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# Property market outlook **PART 2**

China

> Reports on property markets in the region and here in Malaysia

**W**HILE last week we published views on the global outlook, this week we explore the market in various regions as well as the local scene.

It's a new year and looking at how the property market and our local currency fared in 2016, many are sceptical. With that, we have compiled views and comments from various industry specialists and market professionals for a

better idea of what can be expected in the Year of the Rooster.

**REGIONAL OVERVIEW**

According to JLL's forecast for 2017 delivered by its global capital markets research director, David Green-Morgan, the amount of capital targeting real estate across the world will remain constant, with volumes expected to exceed slightly. However, political and market uncertainty will likely

perpetuate into the year. Green-Morgan shares that performance in two of the region's biggest markets, Australia and Japan, was down by 17% and 1% respectively, with China recording a 19% increase.

Over in the UK, it was a rollercoaster with Brexit, which saw a decline in currency terms and overall volume, yet the English managed to battle it out and end the year with just a 11% drop. Outperformers for the year were Germany (up by 11%) and Central and Eastern Europe (up by 70%) - notably Poland and the Czech Republic.

In the Americas, the market ended 9% lower than the previous year with Canada slightly outperforming the rest of the region by ending the year just 3% below its figures for 2015.

**LOCAL LANDSCAPE**

According to property experts at a forum conducted by PropertyGuru, as rising living costs and smaller income growth are still concerns that are being carried into the new year, these will likely cause



USA

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affordability issues and high loan application rejection rates to persist, which will, if not already, lead to falling property prices. Moreover, with oversupply in some segments of high-rise residences - this will likely cause a drop in the selling price of property, especially for those who do not have holding power and may need to liquidate their properties.

With many in the oil and gas and banking industries who have been given the pink slip (especially

foreigners/expats), renters will be spoiled for choice, even more, as the number of vacant leased homes/properties increase, causing landlords to drop rates. Then again, depending on which "side of the fence you're on", there will be losers and gainers unless one has had the foresight and considered a long-term investment plan beforehand.

**HOTSPOTS AND MANTLE PLUMES**

The effect from rejected bank loans and those needing to cash out on their properties will most likely see a rise in the number of rentals, especially those situated in strategic locations, facilitated with good public transportation or located in easily connected/accessible areas.

Areas to take note of are the Transit Oriented Developments (TODs) - property development projects that are connected or located in close proximity to MRT, LRT or monorail stations. And with Prasarana's seven additional TOD projects (in Selangor alone) expected to be completed within the next four years, plus construction of the High Speed Rail scheduled in 2018, not forgetting the MRT line that will soon connect the north and south sectors of Greater Kuala Lumpur - the property scene here is expected to be bustling.

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## Three celebrations to welcome a perfect year

S P Setia Berhad hosted the first of its three Chinese New Year celebrations to welcome the Year of the Fire Rooster at the Setia Welcome Centre, SPICE Penang.

More than 500 guests comprising Astro celebrities and Penangites, attended the party. The theme for the party this year was based on "a home is made complete when all family members reunite".

The party saw guests partaking in fun games and activities together with their favourite celebrities, as well as rainbow calligraphy, dough doll-making, fortune-telling, caricature drawing sessions and more.

The "God of Prosperity" was also present to hand out mandarin oranges and Setia ang pows, while Setia staff were seen distributing traditional Chinese candies and sweets.

Eight lucky winners walked away with limited-edition plush toys produced by Astro in collaboration with S P Setia.

The second of its festive celebrations was held at the Setia Tropika Welcome Centre in Johor, with the final one taking place this Saturday at the Setia City Convention Centre in Setia Alam.

For more information, visit [www.spsetia.com](http://www.spsetia.com)



The view after Brexit in the UK.

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