

Homebuyers prefer houses on the outskirts of the city as they are more affordable and larger

When it comes to purchasing a home to live in, home seekers prefer properties located on the city's outskirts because they are quieter, have better pricing, more greenery, and larger-sized homes, according to PropertyGuru Malaysia's latest biannual Consumer Sentiment Study for H1 2022.

The study showed that more than half (55 per cent) of Malaysians surveyed were looking for properties outside the city centre due to the Covid-19 pandemic.

According to Shylendra Nathan, country manager for Malaysia (PropertyGuru.com.my and iProperty.com.my), the growing preference for such properties directly reflects the pandemic-fueled remote working trend.

One in every three Malaysians surveyed is currently working from home and intends to continue after the pandemic.

Shylendra said this influences the perceived importance of having a home office space.

Most Malaysians (79 per cent) believe it is critical to have extra room when developing new properties, even after the pandemic, he said.

"At the start of Covid-19, Malaysians weren't sure whether their companies' work from home policies are permanent or just a reaction to the mandated lockdowns. Now that they are confident the flexible working arrangement is here to stay, more Malaysians are open to moving to the suburb to enjoy larger spaces at lower prices. A longer commute to the office is an acceptable compromise for them if they don't have to make the trip daily, as the advantages of living in the outskirts of the city still outweigh the drawbacks," he said.

In terms of the process of finding and purchasing a home after the pandemic, two out of every three Malaysians said they would be comfortable shortlisting and viewing properties online. At the same time, more than one-quarter of respondents would feel at ease signing the sales agreement online.

"Ten per cent Malaysians are comfortable conducting all the purchase functions online from start to end, indicating the need for the property industry to accelerate their digital adoption to meet the evolving consumer behaviours," he said.

The study also revealed that Malaysians see real estate as a hedge against inflation, with 53 per cent of homeowners planning to buy an additional property for investment purposes in the coming year while staying in their current home.

According to the **Malaysian Department of Statistics**, national inflation increased by 2.5 per cent from January to December 2021, compared to a negative 1.2 per cent in the same period in 2020.

"With the emergence of inflation right as the economy is starting to recover from the pandemic, we believe that more Malaysians are turning to the housing market which presents a more attractive investment option, serving as a good alternative to the more uncertain stock market," Shylendra said.

The survey also found that more than half of the total respondents (55 per cent) expect property prices to increase post-Covid-19.

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

Government should do better to make housing more affordable

Only 12 per cent of Malaysians believe the government is doing enough to make housing affordable, according to the study.

Shylendra said that this is the firm's lowest Consumer Sentiment Study score since 2017.

"As Malaysians are just starting to get back on their feet and slowly rebuilding buyer confidence after persevering through the pandemic, more incentives are needed to help spur the property market," he said.

Various government initiatives, such as the Home Ownership Campaign (HOC) and the loan moratorium have aided home buyers and homeowners over the last two years.

Between June 2020 and September 2021, the Real Estate and Housing Developers Association (Rehda) reported that the HOC contributed to 73,503 residential sales worth a total of RM47.38 billion after discounts.

According to Shylendra, 46 per cent of moratorium participants polled in the study found the financial aid helpful in managing their cost of living, and 26 per cent stated they were able to rebuild their savings as a result of the moratorium.

He said that consumers had asked the government to provide additional assistance with the end of these initiatives because they continue to face barriers to achieving homeownership.

According to the study, non-homeowners have difficulty getting a home loan because of their unstable income (47 per cent) and their inability to afford the down payment (41 per cent).

Shylendra said that one of the measures that 53 per cent of Malaysians want the government to implement is extending the home loan tenure from 35 to 40 years to help reduce monthly repayments.

<https://www.nst.com.my/property/2022/03/779868/homebuyers-prefer-houses-outskirts-city-they-are-more-affordable-and-larger>