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Glut may ease within 2 years

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SHAREN KAUR

THE Penang property market is likely to remain flat this year, says iProperty.com Malaysia Sdn Bhd general manager David Mawer.

Mawer said factors like supply-demand imbalances of mainly high-rise projects, affordability and rise in living cost are expected to affect market.

Other factors include the challenging outlook for the global and local economies.

According to the National Property Information Centre, there are 2,200 high-rise overhang units with an abundance of unsold apartment and condominium units in Penang due to poor demand.

Despite the current market condition, Mawer said iProperty.com expects the overhang of residential properties in Penang to ease within the next two to three years.

The Penang Real Estate and Housing Developers' Association Malaysia (Rehda) had said that the 2019 Budget was addressing the state's property overhang issue through the National Home Ownership Campaign (HOC).

Among the properties showcased in HOC are in Balik Pulau, Teluk Kumbar, George Town and Jelutong.

Mawer believes the Penang Transport Master Plan will also enhance Penang's property market in the future as it is expected to improve connectivity.

"In line with consumers' demand, more affordable housing units will be built in Penang, especially in Gelugor, Teluk Kumbar, Balik Pulau and Jelutong," he said.

INTEREST IN MANY PROPERTY TYPES

Mawer said Penang house buyers continue to look at various types of housing.

iProperty.com has mapped down the popular property types that buyers and potential buyers could afford.

In a nutshell, the most popular built-up size for buyers ranges from 901 sq ft to 1,500 sq ft.

In terms of price point, they range from RM201,000 to RM350,000.

The majority of potential buyers searched for

condominium units or serviced residences.

MOST POPULAR BUILT-UP SIZES

1,500 sq ft - 900 sq ft

Nearly 50 per cent of buyers preferred houses ranging from 500 sq ft to 900 sq ft that include flats, studios, two- or three-bedroom condominium units, serviced residences and apartments.

Based on the listings at iProperty.com.my, the prices ranged from RM34,000 to RM1.3 million. These are the auctions, sub-sales and new launch properties.

2,901 sq ft - 1,500 sq ft

Over 50 per cent of purchasers last year bought houses with built-up sizes ranging from 901 sq ft to 1,500 sq ft. These properties are mainly terrace houses and condominiums or serviced residences with the standard 3-bedroom and 2-bathroom.

3,1,501 sq ft - 2,000 sq ft

Interestingly, only one per cent of houses ranging from 1,501 sq ft to 2,000 sq ft were purchased in Penang. This is probably due to the selling price.

Properties in these sizes are terrace houses, semi-detached homes, and luxury condominiums or serviced residences. The condominiums or serviced residences are mostly 3+1 bedrooms and three bathrooms.

HOW MUCH CAN PENANITES AFFORD?

More than 50 per cent of purchased houses were at prices ranging from RM201,000 to RM350,000. At least 15 per cent of purchased houses were from RM351,000 to RM500,000, while 13 per cent had price tags of over RM501,000.

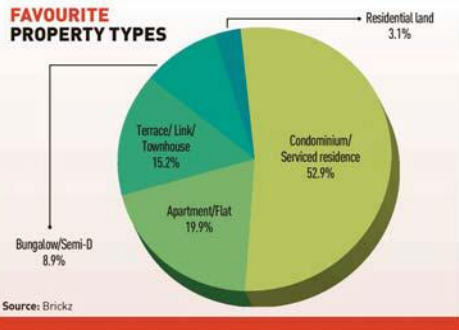
Mawer said the actual sales tally with the people's affordability.

Based on the latest household median income by the Department of Statistics, the average Penangite earns RM5,409.

Considering the 70 per cent Debt Service Ratio (DSR) rule, one could only afford a monthly instalment not exceeding RM1,600 for a home costing RM350,000.

The top five residential projects with median prices less than RM350,000 are Bandar Seberang Jaya, Bertam Perdana, Bandar Tasek Mutiara, Hijau E-Komuniti Suria and Bayan Baru.

FAVOURITE PROPERTY TYPES



Source: Brickz

MOST SEARCHED PROPERTY TYPES

According to Mawer, more than 50 per cent of house buyers searched for condominiums or serviced residences, while 20 per cent looked for apartments or flats.

Based on the listings on iProperty.com.my, the prices of condominiums and serviced residences ranged from RM160,000 to RM12.5 million, while apartments and flats ranged from RM35,000 to RM14 million.

This is followed by terrace, link, and townhouses (15 per cent), bungalows and semi-D (9 per cent), while the remaining three per cent of potential buyers searched for residential land.

The price tags for the terrace, link and townhouses ranged from RM170,000 to RM15 million, whereas bungalows and semi-D ranged from RM180,000 to RM60 million. These properties comprised new launches, sub-sales, auction properties and residential land.

New launches in Penang range from RM500,000 up to RM8.4 million, while the sub-sale prices are from RM300,000 to RM7.5 million.

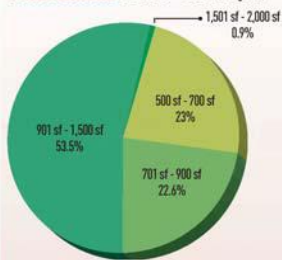
Note: Analytics are based on the data available at the date of publication and may be subject to revision as and when more data becomes available.

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DAVID MAWER
iProperty.com Malaysia general manager

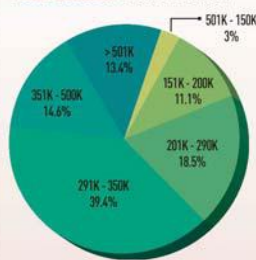


PREFERRED BUILT-UPS (sq ft)



Source: Brickz

PREFERRED PRICES (RM)





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SUMMARIES

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