

## Property sector set for recovery, says Kong

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Monday, 19 October 2009 21:00

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PETALING JAYA: The country's property market is set to strengthen in the coming years if the strong comeback in the third quarter (3Q) of 2009 is any indication of its revival, said Minister of Housing and Local Government Datuk Seri Kong Cho Ha.

He attributed the nascent market recovery to foreign investments and increased domestic demand, adding further upside to home prices had been forecast, driven by liquidity in the economy and a rebound in residential rentals.

"Malaysian real estate offers good returns on investment (ROI) as long as the chosen location is viable," he said. "We should expect the property prices to be playing a catching up role in comparison to foreign markets."

He added signs of recovery can be seen in the increase in plans for upmarket projects, increase in sales and rising investments.

Speaking after his keynote address at Asli's *National Property and Housing Summit 2009* today, Kong said Malaysia's property developers had become more experienced, resulting in a lower number of abandoned housing projects.

He also said 12 of 148 housing projects officially listed as abandoned had been successfully revived to completion by the Ministry of Housing and Local Government.

"We are in the midst of reviving another 48 projects, which are in various stages of completion," he said, adding that these projects were mostly in Selangor, due to the larger volume of property developments compared to other states.

Kong declined comments on his Ministry's wish list for Budget 2010, saying with 2010 being the final year for the ninth Malaysia plan (9MP), his ministry would continue to uphold current projects until 2011.

He said under the 9MP, his Ministry was tasked with building 74,000 units of low-cost homes under the Projek Perumahan Rakyat (PPR). "We have another 10,000 to 12,000 units to go, which I feel is an achievable target," he said.

In his keynote address, Kong said Malaysia was attracting attention from foreign investors based in the country due to government policies, such as zero tax on property gain transaction, as well as increased globalisation.

"There are also positive signs that the US recession is bottoming out and this will stabilise the region's economy and spur its recovery during the last quarter of the year," he said.

"This recovery is expected to provide a favourable basis for both residential sales and leasing markets in the Asian region including Kuala Lumpur, Singapore, Hong Kong and Jakarta."