



More resort to renting amid inflation, rising OPR, floods, says PropertyGuru

SHAH ALAM - Online property portal PropertyGuru says potential homebuyers have resorted to renting in the interim, amid concerns of the rising inflation and Overnight Policy Rate (OPR) increase.

PropertyGuru Malaysia country manager Sheldon Fernandez said the government's move to launch the Malaysia Home Ownership Initiative (i-MILIKI) earlier this year, providing stamp duty exemption for first-time homebuyers was a good move as rental demand made a massive 96.83 per cent YoY jump.

"Economic uncertainties on the back of the overall recovery in the endemic have made potential homebuyers put a pause on their homeownership plans, while many others have raised concerns over affordability," he said in a statement.

Fernandez said the affordability issues continue to loom as over 51 per cent of the respondents indicating that they are not able to purchase a home without government assistance

Meanwhile, he further added that 69 per cent of the survey respondents said they have indicated they would buy a home if the Home Ownership Campaign (HOC) is revived.

"Amid affordability issues, the HOC has been a great help for many first-time homebuyers and has successfully encouraged activity in a slowed property market.

"On top of its continuation, we also see that the rakyat may also benefit from the continuation of HOC extending its terms to the secondary market as well," he said.

This, he said, would help to create demand and further encourage homeownership, providing more options and price points for potential homebuyers if sub-sale properties were included.

He further urged the government to consider reducing or removing stamp duty for residential properties of RM500,000 and below for all Malaysians to tackle property overhang and to boost the market.

A recent study by Malaysian Industrial Development Finance Berhad (MIDF) stated that residential overhang units increased to 35,592 units in Q1 2022 as compared to 27,468 units in Q1 2021, he said.

"While the government is working towards providing targeted subsidies to the rakyat, aspiring homeowners would benefit from more schemes similar to the MyHome Scheme, which is aimed at allowing first-time buyers in Malaysia to attain low-cost housing through government subsidies," he added.

Fernandez added that the **Department of Statistics Malaysia (DOSM)** stated that flooding resulted in approximate losses of up to RM6.1 billion with over RM1.6 billion of housing damages recorded amid post-pandemic recovery.

"These events have highlighted a new factor of consideration among Malaysian homebuyers are now worried about how natural disasters and environmental issues will affect their homes in the future.

"92% of the respondents in the study highlighted flooding as their main concern, while 83% marked landslides as a particular concern," he said.

He said while they hoped that Budget 2023 will help alleviate the current challenges faced by Malaysians and the property sector, the country should not lose sight of ongoing environmental issues, preparedness to face natural disasters, and implementing sustainable urban living.

In the 12th Malaysia Plan, which prioritises green and resilient urban development, he said, PropertyGuru urged the government to consider incentivising developers to adopt accredited green certification tools to promote green development in the country and continue to push different industries to do their part in becoming more environmentally friendly.

"We look forward to the announcement of Budget 2023, which will take place on 7 October, and hope that these factors will be taken into consideration not only for the property sector but for the benefit of Malaysians and its future generations," he added.

<https://www.sinardaily.my/article/180463/malaysia/national/more-resort-to-renting-amid-inflation-rising-opr-floods-says-propertyguru->