

Home Ownership Campaign sales hit RM14.65bil

Figure surpasses Rehda's initial, conservative target of RM3bil

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PETALING JAYA: Total sales for the ongoing Home Ownership Campaign (HOC) hit RM14.65bil as at Sept 13, 2019, surpassing the Real Estate and Housing Developers' Association's (Rehda) initial, conservative target of RM3bil.

As at Sept 13, a total of 19,784 residential units had been sold, said Rehda president Datuk Soam Heng Choon.

He said the bulk of the sales came from developments within the Klang Valley, with Selangor and Kuala Lumpur recording 8,259 and 4,775 units, respectively.

"The bulk of the sales comprised properties ranging between RM500,000 and RM750,000," he said at a briefing on Rehda's Property Industry Survey for the first half of 2019.

In light of the challenging environment currently, Soam said overall sentiment is that business performance is expected to improve in the first half of 2020.

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You can build in a great location such as KLCC, but if people can't afford it?

"Developers need to come up with products that customers want."

He said developers should build homes ranging from affordable to high-end, with the bulk of the devel-

opments catered to the mass market. "The development structure should not be shaped like a pyramid. It should be like a diamond, broadest in the center to cater to the middle-income group."

Soam added that he was grateful to the federal government for taking care of the welfare of property buyers via the HOC.

The six-month HOC, which is a collaboration between Rehda and the Housing and Local Government Ministry, was kicked off in January but was then extended to Dec 31.

The main incentives of the HOC include a minimum 10% discount on the property price from developers, stamp duty exemption on property sales and purchase agreements for properties priced up to RM1mil and stamp duty exemption for loan agreements up to RM2.5mil.

Meanwhile, Rehda's property survey revealed that the total number of properties launched dropped 20% to 10,574 units year-on-year in the first half of 2019, while the total number of units sold dipped 9% to 6,157 units during the same period.

Rehda said about 10,296 units (97% of total properties launched during the period comprised resi-

dential units.

"Two and three-storey terraces led the launches at 4,048 units, followed by serviced apartments (3,358 units) as well as apartments and condominiums at a distant third (989 units)," said Soam.

In terms of price range, the most launched selling price was between RM250,001 and RM700,000 at 72%.

The survey comprised 144 respondents who are Rehda members in Peninsular Malaysia.

Despite the drop in launches and sales in the first half of 2019, total sales performance, however, increased to 58% from the 43% recorded in the second half of 2018.

Meanwhile, 41% of respondents reported to have affordable housing components in their projects.

There was also an increase in the number of respondents with unsold units at 73% in the first half of 2019, with the majority reporting to have less than 30% of unsold stock.

The total number of unsold units stood at 5,875 in the first half of 2019.

The respondents attributed the unsold units to end-financing issues, unreleased bumiputra units and low demand or interest.