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Valuers say current weak residential market won't prolong

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PETALING JAYA: Valuation and Property Services Department director-general Ahmad Zailan Azizuddin said the residential market has stabilised and is expected to remain flat until the end of this year.

However, he dare not say the market has bottomed out.

"Regionally, all countries are not performing well. So it is good that the government is

supporting the infrastructure sector," he said, adding that he would be speaking more about the property market when he launched the full-year 2018 market report at the end this month.

Ahmad Zailan, who is also the president of Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP), was speaking to reporters after launching the updated 6th edition of the Malaysian Valuation Standards.

The board's chairman (test of professional

competence) Datuk Siders Sittampalam said: "We don't see how the market can further deteriorate. The market will sustain. It will remain at the current pace."

Siders, who is also PPC International director, said there are external uncertainties and a general slowdown in the regional and global economy.

"The local property market cannot be looked at in isolation because it exists within the framework of the general economy although there is a lag time," said Siders.

Two other valuers at the same event, however, are less sanguine.

Jordan Lee Jaafar Sdn Bhd executive director Yap Kian Ann said in view of the global uncertainties, the current stagnant market may continue for a further two to three years.

"Prices of residential have increased a lot over the past 10 years," Yap said.

Terraced housing in some locations rose from about RM200,000 to RM700,000, a broad-based jump of 2.5 times but salaries did not rise by the same quantum. So there would be affordability issues, he said.

Yap is of the view that the current bearish market would need a longer time to recover in view of the steep rise in prices over the past decade.

Unlike previous property cycles, prices did not rise as much and there was no issue on affordability.

"But I believe owners will have the holding power, which explains why we don't see much fire sales," Yap said.

VPC Alliance Sdn Bhd managing director James Wong said there were too many approvals for development over the years before the present government took over in May 2018.

"We will have to wait for these approved projects to be absorbed by the market. So the gazetting of the Kuala Lumpur City Plan (KLCP) 2020 bodes well for the market," Wong said.

Work on KLCP 2020 draft started in 1998 and after much deliberation, was finalised in 2012. However, it was not gazetted by the Barisan Nasional government.

The gazetting of the KLCP 2020 will determine what and how much can be build and where.

Wong said this and other reforms and institutional changes should be viewed positively as it will put the country on a better footing over the longer term.

Meanwhile, Real Estate and Housing Developers' Association said in a statement that private developers and government housing agencies would take part in a Malaysian Property Expo at the Mid Valley Convention Centre from April 26-28 as part of the Home Ownership Campaign which ends on June 30.