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# Higher asking prices despite Covid-19 pandemic

► Moderation of price growth, transaction volumes and values may have buffered impact on market

**PETALING JAYA:** Asking prices for property are on the rise in major markets in Malaysia, despite the unprecedented impact of the Covid-19 outbreak and resulting movement control order (MCO) on industries across the board.

Selangor showcased the highest rise in asking prices, rising 1.94% to 93.20 in Q1'20 from 91.43 in Q4'19, followed by Kuala Lumpur with a 1.81% increase to 96.62 from 94.90 over the same period.

Meanwhile, Penang and Johor saw asking price downtrends continuing from recent years, though declines were at 0.13% and 0.59% respectively. Penang saw its index fall to 95.27 in

Q1'20 from 95.39 in Q4'19, while Johor saw the largest decrease across major markets, to 99.00 from 99.59 over the same period.

In a statement, PropertyGuru Malaysia said the country's overall Property Market Index showed marginal improvement in the first quarter, increasing 0.63% to 89.46 in Q1'20 from 88.90 in Q4'19.

This was accompanied by a substantial drop in incoming supply of 10.47% over the same period, representing the steepest quarterly decline in three years as the MCO impacts construction, listing and viewing activities in Malaysia.

Supply declined in Kuala Lumpur and Selangor by 11.53% and 10.19% respectively. These patterns were also seen in other major markets to lesser degrees, with supply decreasing by 0.55% in Johor and 0.12% in Penang.

PropertyGuru Malaysia country manager Sheldon Fernandez said the moderation of price growth, as well as transaction volumes and values in recent years, may have had a buffering impact on the market.

"An upswing in asking prices in major metropolitan areas can also be seen in the first quarter, pointing towards a rise in interest in these areas as Malaysia takes a 'soft-landing' approach post-MCO."

The upswing also points towards strong interest in the central region, which is in line with increased investor activity in high-rise projects closer to metropolitan areas during crisis years.