

## Malaysia property mart expected to moderate next year

2011/12/16

The uncertainty in the market in view of the impact from the upcoming 13th general election will also influence the expected lacklustre performance in the property sector next year.

Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector (PEPS) immediate past president James Wong said he expects banks to be more conscious in loan approval next year as loan eligibility is now based on net income as compared to gross income previously.

"Over the years, property sector experienced oversupply of product, especially in the high-end condominium and offices. In addition to other factors that were mentioned, we expect to see a dip in property market performance next year," Wong said.

During the first half of this year, the property market registered an overwhelming 214,764 transactions worth RM64.75 billion. This represents a growth of 18 per cent and 29.7 per cent respectively against the same period in 2010.

"The year 2010 was acknowledged by all as a good year for the residential sector, which was then reflected in the volume and value of transactions," said Wong.

The market was expected to soften this year but it went against the odds, spurred by government projects, especially those under the Economic Transformation Programme (ETP).

PEPS president Choy Yue Kwong said the world is concerned with the possible contagion effect of the Eurozone financial crisis. "Locally, home property prices have risen significantly over the past two and a half years and the market is concerned if there will be a property bubble," Choy said.

He said these are among the issues that will be discussed in the upcoming Fifth Malaysian Property Summit 2012 (5MPS), which will be held on January 17 next year.

PEPS, which is the organiser of 5MPS, has lined up eminent speakers like Knight and Frank Malaysia managing director Eric YH Ooi, KGV International Property Consultants (M) Sdn Bhd executive director Anthony Chua Kian Beng and deputy managing director CH Williams Talhar and Wong Sdn Bhd Danny SK Yeo. By Zurinna Raja Adam