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**PROPERTY
PLUG** *Weekly*

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Residential Edition

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Cash purchase vs mortgage

(Source: TheStar, January 12, 2025)

What's going on here?

It is a major financial crossroad for all homebuyers when it comes to deciding whether to buy a home with cash or take out a mortgage.

What does it mean?

Cash buyers are free from the paperwork hassle and monthly payments, but they might find their finances tied up in one place. On the flip side, mortgages let homebuyers keep their cash for other opportunities, though the monthly payments and incurring interest rates require careful planning. Besides that, cash buyers enjoy quick transactions and freedom from debt, but they could miss out on investments or liquidity during emergencies. Meanwhile, mortgages turn monthly payments into growing equity, letting homeowners leverage on rising property values. Both options present a trade-off between peace of mind and financial flexibility.

Why should I care?

As a homebuyer, whether you're seeking security or wealth-building opportunities, understanding the pros and cons of your options helps you make the best decision for your goals and financial health.

The intriguing viability of themed rentals

(Source: TheStar, January 12, 2025)

Themed short-term rentals (STRA) are booming globally, offering immersive stays inspired by pop culture like Harry Potter or Barbie. While Malaysia has embraced some of this trend, such investments come with risks.

Unlike the U.S., where themed rentals thrive near attractions such as Disneyland, Malaysia's market remains modest, relying on affordability and steady tourist flow. To succeed long-term, focusing on authentic, sustainable designs that resonate with local communities may be a smarter strategy.

Building material costs to affect house prices

(Source: TheStar, January 10, 2025)

The 2025 property market looks promising, with rising investments and economic growth driving demand. Landed homes, especially in hotspots like Bangsar and Mont Kiara, are seeing steady price hikes (3–4% annually) due to land scarcity and high building material costs.

Suburban areas like Semenyih and Rawang are gaining popularity, thanks to hybrid work trends. High-rise units are bouncing back, particularly near MRT stations, despite fewer launches. While new homes are pricier, property remains a solid long-term investment in Malaysia's growing market.

Govt strengthening Strata Titles Act (Source: EdgeProp, January 10, 2025)

The government is improving the Strata Titles Act 1985 to tackle issues like missing titles, especially for low-cost units. Developers often fail to register strata titles due to missing documents or company closures, leaving buyers stuck with extra costs.

To fix this, a special trust fund (TKHS) is helping fund title registrations, with RM2.6 million allocated so far. Success stories include Desa Seri Maju Padu Apartment, where 40 buyers finally got their titles after decades. These changes aim to make strata living fairer and easier for homeowners across Malaysia.

Prices of landed houses in Klang Valley to rise up to 4% in 2025

(Source: TheStar, January 9, 2025)

Property prices in the Klang Valley are set to rise by 3–4% this year, especially for landed homes in hotspots like Petaling Jaya, Bangsar, and Mont Kiara, according to CBRE|WTW. Land scarcity and soaring raw material costs are driving this trend.

If you're house hunting, you might need to explore further areas like Semenyih or Puncak Alam for new landed projects. High-rise properties near MRT stations are also seeing increased demand, with rentals and investments picking up post-construction. As property prices are always rising, homeseekers has an incentive to buy sooner to take advantage of rising prices.

More affordable housing making its way to market (Source: TheStar, January 7, 2025)

Kenanga Research highlights that the property sector is improving, with affordability concerns easing. Developers are focusing more on affordable homes, especially those priced between RM300,000 and RM500,000, catering to first-time buyers and young working adults.

There's also a decrease in unsold residential units, signaling better market absorption. While challenges like oversupply and inflation remain, the sector shows signs of stabilizing.

Think tank proposes new way to measure housing affordability

(Source: EdgeProp, January 7, 2025)

The Centre for Market Education (CME) suggests that Malaysia's housing market may be mispriced. While homes labeled "affordable" meet financial criteria, they may still be out of reach for many when considering factors like proximity to jobs, transport, and property size.

CME has developed the Financial and Social Affordability Index (FSAI), which includes factors like local job opportunities and transport links. This comes as Malaysia faces an affordability gap, with many unsold residential properties, especially in Perak, Johor, and Kuala Lumpur, many of which are priced below RM300,000.

**IF YOU HAVE ANY QUESTIONS OR NEED PROPERTY ADVICE,
WE'RE HERE TO HELP AND WOULD LOVE TO HEAR FROM YOU.**

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