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## HOC boon to first-time, bumiputra buyers

**PETALING JAYA:** New data from Juwai IQI reveals that Malaysia's renewed Home Ownership Campaign (HOC) is successfully boosting first-time and bumiputra buyers, with 91.4% of real estate agents surveyed in agreement.

Just 2% of agents surveyed believe the campaign is reducing first-time buyer activity. Only 6.5% of agents believe the homeownership campaign has no impact either way on first-time buyer activity.

Juwai IQI group co-founder and CEO Kashif Ansari said because of the Covid-19 pandemic and the related economic slump, the government has reactivated HOC. It exempts buyers from stamp duty on the instruments of transfer and loan agreement when they buy a home worth from RM300,000 to RM2.5 million.

Developers who list properties under the HOC also must discount the listing price by at least 10%, so the buyer is getting a good deal. Today's extremely low interest rates are compounding the benefits of the programme by further reducing monthly mortgage payments.

"If you are buying a RM400,000 home, your closing costs without HOC would be just over RM50,000. With HOC, you only need to pay RM37,339 at closing. HOC reduces, your

downpayment, your stamp on the loan and the MOT (memorandum of transfer) would be zero, and your monthly loan repayment could be about 10% cheaper - depending on your interest rate and the amount you borrow.

About 91.4% of real estate agents nationwide believe the extension of the homeownership campaign will encourage first-time buyers to make more purchasing enquiries, and subsequently to make more purchases. Of the real estate agents surveyed, 29.4% believe the HOC extension is causing a "moderate increase" in first-time buyer enquiries.

About 28.6% of all agents surveyed believe the HOC extension is generating "significantly more" first-time buyer enquiries and purchases. 14.3% say the HOC extension is causing first-time buyer enquiries to surge in a "very significant increase".

Muhazrol Muhamad, head of bumiputra segment at Juwai IQI's subsidiary, IQI, believes that bumiputra buyers are benefiting most from the HOC, simply because they account for more than two-thirds of the population.

He estimates that the extension of the HOC will contribute to a higher number of enquiries and transaction from the bumiputra market in the first quarter of 2021.