

Local housing market to pick up steam in first half

REHDA: Greater confidence in Malaysian economy despite global uncertainties

SHAREN KAUR

KUALA LUMPUR

sharen@nstp.com.my

THE local housing market is expected to gather steam in the first half of this year, after cautious consumers shunned buying at the end of last year due to global economic uncertainties.

Datuk Seri Michael K.C. Yam, president of the Real Estate and Housing Developers' Association Malaysia (Rehda), said people are more confident on the Malaysian economy now despite uncertainties in developed countries.

Yam said the Economic Transformation Programme, the Government Transformation Programme and projects like the mass rapid transit and River of Life have garnered confidence in the market.

"They will have spin offs, creating jobs and business opportunities," Yam said yesterday, at the Rehda property market update for the first half of the year.

A Rehda survey found that 79 per cent of the 148 developers who responded were optimistic of the first six months of this year compared with 81 per cent in the second half of 2011.

Some 63 per cent said they will launch new projects in the first six months of this year, against 58 per cent in the preceding six months.

Seventy-four per cent of the re-



Rehda president **Datuk Seri Michael K.C. Yam** (right) and Rehda KL chairman **N. K. Tong** at the **property market update for the first half** of the year yesterday.

spondents said they will increase their selling prices by five per cent to 20 per cent this year.

"This is due to the high costs of building materials and labour, which continues to be major challenges for the industry. Land cost is also increasing and we have no choice but to pass it on to customers as our margins are eroding,"

Yam said.

The survey showed that 38 per cent of respondents are facing challenges with building materials, particularly the pricing of bricks, cement and steel bars, and it is having an impact on their cash flow.

Meanwhile, the first Malaysia Property Exposition (Mapex) for 2012, organised by Rehda, will be

held from March 2 to 4 at the Mid Valley Exhibition Centre here.

Rehda immediate past president Datuk Ng Seing Liong said Mapex is expected to generate property sales of up to RM100 million, slightly more than last year. Some 60 developers, including a small portion of foreign players, will showcase over 200 housing developments.