



COLLEGE OF BUILT ENVIRONMENT

UNIVERSITI TEKNOLOGI MARA

**FACTORS INFLUENCE OVERHANG HIGH-RISE RESIDENTIAL
UNITS IN KUALA LUMPUR**

Academic Project Submitted in Partial Fulfillment of the Requirements for the award
of the Degree Bachelor of Estate Management (Hons)

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ABSTRACT

This research investigates the factors influencing the overhang of high-rise residential units in Kuala Lumpur, a pressing issue that significantly impacts the local real estate market and the broader economy. The study is guided by two primary research objectives. The first objective, to identify what factors influence overhang in high rise residential property and the second objective is to rank the most influence factors to the overhang of the high-rise residential property in Kuala Lumpur. The research employs a descriptive research design, which is suitable for addressing the variables influencing the overhang of high-rise residential property. A combination of primary and secondary data collection methods is utilized, including semi-structured interviews with relevant professionals panel such as real estate developer, valuer, and estate agent. Thematic analysis is applied to interpret the qualitative data gathered from these interviews with Nvivo software assistance, allowing for a nuanced understanding of the factors at play. The significance of this research lies in its potential to provide valuable insights for policymakers, developers, and investors. By identifying the underlying causes of residential property overhang, the findings aim to inform effective strategies to mitigate this issue, ultimately contributing to a more stable and balanced real estate market in Kuala Lumpur.

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CHAPTER 1

BACKGROUND OF THE STUDY

1.1 Introduction

The term "property overhang" refers to residential units that remain unsold for an extended period after completion. According to the National Property Information Centre (NAPIC), a residential overhang comprises units unsold nine months after receiving the Certificate of Completion and Compliance (CCC) or Temporary Certificate of Fitness for Occupation (CFO) (Pathimogan, 2018). In essence, it's an excess of available housing stock beyond what purchasers or tenants are now requesting. This excess is the result of a number of issues, including speculative investment without real end-user demand, overestimation of demand by developers, economic downturns that lower purchasing power, and inefficiencies in the housing industry. Property overhang can impact the stability and dynamics of the real estate industry at both the regional and national levels.