



The MET Corporate Towers by Triterra.



Quayside Seafront Resort Condominiums by E&amp;O.



SkyMeridien by SkyWorld.



SkyAwani 3 by SkyWorld.

# Promising outlook for property market

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ACCORDING to the National Property Information Centre's Property Overhang Q1 2018 report, there were 34,532 unsold, completed residential properties including serviced apartments as well as small office, home offices (SoHos) worth RM22.67 billion in the first quarter of the year.

The report also revealed that it was an increase of 40 per cent from the 24,738 units recorded at the end of last year.

Bank Negara Malaysia also highlighted in its latest quarterly bulletin that the growth in the construction sector moderated in the first quarter of the year, which is consistent with the significant number of unsold residential properties and the ongoing weaknesses in the commercial property segment.

Although it's disconcerting to see the numbers that have emerged in the first quarter, some industry players remain positive, expecting things to pick up before the year is out.

Malay Mail asked three property developers to sum up the first half of the year and what they foresee the second half would bring:



Wong says the high-end market is expected to continue its steady momentum as the demand-supply situation becomes more favourable.

**Wayne Wong, Eastern and Oriental Berhad sales and marketing senior general manager**

**Prediction of the market: Cautiously optimistic**

Based on the financial year end report as of March 31, 2018, Wong said the E&O Group's property development segment achieved RM387 million in sales, which

is slightly higher than last year's RM380 million.

Moving forward to the second half of the year, Wong said the company expects the cautious optimism of the property market in Malaysia to continue as market players adjust themselves to the new operating environment.

"In time, given the solid fundamentals

of the Malaysian property market and its proven resilience, the market should consolidate with confidence gradually returning.

"While the market is likely to remain challenging in the short-term, we believe this is the best time for seasoned investors to come in before prices go up.

"We foresee an improvement in our sales figures in the second half of this year particularly with the premium units in the 18 East Andaman block of Quayside Seafront Resort Condominium, our flagship development in Penang."

Known for its premium residential developments, delivering impressive concepts and product specifications in premier locations, Wong said the high-end market is expected to continue to grow steadily as the demand-supply situation becomes more favourable.

"We strongly believe there is a constant demand for quality products from a brand with a strong promise. A good example is The Mews KLCC, our joint venture development with Japan's largest developer Mitsui Fudosan.

"Located just 400 metres from the Petronas Twin Towers, The Mews has seen strong take up rates from both locals as well as foreign buyers especially from Japan, Hong Kong and China."

**Christopher Lim, Triterra Metropolis Sdn Bhd chief executive officer**

**Prediction of the market: Promising**

According to Lim, the past few years have been challenging and more unpredictable than many had foreseen, mainly due to the impact of the cooling measures by Bank Negara in 2015, the confusion surrounding the implementation of the recently abolished goods and sales tax (GST) and an uncertain socio-economic situation.

Despite the challenges, Lim stressed that the property market is one sector which is arguably among the safest in this sort of climate.

"We have already garnered 40 per cent of our gross development value despite the uncertainty this year amounting to RM260 million, compared to the previous six months where we only achieved 30 per cent," he said.

Although the market seems upbeat for Teriterra, Lim foresees the 100-day post general election 14 to remain as a cautious period among homebuyers.

"With the removal of GST, costs may decrease initially by two to three per cent, but at the same time, with better governance such as factoring the improved welfare and working condition of construction workers, there could be an upward pressure on costs overall.

"This will be tempered by a more positive outlook and may impact the market from next year, where the effects and momentum will be felt," he added.

For the Klang Valley, Lim continued, the mayor's vision for Kuala Lumpur and the town master-planning priorities in terms of how the zones will be gazetted are crucial to the expansion of the property market.

"I foresee a better year ahead, but the savvy investor could leapfrog the crowd



Lim says homebuyers are being cautious and waiting out the 100-day post general election period before making any commitment.



Lee says there will always be a demand for real estate.

by investing early for greater returns, depending on their risk appetite," he added.

**Lee Chee Seng, SkyWorld Development Group chief operating officer**

**Lee's property market prediction: Promising**

Although there was a general opinion that the first half of this year would see a continuation of the second half of 2017's lacklustre performance, due largely to over development of sub-sectors such as high-end residential, SkyWorld Development Group doesn't seem to have been affected by it.

"Although we treaded very carefully into the first half of the year, with many adopting a 'wait-and-see' attitude, certain sectors, especially the low to medium-range sector, remained steady.

Widely recognised for its affordable home series along with a range of luxe developments, the developer unveiled its first residential project, The Valleys, at Setiawangsa in February. The project received an overwhelming response when 369 units were snapped up within three hours.

"Demand for real estate has always been and will continue to be there. And with the new government in place, the market will open up and restore people's confidence.

"The government has also urged banks to loosen the rules for first-time homebuyers; indeed we're likely to see a steady recovery rather than a fast and furious one."

Besides affordable pricing, Lee said homebuyers still go back to the fundamental factor of ideal location when purchasing a house. "A strategic location — one that is in a mature neighbourhood — connectivity to major highways and easy access to public transportation will certainly make a property appealing."



The Mews type D living room by E&amp;O.