

Stable price growth expected in 2H2016

SHAHRIIN YAHYA/THE EDGE



The Kota Kinabalu skyline

KOTA KINABALU capital values (1Q2007–2Q2016)

Selected 2-storey terraced development scheme

CAPITAL VALUE (RM '000/UNIT)																								
	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16				
Ujana Kingfisher	230	270	280	300	300	345	370	390	395	395	400	415	420	420	430	435	450	460	465	470				
Taman Indah Permai	190	200	210	240	260	290	310	330	335	340	345	355	355	355	355	360	365	370	380	380				
Luyang Perdana	300	330	350	380	410	450	455	470	470	470	480	505	510	520	530	540	550	560	580	600				
Taman Jindo	210	235	260	290	300	340	370	390	390	390	400	415	420	430	440	450	460	470	480	500				
Taman Sri Borneo	280	290	310	320	330	380	400	410	410	420	430	430	450	460	465	470	480	485	490	500				
Millenium Height	240	250	260	270	290	335	370	380	380	385	390	405	410	420	430	440	450	460	470	490				
Golden Hill Garden	-	390	450	500	530	550	570	580	580	585	590	610	620	630	640	650	660	670	675	680				

Selected 1-storey terraced development scheme

CAPITAL VALUE (RM '000/UNIT)																								
	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16				
Taman Tuan Huat	165	170	170	185	200	205	230	240	240	245	250	250	260	265	275	280	290	300	310	315				
Taman Sri Kepayan	180	180	185	220	220	240	270	290	295	300	310	315	320	325	335	340	350	360	370	375				
Taman Nelly Ph 9	160	190	210	230	260	275	290	290	290	290	300	310	315	320	330	335	340	350	360	365				

Selected condominium development scheme

CAPITAL VALUE (RM PSF/UNIT)																								
	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16				
Jesselton Condo	-	-	325	380	400	440	480	490	490	500	510	520	520	530	540	550	570	570	575	580				
Marina Court	315	355	340	440	450	460	500	500	500	510	520	530	540	550	550	555	560	560	570	575				
Bayshore Condominium	275	290	310	335	335	380	410	420	420	420	430	430	440	450	450	450	460	460	460	465				
Alam Damai	-	-	-	290	340	385	420	440	440	450	480	480	490	490	500	510	520	520	530	535				
1Borneo Condominium	-	210	270	270	275	300	330	330	335	340	340	340	350	360	360	370	370	370	380	380				
Likas Square	225	230	235	240	280	300	330	330	345	360	360	360	360	370	370	380	385	385	385	385				
Radiant Tower	250	260	300	330	350	395	410	420	420	420	440	450	450	450	450	450	460	460	460	460				
The Peak Condominium	350	280	300	400	440	460	510	520	520	530	560	560	560	570	590	595	600	600	600	605				

KOTA KINABALU rents (1Q2007–2Q2016)

Selected 2-storey terraced development scheme

RENT (RM PER UNIT /MONTH)																								
	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16				
Ujana Kingfisher	600	650	800	900	900	900	1100	1200	1200	1200	1300	1300	1350	1350	1400	1400	1450	1450	1500	1500				
Taman Indah Permai	600	700	750	850	850	850	1000	1100	1100	1100	1150	1150	1200	1200	1200	1200	1250	1250	1300	1300				
Luyang Perdana	950	1000	1100	1200	1200	1500	1600	1700	1700	1700	1800	1800	1800	1800	1900	1900	1900	1900	1950	1950				
Taman Jindo	750	800	850	1100	1100	1300	1400	1500	1500	1500	1600	1600	1650	1650	1700	1700	1750	1800	1800	1850				
Taman Sri Borneo	800	850	1000	1100	1100	1400	1400	1500	1500	1500	1600	1600	1600	1600	1600	1650	1650	1650	1700	1700				
Millenium Height	800	900	1000	1200	1200	1400	1500	1550	1550	1600	1600	1650	1650	1650	1700	1700	1700	1750	1800	1800				
Golden Hill Garden	-	1400	1500	1500	1500	1800	1950	2000	2000	2050	2100	2100	2150	2150	2200	2200	2250	2250	2250	2300				

Selected 1-storey terraced development scheme

RENT (RM PER UNIT /MONTH)																								
	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q13	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16				
Taman Tuan Huat	700	750	700	800	800	900	950	1000	1000	1000	1050	1050	1100	1000	1200	1200	1200	1300	1300	1300				
Taman Sri Kepayan	800	850	900	950	950	1000	1150	1300	1300	1300	1400	1400	1400	1300	1500	1500	1500	1550	1600	1600				
Taman Nelly Ph 9	-	800	900	1000	1000	1000	1100	1150	1150	1150	1200	1200	1250	1150	1350	1350	1350	1400	1450	1450				

Selected condominium development scheme

RENT (RM PSF /MONTH)																								
	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16				
Jesselton Condo	-	-	1.67	1.73	1.87	1.93	2.07	2.07	2.10	2.13	2.20	2.20	2.20	2.20	2.27	2.27	2.33	2.33	2.33	2.37				
Marina Court	1.54	1.69	1.85	1.92	1.92	1.92	2.15	2.15	2.19	2.19	2.23	2.23	2.31	2.31	2.38	2.38	2.38	2.38	2.46	2.46				
Bayshore Condominium	1.06	1.06	1.06	1.22	1.22	1.22	1.33	1.33	1.36	1.36	1.39	1.39	1.44	1.44	1.44	1.44	1.50	1.50	1.50	1.53				
Alam Damai	-	-	-	-	-	1.55	1.73	1.77	1.82	1.91	2.00	2.00	2.09	2.05	2.09	2.09	2.09	2.18	2.18	2.18				
1Borneo Condominium	-	1.01	1.21	1.21	1.21	1.52	1.62	1.62	1.67	1.72	1.72	1.72	1.87	1.77	1.82	1.82	1.92	1.97	1.97	1.97				
Likas Square	1.19	1.26	1.41	1.48	1.48	1.48	1.48	1.48	1.48	1.52	1.52	1.52	1.56	1.56	1.56	1.56	1.59	1.59	1.59	1.59				
Radiant Tower	1.38	1.46	1.54	1.62	1.69	1.69	1.69	1.77	1.77	1.77	1.77	1.77	1.81	1.77	1.77	1.77	1.77	1.77	1.77	1.81				
The Peak Condominium	-	1.38	1.54	1.62	1.69	1.77	1.85	2.15	2.19	2.23	2.31	2.31	2.31	2.31	2.38	2.38	2.42	2.46	2.54	2.58				

Note: Prices shown are averaged and based on transacted deals. Rents shown are averaged and based on asking rentals observed for unfurnished unit. Relevant adjustments have been made where necessary for variations in size, specific location, design, condition and improvements made.

BY CHAI YEE HOONG

House prices in Kota Kinabalu are expected to rise slowly but steadily, says Rahim & Co branch manager Max Sylver Sintia when presenting The Edge/Rahim & Co Kota Kinabalu Housing Property Monitor for 2Q2016.

“We see stable price growth in 2H2016. This is based on the market’s performance in 2Q2016 and despite the current cautious sentiment due to stringent bank borrowing guidelines, escalating construction cost, weakening ringgit, land scarcity, falling global commodity prices and challenges in the employment market,” he says, adding that the secondary market saw positive quarter-on-quarter and year-on-year price growth in the second quarter of the year.

Prime areas that enjoy good accessibility, such as Luyang, Damai, Jalan Lintas and Jalan Bundusan, continued to be hot spots and recorded higher prices, especially for landed and stratified properties, on the secondary market.

The asking price for 2-storey terraced houses in these areas has reached RM1 million while average prices are hovering at RM500,000 to RM850,000, says Sintia. “Some houses in established residential developments that were sold on the secondary market saw a more than 100% capital appreciation from 5 to 10 years ago.”

In the suburbs, especially Tuaran, Menggatal and Inanam in the north and Penampang, Kepayan and Putatan in the south, demand for landed homes remained strong, albeit at higher prices, Sintia notes.

For example, the 2-storey houses in Bandar Sierra that are located on Jalan Tuaran are currently priced from RM400,000 to RM600,000 on the secondary market compared with RM250,000 six years ago, representing a capital appreciation of more than 40%. “Similar house types in the vicinity are going for about RM450,000 with encouraging take-up on the primary market,” Sintia observes.

High-end condominiums continued to do well on the primary and secondary markets. “We expect positive performance at projects such as SkyVue Residence and Triconic Tower as we observe most buyers — young professionals and families — are avoiding the more expensive landed homes. This has resulted in improved take-up rates for smaller high-rises,” Sintia points out.

Located on Jalan Penampang ByPass, the 22-storey SkyVue Residence (developed by NBLand and EH Property) comprises 200 condos and offers 24-hour security guard surveillance, CCTV, intercom, high-speed broadband infrastructure, a swimming pool, multipurpose hall, meeting room, landscaped garden and children’s playground. Sintia says the project is scheduled to be launched in 2H2016 at RM490 psf to RM671 psf (regular units) and RM694 psf to RM751 psf (penthouses).

Meanwhile, Triconic Tower — a development by Kinsabina Sdn Bhd — offers 768 condos housed in three 16-storey blocks.

“Despite the mushrooming of condominiums on the primary market, we note growing demand for landed homes on the secondary market in mature parts of Kota Kinabalu,” Sintia says, adding that the prices of landed properties are skyrocketing in areas such as Putatan, Penampang, Inanam, Kepayan, Menggatal and Tuaran, which are offering homebuyers newer and more affordable alternatives.



Sintia: We expect positive performance at high-end condominiums as we observe most buyers are avoiding the more expensive landed homes

Landed homes

The prices of 2-storey terraced houses sampled by the monitor rebounded from an average of 1.92% in 1Q2016 to 2.25% in 2Q2016.

Millenium Height, Luyang Perdana and Taman Jindo recorded an average q-o-q growth of RM20,000, followed by Taman Sri Borneo at RM10,000 and Ujana Kingfisher and Golden Hill Garden at RM5,000. Only Taman Indah Permai did not register any growth.

The samples recorded an average growth of 8.31% or RM40,838 year on year.

Meanwhile, the 1-storey terraced houses sampled by the monitor recorded an average y-o-y growth of 10.58% or RM33,333 in 2Q2016. The highest growth was seen in Taman Tuan Huat (+12%), followed by Taman Nelly Ph 9 (+8.06%) and Taman Sri Kepayan (+7.94%).

On a q-o-q basis, the prices of 1-storey terraced houses grew 1.45% or by about RM5,000. The best growth was seen at Taman Tuan Huat (+1.61%), followed by Taman Nelly Ph 9 (+1.39%) and Taman Sri Kepayan (+1.35%).

Condominiums

The condominiums sampled recorded an average y-o-y growth of 3.15% during the second quarter of the year. The better performers were Jesselton Condominium (+5.5%), Alam Damai (+4.9%), Marina Court (+3.6%), Bayshore Condominium (+3.3%), 1 Borneo Condominium (+2.7%), Radiant Tower (+2.2%), The Peak Condominium (+1.7%) and Likas Square (+1.3%).

On a q-o-q basis, the average price growth for condominiums was 0.58%.

KOTA KINABALU **yields** (1Q2007–2Q2016)

Selected 2-storey terraced development schemes (%)

	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Ujana Kingfisher	3.13	2.89	3.43	3.60	3.60	3.13	3.57	3.69	3.65	3.95	3.90	3.76	3.86	3.86	3.91	3.86	3.87	3.78	3.87	3.83
Taman Indah Permai	3.79	4.20	4.29	4.25	3.92	3.52	3.87	4.00	3.94	3.88	4.00	3.89	4.06	4.06	4.06	4.17	4.11	4.05	4.11	4.11
Luyang Perdana	3.80	3.64	3.77	3.79	3.51	4.00	4.22	4.34	4.34	4.47	4.50	4.28	4.24	4.15	4.30	4.22	4.15	4.07	4.03	3.90
Taman Jindo	4.29	4.09	3.92	4.55	4.40	4.59	4.54	4.62	4.62	4.77	4.80	4.63	4.71	4.60	4.64	4.53	4.57	4.60	4.50	4.44
Taman Sri Borneo	3.43	3.52	3.87	4.13	4.00	4.42	4.20	4.39	4.39	4.57	4.57	4.41	4.27	4.17	4.13	4.21	4.13	4.08	4.16	4.08
Millenium Height	4.00	4.32	4.62	5.33	4.97	5.01	4.86	4.89	4.89	4.99	4.92	4.89	4.83	4.71	4.74	4.64	4.53	4.57	4.60	4.41
Golden Hill Garden	—	4.31	4.00	3.60	3.40	3.93	4.11	4.14	4.14	4.31	4.27	4.13	4.16	4.10	4.13	4.06	4.09	4.03	4.00	4.06

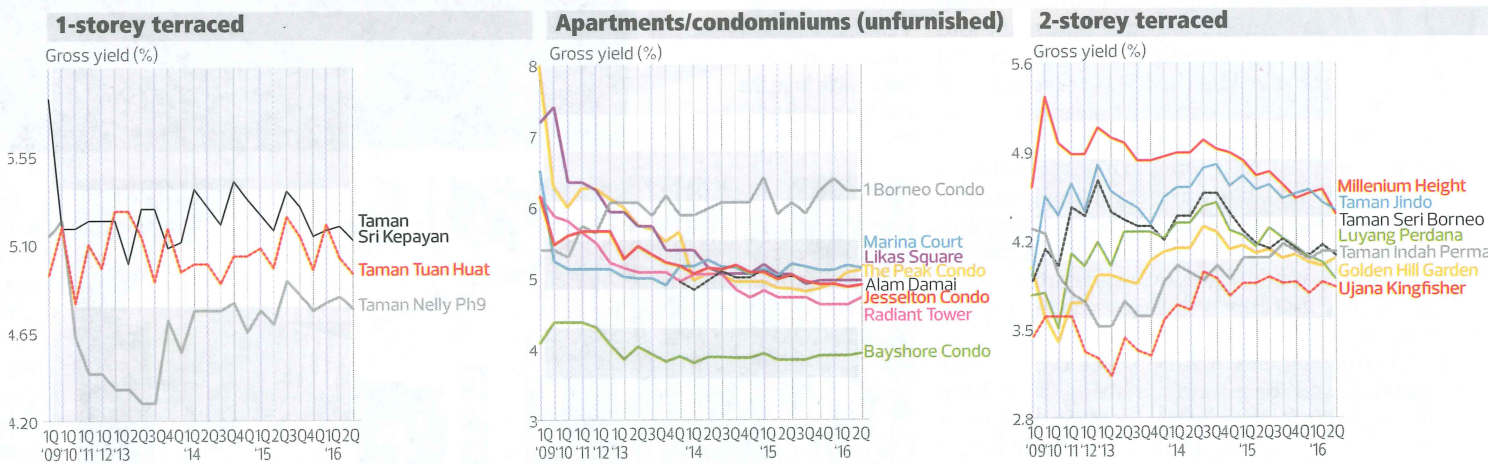
Selected 1-storey terraced development schemes (%)

	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Taman Tuan Huat	5.09	5.29	4.94	5.19	4.80	5.27	4.96	5.00	5.00	4.90	5.04	5.04	5.08	4.98	5.24	5.14	4.97	5.20	5.03	4.95
Taman Sri Kepayan	5.33	5.67	5.84	5.18	5.18	5.00	5.11	5.38	5.29	5.20	5.42	5.33	5.25	5.17	5.37	5.29	5.14	5.17	5.19	5.12
Taman Nelly Ph 9	—	5.05	5.14	5.22	4.62	4.36	4.55	4.76	4.76	4.76	4.80	4.65	4.76	4.69	4.91	4.84	4.76	4.80	4.83	4.77

Selected condominium development schemes (%)

	1Q07	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Jesselton Condo	—	—	6.15	5.47	5.60	5.27	5.17	5.06	5.14	5.12	5.18	5.08	5.08	4.98	5.04	4.95	4.91	4.91	4.87	4.90
Marina Court	5.86	5.72	6.52	5.24	5.13	5.02	5.17	5.17	5.26	5.16	5.15	5.05	5.13	5.03	5.20	5.16	5.11	5.11	5.18	5.14
Bayshore Condominium	4.61	4.37	4.09	4.38	4.38	3.86	3.90	3.81	3.89	3.89	3.88	3.88	3.94	3.85	3.85	3.85	3.91	3.91	3.91	3.94
Alam Damai	—	—	—	—	—	4.82	4.94	4.83	4.96	5.09	5.00	5.00	5.12	5.01	5.02	4.92	4.83	5.03	4.94	4.89
1 Borneo Condominium	—	5.77	5.39	5.39	5.29	6.06	5.88	5.88	5.97	6.06	6.06	6.06	6.41	5.89	6.06	5.90	6.22	6.39	6.22	6.22
Likas Square	6.32	6.57	7.19	7.41	6.35	5.93	5.39	5.39	5.15	5.06	5.06	5.06	5.19	5.05	5.05	4.91	4.96	4.96	4.96	4.96
Radiant Tower	6.65	6.75	6.15	5.87	5.80	5.14	4.95	5.05	5.05	5.05	4.83	4.72	4.82	4.72	4.72	4.72	4.62	4.62	4.62	4.72
The Peak Condominium	—	7.71	8.00	6.30	6.00	6.00	5.65	4.97	5.06	5.05	4.95	4.95	4.95	4.86	4.85	4.81	4.85	4.92	5.08	5.11

Gross yield performance of residential properties in selected schemes in Kota Kinabalu (1Q2009–2Q2016)



PROPERTY BRIEFS

Hua Yang on track to achieve property sales target, says CEO

Hua Yang Bhd is confident of achieving its property sales target of RM500 million, underpinned by two launches in the second half of this year.

CEO and executive director Ho Wen Yan said the company aims to roll out two affordable residential projects, one each in the Klang Valley and Penang. These projects have a combined gaross development value of RM721 million.

Although the property market remains challenging, he said the "feedback for these two new projects is positive". Ho was speaking to reporters on Aug 24 after Hua Yang's annual general meeting.

He said Hua Yang achieved property sales of RM53.2 million in the first quarter ended June 30. According to him, Hua Yang has unbilled sales of RM410.07 million, which will sustain the group's performance for at least a year.

S P Setia cuts FY16 sales target to RM3.5 bil

Three months after expressing confidence that its RM4 billion property sales target for the current year is achievable, S P Setia Bhd on Aug

23 lowered the figure to RM3.5 billion.

President and CEO Datuk Khor Chap Jen cited global uncertainty, especially in the aftermath of the UK's vote to leave the European Union, and continued weak sentiment in the Malaysian property market for the downward revision.

Khor told the media after the group annual general meeting on May 18 that it is confident of achieving RM4 billion in sales for the year ending Dec 31, 2016 (FY2016) by being selective in the projects it chooses to pursue.

However, in a statement on Aug 23 to announce S P Setia's second-quarter results, Khor mentioned the lower sales target.

US new-home sales hit nearly nine-year high

Sales of new homes in the US hit their highest pace in nearly nine years in July, helped by pent-up demand and ultra-low mortgage rates, the Commerce Department reported on Aug 23.

Sales of new single-family houses registered an annual 654,000 units, 12.4% higher than June and more than 31% higher than a year ago. That was well above analyst

predictions and buoyed hopes of consistent strength in the housing market, a key part of the economy.

At US\$294,600 (RM1.19 million), the median sales price in July was roughly in line with the 2015 average, but this is expected to rise.

Ian Shepherdson of Pantheon Macroeconomics noted that the monthly housing sales data is very volatile and that a recent slowdown in mortgage applications could signal somewhat weaker demand in the coming months.

However, he added: "The headline sales numbers look great, inventory is low and falling and prices are rising by about 5% year on year. If sales can be maintained at anything close to the July level, homebuilding activity will need to rise sharply." — AFP

MyHSR seeks KL–Singapore high-speed rail project consultants

Malaysian Government-owned MyHSR Corp Sdn Bhd said it will appoint "reference design consultants (RDCs)", who will oversee preliminary work for the Kuala Lumpur–Singapore high-speed rail (HSR) project.

In a statement on Aug 24, MyHSR, the HSR

project delivery vehicle, said the consultants' work scope would include rail infrastructure components in Malaysia and tender document preparation.

"The appointed RDCs are responsible for the preliminary design of infrastructure assets (stations, alignment, depot, and maintenance bases) within Malaysia," MyHSR said

Boustead's 2Q net profit surges to RM226m on disposal gain, declares 4 sen dividend

Boustead Holdings Bhd's net profit for the second quarter ended June 30 (2QFY2016) surged to RM225.8 million from RM2.9 million a year earlier, mainly due to the gains on disposal of Jendela Hikmat Sdn Bhd and plantation land.

Its 2QFY2016 revenue declined to RM2.07 billion from RM2.21 billion a year earlier. Boustead declared a second interim dividend of four sen per share to be paid on Sept 30.

For the six months ended June 30 (1HFY2016), Boustead's net profit jumped to RM204.3 million from RM3 million a year earlier, while revenue slipped to RM3.93 billion from RM4.1 billion a year earlier.