

**Property Mart To Grow 10 Pct This Year, Says WTW
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KUALA LUMPUR, Feb 10 (Bernama) -- The property market is expected to see 10 per cent growth in transaction value this year from over RM40 billion last year, according to property consultant CH William Talhar & Wong Sdn Bhd.

Managing director Foo Gee Jen said the growth is slightly lower compared to 11 per cent last year, adding the appreciation in market value is mainly driven by cost rather than demand.

"The higher land value, shortage of labour and rise in building material prices rather than buyers' demand prompted our forecast value," he said.

He said the property market would stay buoyant on the back of the strong housing property segment, with the growth mainly contributed by demand from the young population.

Speaking at a media briefing on the outlook for the property sector today, he said office rentals would remain stagnant or decline for older buildings but there would be higher asking rentals for newly completed buildings with green certification and Multimedia Super Corridor status.

With over 0.74 million sq m of new office space expected to enter the market this year, there will be a very competitive office leasing environment, he said.

"Hence, older buildings will face pressure from declining occupancies as tenants seek newer, better quality offices," he added.

For the condominium sector, Foo said luxury condominiums could face the threat of oversupply in the future.

On new non-landed developments, he said a total of 13,716 units in 47 developments are currently under construction, with about 2,900 units to be completed this year.

"With the average occupancy rate at 68 per cent, this gives some pressure on the developers, whose current focus is more on smaller and more affordable unit sizes of 46.5 to 93.0 sq m," he said.

Selling prices range from RM9,136 to RM21,520 per sq m in the KLCC area, and RM7,532 to RM10,760 per sq m in the Mont' Kiara/Sri Hartamas and Kenny Hills areas, he added.

However, he said, sales of new housing developments are expected to be sustained this year due to the low interest and unemployment rates and attractive financing packages.

He said the take-up rate will be maintained at last year's rate, with the House Price Index at 11.4 per cent for Kuala Lumpur and 9.6 per cent for Selangor.

"Last year, the landed residential sector showed strong movement on the supply side while

demand was correspondingly positive, with most new launches recording high sales rates of between 60 and 70 per cent," he added.

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