



WISMA REHDA, Kelana Jaya

Petaling Jaya

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Media Release – REHDA Property Industry Survey 1H 2021 and Market Outlook 2H 2021 and 1H 2022

For the 1H 2021 edition of REHDA Property Industry Survey, the Association received feedback from 180 respondents from all over West Malaysia which saw lower numbers both in terms of launches as well as sales performance. Despite a largely gloomy view for the market in 2H 2021, there is increased optimism for the economic/business outlook as well as property industry outlook for 1H 2022.

Launches

In total, 11,601 units were launched in the period under review, of which 98.5% or 11,422 units were residential (2H 2020: 12,640 units; 12,628 were residential). Most of the new launches were apartment/condominium type with 3,955 units, majority of them in Puchong and Klang, while 2-3 storey terrace type was the second highest with 3,142 units followed by serviced apartment (1,156 units). In terms of price range, the most launched selling price were those between RM250,001 and RM500,000.

Sales Performance

Total sales performance decreased to 39% in 1H 2021 (4,540 units; 4,405 were residential) compared to 45% in 2H 2020 (5,742 units; 5,736 were residential). The top 3 performers by type were 2-3 storey terrace (2,312 units), single storey terrace (601 units) and apartment/condominium (503 units). Most are located in Shah Alam and Klang with first-time purchasers being the majority of buyers, mainly for the purpose of self-dwelling, followed by buying for family members and for investment.

Unsold Units

In 1H 2021, 82% of respondents reported to have less than 30% of unsold residential units, with 43% of those units priced between RM250,001 – RM700,000 (2H 2020: 51%). 58% of the respondents reported that they have unsold completed residential units over the last one to three years, with end-financing loan rejection, unreleased Bumiputera units and mismatched pricing cited as the top three reasons. Respondents experiencing end-financing issues stood at 88%, mainly because of ineligibility due to buyers' income.

Business Operations

More respondents experienced increase in cost of doing business compared to the previous period under review (1H 2021: 72%; 2H 2020: 51%), reporting 17% increase in the overall cost. Similarly, respondents who were 'highly and severely affected' have increased to 55% in 1H 2021 (2H 2020: 42%). Material and labour cost topped the list of factors affecting developers' cash flow within the period under review, followed by compliance cost and financing cost.

Future Launches and Outlook for 2H 2021 and 1H 2022

A total of 15,076 units are planned to be launched in 2H 2021, of which 9,319 units are strata residential units and 5,549 are landed residential units. 89% of respondents with future launches anticipate their sales performance for the first 6 months to be 50% or below. Terengganu, Perak, Kedah/Perlis and Negeri Sembilan planned to launch residential units within the RM250,001 – RM500,000 price range, while Selangor, Kuala Lumpur and Penang are launching residential units within the RM500,001 – RM700,000 price range.

Respondents are mostly pessimistic towards outlook for 2H 2021 but are hopeful for brighter days in 1H 2022. Respondents hoped that herd immunity will help accelerate the property market recovery and at the same time looked forward to campaigns such as the extension of HOC to assist home buyers.

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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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