



18 OCT, 2019

Why is Malaysia an attractive location for foreign home ownership?

The Malaysian Reserve, Malaysia



Why is Malaysia an attractive location for foreign home ownership?

The low threshold for property ownership and affordable living, among others make the country desirable to live, work and relax

by FARA AISYAH

THE Malaysian government's move to clear the overhang in luxurious high-rise homes by wooing foreigners would only be successful if the country is an attractive location.

Institute for Democracy and Economic Affairs senior fellow Dr Carmelo Ferlito believes Malaysia is an interesting place for foreigners.

"The lower threshold of RM600,000 for foreign ownerships will be more of interest for foreign residents/workers rather than investors, as it becomes easier to complete the settling down process with the possibility to buy cheaper properties.

"For foreign investors, I believe they will remain on the high-value properties," he told *The Malaysian Reserve* (TMR).

He added that there is a need to distinguish between foreign investors and foreign residents/workers, and proposed to maintain the threshold for investors, while



By lowering of the floor price to RM600,000, foreigners have more access to condominiums and apartments, says Beh

completely liberalising the market for foreign workers/residents who have been working in Malaysia for a certain number of years.

Asiacap Valuer & Property Consultants Sdn Bhd property valuer Kit Au Yong said Malaysia has its advantages in terms of social-cultural aspects.

As a multiracial country with English as a second language, it makes it easier for foreign buyers to adapt.

"However, we have competition from destinations in the region such as Thailand, where it is easier to purchase homes in urban areas, affordable cost of living and a much

more free-spirited environment. "Singapore is also a good choice due to their safe, efficient and well-governed image, but the market caters for a much bigger budget. Further away, Australia will have more things to offer in terms of lifestyle and security, among others," he told TMR.

Kit added that Malaysia is appealing to certain target markets, including the mid-budget purchasers who prefer an urban lifestyle in Kuala Lumpur (KL), Penang and Johor Baru.

He said the weak ringgit makes it affordable to foreigners to buy homes in Malaysia.

Paramount Property Sdn Bhd CEO Beh Chun Chong said Malaysia is an attractive destination to live, work and relax.

"For foreigners who are interested in investing in Malaysia, they now have access to condominiums and apartments priced from RM600,000, instead of RM1 million upwards.

"Although Paramount Property does not have an overhang problem, we foresee some easing of the overhang situation in the country with the lowering of floor price for foreigners. Whether or not it will boost foreign ownership is secondary," he told TMR.

Beh said limiting the campaign to existing unsold units focuses on the goal of solving the problem and is a responsible way of managing inventories to ensure houses are firstly built for locals.

He, however, noted that developers will still have to work hard to market their products to locals and foreigners.

Juwai.com KL based-executive chairman Georg Chmiel said the company's data show Malaysia is the fifth most popular destination for buyers from mainland China.

"Buyers from Hong Kong-China have a strong preference for Malaysia and (the country) receives more buyer enquiries than any other countries. Malaysia is also an appealing investment destination for buyers from nearby Singapore," he said.

Chmiel added that Malaysia is especially appealing to buyers motivated by lifestyle, retirement and education services. The Malaysia My Second Home Programme, affordable standards of living, high quality of life, medical facilities and accessible educational institutions, all contribute to the country's appeal, he said.

Chmiel also said buyers from mainland China purchased RM9.5 billion worth of Malaysian residential and commercial properties last year, with more than four-fifths of the investment in the residential sector.



18 OCT, 2019

Why is Malaysia an attractive location for foreign home ownership?

The Malaysian Reserve, Malaysia



Page 2 of 2

SUMMARIES

The low threshold for property ownership and affordable living, among others make the country desirable to live, work and relax

THE Malaysian government's move to clear the overhang in luxurious high-rise homes by wooing foreigners would only be successful if the country is an attractive location. Institute for Democracy and Economic Affairs senior fellow Dr Carmelo Ferlito believes Malaysia is an interesting place for foreigners.