

Headline	SST relief alone won't make houses cheaper		
MediaTitle	The Malaysian Reserve		
Date	14 Aug 2018	Color	Black/white
Section	Corporate Malaysia	Circulation	12,000
Page No	3	Readership	36,000
Language	English	ArticleSize	172 cm <sup>2</sup>
Journalist	FARA AISYAH	AdValue	RM 1,086
Frequency	Daily	PR Value	RM 3,258



## SST relief alone won't make houses cheaper

by FARA AISYAH

**PROPERTY** prices are not expected to tumble, despite the government's decision to exclude building materials from the list of items to be taxed under the new consumption levy regime.

The government had scrapped the unpopular Goods and Services Tax (GST) which had taxed materials used in the construction sector. But the GST replacement, the Sales and Services Tax (SST), will exclude basic building materials including bricks, cement and sand from its taxed items.

Housing and Local Government Deputy Minister Datuk Raja Kamarul Bahrin Shah Raja Ahmad said any house price drop will only happen if stakeholders collaborate with the government.

"We cannot expect things to just work out immediately. The government has done its part by exempting some construction materials from SST, but other parties including the state governments may try to benefit from the tax reduction by raising prices somewhere else.

"Some state governments see the land as capital sources instead of something that can provide basic needs for the people. This is the problem which needs to be settled first as everyone has to be on the same wavelength and sees the problem as a team," he said at the launch of "MY.HSE: The Malaysian Future Housing Case Studies"

in Kuala Lumpur (KL) yesterday.

Raja Kamarul Bahrin said apart from the construction expenses, land and development cost have an impact on house prices. A renowned architect himself, he said stakeholders must change their mindsets in future developments if they want to address the housing unaffordability issue.

"If you look at the exhibition today, some architects have suggested that future houses should be developed above existing shoplots and rail-tracks. It means the land and infrastructure are already there and it will reduce the cost for developers. I think it's a good idea and we should consider it, but everyone, including local authorities, must view it with an open mind," he said.

Malaysian Institute of Architects president Ezumi Harzani Ismail said there is no certainty that property prices will go down following the SST exemption on some construction materials.

"We guess there will be very little price reduction following the SST exemption as there will be some parties who will look at it as a way to make a profit. The other way to look into the housing affordability issue is not only to reduce prices, but to increase the people's income," Ezumi said.

MY.HSE is a part of the KL Architect Festival 2018 featuring projects from DP Architects, ALM Architects, Team DWH, GDP Architects and Arkitek M Ghazali, among others.