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Ismail (third from left) and Hoe (on Ismail's left) at the launch of Johor Mapex 2015.

Johor says banks too stringent in giving out housing loans

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JOHOR BARU: Banks are becoming overly cautious in disbursing housing loans to buyers, even first timers who meet the more stringent requirements set by Bank Negara.

State Secretary Datuk Ismail Karim said loan approvals should be looked at on a case-by-case basis instead of a blanket approval system. He said state authorities have received complaints from rejected first-time buyers who were qualified financially to buy affordable houses in Johor.

"The Government is pushing for homeownership for all Malaysians especially first time buyers but banks are not playing their role," Ismail said at a press conference following the launch of the Johor Malaysian Property Expo 2015 yesterday.

He said the state government had met central bank officials to look into the matter, and suggested that the central bank should relax its ruling on disbursing loans.

He said under Johor's affordable housing project, each low-cost unit would be sold

at about RM40,000 while affordable houses were priced at a maximum of RM150,000 each.

To allow more first-time buyers to own homes, the state government had increased the monthly household income from RM6,000 to RM8,000.

Separately, Ismail said the state government would earmark the Danga Bay Waterfront development, R&F Tanjung Puteri and Forest City, all part of Iskandar Malaysia, as international zones with no restrictions to foreign ownership.

Outside the international zones, foreigners would only be allowed to buy 10% of the developed properties in a project with a ceiling price of RM1mil each. Previously, the foreign ownership quota was 20%.

Johor Real Estate and Housing Developer Association branch chairman Hoe Mee Ling said developers remained upbeat on the property outlook of Iskandar Malaysia.