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Govt hopes for discounts of up to 20% at home campaign

by AFIQ AZIZ

PROPERTY developers are being asked to offer discounts of up to 20%, doubled what was committed for the Home Ownership Campaign (HOC), in order to clear the RM20 billion worth of backlog in the housing market.

Finance Minister Lim Guan Eng said the effort is in line with the government's measure to tackle the overhang in supply, but also improve homeownership for the public at large.

In March, the Ministry of Housing and Local Government (KPKT), and the Real Estate and Housing Developers' Association (Rehda) intend to co-host the public-private HOC, which is expected to showcase some 30,115 units of unsold homes worth RM22.5 billion nationwide.

"Rehda said they are going to start the campaign by March 1, while developers are expected to advertise their old selling price compared to the discounted one. I hope they would not only offer a 10% discount (the floor percentage that was set in the initial stage), but increase the discount to about 15% or 20%. That would make it," Lim told the press in a media briefing of HOC Malaysia Property Expo (Mapex) in

Petaling Jaya last Thursday.

Prime Minister Tun Dr Mahathir Mohamad is expected to launch the HOC Mapex on March 1. About 180 booths would be filled by Rehda members for the three-day event.

During the briefing, Lim said houses worth up to RM1 million would be exempted from the memorandum of transfer (MoT) stamp duty.

Houses priced from RM1 million up to RM2.5 million would be charged 3% of MoT fee for the amount surpassing the first RM1 million value.

Previously, buyers were charged an MoT fee of 1% for the first RM100,000 of the purchase consideration, 2% for the subsequent RM100,001 to RM500,000, and 3% for the above RM500,001.

Lim also announced a full waiver of the stamp duty on loan agreements, which was charged at 0.5% previously.

These measures are part of the government's efforts to offer more affordable houses to the public. Putrajaya has also waived the Sales and Services Tax for building materials construction services in the housing sector.

As such, Lim said the government's demand for price cut could be realised not only to existing houses but also on future projects.

Rehda president Datuk Soam Heng Choon, who attended the conference, said its members are ready to commit on the 10% price cut.

"I cannot speak on behalf of the developers of how much higher they could offer but 10% is the minimum discount requested (earlier). The maximum is up to the developers," he said when asked about the maximum discount the group's members could offer.

Soam added that Rehda will encourage its members to offer higher discounts. He said the campaign would see the sales of RM3 billion worth of housing properties under construction.

Rehda is expected to kick start the HOC in Penang on Feb 7, with other branches at various state levels holding the programme simultaneously until April, including its associates in Sabah and Sarawak.

The three-day HOC Mapex in Kuala Lumpur would also be joined by government developers like UDA Holdings Bhd and Permodalan Nasional Bhd.

The HOC is also expected to offer 3,384 affordable houses priced below the RM150,000 price range targeted at the B40 group who qualifies for financing under the new Bank Negara Malaysia's sponsored RM1 billion fund.

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