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Move to reveal overhang details runs into barriers

Napic: Some issues with data sharing and confidentiality

PROPERTY

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PETALING JAYA: The government has looked into various measures to reduce the country's ballooning number of unsold completed property units but these measures were not embraced by some, like Bank Negara and Real Estate Housing Developers' Association (Rehda).

National Property Information Centre (Napic) director Aina Edayu Ahmad said that over the years, there has been a proposal to publicise the unsold completed units, their pricing, the number of units, right down to the location of the schemes in the Napic portal.

"The data that we have are from the developers themselves.

"We have drilled (the unsold completed units) right down to the municipalities but these numbers do not really help buyers to know where the units are but this did not jive well with developers," Aina said.

"There were some issues in terms of data-sharing and confidentiality of information," Aina told a press conference at the Property Market Outlook for 2020 - Beyond Covid-19 organised by the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS).

Aina said having this transparency of information would help reduce the unsold completed units.

The residential overhang - completed

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Aina Edayu Ahmad

unsold housing units built on residential land which have been certified fit for occupation - is at an all-time high of RM20.03bil.

This is about half the value of the total property overhang across major segments of the market including those built on commercial land.

Aina said the portal was Napic's proposal as they already have the information in their data base, "but we have yet to get support from Bank Negara and Rehda because of issues with regards to confidentiality," she said.

"Better cooperation from all parties" from Bank Negara and Rehda will help towards resolving the overhang issue," she said.

Besides details on the locality of these overhang units, Aina said the proposal also

involved the inclusion of unsold bumiputra units. Rehda has reportedly said that about 50% of the overhang was due to bumiputra units and has been pressuring the government for years to have an automatic instant release system.

Other measures include reducing to zero real property gains tax (RPGT) after the sixth year of ownership besides, besides other strategies.

Drilling down to details of the overhang, she said serviced apartments, which are built on commercial land, but which are used as residences, have been increasing over years.

"There were 21,683 overhang units recorded worth RM18.64bil, an increase of 26.5% in volume and 32.8% in ringgit value compared to the first half of 2019 (17,142 units worth RM15.04bil)," she said.

PEPS president Michael Kong said transparency of information from various aspects of the property sector, from developers giving the real price after rebates, discounts and freebies as well as formalising the net price on the sales and purchase agreement are crucial in promoting transparency.

On the possible return of developers interest schemes (DIBS) in the coming budget, PPC International managing director Datuk Siders Sittampalam said such a scheme would not promote price discovery and contradicts the need for price transparency and distorts the market.

He was commenting on Khong & Jaafar managing director Elvin Fernandez's comment that DIBS, though speculative in nature and banned on Jan 1, 2014 by the central bank in Malaysia's then red-hot property, may be a tool to stimulate a bear property market.