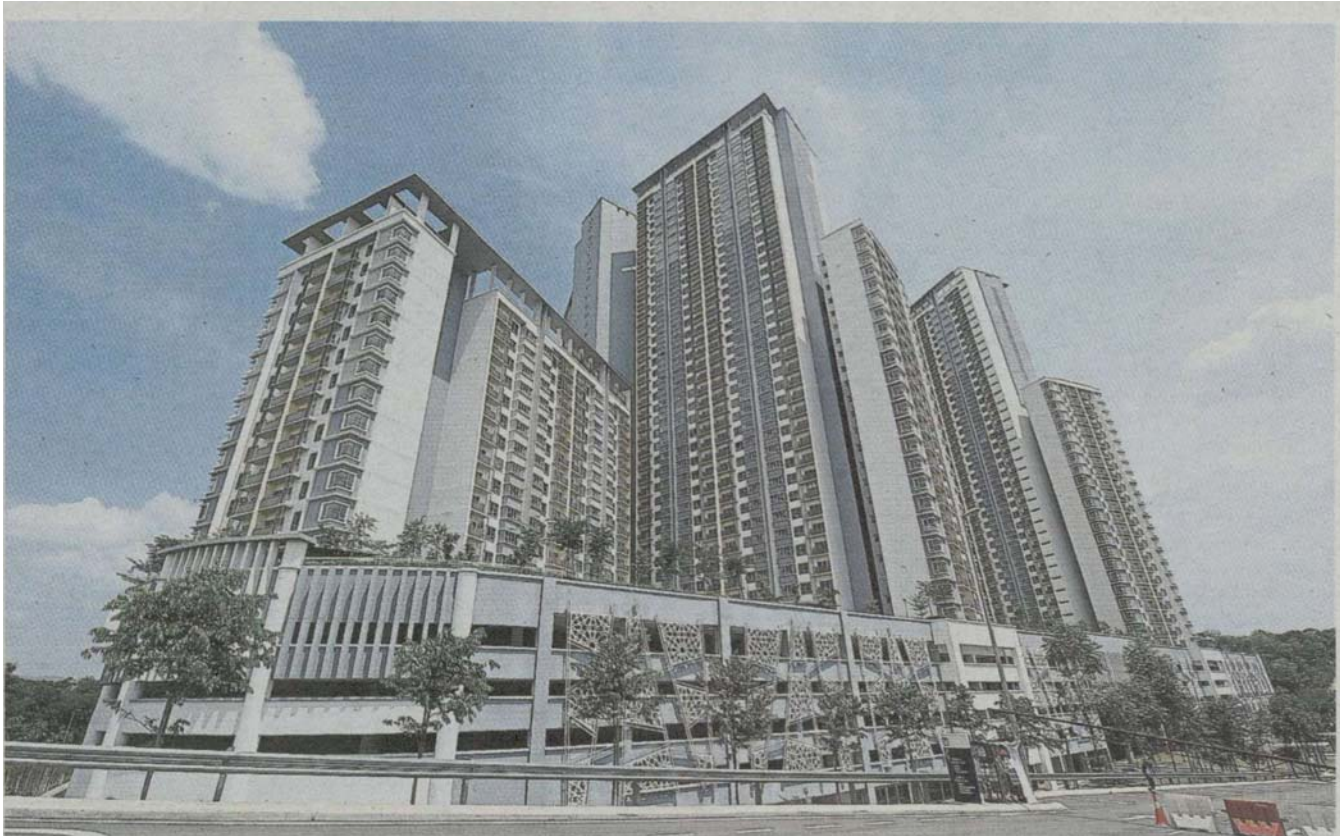


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**PROPERTY MISMATCH:** A 1Malaysia People's Housing Programme apartment in Alam Damai, KL. BNM says unsold housing units reached 129,052 as at end-September 2017. More than 80% of the unsold units are priced at RM250,000 and above. Pic by Muid Amin Noharuf

# Outdated data leads to bad decisions among property players

*Industry players need more detailed info at shorter and more regular intervals, says an expert*

by **IZZAT RATNA**

**OUTDATED** information and the lack of new research from the authorities are hindering developers from executing smart and

informed decisions which could further dampen the growth of the property market, as it adds more pressure to the present glut and mismatched situations.

Henry Butcher Real Estate Sdn Bhd COO Tang Chee Meng claimed that the National Property Information Centre, under the Valuation and Property Services Department, does not possess the latest statistics on various aspects of the property market.

"Some developers, who do not have their own in-house research capabilities, are not able to make informed and well-considered decisions.

"Decisions made based on gut feeling may turn out to be wrong and detrimental to the developers as well as bankers, and this should be avoided," he told *The Malaysian Reserve (TMR)* recently.

He said the industry players need more detailed information at shorter and more regular intervals to ensure

that companies have the latest information to make critical decisions before embarking on new projects.

Tang also attributed the current displacement in the property market to the poor choice of locations and products, mismatch between pricing and affordability, as well as apprehension over the possible outcome of the upcoming general election, which have also led to a wait-and-see stance by investors.

SEE P4 COL1

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## Housing sector to remain soft in 1H18

FROM P1 **Outdated**

To solve these issues, Tang said the authorities should provide more detailed and up-to-date data on all aspects of the property market that would enable developers to make informed decisions.

"The authorities should carry out periodic reviews of policies; and modify or abolish those policies which are no longer relevant or appropriate, to ensure that the market exuberance does not get caught in a potential property bubble.

"Developers must also undertake unbiased and detailed market studies before proceeding with any particular product, taking into account the product types, optimum mix, as well as pricing that reflect the market's demand," he said.

Tang added that buyers should similarly do their homework and invest wisely.

Laurelcap Sdn Bhd ED Stanley Toh Kim Seng said many developers have been refusing to spend time researching on low-return products at locations outside of prime areas.

"Poor demand for affordable houses in decentralised and non-core locations is due to the lower income group's refusal to relocate outside the central region on the abundance of job opportunities within the city centre.

"The efficiency of public transportation connecting these areas to the city centre is also poor, and that makes living in the outskirts areas less appealing, which also leads to the mismatch," Toh told *TMR*.

He said the local govern-

ment's requisite for developers to allocate affordable housing within their respective proposed development sites is not seen as a long-term solution to the problem.

"The mindless building of affordable housing just to appease the local council's requirement is not going to solve the issue, unless connectivity and public transportation issues are resolved," he said.

All the existing issues, including buyers' inability to get loan financing and the difficulty in placing the initial down payment are also results of the rising cost of living in the country.

Moving forward, Toh said the residential sector will be a strong performer compared to other sectors in 2018.

"Prices would probably be maintained and some will start to falter slightly, depending on the areas," he added.

Tang said the residential property market in the Klang Valley is expected to remain soft in the first half of 2018 (1H18), as a result of the declining volume and value of transaction.

"Prices are expected to dip — indirectly, through discounts, rebates and other freebies offered by developers — but not significantly. The overall market will generally be stable with no signs of immediate crash in the near term.

"We believe that the property market is expected to recover possibly in 2019, after the dust has settled from the post-election effect and when things have returned to normalcy," Tang said.