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Volume and value of transactions increase

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The Kota Kinabalu residential property market has bucked the trend of slowing or stagnant growth by ending the last quarter of 2019 on a high, recording increases in volume and value of transactions.

"The year-on-year price growth seen by the landed properties we sampled was between 3.41% and 10.26% while that of the condominiums we sampled was from 0.8% to 5.1%, with no price growth recorded by Jesselton Condominium and 1 Borneo Condominium," says Rahim & Co branch manager (Kota Kinabalu) Max Sylvester Sintia in presenting the 4Q2019 Kota Kinabalu Housing Property Monitor.

He reveals that Sabah will establish a new body to implement the state's property development plans.

"The approval of the Sabah Town and Country Planning (Amendment) Enactment 2019 means that the Town and Country Planning Central Board will be replaced with a new entity — the State Planning Council (SPC). It is anticipated that the SPC, which will formulate high-level policy for the state's physical development planning, will improve the efficacy of the development plan (DP) approval process," says Max.

"One of the main objectives of the abolishment of the Central Board is to expedite the property development project process. The DP approval will allow developers to plan and manage cash flow and resources as well as materials allocation more effectively and efficiently."

According to Max, there were

not many new launches during the quarter under review as a number of developers focused on clearing their stock.

Meanwhile, the rental market saw no significant increase across the product types. "However, mature medium-cost apartments in areas that are well served by public transport, such as Beverly Hills Apartment in Jalan Bundusan, are able to fetch good rental with gross yields of 4% to as high as 7%," he says.

While most locals prefer landed properties, this is slowly changing, Max points out. He has seen the high-rise condo market maturing over the past five to seven years.

"Some of the older developments have enjoyed good capital appreciation over the years. For example, units in Lido Four Seasons Residence, which is in Jalan Lintas, were sold at RM320 psf on the primary market in 2013. In 2019, some of the units were sold on the secondary market for as high as RM500 to RM550 psf. However, with the mushrooming of new condo units in the market, most of the older condos are experiencing slower price growth, as evidenced by our samples."

Max observes that apartments and condos below RM400,000 per unit are "seen to be more attractive". He believes that developers

will likely continue with their rebate schemes while sellers on the secondary market will be giving discounts.

Even though the Home Ownership Campaign ended last December, he expects the government to continue encouraging homeownership, especially through the reduction of the foreign buyers' threshold to RM600,000 from RM1 million and with the introduction of the rent-to-own financing scheme.

Projects to keep an eye on
Max sees the property development landscape for Kota Kinabalu remaining stable, with upcoming

ing projects to benefit potential investors.

"Most of the upcoming projects within the Kota Kinabalu city centre involve smaller high-rise units, perhaps because the quantum selling price could be more affordable. Most of the new projects offer units with commercial titles, possibly to allow potential buyers to capitalise on the Airbnb business," he says.

The upcoming projects include Sutera Bay by VTS Property Collection Sdn Bhd, 313 Suites by B International Holdings and Vetro 11 Designer Suites @ KK by Q Avenue Sdn Bhd.

Sutera Bay will have retail units and 283 serviced apartments. The 15-storey development is sited on the southwest axis of the Kota Kinabalu central business district and within the Sadong Jaya area. The serviced apartments will have built-ups of 407 sq ft or 686 sq ft, with the larger units having a dual-key design. Estimated selling prices range from RM1,082 to RM1,189 psf.

Located in Jalan Pintas, 313 Suites will offer 226 serviced apartments. There will be two types of units — standard units with built-ups of 360 to 564 sq ft and duplex units from 800 to 1,381 sq ft. The estimated selling prices start at RM880 psf.

Vetro 11 Designer Suites @ KK will have 260 serviced apartments. It is located in Jalan Penampang and is in the immediate vicinity of Queen Elizabeth Hospital Kota Kinabalu. The 18-storey project will have retail units on the ground floor, carpark from levels 1 to 6, serviced apartments from levels 7 to 16 and hotel rooms on the highest two floors that will be managed by a third party. The built-ups of the serviced apartments will range from 308 to 536 sq ft, with estimated selling prices starting from RM910 psf.

Max forecasts that the overall Kota Kinabalu property market in the first half of the year will most likely remain the same as 2019, although improved sentiment should give the market a slight boost.

"The affordable market is expected to remain active while the high-end market, especially those with units priced from RM1 million, might be seen as rather unattractive save for those who enjoy the benefits of location, size, pricing and branding," he says.

Performance of terraced houses and condos

During the quarter under review, the average growth achieved by the 2-storey terraced houses sampled was 5.38%. The highest year-on-year growth was seen in houses in Luyang Perdana (up 7.14% to RM750,000), followed by Taman Jindo (6.56%), Millenium Height (6.09%), Taman Sri Borneo (5.74%), Golden Hill Garden (5.13%), Ujana Kingfisher (3.6%) and Taman



The Kota Kinabalu high-rise condo market is said to have matured over the past five to seven years

KOTA KINABALU capital values (1Q2010–4Q2019)

Selected 2-storey terraced development schemes

CAPITAL VALUE (RM'000/UNIT)	1Q10	1Q11	1Q12	1Q13	1Q14	1Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Ujana Kingfisher	300	300	345	370	400	430	465	470	480	490	500	510	520	530	540	545	550	555	560	565	570	575
Taman Indah Permal	240	260	290	310	345	355	380	380	385	390	400	405	410	415	420	430	435	440	445	450	455	455
Luyang Perdana	380	410	450	455	480	530	580	600	610	620	630	640	650	660	670	680	690	700	715	730	740	750
Taman Jindo	290	300	340	370	400	440	480	500	510	520	530	550	560	570	580	590	600	610	625	640	650	650
Taman Sri Borneo	320	330	380	400	430	465	490	500	510	520	530	550	560	570	580	590	600	610	620	630	640	645
Millenium Height	270	290	335	370	390	430	470	490	500	510	520	535	540	550	560	565	570	575	585	595	600	610
Golden Hill Garden	500	530	550	570	590	640	675	680	680	685	700	710	730	740	750	760	770	780	795	800	810	820

Selected 1-storey terraced development schemes

CAPITAL VALUE (RM'000/UNIT)	1Q10	1Q11	1Q12	1Q13	1Q14	1Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Taman Tuan Huat	185	200	205	230	250	275	310	315	320	330	340	350	355	365	375	380	385	390	400	410	420	430
Taman Sri Kepayan	220	220	240	270	310	335	370	375	380	390	400	405	410	415	425	430	435	440	450	460	470	475
Taman Nelly Ph 9	230	260	275	290	300	330	360	365	370	380	390	400	405	410	420	425	430	435	445	450	460	470

Selected condominium development schemes

CAPITAL VALUE (RMPSF/UNIT)	1Q10	1Q11	1Q12	1Q13	1Q14	1Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Jesselton Condo	380	400	440	480	510	540	575	580	585	590	600	605	605	610	610	610	610	610	610	610	610	610
Marina Court	440	450	460	500	520	550	570	575	575	580	585	585	590	590	600	610	620	620	620	620	620	625
Bayshore Condominium	335	335	380	410	430	450	460	465	465	465	470	475	480	485	485	490	500	510	515	520	525	530
Alam Damai	290	340	385	420	480	500	530	535	540	545	550	560	565	570	570	575	575	580	585	590	590	590
1 Borneo Condominium	270	275	300	330	340	360	380	380	380	380	390	395	400	405	405	405	410	410	410	410	410	410
Likas Square	240	280	300	330	360	370	385	385	390	390	390	390	390	390	390	390	390	395	400	405	410	415
Radiant Tower	330	350	395	410	440	450	460	460	465	465	465	465	470	470	470	470	475	480	480	485	490	490
The Peak Condominium	400	440	460	510	560	590	600	605	610	615	620	625	625	630	635	640	645	650	655	660	670	670