



**Valuation & Property Services Department
Ministry of Finance Malaysia**



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**Press Release
Property Market 2022**

Property market activity continued to record growth in 2022

1. More than 389,000 transactions worth RM179.07 billion were recorded, showing an increase of 29.5% in volume and 23.6% in value compared to last year.
2. Residential sub-sector led the overall property market activity, with 62.5% contribution in volume. There were 243,190 transactions worth RM94.28 billion recorded in the review period, increased by 22.3% in volume and 22.6% in value year-on-year. The improvement was supported by the uptrend recorded in Pulau Pinang (31.1%), Johor (24.3%), Perak (18.9%), WP Kuala Lumpur (18.4%) and Selangor (15.9%).
3. Commercial property segment recorded 32,809 transactions worth RM32.61 billion in 2022, increased by 46.3% in volume and 16.7% in value compared to last year. Shops formed more than half of these transactions (16,862 transactions worth RM14.2 billion); mostly were in Selangor (19.0%) and Johor (17.1%).

More new launches but market remained cautious

4. More than 54,000 units of new launches were recorded. The total was higher than 43,860 units recorded in 2021 but lower compared to pre-pandemic years. Sales performance was moderate at 36.0%.
5. Selangor recorded the highest number of new launches in the country, capturing 20.7% (11,176 units) of the national total with sales performance at 26.9%. WP Kuala Lumpur recorded the second highest number (10,324 units, 19.1% share) with sales performance at 47.2%. Johor came third (7,718 units, 14.3% share) with sales performance at 42.6%.

6. Condominium/apartment units dominated the new launches, capturing 45.0% (24,366 units) of the total, followed by terraced houses (42.2%) comprising single storey (9,422 units) and two to three storey (13,403 units).

Residential and service apartment overhang situation improved

7. The residential overhang numbers reduced to 27,746 units worth RM18.41 billion as at Q4 2022, down by 24.7% and 19.2% in volume and value respectively (Q4 2021: 36,863 worth RM22.79 billion).
8. Johor retained the highest number and value of overhang in the country with 5,285 units worth RM4.33 billion, accounting for 19.0% and 23.5% of the national volume and value respectively. Selangor (3,698 units worth RM3.36 billion), Pulau Pinang (3,593 units worth RM2.74 billion) and WP Kuala Lumpur (3,429 units worth RM3.15 billion) followed suit.
9. Nevertheless, the overhang volume in all four states reduced, each down by 13.8%, 39.3%, 34.6% and 12.2% compared to last year, mainly due to the absorption of supplies in the affordable price bracket (RM300,000 and below)
10. On the same note, serviced apartment saw a marginal reduction of 1.3% in both volume and value to record at 23,978 overhang units worth RM20.19 billion.
11. Johor recorded the highest volume in the country with 58.9% share (14,132 units) and 60.6% share in value (RM12.23 billion) but the overhang volume and value reduced by 14.2% and 13.5% respectively.

Construction activities was on a mixed mode

12. Construction activity recorded an increase in housing starts, up by 13.4% to 97,804 units and new planned supply increased by 14.9% to 89,111 units compared to 2021. Contrarily, completions were down by 5.8% to 71,981 units.
13. For serviced apartments, completion and new planned supply increased by nearly one-fold to 23,947 units and 12.3% to 14,391 units respectively whereas starts declined by 43.9% to 20,739 units.

House prices continued its low pace growth

14. The Malaysian House Price Index (MHPI) stood at 208.4 points in 2022^P with a low annual growth of 2.8%. Terraced House Price Index managed to sustain growth at 3.7%, followed by High-Rise Price Index (3.4%) and Semi-Detached Price Index (2.9%). However, Detached House Price Index recorded a slight decline of 2.9%.
15. Major states saw mixed movements in its overall House Price Index–Selangor, Johor and Pulau Pinang up by 3.4%, 2.2% and 3.2% respectively while WP Kuala Lumpur down marginally by 0.2%.

Office and retail property sectors performance moderated

16. The overall performance of shopping complex continued to moderate, recording an occupancy rate of 75.4%, down from 76.3% in 2021.
17. WP Kuala Lumpur and Selangor recorded 77.5% and 82.7% respectively above national occupancy rate, whereas Johor and Pulau Pinang managed to secure an average occupancy of 68.8% and 72.6% respectively. Negeri Sembilan and Melaka recorded among the lowest occupancy rate in the country, each at 66.6% and 61.2%.
18. Ten new shopping complexes were completed in the review period, adding nearly 264,000 s.m. of retail space into the market, bringing the national total existing space to 17.51 million square metres. There were another 40 complexes (1.38 million s.m.) in the incoming supply and with another nine complexes (0.35 million s.m.) in the planned supply.
19. The overall performance of purpose-built office decreased slightly to 78.5% in 2022, down from 78.9% in 2021. The occupancy rate for private office buildings declined further to 72.1%, down from 72.3% recorded in 2021. Pulau Pinang recorded an occupancy rate of 80.9%, whereas WP Kuala Lumpur, Selangor and Johor saw lower than national level at 72.1%, 67.3% and 59.1% respectively. Private office buildings in Putrajaya recorded the lowest occupancy rate in the country at 49.4%.
20. The office market saw ten new completions offering a total office space of 0.42 million s.m. giving a total of 24.30 million s.m. existing space from 2,585 buildings. There were another 1.53 million s.m. (48 buildings) in the incoming supply and nearly 0.99 million s.m. (31 buildings) in the planned supply.

Hotel sector on recovery mode

21. According to Tourism Malaysia, the average occupancy rate for January to September 2022 has increased to 46.6% compared to 21.8% recorded in 2021. The average occupancy rate (AOR) prior to pandemic was around 60%.
22. On the construction front, ten new hotels/resorts were completed in 2022 offering 1,341 rooms. Starts increased by 52.4% to 1,501 rooms whilst new planned supply contracted by 45.3% to 219 rooms.

Property market expected to be cautiously optimistic

23. The property market performance is expected to grow in line with the moderately lower economic growth projected for 2023 given the unpredictable external environment. Notwithstanding this, the accommodative policies, continuous government support, well execution of all planned measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under RMK-12 are expected to remain supportive of the property sector.

**National Property Information Centre (NAPIC)
Valuation & Property Services Department
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15th March 2023**