

Demand for JB properties expected to increase



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by FARA AISYAH / pic by BERNAMA

DEMAND for properties in Johor Baru (JB) is expected to increase on the continuation of infrastructure projects.

The southern city has been facing high overhang property numbers due to the mismatch between demand and supply for years.

Several housing developments in JB, in particular, are targeted for foreign buyers which could not be absorbed by Malaysians.

VPC Realtors (JB) Sdn Bhd property consultant of Asia Pacific, Bruce Lee, said the recent announcements in Budget 2021 – which include tax incentive extension, continuation of construction and improvement on transportation system to the region – will give hope to the property market. However, he said the weak demand since the implementation of the Movement Control Order.

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“We foresee the demand will slowly pick up again and price will maintain as it is in the next six months. Moreover, projects that are developed by foreign developers will not suffer declines in prices because of different sales strategy and policy to protect their previous units’ buyers compared to local developers’ projects,” he told *The Malaysian Reserve*.

He said JB properties do not experience a sharp decline in prices amid Covid-19 pandemic, but merely between a 3% and 5% decrease.

However, based on PropertyGuru Malaysia’s Property Market Index report, all four key markets of Kuala Lumpur, Selangor, Penang and Johor saw a fall in prices for the first time this year.

Johor registered the sharpest decline in 3Q20 where asking prices fell by 2.97%, while Penang saw a slight contraction of 0.64%.

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CH Williams Talhar & Wong Sdn Bhd director Tan Ka Leong expects the JB property market to pick up once Covid-19 vaccine is found.

“The timeline depends on how soon we overcome the Covid-19 pandemic as there are uncertainties and the border is still closed, while economic activities in JB are highly dependent on Singapore.

“Once some of the major infrastructure projects by the government commence, particularly once the construction of Rapid Transit System (RTS) progresses to another stage, the market will start to recover,” he said.

He said the JB market saw more activities even prior to the Budget 2021 announcement as developers had started to acquire land on the official launching of RTS in July.

RTS has been suspended since April 1, 2019, as the then Pakatan Harapan government needed time to review the project. It is now expected to begin operations by the end of 2026.

In the recent Budget 2021 announcement, Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said the government will continue the RTS and high-speed rail projects.

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The Rapid Transit Bus Transport System at three high-capacity routes and a busway at Iskandar Regional Development Authority in Johor will also be built.

In addition, the existing tax incentives for the East Coast Economic Region Development Corridor, Iskandar Malaysia, are extended until 2022.

Datamine Malaysia head of research Jerren Lai said real impacts from the continuation of infrastructure projects will be identified once the market sees construction and piling taking place.

“The market wants to see real action before investment and business activity starts rolling.

“RTS is the single most important initiative to drive population growth and should not be delayed further,” he said.

He added that Datamine identified 500,000 Malaysians who live and work in Singapore to be the potential dwellers in Iskandar Malaysia if efficient connectivity is in place.

Another 100,000 Singapore’s Housing Development Board (HDB) dwellers, whose property is fast approaching 60 years, will experience a rapid “lease decay” problem as all HDB units are on leasehold status.

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Malaysian property asking prices fall 1.3% in 3Q20



by FARA AISYAH / pic by TMR FILE

THE property asking prices in Malaysia dropped by 1.34% quarter-on-quarter (QoQ) in the third quarter of 2020 (3Q20), against 0.38% growth in the previous quarter. PropertyGuru Malaysia’s Property

Market Index (MPMI) report revealed that all four key markets of Kuala Lumpur (KL), Selangor, Penang and Johor saw ... Continue reading



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