

Ireka: Foreign buyers are returning

KUALA LUMPUR: Ireka Corp Bhd noted yesterday that foreign buyers have been "coming back" to the Malaysian property scene since the second quarter of this year.

"They (foreign buyers) have been coming back since early this year. We've seen quite active interest since March and April onwards," said Ireka's group executive director Lai Voon Hon.

The developer of high-end property projects in Mont'Kiara said that "more than 50%" are foreign buyers for its ongoing SENI Mont'Kiara project.

"We launched SENI in two phases, the first phase mostly taken up by local (buyers). We are actively starting to promote phase 2 now," Lai said.

"We have slightly more than a year before its completion and we are seeing quite a good takeup rate from overseas buyers at this moment. But we believe the local market should come back also," he added.

Meanwhile, Lai said that any mortgage cap imposed by the government would have some short-term effects on the prop-

erty market, but maintains that he personally feels that "there is no bubble per se".

"There are a lot of writeups about whether it is really a (property) bubble. There are certain hotspots where prices have overshot but overall the market in Malaysia is still in very early stages of recovery," said Lai.

"Why I say that is because if you look at some of the properties in prime areas, the price is not very much above the cost of developing those projects. I don't think there is a speculative bubble going on here.

"Of course, developers are mindful about how strong the recovery is. You don't want a situation where developers launch all the projects at the same time, which will create problems on the supply side where supply will go up higher than the takeup rate," he added.

He also suggested that instead of the government regulating the property market, it should be left to market forces to decide and allow banks to decide how much and who they want to lend to. — **By Daniel Khoo**