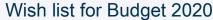
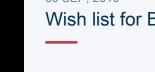


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SENIOR PARTNER RAINE & HORNE

he RPGT is hugely unpopular as there is ambiguity in the bench-marking and calculation of esmarking and calculation of es-timated gains, which may be subject to dispute. The primary and secondary markets are on the recovery. To maintain this recovery, positive sentiment is important and we hope there will be no sudden jolts or knee-ies belief and in the property of the property of the projerk policies and announcements during the tabling of the Budget.

The current market-friendly policies by the housing and finance ministries have stimulated the property market in the past six months. We wish for more market-stimulating policies so that the property market can pick up next year.



EDWARD CHONG MANAGING DIRECTOR

alaysia's property sales improved across all segments, thanks to HOC 2019. The campaign, coupled with other measures such the Sales and Service Tax exemption on building materials, has been generally positive for the property sector. The six-month HOC, which has been extended to Dec 31, 2019, has helped encourage home ownership and boost property sales.

We expect the issues of affordability and tight mortgage lending regimes to remain the key challenges in the property market. In this regard, we hope the government will continue to pursue home ownership as a key national policy, including introducing initiatives that make it easier for buyers to raise the down payments and differential sum and addressing the loan eligibility issue, in Budget 2020. We hope to see initiatives that can reduce the overall cost of development, particularly compliance cost, which will make housing more affordable for all Malaysians.

the RPGT should revert to the 0% structure for the disposal of individ-ual-owned property after five years, or zerorise RPGT after 7 to 10 years of own-ership, or five years from the date of vacant possession. The medium-term threshold eriod will not adversely affect owner-oc

period will not adversely affect owner-occupiers while still functioning as a deterent to speculation in the property market.

Prudent pricing and supply flow mechanism to mitigate overproduction or mismatch of products for the property market. A guideline for developers can be formulated to independently review proposed product numbers, types and selling prices to warrant commitments by financiers and banks as well as the approving and licensing authorities.

Loan approval procedures to be more

licensing authorities.

Loan approval procedures to be more accommodative to the current demographic and employment trends. This will help first-time homebuyers without credit history and those who cannot get loans due to personal financial restructuring situation or maxed-out debt servicing ratio (DSR).

Spur the growth of the secondary market by making it an alternative source of

Spur the growth of the secondary market by making it an alternative source of affordable housing through special initiatives such as stamp duty exemptions for properties below RMI million, instruments of transfer and loan facilities — similar to the incentives given in HOC. Although this would have a limited impact on reducing the residential property overhang, it would still benefit those who are looking for affordable homes and reignite interests in older towns and cities.



SULAIMAN SAHEH DIRECTOR OF RESEARCH SON BHD



SUBRAMANIAM MANAGING DIRECTOR

bring down the tax rates to speed up the recovery process in Malaysia's property market. We wish for a reduction in RPGT rates and the removal of the 5% RPGT on disposal even after five years of ownership. The RPGT was intended to curb speculative purchases and the five-year window has served its purpose. We would like to see the government be more lenient on the release mechanism pertaining to bumiputera units, or a reduction in the allocation for bumiputera units (lower quota policy) depending on the location and type of property. The HOC should be extended to boost the housing market.

depending on the location and type of property. The HOC should be extended to boost the housing market.

The Sales and Service Tax (SST) on building maintenance service charges should be removed. Selected items are exempted from SST while others are not. For example, while utilities are SST-exempt, security services are not. Thus, there may be double taxation, although SST is supposed to be a single-tier tax.

In line with the government's investor-friendly policy, more funding and incentives should be provided to encourage domestic and foreign investments. The government should review the regional economic corridors policy, namely the Northern Corridor Economic Region, East Coast Economic Region, Iskandar Malaysia, Sabah Development Corridor and Sarawak Corridor of Renewable Energy.

To improve the office segment's competitiveness among the neighbouring regions, incentives should be given to the office building landlords/developers for upgrading or developing higher-specification building. For example, MSC Malaysia Bill of Guarantees applying to MSC-status companies/tenants. Landlords/developers should also be incentivised for obtaining MSC status for their buildings.

property development roundtable should be formed to reduce bureau-A should be formed to reduce bureau-cracy by ensuring fair and equitable Tarcy by ensuring fair and equitable input by key stakeholders, allow issues by stakeholders to be relayed directly and give advice to corporations. The roundtable could also examine and improve affordability in housing. Among the possible measures to look at — use a portion of EPF savings for housing loan instalments, stamp duty

exemption on contract agreements and reducing the CIDB levy imposed on total construction work contracts. Housing policies should be constantly reviewed, including conducting a survey on the published for a first policy of the contract. the qualitative effect of housing policies on supply and demand. For example, a policy for immediate consideration is the reme

for immediate consideration is the removal of RPGT on disposals of properties in the sixth year and beyond.

Introducing a fixed nationwide formula for development-related fees and land conversion premiums will provide certainty and consistency, allowing developers and local authorities to better manage cost and forecast their income. The formula should be flexible and sub-categorised based on the varying nature of districts and mukims, and regional plot ratio, among others.

regional plot ratio, among others.

A sustainable, affordable housing initia-A sustainable, affordable housing initiative with collaborative efforts by stakeholders should include a waiver or nominal fee for development orders and land conversion premiums, waiver of stamp duty of MOT and MOC, exemption or nominal charges by infrastructure service providers, commercial banks to provide up to 100% end-financing with lower interest rates with longer repayment tenure, and a government-secured fund to bridge the financing gap for homebuyers at minimal interest rates.

A central housing body should be set up to pair prospective homebuyers with the

to pair prospective homebuyers with the available products. It could also monitor market trends, provide market analyses and advise homebuyers on their housing needs.



HO KONG SOON **GROUP MANAGING** DIRECTOR MATRIX CONCEPTS HOLDINGS BHD



SAMUEL TAN EXECUTIVE DIRECTOR KGV INTERNATIONAL PROPERTY (JOHOR) SDN BHD

It is wrong to impose RPGT on properties more than five years. This is seen as a punitive measure against genuine investors. Stamp duty can be tweaked for properties purchased at RM500,000 and below, which will lower cost and encourage more sales in this price range as well as assist in clearing some of the property overhang. To encourage those in the M40 group to invest in properties, a tax allowance can be given.

One of the priorities in 2020 is to reduce the property overhang. The price threshold for purchases by foreigners should be lowered for a year or two to attract buyers in the oversupplied high-rise sector. The price threshold is wrong to impose RPGT on properties

supplied high-rise sector. The price threshold

supplied nigh-rise sector. The price threshold should vary from state to state. Home ownership should not be the only feasible approach to house occupation. Rent-ing is an option if affordability is an issue. Developers can build houses for rent as a recurrent income. However, incentives need

Demand for housing can be improved if we can attract more investments and create more job opportunities. The SME sector should be strengthened and new export markets opened. Financing should be made available for expansion and further investment.

able for expansion and further investment.
One of the economic spinners is infra-structure development. While these can be seen in the Klang Valley, such develop-ments should be initiated in other parts of the country.

To avoid an artificial property overhang,

especially in Johor, an improved release mechanism for bumiputera quota units should be implemented. Above all, Budget 2020 should be centred

on unity. It must enhance harmony among Malaysians, after months of unnecessary bickering. An atmosphere of stability and harmo-ny is essential to woo investors and create a condusive environment for people to invest in property and other things.

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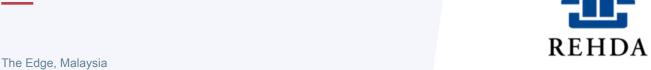
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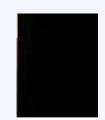
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lthough the Malaysian Inty's latest figures show that the country's approved foreign direct investment grew last year, we feel that there is still room for improvement. Malaysia can leverage the US-China trade war by getting government investment bodies and consultants to form a think tank to actively promote Malaysia as the destination for investment. In addition to the conventional services and manufacturing sectors, focus can be placed on the technology and digital sectors. Emphasis should be made to incorporate artificial intelligence in various ty's latest figures show that the

tors. Emphasis should be made to incor-porate artificial intelligence in various sectors to transform the economy into a higher value one. Public venture capital funds should be encouraged to work with developers to build, manage and operate industrial parks. Improving innovative industrial



COUNTRY HEAD

erties, such as agile logistics and flexibility in the use of ware-houses, can help industries that are operating in volatile market conditions as well as assist oper-ators to enhance efficiency and productivity by deploying facil-

productivity by deploying facilities that incorporate IR4.0.

The Circle Line (MRT3) should be revived to improve connectivity and enhance efficiency, accessibility and worker productivity.

Developers/operators should enforce mandatory submissions, especially on transactions, buyers' profile and occupancy of developments. This will enable the data to be used as a decision-making tool. Since the 5% hike in RPGT was imposed starting Jan 1, 2019, certain investors are

starting Jan 1, 2019, certain investors are scarting san 1, 2015, certain investors are reconsidering investing in property due to the high cost of exit. Waiving the RPGT for properties held more than a certain num-ber of years will be fair to individuals or companies that did not acquire the prop-erties for speculation purposes.



LIM BOON PING PRESIDENT MALAYSIAN INSITUTE OF ESTATE AGENTS (MIEA)

The RPGT should be waived on properties owned more than five years. The tax is to curb short-term speculation and it should not be used to penalise property owners who treat their property as a long-term prestment.

who treat their property as a long-term investment.

Stamp duty should remain at a maximum of 3% at the highest tier. Stamp duty is the most direct and effective way to control the property market. However, imposing the 4% currently may dampen an already soft market.

The HOC should be extended to the secondary market. While the government has been successful in helping Malaysians own their first home through HOC 2019, many at the grassroots level cannot help but ask, "Is the government trying to help the raky at or the developers?" All the hype and marketing efforts for HOC are focused on the developers units while secondary properties account for more than 60% of transactions in total and should be given equal treatment.

Lending based on gross income instead of net disposable income should be reintroduced. The high loan rejection rate today is mainly due to responsible lending policies, which only look at one's net disposable income. Many countries, including Singapore, are lending money based on gross income and it is proved that there are no issues with such policies.



airports and flight routes.
Agent-centric tax incentives for travel in
selected countries should be considered.
The government should impose similar taxes on home-sharing platforms
applicable to hotels and revert the RPGT

applicable to notels and revert the RPGI
rate to zero on the sixth year.

Cheaper loans for affordable homes
via profitable banks should be introduced as developers should not be the
only ones carrying this burden. The Investment Tax Allowance (ITA) should
also cover medical tourism and related
facilities and cruiss tourism especially facilities and cruise tourism, especially for terminals





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SUMMARIES

C O M P I L E D BY CITY + COUNTRY TEAM Affordability continues to be a key issue in the property market. While some measures introduced by the government, such as the Home Ownership Campaign, have helped in some ways, property experts believe much more needs to be done. Turn to page 4.