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'Include residential vacancy rates in Napic report'

➤ This will provide a more accurate picture of housing supply and demand, says Metro Homes Realty executive director

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PETALING JAYA: The government should include information on residential vacancy rates (RVR), in order to provide more comprehensive data for industry stakeholders, said Metro Homes Realty Bhd executive director See Kok Loong (*pix*).

"The real ratio that represents the supply and demand situation should be RVR. Unfortunately, we don't have the RVR in Malaysia and I believe it is timely for the National Property Information Centre (Napic) to provide information on RVR instead of just overhang figures," he told *Property Take*.

According to See, RVR is the percentage of all units in the particular market that are unoccupied during a particular time. The vacancy rate is calculated by multiplying the number of vacant units by 100, which is then divided by the total number of units in the building.

When the RVR exceeds 7%, this would be a



"warning" against the addition of further supply and a signal for developers and local authorities to review and reconsider new projects to manage incoming supply.

"On the other hand, low vacancy rates generally mean

that the real estate market performance of an area is good. They are an indication that a strong demand for rental real estate units exists," he said.

RVR data can be obtained from utility companies such as Tenaga Nasional Bhd, who can provide numbers on units that have zero utility usage based on their monthly billings.

"Once we have a series of data over several

years, we will be able to analyse the market situation better in terms of demand and supply," he added.

At the moment, Napic provides data on transactions, including unsold units and overhang units, which See said does not reflect the real situation on market supply.

According to Napic, the number of unsold homes in Malaysia hit a new high of 30,115 units amounting to RM19.54 billion in the third quarter of 2018. The figure refers to homes that have been completed but remain unsold after nine months, excluding residential properties built on commercial land such as serviced apartments and SoHo units.

"The figures only cover developers' stock and does not cover units already sold to individuals or companies. Napic should provide RVR by national, state, city or location basis just like other developed countries such as the US, Singapore and Australia.

"It will help developers, banks, property consultants, home buyers and investors to make decisions by understanding the current demand and supply situation," See said. He suggested that Napic compile and publish RVR data on a quarterly basis for the public.

"For a better Malaysia, we should start providing more information on a timely basis so that the stakeholders can react accordingly," he added.