

Pockets of opportunities present across property markets in the regions

08 January 2019, Malaysia – Knight Frank Malaysia launches the latest research report, Real Estate Highlights 2nd Half of 2018 which reviews the property market across Klang Valley, Penang, Johor Bahru and Kota Kinabalu. In general, pockets of opportunities can be discovered in different areas across the region.

The overall property market held up rather well during the second half of 2018 with no major decline in market activities across various sub-sectors. Despite uncertainties surrounding the nation's first ever change in government since its independence, most international rating agencies continued to maintain Malaysia's fiscal outlook, which will aid in bolstering confidence among foreign investors.

Moving into 2019, sentiment in Malaysia's property market is expected to improve barring any unforeseen circumstances. This applies especially toward the residential property market, as policies announced under Budget 2019 are expected to strengthen demand, particularly among first-time homebuyers. The industrial sector will continue its resilience due to favourable growth trajectory in key manufacturing industries. However, the office and retail markets are set to remain challenging due to elevated supply levels.

Penang

Tay Tam, Executive Director at Knight Frank Penang, says, "The first phase of the Penang Transport Master Plan (PTMP), which comprises the Pan Island Link highway, the Bayan Lepas light rail transit (LRT) system as well as several major roads will proceed. The completion of the PTMP will boost the connectivity of Penang state, which will in turn be favourable towards the property market.

The industrial and office property markets in Penang are poised to continue their favourable performance. In contrast, the retail market is expected to be more competitive in 2019 due to the entry of new supply such as IKEA Batu Kawan.

Meanwhile, the residential market will likely show some signs of improvement moving forward, with outperformance being anticipated in the landed housing market."

Johor Bahru

Debbie Choy, Branch Head at Knight Frank Johor, says, "As of 3Q2018, the economic region of Iskandar Malaysia had recorded cumulative investment of RM272.90 billion. This is a testament that robust investment activities are still present in the region.

Amidst a challenging market, the industrial property sub-sector is still expected to fare well as investments in the logistics and manufacturing sector remains at a healthy level. Also, landed housing

with reasonable prices ranging from RM400,000 to RM500,000 are expected to fare well among homebuyers.”

Kota Kinabalu

Alexel Chan, Executive Director at Knight Frank Kota Kinabalu, says, “During the second half of 2018, there were fewer launches of residential properties as developers seek to review and reposition their products amidst a highly competitive market.

With the residential sector being plagued by rising supply, the continued growth of Sabah’s tourism and hospitality sector, coupled with the government’s commitment in delivering Pan Borneo Highway are bright spots for Kota Kinabalu’s property market moving into 2019.”

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To download the report, please visit: <https://bit.ly/2Au1xaL>

For further information, please contact:

Ms Judy Ong, Executive Director, Research and Consultancy, Knight Frank Malaysia
judy.ong@my.knightfrank.com +603 2289 9663

Ms Seline Soo, Marketing & Communications Manager, Knight Frank Malaysia
seline.soo@my.knightfrank.com +603 2289 9669 @KnightFrank_my

Ms Penny Hoo, Marketing Executive, Knight Frank Malaysia
penny.hoo@my.knightfrank.com +603 2289 9667 @KnightFrank_my

Notes to Editors

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