

KERATAN AKHBAR

TARIKH : 12 OKTOBER 2022

AKHBAR : NEW STRAITS TIMES

MUKA SURAT : <https://www.nst.com.my/property/2022/10/839988/road-and-railroad-projects-will-benefit-construction-and-real-estate>

Road and railroad projects will benefit the construction and real estate industries



Image credit: Rapid Rail Sdn Bhd

Previndran Singhe, founder and group chief executive officer of Zerin Properties, predicts that the country's big infrastructure projects, particularly those involving roads and railroads, will bode well for the construction and real estate sectors.

Out of the RM95 billion budgeted for development expenditures in Budget 2023, the transportation sector has received a total of RM16.5 billion.

The East Coast Rail Link (ECRL), the Johor Bahru-Singapore Rapid Transit System (RTS), the Pan Borneo Highway, the Gemas-Johor Bahru Electrified Double Track, the Mass Rapid Transit Circle Line (MRT3), and the Central Spine Expressway are among the ongoing projects.

When presenting Budget 2023 on October 7, Tengku Datuk Seri Zafrul Tengku Abdul Aziz said that the Pan Borneo Highway project in Sarawak is anticipated to be fully completed soon and the highway project in Sabah will be done by 2024.

He said that the second phase of the MRT 2 project, which runs from the Kampung Batu station to Putrajaya Sentral, is nearly completed and will assist the Klang Valley's residents by opening in January 2023.

Phase 1 of MRT3 is scheduled to be completed in 2028, followed by Phase 2 in 2030.

Tengku Zafrul said the government is committed to completing the Kuala Lumpur rail network with a 50.8km - line under the MRT3 project.

The MRT3 project would cost RM50.2 billion, with an estimated RM3.3 billion in spending in 2023.



Prevedran Singhe, founder and group chief executive officer of ZerIn Properties.

According to Prevedran, the Budget 2023 measures overall will benefit the real estate market, notably the housing sector.

He said that the increase in stamp duty exemption for first-time homebuyers for residential properties priced above RM500,000 to RM1 million and the extension of the exemption until 2025 for properties priced below RM500,000 are expected to increase homeownership among first-time homebuyers and subsequently increase real estate transactions.

"Notwithstanding, extending the stamp duty exemption to second home purchases would aid in reducing unsold inventories and accelerate the recovery of the housing market," he said.

Further, Previndran said that measures like the RM3 billion allocation for Syarikat Jaminan Kredit Perumahan Bhd for 12,000 borrowers and the RM367 million allocation for new Program Perumahan Rakyat projects in Terengganu and Perlis as well as the RM358 million allocation for Program Rumah Mesra Rakyat will benefit and increase homeownership among the lower income group and gig economy workers.

The tourism and hospitality sectors are also set to benefit from funding allocated under Bank Negara Malaysia which includes RM500 million allocation under the BNM Tourism Financing Fund and a total of RM10 billion in funding for SMEs in the automation, digitalisation, tourism, and agriculture sectors.

CBRE|WTW Malaysia managing director Foo Gee Jen said public transportation and significant infrastructure development projects will have the biggest influence on the real estate market.

This includes developments in Johor like Petronas' US\$27 billion investment in Kompleks Petroleum Pengerang and the RM510 million budgeted to upgrade the Senai Desaru Expressway's road infrastructure to Pengerang.

According to Foo, the introduction of 5G in areas with large population densities will also have a favourable effect on the real estate market.

"Leading up to Budget 2023, there were high expectations and interesting forecasts made by industry leaders. However, the property sector made a relatively neutral appearance as the general economical budgeting steered in a different direction.

"Despite this unexpected turn of events, the budget this year brought upon some impactful changes, some of which focused on green technology, mental health, and commute infrastructure. Initiatives as such will put the country far ahead as these are factors that will play a crucial role in developing our people in the long run," Foo said.

Foo asserted that a closer examination of the real estate market reveals that while there have been no game-changing initiatives as a result of the industry's neutral attitudes, the government's announcement that 2023 will mark the year Malaysians bring cautious normalcy to their spending will have a significant positive impact.