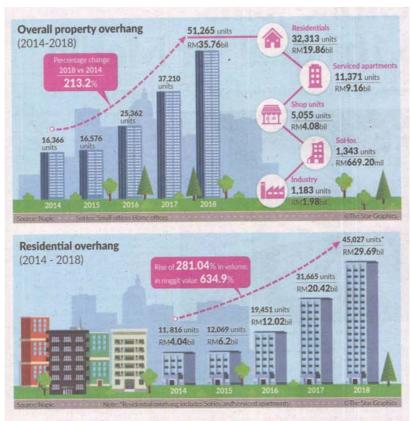
Headline	Overhang value exceeded 600percent over five years		
MediaTitle	The Star		
Date	29 Jun 2019	Color	Full Color
Section	Star BizWeek	Circulation	175,986
Page No	15	Readership	527,958
Language	English	ArticleSize	562 cm <sup>2</sup>
Journalist	Thean Lee Cheng	AdValue	RM 28,283
Frequency	Daily	PR Value	RM 84,849





## Overhang value exceeded 600% over five years

By THEAN LEE CHENG

OF late, there have been calls from of late, there have been class from different quarters appealing to the government to reduce the pricing threshold of properties that for-eigners are allowed to buy. The call is a result of a growing

number of completed but unsold units in the country.
Over a five-year period between 2014 and the end of 2018, the number of unsold completed residentials grew from 11,816 units to more than 45,000 units by the end of 2018, including serviced apart-ments and small offices home offic es (SoHos).

This translates to a rise of 281%

This translates to a rise of 281% over the period.
In ringgit value, the rise is even greater. The value of residential overhang snowballed by a massive 635%, according to the National Property Information Centre (Napic) records.
The residential overhang was valued at RM4bil at the end of 2014. It grew to RM29.7bil by the end of 2018, Napic records showed.
This double increase coincided with the escalation of property prices over a 10-year period starting from 2009/2010. Property prices remain high today.

es remain high today.

This rise in volume and-even greater rise in ringgit value under

scores the need for concrete action.
On June 25, TA Global Bhd's
non-independent and non-executive director Datin Alicia Tiah
repeated the call to tweak threshold prices of properties for foreign

buyers.

While the country wants to promote Malaysia My Second Home (KMZH) programme, the government is at the same time stringent on China residents, Tiah said.

"I understand that we are more stringent on MMZH applications from mainland Chinese," Tiah told a post-AGM press conference.

Tiah and her husband Tony were involved in the stockbroking

were involved in the stockbroking and property business. A year after the 2008 Global Financial Crisis, Tiah listed TA Global and parked the property business there, to be looked after by their son, Joo Kim. The last 10 years saw the emer-gence of strong and aggressive con-

tenders in the sector, quite a few of them parked under govern-ment-linked companies. The sector is largely unregulated. The local authorities approved

development orders left and right.
The result: overbuilding.
The overhang of properties of different segments is not lost on the Valuation and Property
Septices Division which comes Services Division which comes

Services Division which comes under the Housing and Local Government Ministry.

At a May 2 Big Data Analytics conference organised by Rehda Institute, Napic property marketing division deputy director Norhisham Shafie said Malaysia has a property overhang worth RM35,76bil.

Numbering 51.265 units

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Numbering 51,265 units,
Norhisham said these include residential, serviced apartments and SoHos, shopunits and industrial properties. The overhang volume

has grown by a massive 213.2%

over five years between 2014 and the end of 2018, he says. Norhisham says the overhang needs to be thoroughly handled

and holistic measures put in place.

"Both the government and property players, especially developers, need to join hands to ensure that the overhang issue will not be aggravated further," Norhisham

This, however, may be a tall order. A developer who declined to be named says while the current overhang should be a concern, and it is getting a bit of attention, there is "a bigger issue" brewing.

"The attention so far has been on the completed unseld units of more

the completed unsold units of more than 45,000 units, residentials and commercial SoHos and serviced apartments. "But there is a further 123,234

residential and commercial unsold

residential and commercial unsold units under construction as at the end of 2018," he says.
"The under construction unsold (figure) is really very big. It is not called overhang yet, because they are still being constructed. It will swell up the overhang figure in a couple of years," he says.
Napic defines an overhang as completed properties that have been certified for occupation but remain unsold nine months after their launch.
So work-in-progress, or those

So work-in-progress, or those under construction, will amplify the issue further in a few years, he

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