



26 AUG, 2019

## Serviced apartments outshine condos in 1H19

The Malaysian Reserve, Malaysia



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*Buyers today would compromise on the size of the properties because they want the conveniences*

by FARA AISYAH

THE demand for condominiums in the country's secondary market has shifted towards serviced apartments during the first half of 2019 (1H19), according to *iProperty.com.my*.

The property portal analytics revealed that the demand for condominiums in Malaysia in general — particularly in Kuala Lumpur (KL), Selangor, Penang and Johor — has decreased.

However, the demand for serviced apartments in KL and Selangor has increased, while the segment's demand in Penang and Johor declined between January and June this year.

REA Group Asia GM of customer data solutions Premendran Pathmanathan said serviced apartments experienced the most significant year-on-year (YoY) growth in demand at 14.7% in 1H19, while the median price has depreciated by 8.2% YoY to RM490,000.

"The demand for condominiums is impacted by the increasing demand of serviced residences. Why? Because the entry price for serviced residences is lower than condominiums, and serviced residences have advantages of accessibility and facilities."

"Buyers today would compromise on the size of the properties because they want the conveniences," he said at the report presentation in KL last week.

The demand for condominiums in the country dropped 5.9% YoY, the median price down 2.2% to RM500,000



The demand for condominiums is impacted by the increasing demand of serviced residences, says Premendran

*Pic by Mohd Amin Nohari*

in 1H19, while the demand for terrace houses in Malaysia increased 3.7% YoY and the median price strengthened 6.7% to a median price of RM300,000 during the six months.

For KL, the property demand increased 3.8% YoY, while the median price grew 1.9% to RM540,000 in 1H19.

Demand for serviced apartments in the capital city rose 12.4% YoY, but the median price fell 14.3% YoY to RM600,000 in 1H19.

Condominiums also recorded the same median price during the period, a 1.3% YoY improvement from last year; however, the segment

saw a 5.2% decline in demand.

Terrace houses in KL have a strong demand and a median price growth of 10% YoY and 2.5% YoY respectively to RM780,000.

The most demanded areas in KL are Keramat, Sentul, Taman Tun Dr Ismail, Wangsa Maju, Damansara Heights, Pantai Dalam, Kepong and Cheras.

While in Selangor, overall property demand strengthened by 9.8% YoY and the median price was up 5.8% to RM370,000.

The demand for condominiums in the state dropped 4.4% YoY, while

serviced residences surged 26.9% YoY and terrace houses increased 11% YoY in 1H19.

Terrace houses is the only segment with an increment in median price of 4.4% YoY to RM465,000, while condominiums and serviced residences dropped 3.9% YoY to RM440,000 and 6% YoY to RM434,000 respectively.

The top 10 most in-demand areas in Selangor are Dengkil, Gombak, Semenyih, Cyberjaya, Sepang, Sunway, Bangi, Petaling Jaya, Klang, and Bandar Utama.

The demand for property in Penang has decreased 4.4% YoY, while the

median price increased 6% YoY to RM325,000 in 1H19.

Terrace houses is the only segment with a positive growth in demand of 0.3% YoY, while median price rose 7.4% YoY to RM374,000. However, demand for condominiums and serviced residences have declined 12.6% YoY and 7.5% YoY respectively.

The median price for condominiums has increased 1.6% YoY to RM580,000, while serviced apartments rose 7.4% to RM635,000.

"As prices for serviced residents and condominiums are increasing in the island, demand has started to shift to more affordable products on the mainland. As such, seven out of the top 10 most demanded areas in Penang were mainland locations," Premendran said.

The top 10 locations are Batu Kawan, Nibong Tebal, Balik Pulau, Kepala Batas, Seberang Jaya, Simpang Ampat, Teluk Kumbar, Bukit Mertajam, Bukit Minyak and Sungai Ara.

As for Johor, the state saw a 16.6% YoY decline of demand in 1H19 as all three segments recorded a negative growth in demand.

However, the median price in Johor grew 8.7% YoY to RM360,000.

Demand for terrace houses in the state declined 18.9% YoY, condominiums 32.8% YoY and serviced residences 11.8% YoY.

The median price for terrace houses rose 10.3% YoY to RM370,000, condominiums increased 8.3% YoY to RM350,000 and serviced residences were up 1.2% YoY to RM353,000.

"The incoming supply in Johor is more than the units that people can buy. But property transactions in the state are still good, that is why the property prices are still holding up," Premendran added.



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### SUMMARIES

Buyers today would compromise on the size of the properties because they want the conveniences

THE demand for condominiums in the country's secondary market has shifted towards serviced apartments during the first half of 2019 (1H19), according to iProperty.com.my. The property portal analytics revealed that the demand for condominiums in Malaysia in general — particularly in Kuala Lumpur (KL), Selangor, Penang and Johor — has decreased.