

Headline	Property goodies		
MediaTitle	The Star		
Date	01 Feb 2019	Color	Full Color
Section	StarBiz	Circulation	201,943
Page No	1	Readership	605,829
Language	English	ArticleSize	666 cm ²
Journalist	EUGENE MAHALINGAM	AdValue	RM 35,528
Frequency	Daily	PR Value	RM 106,584



Housing campaign: (from left) National Housing Department director-general N. Jayaseelan, Deputy Housing and Local Government Minister Datuk Raja Kamarul Bahrin Shah, Lim, Soam and Home Ownership Campaign organising committee chairman N.K. Tong at a briefing to announce the Malaysia Property Expo from March 1-3.

Property goodies

Govt and developers offering various incentives to lift sector

By EUGENE MAHALINGAM
eugenicz@thestar.com.my

PETALING JAYA: The government and housing developers are throwing all sorts of incentives at prospective buyers, including more than the kitchen sink, for properties purchased during the six-month, nationwide Home Ownership Campaign (HOC) 2019 in the hope that the large property overhang would be reduced.

The campaign, which runs from January to June, is aimed at easing the country's home-ownership and overhang dilemma "as much as possible," said Finance Minister Lim Guan Eng.

According to the National Property Information Centre, the number of unsold houses in the country reached a record high of 30,115 units in the third quarter of 2018, valued at RM19.54bil, which was a 48.35% increase from 20,304 units in the previous corresponding period.

At a briefing to announce the Malaysia Property Expo (Mapex) yesterday, Lim said residential units priced between RM300,000 and RM1mil would be exempted from any stamp duties. "For houses sold above RM1mil to RM2.5mil, stamp duty exemption applies for the first RM1mil, and the rest will be charged at 3%," he said.

Previously, a 1% stamp duty fee was imposed on buyers for the first RM100,000 of the purchase consideration; 2% for RM100,001 to RM500,000 and 3% from RM500,001 to RM1mil.

Lim also said the stamp duty on loan agreements for properties up to RM2.5mil would be exempted, compared with the previous rate of 0.5%. He added that properties purchased during the campaign would also be offered a minimum 10% discount.

"Of course, we are urging developers to offer higher discounts if possible," he said.

Another relaxation of rules will allow property developers to offer all sorts of incentives to property buyers they were prohibited from doing before.

Real Estate and Housing Developers Association (Rehda) president Datuk Soam Heng Choon said developers are now allowed

to provide freebies to attract buyers.

"Developers have to publish their approved selling price. That's a requirement. But they were not allowed to publish freebies. But during this one-year period, with the approval of the government, we are allowed to give freebies. Previously, if you asked for a free fridge or furniture, we were not allowed to throw that in. But now, we can."

National Housing Department director-general N Jayaseelan said a total of 3,384 houses below RM150,000 would be offered during the campaign, adding that the units are located throughout the country.

He said the campaign would also offer the option of staggered downpayments to potential buyers if they have problems securing funding.

The number of unsold units nationwide below RM150,000 currently stands at 16,528.

Meanwhile, Lim said the HOC is especially catered towards assisting the low-income (B40) and middle-income (M40) groups, many of whom struggle to secure financing to purchase homes.

"With this campaign, we would like to reduce the overhang as much as possible."

One industry observer said the HOC is an ambitious campaign by the government.

"It will help create a feel-good factor within the property market. The added perks are a boost for individuals with affordability issues," he said.

Meanwhile, Mapex, which is being held in conjunction with the HOC, is a collaboration between Rehda Malaysia and the Housing and Local Government Ministry.

The expo, which will be held at the KL Convention Centre from March 1-3, is expected to see 180 developers showcasing over 20,000 units of overhang properties worth RM22.5bil.

Other than private developers, several government and government-linked agencies will also be taking part in HOC 2019, namely, the Housing and Local Government Ministry, Uda Holdings Bhd, Perbadanan PR1MA Malaysia, Syarikat Perumahan Negara Bhd and Permodalan Nasional Bhd.

The HOC was announced during the tabling of Budget 2019 in November last year.

The escalating home ownership and overhang predicament in the country has become a top agenda for the government to resolve, with various housing policies and measures being implemented to spur buying and boost the current property market.

On Tuesday, Bank Negara launched its Affordable Homes and Rumahku portal fund to help buyers purchase properties below RM150,000.

The low 3.5% financing rate per annum means house buyers are expected to enjoy more than 20% less in monthly commitments, compared with the current financing schemes offered in the market.

The fund has an allocation of RM1bil and is aimed at helping home buyers from the lower-income group nationwide to finance the purchase of their first homes.

It is eligible to Malaysian citizens with a maximum monthly household income of RM2,300 and do not have any record of impaired financing within the past 12 months.

The fund has a maximum tenure of up to 40 years or up to 70 years of the applicants' age, whichever is shorter. The participating financial institutions for the fund are AmBank, BSN, CIMB, Maybank and RHB Bank.

On Monday, the Housing and Local Government Ministry launched the National Housing Policy 2.0, which outlined five focuses, 16 strategies and 57 action plans, of which 15 would be carried out in the first two years.

The five focuses include improving accessibility and affordability; quality housing for all; cohesive neighbourhoods; improving coordination between housing development and transportation; and strengthening institutional capability for the National Housing Policy.

Industry observers generally acknowledged that the effort was good but needed more direction. During the event, the government pledged to build 100,000 affordable homes by the end of this year, in line with the Pakatan Harapan government's manifesto to provide budget housing totalling one million over a decade.

The price of the homes would be capped at RM300,000.