

Headline	Government extends Home Ownership Campaign till Dec 31		
MediaTitle	The Edge Financial Daily		
Date	01 Jul 2019	Color	Full Color
Section	Home Business	Circulation	4,562
Page No	10	Readership	13,686
Language	English	ArticleSize	430 cm ²
Journalist	N/A	AdValue	RM 4,713
Frequency	Daily	PR Value	RM 14,139



PROPERTY

Government extends Home Ownership Campaign till Dec 31

KUALA LUMPUR: The government has extended the Home Ownership Campaign (HOC) for six months, until Dec 31 this year, announced Housing and Local Government Minister Zuraida Kamaruddin, following strong interest in the campaign and recommendations for an extension from homebuyers and developers.

She said this in a statement yesterday, in which she also said the campaign, which began as an initiative under her ministry in January and launched by the prime minister, has received good response from homebuyers and housing developers. The initial date of completion for the campaign was June 30.

She also said the HOC is a collaboration with home developers' associations like the Real Estate and Housing Developers Association or Rehda, the Sabah Housing and Real Estate Developers Association (Shareda) and the Sarawak Housing and Real Estate Developers Association (Sheda).

Separately, the ministry of finance (MoF) said it has accepted Zuraida's request in support of Rehda's appeal to extend the HOC period for another six months.

"To encourage the increase in the level of homeownership among Malaysians and achieve the objective of reducing the number of unsold houses, the government has agreed to extend the HOC for another six months, from July 1, 2019 until Dec 31, 2019. The HOC is for housing developers registered with Rehda, Shareda and Sheda," it said in another statement.

Under the HOC, a house priced between RM300,000 and RM2.5 million — purchased from a developer registered with Rehda, Shareda and Sheda — gets a discount of at least 10% and a stamp duty exemption of 100% that is limited to the first RM1 million of the house's value. The remaining value is subject to a 3% rate. There is also a 100% stamp duty exemption on the entirety of the loan agreement.

Meanwhile, besides the HOC, Putrajaya has also made available other incentives for first-home purchases — regardless of whether the home is purchased from a housing developer or from the secondary market.



Zuraida says the HOC has received good response from homebuyers and housing developers. Photo by Low Yen Yeing/EdgeProp.my

For example, first-time homebuyers get stamp duty exemption on the memorandum of transfer and loan agreement for home purchases priced no more than RM300,000. For purchases of homes priced between RM300,001 and RM500,000, a similar stamp duty exemption is applicable — but limited to only the first RM300,000 of the house's price. These are applicable for purchases where the sale and purchase agreements are completed between Jan 1, 2019 and Dec 31, 2020.

"For first-home purchases, that is for those who have yet to own their own residence but intend to purchase one from developers who are not registered with Rehda, or for purchases made in the secondary market, they can apply for stamp duty exemptions under this incentive," it added.

According to the MoF, citing a report from the National Property Information Centre, the number of unsold residential properties in Malaysia rose to 32,313 units valued at RM19.86 billion as at the fourth quarter of 2018.

This, it said, reflected the long-standing issues of homeownership, as well as the mismatch between the supply and demand of houses in the market. "Compared with the fourth quarter of 2017, this represents a 30.6% increase in the volume of residential units unsold and 27% increase in the value of residential units," it cited.

Incentives under HOC

HOUSE PRICE	STAMP DUTY EXEMPTION	EXEMPTION PERIOD
Priced between RM300,000 and RM2.5 million and must be purchased from a developer:	Memorandum of Transfer Stamp duty exemption of 100% is limited to the first RM1 million of the house's value. Remaining value is subject to a 3% rate.	For sale and purchase agreement completed between January 1, 2019 and June 30, 2019
<ul style="list-style-type: none"> registered with REHDA, SHARED and SHEDA; and discounted by at least 10% on the house's sale price 	Loan agreement Stamp duty exemption of 100% on the entirety of the loan agreement	

Source: Ministry of Finance

Incentives for first-time homebuyers

NO	HOUSE PRICE	STAMP DUTY EXEMPTION	EXEMPTION PERIOD
a)	Price is up until RM300,000	Memorandum of Transfer and Loan Agreement	For Sale and Purchase Agreement completed from January 1, 2019 until December 31, 2020
b)	Price is between RM300,001 and RM500,000	Memorandum of Transfer and Loan Agreement (Exemption is limited to the first RM300,000 of the house's price)	For Sale and Purchase Agreement completed from July 1, 2019 until December 31, 2020

Source: Ministry of Finance