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HOME OWNERSHIP DRIVE

# 10PC DISCOUNT DURING CAMPAIGN

To be applied to properties priced between RM300,000 and RM2.5 million

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**P**ROPERTY buyers will enjoy a minimum of 10 per cent discount on properties priced between RM300,000 and RM2.5 million, transacted from January to June this year.

Launched under the Home Ownership Campaign 2019 (HOC) yesterday, Finance Minister Lim Guan Eng said the newly launched incentive was to address the property overhang issue in addition to reducing home prices in the market.

"The government has decided on a joint effort between the government and the Real Estate and Housing Developers' Association (Rehda), which will see discounts at a minimum of 10 per cent as well as stamp duty exemptions for unsold and under construction properties.

"The incentive is a continuity to the exemption of main construction materials, such as bricks, cement and sand, as well as construction services, from the Sales and Services Tax (SST) for the developers.

"However, we hope that the discounts would be much higher than 10 per cent and the old and discounted prices should be announced clearly by developers when selling properties," he said at a press briefing here yesterday.

A total of 3,384 houses below RM150,000 will be offered to the



Finance Minister Lim Guan Eng (centre) at a press briefing after the launch of the Home Ownership Campaign 2019 (HOC) in Petaling Jaya yesterday. With him are (from left) National Housing Department director-general N. Jayaseelan, Deputy Housing and Local Government Minister Datuk Raja Kamarul Bahrin Shah Raja Ahmad Shah, Real Estate and Housing Developers' Association president Datuk Soam Heng Choon and HOC organising chairman Datuk N.K. Tong. BERNAMA PIC

public in conjunction with HOC to provide affordable housing to the low-income group (Bottom 40 per cent) and reduce property overhang.

Lim said the stamp duty on transfer of ownership or memorandum of transfer (MoT) would be exempted for houses priced from RM300,000 to RM1 million, while houses priced between RM1 million and RM2.5 million would be charged a three per cent stamp duty.

"For stamp duty on loan legal fees, buyers will be exempted for all properties which are priced up to RM2.5 million throughout the campaign period.

"We are introducing this campaign to address the property

overhang, which has risen by 48 per cent, or 30,115 units, equivalent to RM19.5 billion in value in the third quarter of last year.

"The overhang has impacted the economy negatively, reflecting a mismatch between the supply and demand in the property market," he said, adding that these new incentives, however, were applicable only for purchases from the primary market.

A three-day Home Ownership Expo will kick off on March 1 at the Kuala Lumpur Convention Centre and will be officiated by Prime Minister Tun Dr Mahathir Mohamad.

There will be a one-stop centre for government agencies, private developers and financial institutions to promote their products and packages under one roof.

Rehda president Datuk Soam Heng Choon said developers were committed to selling houses at reduced prices at a minimum discount of 10 per cent, as announced by the government.

"The maximum discount, however, will depend on the developers themselves. Of course, we hope they can offer higher discounts to buyers during the campaign.

"Developers are required to register with us so that we know the number of units they are selling and their selling prices. Thus,

## COMPARISON OF STAMP DUTY RATES FOR SALES AND PURCHASE AGREEMENT

Market price / Market value property (whichever is higher)	Stamp duty rate	Current stamp duty rate under HOC (Jan 1 - June 30)
The first RM100,000	1%	exempted
RM100,001 to RM500,000	2%	exempted
RM500,001 to RM1,000,000	3%	exempted
RM1,000,001 to RM2,500,000	3% (from Jan 1 to June 30)	3%
	4% (from July 1)	

## STAMP DUTY RATE FOR LOAN AGREEMENT

Loan value (RM)	Current stamp duty	Under HOC (Jan 1 - June 30)
Up to RM2.5 million	0.5%	exempted

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we can monitor the adherence to the price discounts as published," he said.

National Housing Department director-general N. Jayaseelan said it was allowing flexibility in terms of payment, such as staggered payments, to make it easier for potential homebuyers.

"Developers can give out freebies, such as waivers for MoTs and legal fees, electrical appliances or any other things they wish to give as an added advantage to homebuyers.

"This will promote healthy competition between developers," he said.