



Inflation sees more Malaysians eyeing investment properties

KUALA LUMPUR: According to PropertyGuru Malaysia's Consumer Sentiment Study for the first half of the year, 53% of Malaysians expressed interest in purchasing property in the next year for investment purposes, viewing them as a hedge against inflation.

"As we begin to recover from the pandemic, Malaysians are choosing the housing market as an alternative to the more uncertain stock market," PropertyGuru country manager Shylendra Nathan says.

The study also found more than half of respondents (55%) expect property prices to increase as Malaysia transitions to an endemic phase.

"Hence, it is no surprise that those who have the means are considering purchasing investment property, especially in this current low-interest-rate environment," he added.

In January, the **Department of Statistics Malaysia** noted that the annual inflation rate last year had risen by 2.5% compared with a 1.2% drop in 2020, owing to the increase in fuel prices, and food-supply shortages driven by heavy rains.

The study also noted more Malaysians are considering a property in the outskirts of the city due to factors such as cheaper prices, larger homes, as well as a peaceful and greener environment.

In regard to remote working, one in three Malaysians said they would continue to do so post-pandemic. As such, 79% of respondents believed additional rooms would be vital when developing new properties.

And with the pandemic accelerating the adoption of digitalisation, two out of every three Malaysians said they would be comfortable going online to view and shortlist properties.

The survey showed 2 out of every 3 Malaysians would be comfortable going online to view and shortlist properties. (File pic)

Only 10% of Malaysians surveyed were comfortable with purchase functions and processes being made online.

Challenges in home ownership

According to the study, government initiatives such as the Home Ownership Campaign (HOC) and loan moratorium benefited prospective homebuyers and current homeowners.

The Real Estate and Housing Developers Association (Rehda) had previously said the HOC contributed to 73,503 residential sales worth RM47.38 billion, after discounts, between June 2020 and September 2021.

As for the loan moratorium, 46% felt it helped with the cost of living, and 26% acknowledged it helped rebuild savings.

However, only 12% were satisfied that the government was doing enough to ensure housing affordability.

Of those surveyed, 47% cited unstable jobs or salaries as the primary hurdle to owning a home. Some 41% said they struggled to afford the down payment, while 37% were unfamiliar with the paperwork required.

More than half of those surveyed hoped the government would extend the maximum home-loan tenure from 35 to 40 years.

“As Malaysians are just starting to get back on their feet and slowly rebuilding buyer confidence, more incentives are needed to help spur the property market,” Shylendra added.

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