

# Prices fell in these five Selangor housing estates

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(Sept 28): Housing estates in Selangor faced some price corrections last year, with transacted prices of landed homes in as many as 30 housing areas seeing more than 5% dip y-o-y, according to data from the National Property Information Centre's (Naptic) Property Market Report 2016.

The five areas that recorded the steepest decrease in the transacted prices of landed homes were SS 3 in Petaling Jaya (-10.7%), Taman Bukit Teratai in Ampang (-9.5%), Section 22 in Petaling Jaya (-9.5%), Taman Kajang Perdana in Kajang (-8.6%) and Section 20 in Petaling Jaya (-7.4%).

Interestingly, all these five areas are matured, self-contained housing estates with easy accessibility and established amenities.

## A reflection of the times

Although the information collated by Naptic is based on the number of transacted properties selected randomly from the total sales available in a location within the review period, consultants and real estate negotiators view the results as a reflection of the overall price corrections that the property market is experiencing.

Jordan Lee & Jaafar Sdn Bhd (JLJ) executive director Chin Shioh Wei says it basically mirrors the current weak property market sentiments. "The trend is in line with the overall Malaysian property market performance, which has shown a downward trend in terms of volume and value of transactions since 2012," she tells EdgeProp.my.

Acrehill Properties real estate negotiator Michelle Lee concurs that as the market continues softening and new launches get more appealing with attractive marketing packages, house owners in these areas are getting more realistic and flexible on pricing.

Despite this, Kim Realty Sdn Bhd CEO Vincent Ng says this doesn't mean owners are throwing prices to below market value.

"These are old and established housing estates. Some owners have likely either paid off their housing loans or have only minimal outstanding loans. Most of them are selling because they see cash-out opportunities due to capital appreciation over the years," he opines.

Beside this, Ng notes that as much as the sellers would like to sell at higher prices, the banks' valuations of the properties may not correspond due to stricter lending rules. This could have also capped the asking prices of the properties.

## SS 3, Section 22 and Section 20

The largest price dip of 10.7% y-o-y was seen in SS 3 where a 2-storey semidee was sold at RM2.1 million last year compared with RM2.38 million in 2015.

As of July this year, EdgeProp.my listings showed that the average asking price for a 2-storey semidee in this area is RM2.38 million.

SS 3, also known as Taman Universiti, is a matured housing estate located opposite Sungai Way Free Trade Zone, next to SS 5, SS 6, SS 1 and SS 9.

About 2km away from SS 3 is Section 22, which is located close to Taman Paramount, Section 51A, Sea Park, Kampung Tunku and SS 9A. Section 22 has also seen a significant decrease of 9.5% y-o-y in 2016 for its 2-storey detached houses.

A 2-storey detached house changed hands at RM2.73 million in 2016 compared to a similar property in this area that was sold at RM3.01 million a year ago. Similar properties in Section 22 listed on EdgeProp.my are asking for

an average of RM2.35 million.

Section 20 or Taman Paramount, which is just a stone's throw away from Section 22, is also among the top in the list with average transactions of terraced homes there recording a 7.4% y-o-y decrease in 2016.

One of the transactions recorded in the Naptic report showed that a 2-storey terraced house in Taman Paramount was sold at RM880,000 in 2016. A similar transaction in 2015 was recorded at RM950,000. EdgeProp.my listings show that a 2-storey terraced house in the area is currently asking for RM850,000.

All these three areas in Petaling Jaya are at least 30 years old, offering a wide range of residential choices from 1- and 2-storey terraced houses, semidees and bungalows as well as newer high-rise residential developments.

With good connectivity to the Damansara-Puchong Expressway (LDP) and Federal Highway, residents in these areas could easily access other major townships and areas in Petaling Jaya, such as Bandar Sunway, Bandar Utama and Mutiara Damansara, as well as places in Kuala Lumpur such as Old Klang Road, Sri Petaling and Bangsar.

### **Taman Bukit Teratai and Taman Kajang Perdana**

Taman Bukit Teratai in Ampang and Taman Kajang Perdana in Kajang also saw significant price drops last year.

Taman Bukit Teratai neighbours Taman Bukit Permai, Taman Seraya, Taman Saga and Taman Putera. It is about 2km away from Hospital Ampang and 14km away from KL city centre.

Taman Bukit Teratai's average landed residential transaction price dipped 9.5% y-o-y in 2016. One of the transactions showed that a 2-storey terraced house was sold at RM450,000, from RM500,000 in 2015. Similar properties in Taman Bukit Teratai listed on EdgeProp.my are asking for an average of RM499,000.

Meanwhile, Taman Kajang Perdana has seen its average landed home transacted prices decrease 8.6% y-o-y in 2016. A 2-storey terraced house in this area was transacted at RM400,000, compared with RM475,000 for a similar property in 2015.

EdgeProp.my listings showed that the average asking price for a 2-storey terraced house in the same area is RM480,000.

Taman Kajang Perdana is divided into two parts by the Pintasan Kajang-Semenyih bypass road. Located next to Taman TTDI Grove and Taman Villa Heights, it is 7km away from Kajang town centre and 13km away from the University of Nottingham (Malaysia campus).

### **Affordability and safety the main concerns**

Although these five areas are well-established housing estates and located close to commercial centres and amenities, real estate negotiators note that housing prices in these areas have appreciated considerably over the years and have become unaffordable to the majority of homebuyers.

Lee from Acrehill notes that as more new housing launches come up with modern designs and in new well-planned townships, old houses in matured areas will find it difficult to attract new owners. "For instance, with a price of over RM1 million for an old house that needs to be refurbished, one could get a spacious new house in a new township with a lot of offerings like clubhouse facilities and nice landscaping as well as security features."

Besides this, the lack of safety and security is another challenge for owners in these older areas to attract homebuyers.

"Older housing estates undeniably have the best locations, accessibility and amenities, but as people become more concerned over safety issues, a gated-and-guarded community will be more appealing to them," highlights Lee.

Hartamas Real Estate (Malaysia) Sdn Bhd real estate negotiator Esther Ng observes that although there is still

interest in houses in SS 3, Section 22 and Section 20, transactions have significantly slowed with most buyers buying for own-stay rather than for investment.

“Potential homebuyers in Section 20 and Section 22 are often deterred from signing on the dotted line by the condition of the aged houses and the refurbishment cost that they have to put in,” she says.

### **Location still sells**

Considering their age and lack of features seen in new houses, it would be challenging for these older housing estates to continue their price growth momentum that they had experienced in the past. Nevertheless, property consultants still hold a positive view of these areas due to land scarcity and their excellent locations.

JLJ’s Chin notes the older areas in Petaling Jaya are still sought after by homebuyers. Despite the recent price corrections, they remain attractive in terms of location and connectivity as well as proximity to major business hubs in the Klang Valley.

Similarly, for places like Taman Bukit Teratai and Taman Kajang Perdana, consultants and real estate negotiators still see opportunities in these areas.

For the Kajang area, GS Realty Sdn Bhd senior negotiator Aaron Wong says housing and commercial development has expanded from the crowded Kajang town to other places such as Taman Kajang Perdana and TTDI Grove.

“Taman Kajang Perdana is over 10 years old. It is a good place for owner occupiers because of its good accessibility using the main road — Pintasan Kajang-Semenyih bypass road,” he notes.

However, the non-gated-and-guarded community and the lack of amenities might be its biggest drawbacks for investment seekers.

As for Taman Bukit Teratai, Wong opines that there is always demand for property in this area due to its location as residents could easily access Dato Keramat, Taman Desa, Cheras and Kuala Lumpur’s Golden Triangle areas.

“This is an old housing estate of over 20 years. Many new buyers are buying for the location. The condition of the house is usually not a concern as many buyers rebuild the entire house into a new one,” he explains.

Despite last year’s price drop, over the years, Taman Bukit Teratai owners have seen house prices increase significantly. For instance, a low-cost 2-storey terraced house sold 16 years ago at RM88,000 has seen transaction price surge to RM450,000 this year.

### **Still worth the buy?**

Acrehill’s Lee says with the right pricing that meets buyers’ expectation and affordability, these matured areas will still remain in demand.

Ng from Kim Realty says these matured neighbourhoods are conveniently located with existing amenities nearby and there are still a lot of interest in such areas instead of new township developments that have just begun to thrive.

“Any or all of these areas are worth buying as landed properties are getting fewer due to scarcity of land. In terms of redevelopment, the possibility is minimal as the returns might not be encouraging for developers to pursue due to escalating land prices in these areas,” he concludes.

Chin from JLJ sees other catalysts that could support the price growths in these areas.

She notes that the improved public transportation system — such as the mass rapid transit and light rail transit lines, enhancement in living environment and availability of existing amenities such as shopping malls, schools and hospitals — are still the fundamentals that most property buyers seek.

