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**S**HOULD the national Home Ownership Campaign (HOC) be given another six-month extension - from Jan 1 to June 30, 2020 - to further boost the local property market?

According to data unveiled by National Property Information Centre (Napic) in September, there was some improvement in the local property market in the first half of this year (H1 2019).

The total number of transactions nationwide rose 6.9 per cent from 149,862 in the first half of 2018 (H1 2018) to 160,172 in the first six months of this year. Value-wise, there was a marginal 0.8 per cent increase to RM68.3 billion in H1 2019 from RM67.74 billion in H1 2018.

Landserv (Johor Baru) Sdn Bhd managing director Chen King Hoaw said the improvement in property transactions could have been due to the HOC.

This was a good sign as the market had contracted 3.6 per cent in H1 2015, 12.3 per cent in H1 2016, 6.1 per cent in H1 2017 and 2.5 per cent in H1 2018, he told NST Property.

Residential properties - landed and high-rise - were the biggest contributor to the overall property sector in H1 2019, with a 62.4 per cent market share.

There were 99,922 transactions worth RM34.65 billion recorded, an increase of 6.1 per cent in volume and 9.5 per cent in value.

All states, except for the Federal Territory and Perak, recorded better performance in the period under review.

Residential overhang increased marginally by 1.5 per cent in H1 2019 versus 18.8 per cent in H1 2016, 10.1 per cent in the second half (H2) of 2016, 41.1 per cent in H1 2017, 18.5 per cent in H2 2017, 18.1 per cent in H1 2018 and 10.6 per cent in H2 2018, signalling that the rise in residential overhang had actually slowed down," he said.

Chen hopes with the extension of the HOC from June 30 to Dec 31, 2019, the positive momentum would continue into the second half and beyond.

The Napic data show that Johor retained the highest number of residential overhang at 6,195 units, followed by Perak (5,796), Selangor (4,243) and Penang (3,929). By type, condominiums and apartments made up to 42.7 per cent of the total overhang, mostly within the RM200,000-RM300,000 range.

According to the Real Estate and Housing Developers' Association (Rehda), total sales for the ongoing HOC hit RM14.65 billion as at Sept 13.

A total of 19,784 residential units had been sold, said its president Datuk Soam Heng Choon recently.

The bulk of the sales comprised properties with prices of between RM500,000 and RM750,000, he said.

Soam said the landscape has changed where previously buying a property was all about location but today, it's about location, product and price.

The HOC, which is a collaboration between Rehda and the Housing and Local Government Ministry, started on Jan 1 for six months, but has been extended to Dec 31 this year.

#### A SMART MARKETING CAMPAIGN

The HOC was initiated to help clear the backlog in the housing market and encourage property ownership.

During the campaign period, Malaysians looking to buy a house will enjoy a minimum of 10 per cent discount from property developers. The houses under the HOC are priced above RM100,000 and should not exceed RM2.5 million.

It is learnt that some reputable developers with established projects in Greater Kuala Lum-



## Number of transactions improved 6.9pc in H1

pur are offering up to 50 per cent discounts as they have been unable to sell despite giving out freebies and incentives.

Apart from discounts, buyers are getting a 100 per cent stamp duty exemption on the Instrument of Transfer for houses that are priced below RM1 million, and on the Instrument of Loan Agreement for properties priced up to RM2.5 million.

The exemptions are only applicable for residential properties in the primary market like houses, condominiums and serviced apartments that are completed or under construction.

Small-office-home-office (SoHo), small-office-versatile-office (SoVo), small-office-flexible-office (SoFo) or subsale units are not qualified, which has led to concerns that there is an oversupply of these property types in the market.

In H1 2019 alone, 16,638 units of serviced apartments and 757 units of SoHo were completed and another 21,803 units of serviced apartments and 1,325 units of SoHo started construction.

"Evidently, the oversupply of serviced apartments and SoHo in our cities is a major concern which requires joint effort, time and commitment from all stakeholders to address the situation effectively," said Chen.

#### FOREIGN BUYERS TO HELP THE MARKET?

In the 2020 Budget, Finance Minister Lim Guan Eng announced the threshold price for high-rise properties in urban areas allowed for foreign purchases would be reduced to RM600,000 from RM1 million next year.



**Landserv (Johor Baru) Sdn Bhd managing director Chen King Hoaw says data shows that the property overhang growth pace has slowed.**

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**DATUK SOAM HENG CHOON**  
Rehda president

#### VOLUME OF TRANSACTIONS IN H1 2019 BY SECTOR

SUB-SECTOR	VOLUME	PERCENTAGE (%)
Residential	99,923	62.4%
Agriculture	34,555	21.6%
Commercial	12,959	8.1%
Development Land, etc.	9,598	6%
Industrial	3,137	2%
<b>TOTAL</b>	<b>160,172</b>	<b>100%</b>

NST

Rehda Selangor chairman Zulkifly Garib said last week that this is a good move as foreign buyers could buy unsold properties that cost below RM1 million each.

Zulkifly said Penang was to date the only state that had revised the threshold for foreign buyers to RM800,000 from RM1 million (on the mainland).

It is still "status quo" for the rest of the states. The threshold price in Selangor for foreigners is RM2 million, the highest in the country.

"We urge the state government to lower (the threshold) a bit. This is only a one-time thing for 2020... Let's give it a shot. It is only valid for one year, from Jan 1, 2020," he said during the briefing on Rehda Selangor's HOC-Malaysia Property Expo 2019.

Rehda Selangor deputy chairman Datuk Ho Hon Sang said reducing the threshold to as low as RM600,000 would help developers clear some of their unsold stock and reinvest in new projects.