



Are Banks at Fault for the Property Glut?

One of the reason for oversupply of commercial spaces in Malaysia, especially Klang Valley is banks have given out loans for such projects in the past five years without thoroughly studying the supply and demand for such premises.

The property consultants had warned that there was an oversupply of commercial space as far back as 2012. But lenders still granted loans for commercial projects in the past years without conducting due diligence by themselves. Furthermore, the feasibility studies were more often done by developers instead of banks engaging their own third-party consultants to look into the business plan. It is one thing for a developer to show they can pay back the loan based on projections of sold or rented out units, but how accurate are these projections? Is there really a demand? Obviously, there isn't enough.

The situation of oversupply could get worse in future. The banks must now resist the temptation to simply approve loans for projects. Bank Negara should take the lead in making it more difficult for developers to get loans, unless they can prove that their projects will be viable, at least until cooling measures have run their course.

-Source: The Property Guru-

5 September 2017

Authorities crack down on apartment fees defaulters

The authorities are ramping up action against condo and apartment owners defaulting on maintenance payments — by raiding their units and seizing movable items. It is well known that the level of service charge collection has a direct impact on the level of maintenance of a building. Adequate service charge collection is a major factor in ensuring a building is well maintained, which in turn sets the foundation for the property's value to be maintained or rise in the long run.

-Source: The Edge Property-



7 September 2017

Central i-City Shopping Centre to open end-2018

Central i-City Shopping Centre, a joint-venture development by I-Berhad (I-Bhd) and Bangkok-based property developer and investor Central Pattana Public Co Ltd (CPN), is scheduled to open at the end of 2018. It has a lettable area of 940,000 sq ft with approximately 350 shops. The project has a gross development value (GDV) of RM850 million

- Source: The Edge Property-



7 September 2017

BNM keeps overnight policy rate at 3%

The overnight policy rate (OPR) maintained at 3%. The decision came amid expectations of stronger-than-anticipated growth in the Malaysian economy this year, driven by positive global growth outlook and stronger spill overs from the external sector to the domestic economy.

-Source: The Edge Property-



6 September 2017

Retail Industry shows growth for Q2

Malaysia's retail industry has recorded a 4.8% growth for the second quarter of the year compared to the same period for 2016 due to increased spending during the holiday season. Besides that, private consumption continued to climb higher by 7.1% during Q2 as Malaysian consumers are now spending more on dining out, services and internet shopping. The top two largest increases were transportation as well as food & non-alcoholic beverages. Slowdown in monthly inflation rates due to declining fuel prices has helped boost the retail sector as well.

-Source: The Edge Property-

