

Headline	`Medicine' needed to enhance the property sector's immunity		
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'Medicine' needed to enhance the property sector's immunity

The property development sector is one of the largest economic drivers of the country as it has the strongest multiplier effect on at least 140 industries down the supply line.

The Real Estate and Housing Developers's Association Malaysia (Rehda) officials who were guests at EdgeProp.my's Facebook LIVE Fireside Chat on May 1 titled 'The Malaysian property market picked up in 2019! Could this be its last hurrah?' could not emphasise that enough.

Rehda president Datuk Soam Heng Choon noted that the property development sector in Malaysia employs 1.4 million people and pays RM40 billion in salaries every year.

"You can see that in the recent phase 3 of the Covid-19 Movement Control Order, the government has allowed the reconvening of property construction works as they realised that the supply chain is so wide ranging," he said.

Rehda Johor branch chairman Datuk Steve Chong Yoon On and Rehda Malaysia vice-president and Selangor



branch chairman Zulkifly Garib also took part in the FB Live event which was moderated by EdgeProp Malaysia managing director and editor-in-chief Au Foong Yee.

Considering its vast multiplier effect and the contribution of the property development sector on the overall economy, Rehda believes due consideration must be given to stimulate the property sector to counter the impact of the current Covid-19 crisis.

Below are a few 'medicine' prescribed by Rehda to enhance the 'immune system' of the property market:

1. **Bring back the Home Ownership Campaign** and its incentives for home buyers
2. **Remove the Real Property Gains Tax** to attract investors
3. **Extend the housing loan tenure** to 40 years or until borrower reaches 70 years old
4. **Special loan interest rate** for certain property segments such as those priced below RM500,000
5. **Increase the fund size of MyHome scheme** – the programme is to encourage the private sector to build more affordable homes. Under the Scheme, the government pays the 10% down payment for purchase of properties priced between RM80,000 and RM300,000.
6. **Take away the third property Loan-to-Value margin cap** to encourage property investors
7. **Reduce developer's input cost to help** developers survive which also translates into cheaper properties for consumers
8. **Implement home ownership schemes** as soon as possible such as Rent-to-Own