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OUTLOOK

Napic: Property market to remain soft

KUALA LUMPUR: The property market is expected to remain soft this year despite the cautious optimism over the nation's projected economic recovery.

The pace will be dependent on domestic and external factors such as political stability, global oil and commodity prices, and further development related to the Covid-19 pandemic, said the National Property Information Centre (Napic).

It added that the property market posted a sharp decline in the first half of this year in tandem with the weaker economic performance, which contracted 17.1 per cent in the second quarter.

The property sector recorded 115,476 transactions worth

RM46.94 billion in the first half, down 27.9 per cent in volume and 31.5 per cent in value compared with the same period last year.

However, the transaction volume rose 7.4 per cent to 89,245 units in the third quarter from 83,085 a year ago, although the value fell to RM33.78 billion from RM34.62 billion previously.

To encourage home ownership, the government had reintroduced the Home Ownership Campaign (HOC) under the National Economic Recovery Plan, which would attract more first-time buyers, said market players.

Under the HOC, stamp duty exemption would be given on the instruments of transfer and loan agreement for the purchase of

residential homes priced between RM300,000 and RM2.5 million, subject to the developer providing at least a 10 per cent discount.

Bank Negara Malaysia's decision to maintain the Overnight Policy Rate at 1.75 per cent is also expected to encourage more property purchases.

Napic said the property market had experienced a correction in terms of pricing with more affordable housing launched in the first half.

Its director, Aina Edayu Ahmad, said units priced at RM300,000 and below comprised half of the new launches in the first half of the year with 6,657 units, followed by those in the



The National Property Information Centre says the property market has experienced a correction in terms of pricing with the launch of more affordable housing units.

RM300,001-RM500,000 range (28.9 per cent, 4,476 units) and RM500,001 and above range (21.1 per cent, 2,161 units).

It added that new launches in the residential sub-sector reached 6,087 units in the third quarter, comprising 2,960 high-rise properties and 3,127 landed

properties.

Units priced RM300,000 and below made up 50.5 per cent of new launches (3,073 units), followed by those in the RM300,001-RM500,000 range (24.7 per cent, 1,505 units) and the RM500,001 and above range (24.8 per cent, 1,509 units). **Bernama**