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Rehda Selangor in favour of lower foreign buyer threshold

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PETALING JAYA: The Selangor branch of the Real Estate and Housing Developers' Association (Rehda) is in favour of the state reducing the threshold price for foreigners buying high-rise properties, and is currently in discussions with the state government, according to its chairman Zulkifly Garib.

In Budget 2020, Finance Minister Lim Guan Eng announced the threshold price for high-rise properties in urban areas for foreigners would be reduced from RM1 million to RM600,000 in 2020.

However, land matters come under the purview of the states which have the power to set their own guidelines.

In Selangor, the threshold price for foreigners is RM2 million in Zones 1 and 2 — includes areas such as Petaling and Kuala Selangor — and RM1 million in Zone 3 which includes Hulu Selangor and Sabak Bernam.

Also, foreigners are not allowed to buy residential landed properties unless the property is issued with a landed strata title as in gated communities.

Penang is the only state that has revised the threshold for foreign buyers to RM800,000 from RM1 million (on the mainland), said Zulkifly, adding that it is still "status quo for the other states".

Describing the budget announcement as "a good move" as it makes completed unsold units more attractive to foreign buyers, Zulkifly said the measure is expected to help "a little".

"That's why we urge the state government to lower [the threshold] a bit. This is only a one-time thing for 2020. Let's give it a shot," said Zulkifly, who is also the chief operating officer of Glomac Bhd, to reporters during a briefing yesterday on Rehda Selangor's Home Ownership Campaign — Malaysia Property Expo 2019 (HOC - Mapex 2019).

Rehda Selangor deputy chairman Datuk Ho Hon Sang agreed the move will help developers clear some of their unsold stock, and reinvest in new property developments. Ho is also Mah Sing Group Bhd chief executive officer.

"It's huge ... there's the insurance, banking services, consulting services, legal services and many more."

On the property market outlook for next year, Zulkifly believes that the market is "not bleak", and that there is still demand.

"The market is there, the only thing that is affecting the market now are the external factors and financing," he said.

Zulkifly also announced Redha's final two mini HOC — Mapex in Melawati Mall and Central i-City Mall — would be held from Nov 1-3 and Nov 14-17 respectively.



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SUMMARIES

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