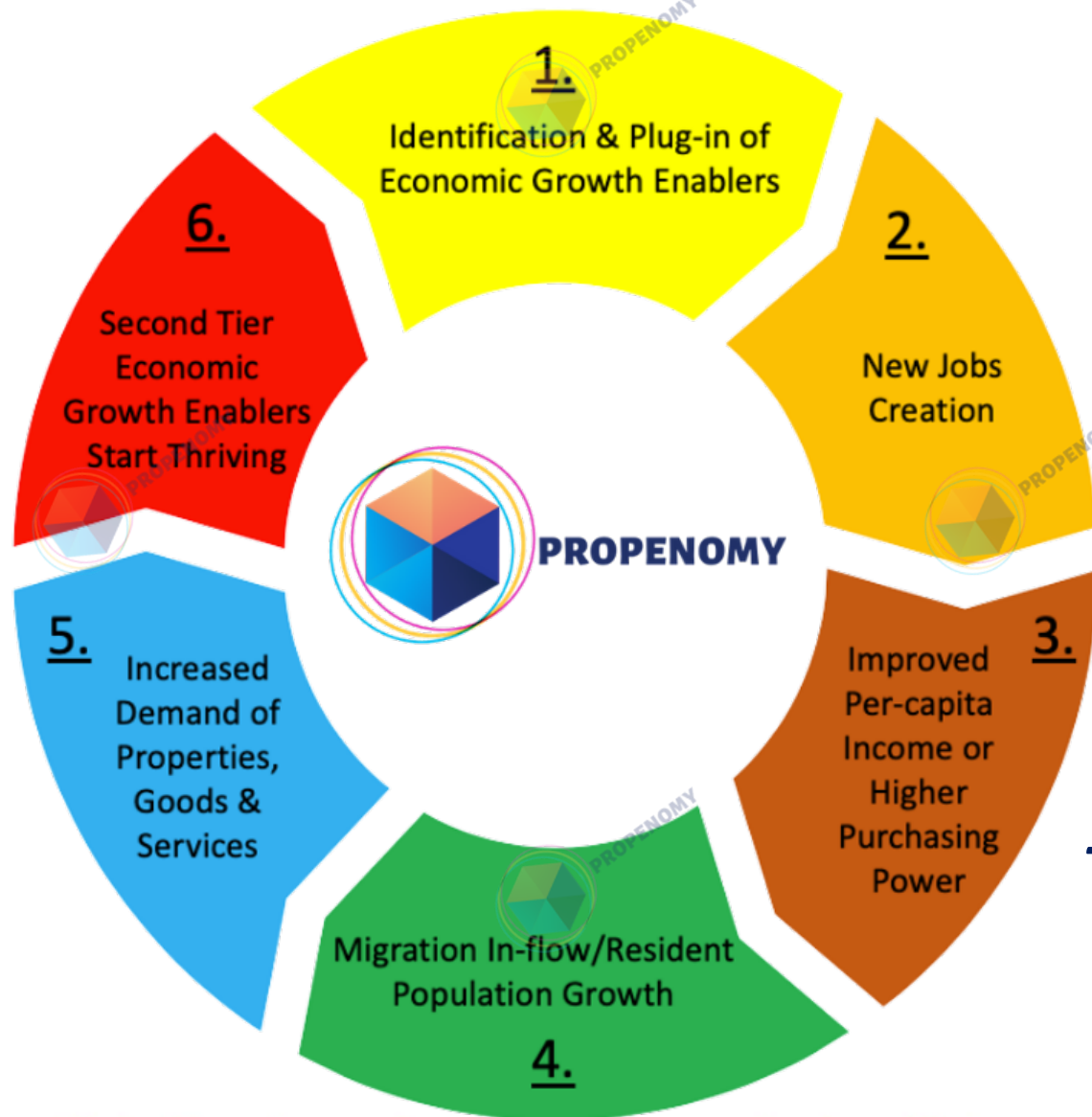PROPENOMY

MDBC
Malaysian Dutch Business Council

Propenomy for MDBC
*Property Outlook
2022 & Beyond*

SUSTAINABLE PROPERTY MARKET
The *Propenomy Model*

Self-sustainable Smart Township Were Residents, Families, Live Together Leveraging on Sharing Economy Becoming an Economic Driver By Itself!

Smart Township Of the Future Must Be Demand Driven Environmentally Friendly Connected Re-generative 100% Demand Driven Affordable

1. Identification & Plug-in of Economic Growth Enablers

2. New Jobs Creation

3. Improved Per-capita Income or Higher Purchasing Power

4. Migration In-flow/Resident Population Growth

5. Increased Demand of Properties, Goods & Services

6. Second Tier Economic Growth Enablers Start Thriving

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ECONOMIC GROWTH

GENERATES JOB OPPORTUNITIES

PROPENOMY
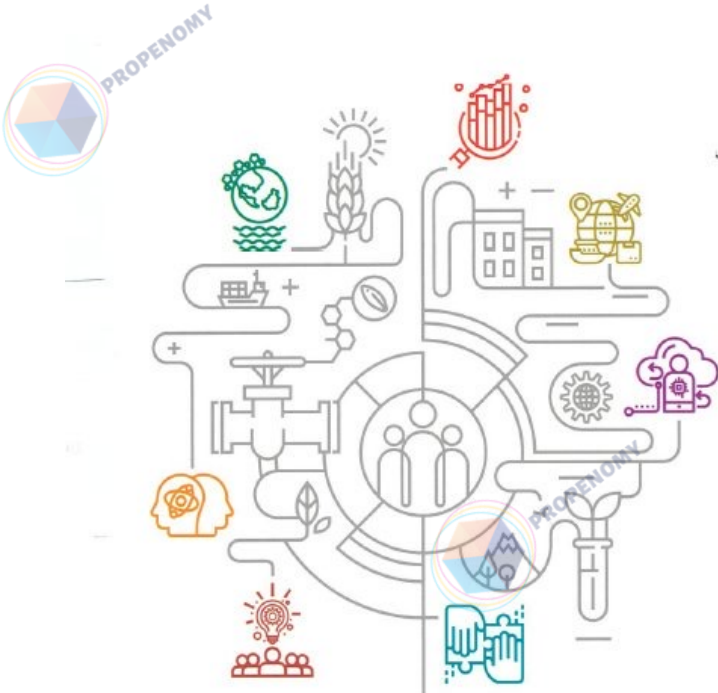
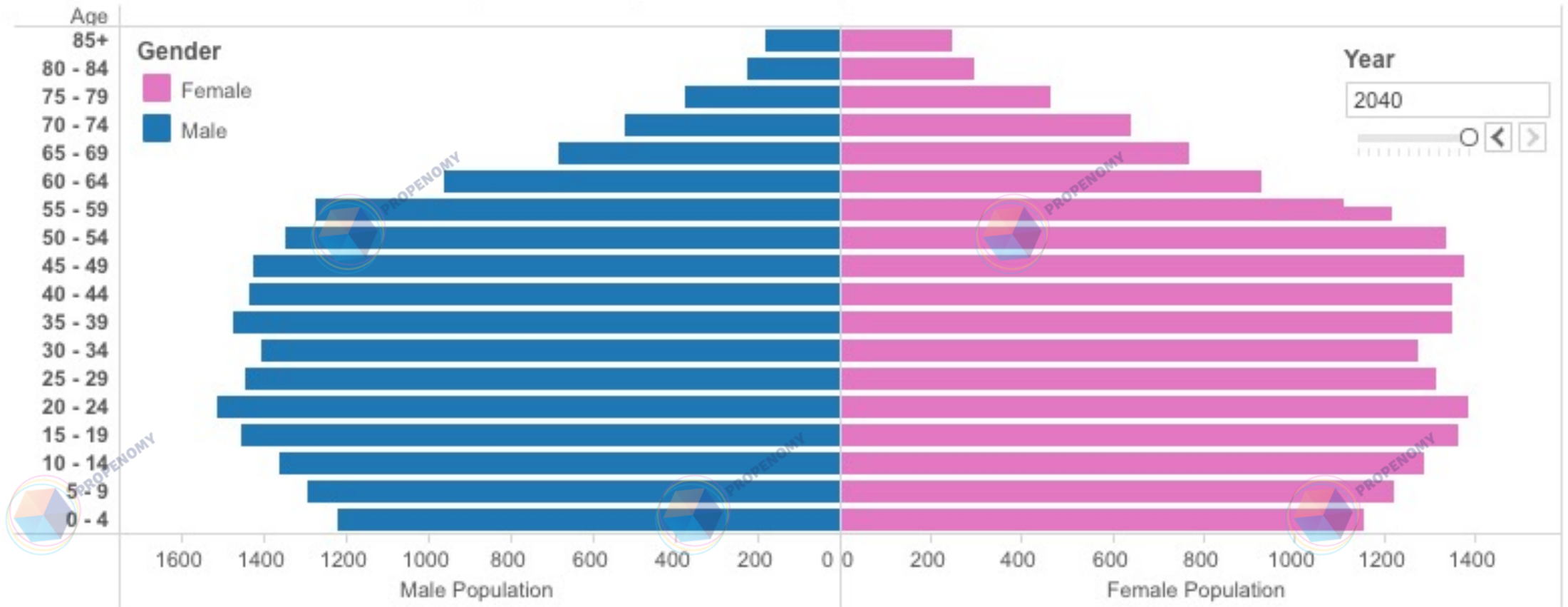*"Leveraging on Digital Transformation to Create Success Stories with Innovation and Creativity"*

ECONOMIC GROWTH

GENERATES
JOB
OPPORTUNITIES
WHICH GENERATES
INCOME GROWTH
OR
HIGHER
PURCHASING POWER

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MALAYSIAN POPULATION GROWTH 2040

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Malaysia's Population Pyramid 2010-2040

SOURCE: STATISTIC DEPARTMENT MALAYSIA

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HOUSEHOLD DISTRIBUTION

Number of Households

2019 : 7.3 millions
2016 : 6.9 millions

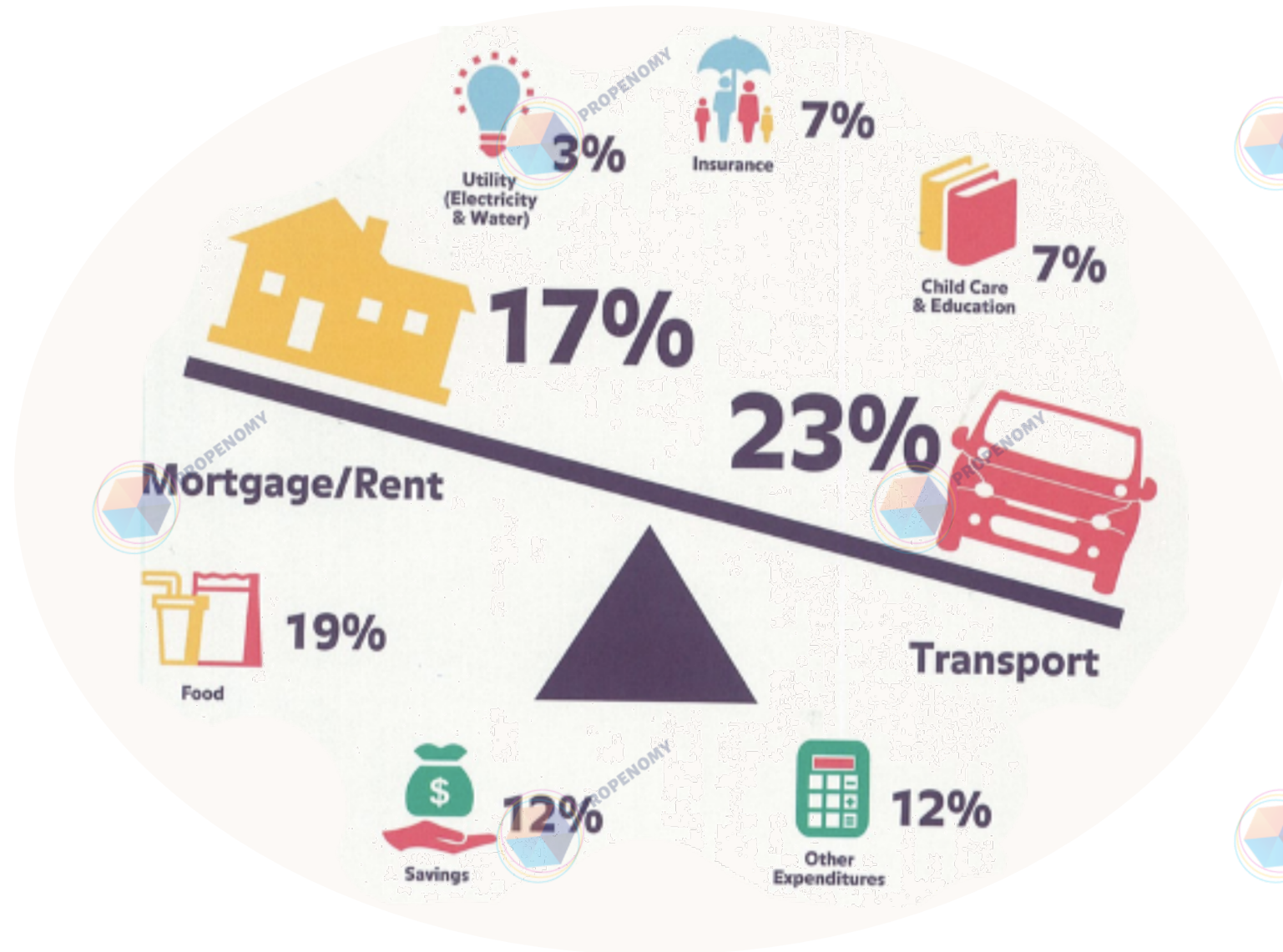In 2016, on average a household has **4.1 peoples**

In 2019, household size decline to **3.9 peoples**

54% of households have > 1 income recipients
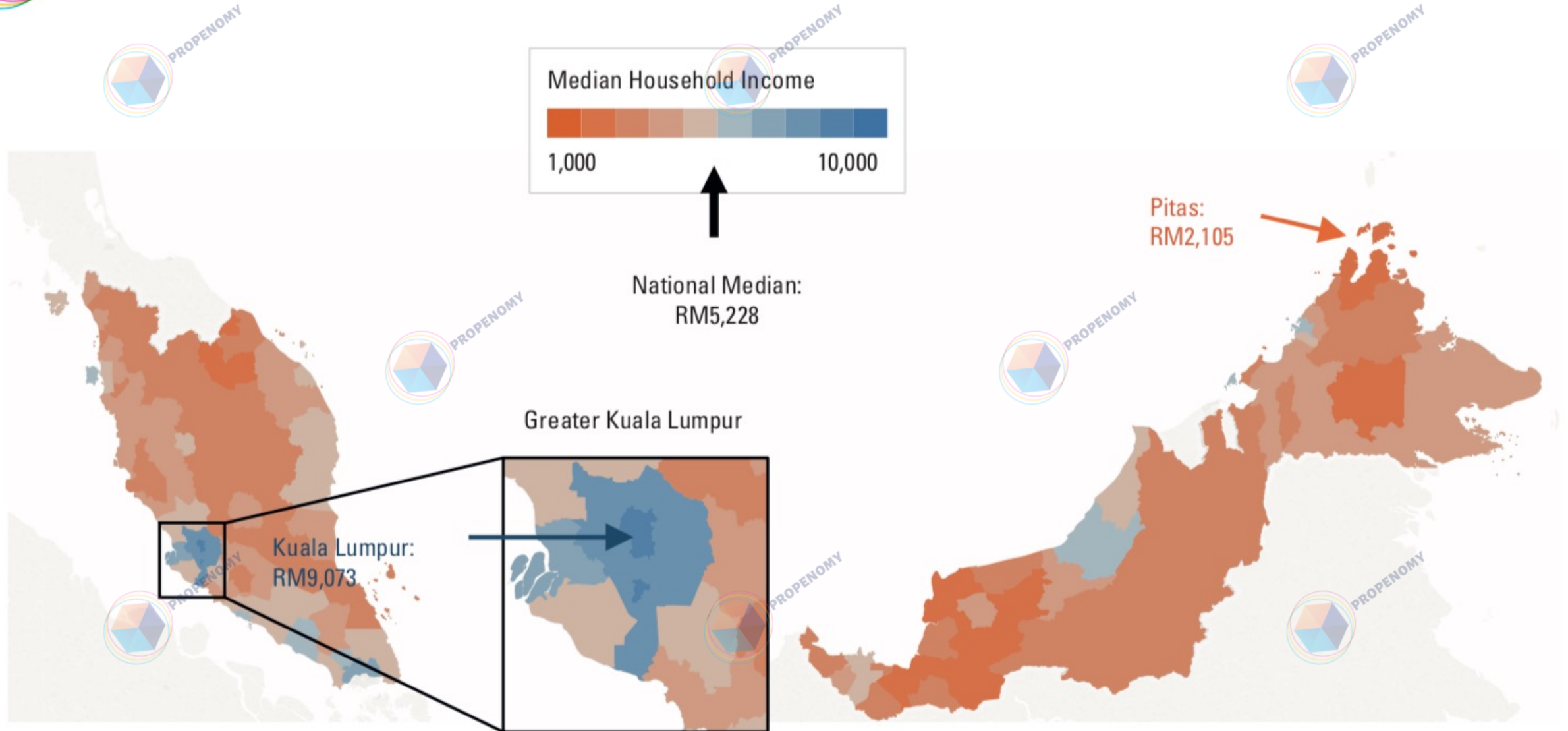
Average Income Recipients were **1.8 peoples** in 2016 and 2019

HOUSING – INCOME INDEX | HOUSEHOLD (M40) BUDGET

Source: Housing-income Index by Sime Darby & University Malaya

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Malaysia Big Picture of Per-capita income/Purchasing Power

Median Household Income

1,000   10,000

National Median:
RM5,228

Pitas:
RM2,105

Greater Kuala Lumpur

Kuala Lumpur:
RM9,073

Source: Department of Statistics Malaysia

MALAYSIAN HOUSEHOLD INCOME AND HOUSING PURCHASING POWER – UPDATE 2020

PROPENOMY

NEW CLASSIFICATION OF HOUSEHOLD 2020

GROUP		MEDIAN	AVERAGE	BRACKET OF INCOME		Affordable Value
		RM	RM	RM FROM	RM TO	RM
B40	B1	1,929	1,849	0	2,500	135,000
	B2	2,786	2,803	2,501	3,170	210,000
	B3	3,556	3,561	3,171	3,970	265,000
	B4	4,387	4,395	3,971	4,850	320,000
M40	M1	5,336	5,346	4,851	5,880	450,000
	M2	6,421	6,477	5,881	7,100	530,000
	M3	7,828	7,841	7,101	8,700	710,000
	M4	9,695	9,730	8,701	10,970	920,000
T20	T1	12,586	12,720	10,971	15,040	920,000 >
	T2	19,781	24,293	15,041	UP	
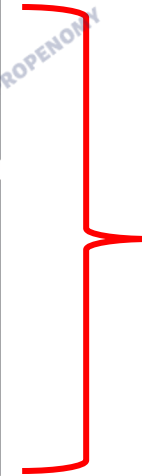
80% of the current shortfall of housing is within these values

Source: MYSUMBER 2020

Source: REI Team archives

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REAL PURCHASING POWER AND AFFORDABLE HOUSING VALUES – THE BIG PICTURE

STATE	POPULATION AS AT DEC 2018	GDP @ CONSTANT 2015 PRICES	AVERAGE PER CAPITA INCOME 2018	ESTIMATE PER HOUSEHOLD INCOME *	35% HH MONTHLY INCOME	AVERAGE AFFORDABLE VALUE PER STATE 2018 **
	No.	RM '000,000	RM	RM	RM	RM
KUALA LUMPUR	1,930,000	219,789	121,293	16,172	5,660	1,100,000
SELANGOR	6,649,000	322,592	51,528	6,870	2,405	525,000
JOHOR	3,950,000	117,749	34,362	4,582	1,604	350,000
PENANG	1,785,000	91,175	52,937	7,058	2,470	560,000
PERAK	2,630,000	72,942	30,303	4,040	1,414	310,000
NEGERI SEMBILAN	1,150,000	45,653	43,047	5,740	2,009	430,000
MALACCA	910,000	42,386	47,960	6,395	2,238	480,000
KEDAH	2,105,000	40,671	20,727	2,764	967	210,000
PAHANG	1,780,000	56,193	35,554	4,741	1,659	360,000
TERENGGANU	1,120,000	34,820	30,216	4,029	1,410	305,000
KELANTAN	1,910,000	24,096	13,688	1,825	639	135,000
PERLIS	240,000	5,884	24,442	3,259	1,141	315,000
SABAH	3,640,000	84,960	25,861	3,448	1,207	265,000
SARAWAK	2,830,000	132,665	52,301	6,973	2,441	540,000
TOTAL / AVERAGE	32,629,000	1,291,575	41,730	5,564	1,947	420,357

* Assumption: One of the two income earners is at 60% of the main one

** Assumption: loan tenure 30 years @ 4.6% interest

Population & Per-capita income sources: DOSM (Dpt. Statistics Malaysia) and REI Group Surveys

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TYPE OF OCCUPIED DWELLING

(%)

	Malaysia	Urban	Rural
Owned	76.9	74.5	86.4
	76.3	73.7	85.6
Rented	19.8	22.8	7.7
	19.6	23.0	7.3
Quarters	3.3	2.7	5.9
	4.1	3.3	7.1

Chart 16: Percentage of Households by Types of Dwelling, Malaysia, 2016 and 2019

Year	Owned	Rented	Quarters
2019	76.9	19.8	3.3
2016	76.3	19.6	4.1

Percentage of Household (%)
■ Owned ■ Rented ■ Quarters

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How To Read Statistics and "big" data with a Property Lens

PROPENOMY

TYPE OF LIVING QUARTERS

Detached
30.9%
31.9%

Long house
1.1%
1.1%

Terrace
40.7%
42.1%

Condominium
2.7%
3.1%

Others
0.4%
0.4%

Apartment
7.3%
6.2%

Shop house
1.6%
0.9%

Flat
9.4%
10.0%

Semi-detached
5.5%
4.7%

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MALAYSIAN POPULATION/HOUSEHOLD 2020-2040 AND ESTIMATE PROPERTY SUPPLY

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	DATA SET	2019	LEGENDA FORMULAS
A	Malaysian population	32,500,000	Estimate by DOSM as at 2019
B	MY Households @ 3.9	8,333,333	=A : 3.9
C	Urban households (76.2%)	6,350,000	=A x 76.2%
D	Current existing stock	5,775,095	
E	**Current shortfall**	**574,905**	=C - D
F	Estimate growth Households @1% PGR	512,668	=(A x 1% over 6 Yrs) : 3.9
G	Delivearble within 5 years	903,523	
H	Shortfall by 2025	184,050	=(E + F) - G
I	Possible increase in urbanisation +4%	353,840	=(Est.Pop. x 4%) : 3.9
J	**ESTIMATE SHORTFALL BY 2025**	**537,890**	=H + I

Source: Department Statistics Malaysia - NAPIC/JPPH - REI Group Archives

PropTech, SDG 2030 & Smart Cities' Pillars for a SMART Future
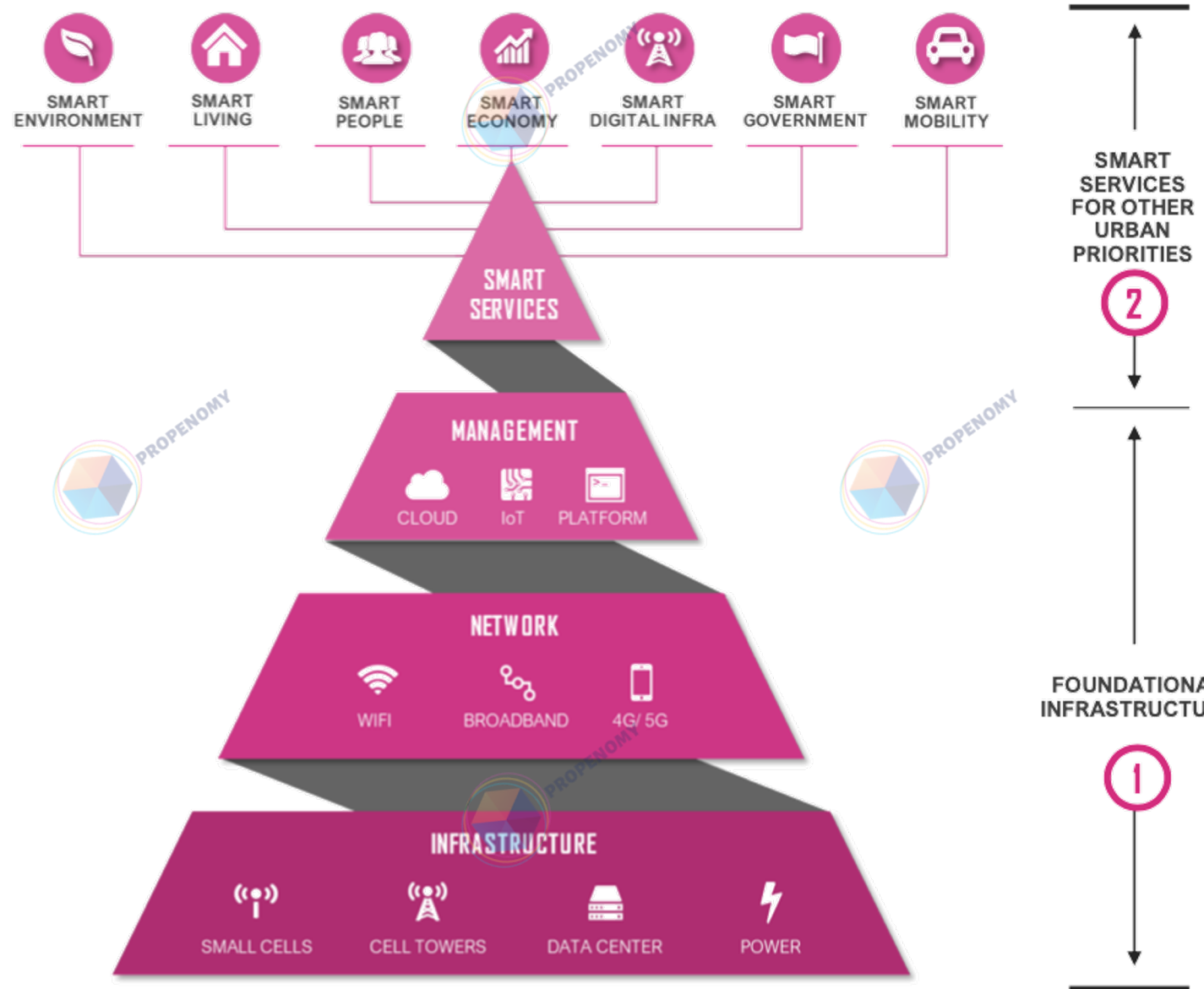
SMART ENVIRONMENT
SMART LIVING
SMART PEOPLE
SMART ECONOMY
SMART DIGITAL INFRA
SMART GOVERNMENT
SMART MOBILITY

SMART SERVICES

MANAGEMENT
CLOUD   IoT   PLATFORM

NETWORK
WIFI   BROADBAND   4G/ 5G

INFRASTRUCTURE
SMALL CELLS   CELL TOWERS   DATA CENTER   POWER

SMART SERVICES FOR OTHER URBAN PRIORITIES ②

FOUNDATIONAL INFRASTRUCTURE ①

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Smart City Pillars
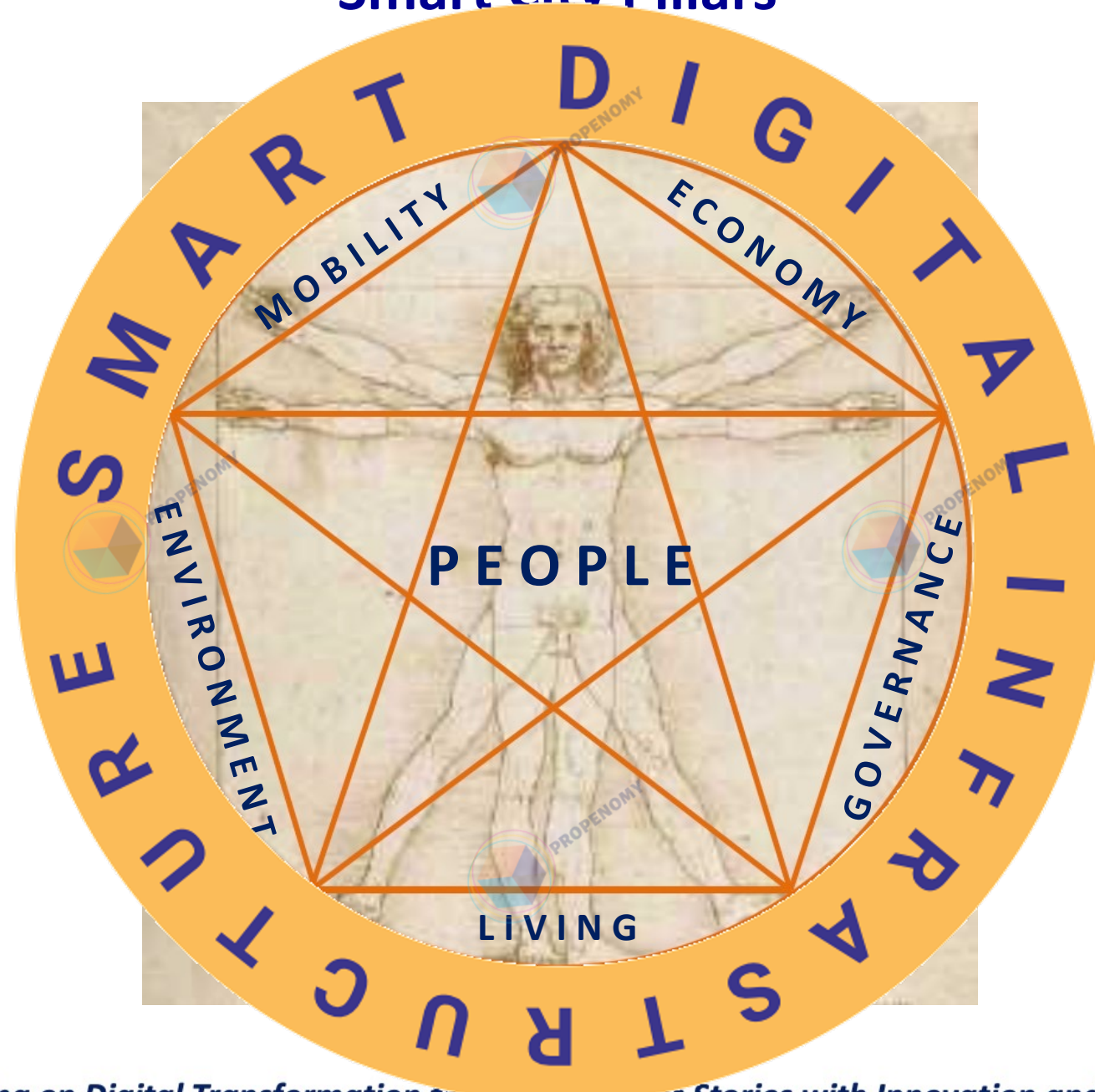
The House is On Fire!

The House is On Fire, I want you to panic!

"I don't want your hope. I don't want you to be hopeful. I want you to panic ... and act as if the house was on fire."

Greta Thunberg
Environmental Activist

The Future of Property Development and SDG 2030

"Leveraging on Digital Transformation to Create Success Stories with Innovation and Creativity"

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11 SUSTAINABLE CITIES AND COMMUNITIES

HOW?

Homes for everybody

Suitable Public Transportation

Inclusiveness

Access for All to Safe Green & Public Spaces

Focus on Woman, Children and Older People

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We HAVE BEEN SUSTAINABLE

IT DID'T WORK

Able to be **MAINTAINED**
at a certain rate or level.

I cut a tree, I plant a tree,
Eventually!

WHAT WE NEED

WHAT WE WANT

"*Nature makes human development possible but our relentless demand for the earth's resources is accelerating extinction rates and devastating the world's ecosystems.*"

Joyce Msuya, Deputy Executive Director, United Nations Environment Programme

PROPENOMY

THE WAY FORWARD
BEING RE-GENERATIVE

We Must
REGENERATE
and bring back
what it was.

I cut a tree,
I plant two/three trees

INITIAL STATE
Define land area (GIS coordinates)
Set regenerative goals
Change practices

CHANGE OF STATE
Work towards regenerative goals
Track change of state
Receive rewards for changed state

GIS COORDINATE
13°14'53.8"N
59°33'48.7"W

GIS COORDINATE
13°15'04.5"N
59°33'18.3"W

Image credit to: www.resilience.org

"Leveraging

PROPERTY EVOLUTION, 2022 & BEYOND

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THE PAST	2022 & BEYOND
Studio units for bachelors working in the cities	After living in a studio confined within 500 sq.ft. plenty of young families are now on the search for bigger units
Transit Oriented Development Max 600 sq.ft. & SOHO	Work from home means all you need is a studio and a good internet connection. People are flocking projects in the suburban and more far away location (i.e. Sermeban)
Plenty of existing office space with more in the pipeline	Office space which was aklready a problem before the Great Lockdown is now hanging there with noit many hopes
Serviced apartment 350/500 sq.ft sold as AIRBNB Ready	Just forget it! It's not gonna happen anytime soon
Hospitality developoments	Can, but with a lot of creativity needed

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SATISFIED?

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PROPENOMY

Thank you

Keep in Touch @ 012 – 980 2292
You Will Never Walk Alone Again!

daniele.g@reigroup.com.my

propenomist@propenomy.com