Property sector needs integrated database

Khazanah Research director: Info centre will act like a census

Salient points

- The local property sector needs to have detailed housing statistics.
- It's not a good measure of what you see in terms of supply or inventory, because finance should also be taken into account.
- Having a property database will benefit the country greatly.

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THE Malaysian property sector is in need of an integrated database with complete housing, statistical information that can be accessible to both consumers and developers.

Such a database would supply information for consumers if housing products are within affordable reach or if the supply and demand are in the right price zone, Khazanah Research Institute research director Dr Sarena Ismail said.

"That's what says our budget was for that year," she told the Budget.

"In a free market, information is power – and an integrated database is about having that information."

Having such a database would benefit the country greatly, he added.

"Knowing in such a large chunk of your savings. So if you are using one to 10 years' time, if you wanted to purchase, you might want to know where the house would be and at how much.

"Currently we don't have a proper national housing survey that looks into the owner-occupied stock, existing stock, vacancy rate, price range, and household price or rent-to-income ratio."

Having information like this would allow developers to plan for a steady supply of housing for people, he said.

"If a developer wants to build in a particular district, say 300 units of houses worth RM500,000, the developer must know how many people in that area can afford to buy or can afford to rent the house," he said.

"Otherwise building the residential housing survey and developer's database, there's no way to forecast there, as household income is just RM4,000".

"So you don't build them and the database can also be a strategic tool to monitor the housing stock," Perwaja Bhd (1163-H) chief executive officer Ismail Ibrahim added.

Ismail said the database could also help consumers and developers, as well as be a strategic tool for legislative makers at the central level.

Budget 2016 will be tabled in Parliament on Oct 21.

Sarena says Khazanah will be releasing a report on what housing standard looks like should be completed with in the country.

"The local property sector needs to have detailed housing statistics. We are working on developing what's considered standard – what's affordable for us and it'll come out next year. We are trying to look at what groups can afford as social housing."

Tackling affordable housing woes

It is no surprise that houses in Malaysia are generally unaffordable. According to Khazanah, the capital of research and housing affordable – house market is where the median price for the whole housing market is three times the gross annual household income.

"We have said, for moderate quite thoroughly in our analyses, Malaysia, there are other factors you look more of them are finance – 30% is a good measure when you are looking as part of the affordability, because finance should also be looked into," he said.

According to Khazanah's "Making Housing Affordable" report, overall house prices in Malaysia ran 4.4 times the median income during 2009 to 2014. In the major cities, the price of a home in Kuala Lumpur is 5.0 times the median income, in Penang it is 5.2 times, Johor 4.2 times and Selangor 4.

Those locations are as at 2014. Ismail said house prices are "overvalued", as stated in the Khazanah report. However he said it is not his place for private developers, there. "If the database is there, it can be a strategic tool for legislative makers at the central level."