

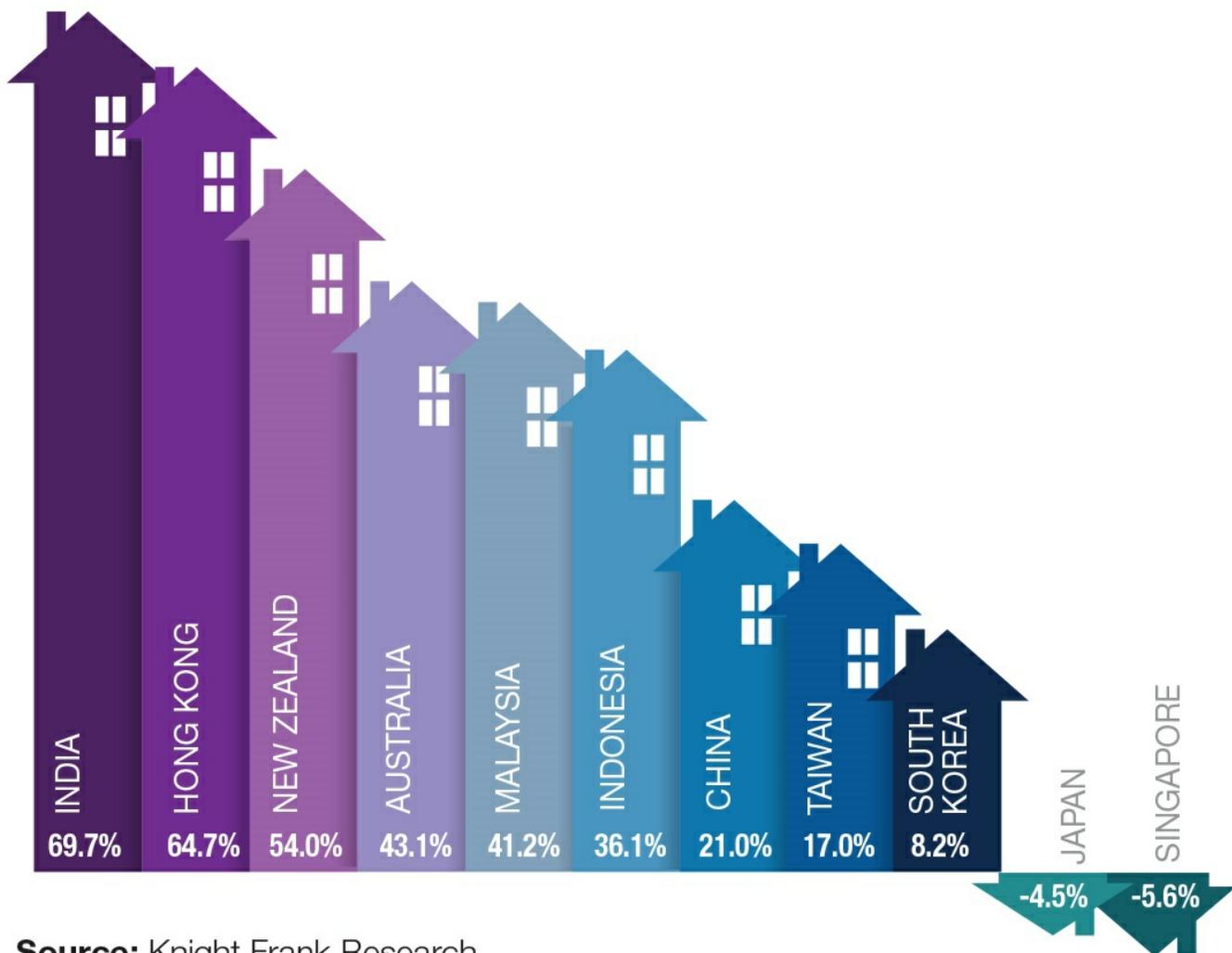
Knight Frank: Malaysia home price growth 5th fastest in Asia Pacific from 2012-17

www.theedgemarkets.com/article/knight-frank-malaysia-home-price-growth-5th-fastest-asia-pacific-201217

KUALA LUMPUR (Sept 30): Home prices in the country grew by 41.2% from 2Q2012 to 2Q2017, the fifth highest jump in the Asia Pacific region according to global property consultancy and services firm Knight Frank.

Asia Pacific 5-year focus: India on top

% change, Q2 2012-Q2 2017*



Source: Knight Frank Research
*or latest available data

It falls behind Australia (43.1%), New Zealand (54%), Hong Kong (64.7%) and India (69.7%), said the firm in its Global House Price Index report.

On a global basis within a one-year period to 2Q2017, Malaysia was ranked 28th, with an average residential property price growth rate of 5.3% per annum.

From 4Q2016 to 2Q2017, price growth stood at 1.3% while from 1Q2017 to 2Q2017 prices rose by just 0.8%.

Knight Frank predicts that in the three months after 2Q2017, the movement of prices is likely to slow or contract.

Among markets that have seen slower growth include China, where average house price growth dipped marginally to 9.6% in the 12 months to June.

Knight Frank cited reports which point to developers setting more ambitious sales targets this year, seemingly unperturbed by cooling measures intended to curb speculation and price inflation.

“The five-year price growth figures show a huge divergence in performance across the Asia-Pacific region, with the growth numbers in India (69.7%) standing in sharp contrast to Singapore (-5.6%), which has seen the stringent cooling measures applied over the period dampen market activity,” Knight Frank head of research for Asia-Pacific Nicholas Holt concluded.

Worldwide, the global house prices index rose by 5.6% on average in the year to June 2017 (1H2017), while Iceland and Hong Kong continue to lead the rankings.

The report showed that 49 out of 55 housing markets from around the world that was tracked in the index survey demonstrated flat or positive price growth in 1H2017.

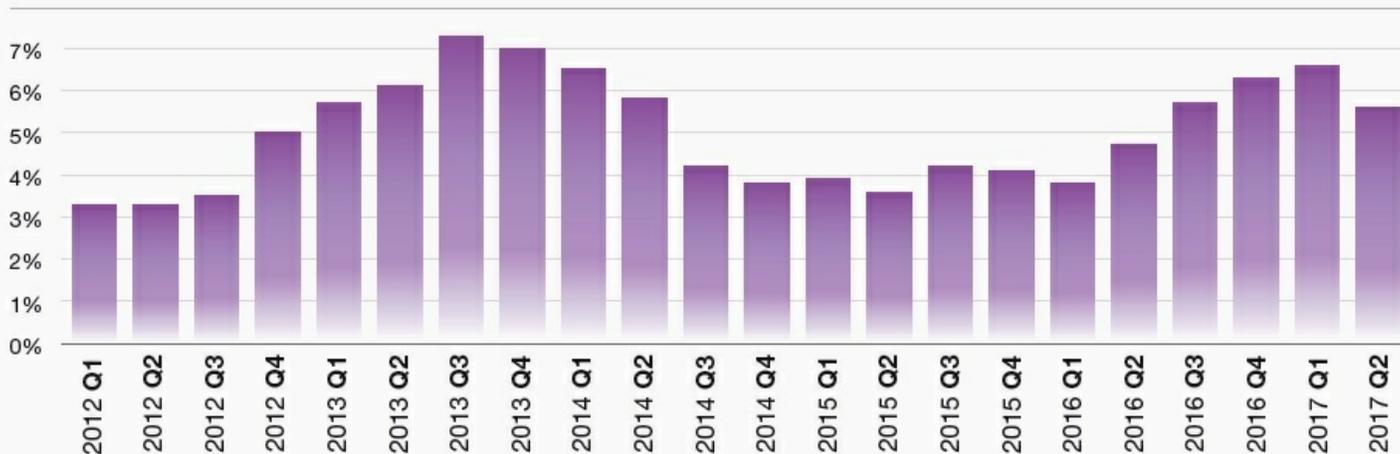
Meanwhile, home price growth in Iceland and Hong Kong continued rise the fastest over the last three months, with the former increasing from 17.8% to 23.2%, and the latter from 14.4% to 21.1%.

New Zealand has fallen behind Canada, with annual price growth slowing to 10.4% compared with Canada’s 14.2%.

“Hong Kong’s stellar performance is perhaps counter-intuitive given there have been three interest rate rises in the last year but like Iceland, strong demand and limited supply are behind its strengthening prices. Local buyers in Hong Kong, along with mainland Chinese investors, are keen to hedge against the yuan’s depreciation,” said Knight Frank’s international residential research partner Kate Everett-Allen.

Global House Price Index Q2 2017

Annual performance over the last five years*



Source: Knight Frank Research *Weighted by PPP