.

Soam unveiled the findings of Rehda's "Property Industry Survey 2H2020 and Market Outlook (1H2021 and 2H2021)" during a media briefing on March 30, 2021.

Also present at the briefing were Rehda Malaysia deputy president Datuk Tong Nguen Khoong, Zulfitri Garib,

75% of developers see construction progress affected due to Covid-19 and MCO



Datuk Zaini Yusoff, Datuk Ho Hon Sang and Rehda secretary general Datuk Charlie Chia Lui Meng.

Cost cutting measures

The survey also revealed that 81% of the respondents said they were facing cash flow problems, with the majority of them (82%) having difficulties in paying their human resource and management expenses.

A total of 78% foresee their reinvestment plans in land banking and future projects being badly hit.

The survey, which was conducted from Oct 12 to 30, 2020, garnered feedback from 121 Rehda members.

The majority of respondents (94%) said they have suffered from declining business activities and 88% saw their profit drop 40% to 44%, as compared to 2019.

“A total of 78% foresee their reinvestment plans in land banking and future projects being badly hit.”

In cost management during crisis time, 35% of the respondents were planning to impose pay cuts to reduce business costs, while 65% were choosing alternative ways to save costs, such as freezing new recruitment, no staff increment and bonus and reducing other expenses such as marketing.

Over 34,000 properties worth RM25.65b sold in HOC 2020/2021

Meanwhile, Soam added that Home Ownership Campaign 2020/2021 has seen 34,354 properties worth RM25.65 billion sold as of Feb 28, 2021.

"Serviced apartments, double-storey terraced houses and condominiums or apartments are the top performers," he said.

The bulk of sales (37%) are properties ranging between RM500,000 and RM750,000, followed by properties priced between RM300,000 and RM500,000 (26%) and between RM750,000 and RM1 million (19%).

The HOC 2020/2021, which began on June 1, 2020, will end in May this year. During HOC 2019, it recorded RM37 billion in sales value from 57,000 residential property transactions.

Soam urged the government to extend the HOC till the end of the year as the majority the developers opined that the campaign is effective in boosting sales. ■

This story first appeared in the EdgeProp.my news portal on March 30, 2020