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Joint communiqué by Malaysian Developers' Council

THE 21st Malaysian Developers' Council meeting which convened on 5 August 2016 in Mulu Sarawak was attended by key office bearers and council members of the tripartite organisations; the Real Estate and Housing Developers' Association Malaysia (REHDA), the Sabah Real Estate and Housing Developers Association (SHAREDA) and the Sarawak Real Estate and Housing Developers' Association (SHEDA). The MDC, chaired by REHDA Malaysia, amongst others discussed common issues faced by the industry besides sharing the present situation of the property industry in the respective states. The three organisations shared the same sentiment of the current softening market and expressed their concerns on the following matters:

1) Sluggish Market Performance

The member organizations of MDC voiced their deep concern on the serious slowdown in market performance. Marked reduction in sales performance is not only reflected in the 2015 NAPIC Report but also in the property surveys undertaken by REHDA Malaysia

and SHAREDA. Sales have been on a downward trend over the past few years and MDC is worried that if the situation is not carefully attended to will bring detrimental effect to the country's economic growth.

The property industry has been proven to be one of the key economic pillars contributing to the country's GDP. Therefore, in order to accelerate economic growth, MDC appeals to the Government to come up with bold policies to rejuvenate the industry and stimulate activities throughout the value chain.

2) Flexibility on Lending Guideline

The various cooling measures and stringent housing loan guidelines introduced by Bank Negara Malaysia (BNM) since 2010 have negatively impacted house buyers' ability to secure financing. Whilst we understand that the prime intent of BNM for introducing the guideline is to curb household debt, MDC is of the view that BNM should review the mechanism and qualifying criteria to facilitate

homeownership especially first time buyers.

The three Associations reported that feedback from the market continues to indicate strong interest in new launches. However, very significant number of cases of end financing rejection particularly in the affordable housing segment have culminated in the cancellation of purchase.

In view of this, MDC hopes that BNM would consider relaxing some of the strict lending guidelines and policies. BNM should leave to banks the discretion to determine the criteria for approving loans based on the lenders' risk appetite and credit appraisal. Financing to eligible house buyers and special financing packages should be made available especially to assist potential first time buyers. This will not only help to promote homeownership but also stimulate the slowing down market.

MDC hopes that the Government will seriously consider the Council's proposals to ensure the industry continues to remain resilient for the greater good of the industry, the nation and the rakyat.



THE key office bearers and council members of REHDA, SHAREDA and SHEDA posing for a photograph before the MDC meeting.