

Headline	Sentiment in property market could improve this year, says Knight Frank		
MediaTitle	The Malaysian Reserve		
Date	09 Jan 2019	Color	Full Color
Section	Money	Circulation	12,000
Page No	9	Readership	36,000
Language	English	ArticleSize	528 cm <sup>2</sup>
Journalist	FARA AISYAH	AdValue	RM 4,885
Frequency	Daily	PR Value	RM 14,655



# Sentiment in property market could improve this year, says Knight Frank

*The introduction of alternative financing through 'property crowdfunding' can further assist 1st-time homebuyers*

by FARA AISYAH

POLICIES and measures announced in the 2019 budget are expected to strengthen demand in the local property market, especially among first-time homebuyers.

The direction of the new government will also drive sentiment recovery in the local property market this year, said real estate consultancy firm Knight Frank Malaysia Sdn Bhd.

"The slight upward revision in the rates of Real Property Gains Tax and stamp duty as announced under Budget 2019 are unlikely to have significant impact on the high-end condominium sector, although the acquisition and disposal costs in property transactions may be higher.

"In contrast, the exemptions and initiatives, in particular the waiver of stamp duty on the instrument of transfer and loan agreement for residential homes valued up to RM300,000 for a two-year period, and the six-month waiver of stamp-duty charges for properties priced from RM300,001 to RM1 million, are expected to kick-start the housing market moving into 2019 and beyond."

In a real estate highlight report, Knight Frank said the introduction



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of alternative financing through "property crowdfunding" could further assist first-time homebuyers.

Although the scheme is lauded, Knight Frank said it is imperative that the innovative financing platform is governed by stringent guidelines across the entire ecosystem to avoid potential subprime mortgage crisis moving forward.

It maintained cautious optimism on the outlook of Kuala Lumpur's (KL) high-end condominium market, with window of opportunities for recovery in the mid-to-long term.

The property consultant said looking ahead, the widening gap between supply and demand, coupled with rising financing cost will continue to impinge on price growth as the market finds its equilibrium.

However, with property developers generally more optimistic about the market outlook, Knight Frank expects to see more launches this year and beyond.

On Penang, Knight Frank Penang ED Tay Tam said the completion of the Penang Transport Masterplan —

comprising the Pan Island Link highway and the Bayan Lepas light rail transit system among others, will boost connectivity of the state, which will in turn be favourable towards the property market.

"The residential market will likely show some signs of improvement moving forward, with an outperformance anticipated in the landed housing market," he said.

Meanwhile, Knight Frank Johor branch head Debbie Choy said the economic region of Iskandar Malaysia had recorded a cumulative invest-

ment of RM272.9 billion as of the third quarter of 2018, which shows that robust investment activities are still present in the region.

"Landed housing with reasonable prices ranging from RM400,000 to RM500,000 are expected to fare well among homebuyers," she said.

As for the Kota Kinabalu market, there were fewer launches of residential projects in the second half of last year as developers seek to review and reposition their products amid a highly competitive market.

"With the residential sector being plagued by rising supply, the continued growth of Sabah's tourism and hospitality sector, coupled with the government's commitment in delivering the Pan Borneo Highway are bright spots for Kota Kinabalu's property market moving into 2019," Knight Frank Kota Kinabalu ED Alexel Chan said.

In a related development, real estate services provider Savills Malaysia Sdn Bhd said values of the residential properties in Malaysia would continue sliding in 2019.

Executive chairman Datuk Christopher Boyd said in the case of recovery, property prices in Greater KL will improve first, followed by Penang and Johor.

"There are about 245,000 new residential units under construction in Greater KL, with about 55,000 units in Penang and 108,000 units in Johor.

"This supply pipeline means that the supply of residential units will grow by 10% to 12% in the next couple of years," he said in a statement.