

MIXED INDICATORS

Owners and sellers lowering asking prices, says PropertyGuru

KUALALUMPUR: Property owners and sellers are adjusting asking prices downwards amid the mixed macroeconomic indicators and as the national Home Ownership Campaign (HOC) draws to a close.

According to the PropertyGuru Market Index Q3 2019 report, asking prices in most major locations, including Kuala Lumpur, Selangor and Penang, saw quarter-on-quarter drops and long-term declines.

With the tabling of the 2020 Budget and lack of significant drivers, the sideways momentum was likely to continue into next year, it said.

Penang had the steepest quarter-on-quarter decline in asking prices, with the price index down

1.5 per cent to 93.4 in the third quarter from 94.8 previously.

Meanwhile, the growth over the past year was likely due to higher demand following the 2019 Budget's stamp duty exemptions as well as increased sentiment concurrent with the HOC.

However, discounts and other promotional measures associated with the campaign may have had a downward impact on asking prices in the long term.

As with other markets in Malaysia, the long-term trendline for Penang exhibits a marked decline, pointing towards a buyer's market.

"Continued increase in supply was seen in the third quarter of this year at 22 per cent, a positive turn compared with the previous

quarters last year, demonstrating that sellers want to let go their properties but are still adopting a wait-and-see approach," said PropertyGuru Malaysia country manager Sheldon Fernandez.

The Kuala Lumpur market exhibited trends similar to Penang, though to a lesser degree. Asking prices fell 0.9 per cent in the third quarter following a brief spike in the second quarter.

"Properties in the affordable range remain in demand, especially those with highly-desired addresses," said Fernandez.

Johor was the only state among the major markets to showcase positive trends in the quarter, with a long-term uptrend in asking prices since the first quarter of 2016.



Penang has the steepest quarter-on-quarter decline in property asking prices, with its price index down 1.5 per cent to 93.4 in the third quarter of this year from 94.8 previously.