



21 AUG, 2019

Properties attract higher prices in KL & Selangor, but not Johor

The Malaysian Reserve, Malaysia



Page 1 of 3

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An expert says the improved purchasing sentiment is very much pegged to the nationwide initiatives, including the HOC

by FARA AISYAH

PROPERTY asking prices in the country rose for the first time in 12 months, boosted by the recovery in Kuala Lumpur (KL), Penang and Selangor, and a house buying campaign that woo buyers back to the doorsteps of developers' office.

Sales of properties have been slum-

bering in the last two years, triggering a massive glut, heightening worries of a potential property burst and financial ruins to developers.

PropertyGuru Malaysia's price index, which tracked the property sector in the country, increased to 86.2 during the April through June 2019 period from 85.4 in the first three months of the year. But the figure is still lower than the second quarter of 2018 (2Q18) and a far cry from the 88.4 registered in the same quarter of 2017.

PropertyGuru Malaysia country manager Sheldon Fernandez said the improved purchasing sentiment is very much pegged to the nationwide

initiatives, including the Home Ownership Campaign (HOC), stamp duty exemptions and Bank Negara Malaysia's downward revision of its Overnight Policy Rate to 3%.

"These factors also contributed to the upward ticks in asking prices for KL, Penang and Selangor.

"However, they were not enough to overcome downward pressures in Johor, including a proposed ban on property sales to foreigners for selected projects in 3Q18," he said in a statement.

During the 2Q19, the increase in base prices in KL, Penang and Selangor has contributed to the 0.9% quarter-on-quarter (QoQ) increase in the

country's overall rate.

Despite the improvement in the 2Q, property asking price was still below figure in 2Q18 which registered 87.8 points.

The report showed the Kuala Lumpur Market Index witnessed a 0.9% QoQ increase in asking prices for the April-June period, but 2.4% lower than a year ago, indicating signs that the prices are still adjusting.

Property supplies rose 46% from 1Q18 to 1Q19, an indication that any readjustments will be minimal.

The Selangor Market Index rose by 0.3% for 2Q19 compared to 1Q19 and a year ago. The 2Q19 figure was the third

SEE P4 COL4



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Higher prices of properties in KL, S'gor

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 consecutive asking price rise in Malaysia's most populous state.

PropertyGuru said the asking prices in Selangor rose to 93 points for 2Q19 as demand for

affordable housing in the state increases.

The Penang Market Index saw an increase during 2Q19, but lower than a year ago. PropertyGuru said the Penang property market is

still in a cautious state.

However, the index for Johor dropped 0.5% in 2Q19 from 1Q19 and 3% lower than a year ago as unsold properties continue to weigh heavily on the market.



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Page 3 of 3

SUMMARIES

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