

# Mixed outlook for Penang housing in 2018

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January 23, 2018

KUALA LUMPUR (Jan 23): The Penang property market is expected to diverge further in 2018, according to real estate consultancy PPC International Sdn Bhd.

In its session on the northern region's market performance and outlook at the 11th Malaysian Property Summit today, the consultancy said the residential property segment will be more "complicated" this year.

The presentation was conducted by Michael Geh, a member of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS), which is the organiser of the summit.

"The affordable housing market is expected to remain active while the high-end market — such as homes priced RM1 million and above — may remain sluggish, especially developments that are not in the right location, size or branding," said Geh.

Data from the National Property Information Centre and PPC International showed that residential housing transaction volume of 8,841, worth RM3.95 billion, was recorded in the first nine months of 2017 (9M17), a drop of 10.7% in volume and 1.2% in value against the same period in 2016.

He noted that the commercial property transactions in Penang have stabilised over the past two years.

Commercial property transaction volume was at 1,038 with transaction value recorded at RM748.04 million in 9M17, a 9.9% drop in volume and a 0.7% dip in value from 9M16.

"Based on the historical data and trends by PPC International, the office buildings with good location, is well designed and with MSC (Multimedia Super Corridor) status will still be in demand," said Geh.

However, the retail property segment will be even more competitive, which will require shopping malls to carry out constant upgrades and maintenance in order to continue to attract shoppers as more supply is expected in 2018, including The City Mall at Tanjung Tokong.