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PETALING JAYA: The property market is expected to recover within the first half of 2019, as industry experts reckon that home sales have already bottomed out.

Maybank Investment Bank Research said property sales would be boosted by the soon-to-be-launched Home Ownership Campaign (HOC), a joint effort between the government and private developers.

It said historical data showed that home sales rebounded strongly by 33% in 1999 when HOCs were launched in December 1998 and fourth quarter of 1999, after a sharp plunge by 36% in 1998.

"Under the 2019 HOC, stamp duty exemption will be granted for first-time homebuyers for properties priced between RM300,000 and RM1mil per unit from Jan 1, 2019 to June 30, 2019.

"This should stir some return of buying interests in properties and help to reduce inventories," it said in a report.

The research house added that banks are also more willing to lend.

"From our channel checks, we understand that a few local banks are supportive of the government's initiatives in promoting affordable housing priced below RM300,000 per unit.

Property sector expected to recover in first half

Industry experts believe home sales have bottomed out

"Banks' incentives given to eligible first-time homebuyers include below market's fixed mortgage rate and more than 100% margin financing.

"Elsewhere, details of the alternative financing, property Crowdfunding P2P platform, should be announced by the first quarter of 2019," it added.

Meanwhile, property consultancy Knight Frank Malaysia said in a statement the local property market experienced a pick-up in activities during the second half of 2018.

"Investors' confidence showed some positive signs as the newly elected Pakatan Harapan government starts to provide more clarity and certainty on its fiscal policies following the tabling of Budget 2019.

"In 2019, Malaysia's property market is poised to see light at the end of the tunnel, barring any external shocks such as a global economic slowdown," it said.

Post-14th general election last year, Knight Frank Malaysia said confidence levels have improved in the residential sector.

"In line with improving market sentiment, developers have become more optimistic and we saw more launches during the second half of 2018."

Despite the more positive-than-expected Budget 2019, Maybank IB said the local property sector continued to take a pounding then after, no thanks to record unsold stocks and a slower gross domestic product growth outlook.

"Unsold residential property stocks (under construction and completed) continued to pile up to 127,267 units in the third quarter of 2018. Of these, 61% or 77,118 units were still under construction.

"Most of these unsold stocks are located in Kuala Lumpur (17%), Selangor (15%), Johor (13%) and Perak (11%)," it said.

Elsewhere, it said, residential property transactions were up by 5.5% year-on-year to 50,117 units worth RM17.8bil in the third quarter of 2018.

This is attributable to the better consumer sentiment and aggressive marketing packages offered during the zero-rating of the goods services tax between June and August 2018.