



WISMA REHDA

Kelana Jaya, Petaling Jaya

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Media Release and Comments on Freeze of Approvals for Properties Priced above RM1 million

In light of the recent reports by the Federal Government to freeze approvals for shopping complexes, offices, serviced apartments and condominiums priced above RM1 million as part of the efforts to curb oversupply, the Real Estate and Housing Developers' Association (REHDA) would like to seek further clarification from the authorities on the issue. We wish to fully understand the details of the announcement, made by the Minister of Finance II, Datuk Seri Johari Abdul Ghani.

Since the announcement of the various cooling off measures in 2014, not many developers have been undertaking development of properties above RM1 million and REHDA is in the opinion that one of the main reasons for such oversupply is the mismatch in supply and demand. As the voice for private developers in Malaysia, REHDA has always advocated the need for a comprehensive data to establish the demand and supply of properties in the right location. The availability of the data will help give a more accurate picture of where demands are located the most, and which areas require less, thus preventing oversupply.

As policy makers, the authorities also play an important role in ensuring that the data collected is used efficiently. REHDA therefore calls for the Government, in particular Bank Negara Malaysia, NAPIC and the Ministry of Urban Wellbeing, Housing and Local Government (KPKT) to work together in utilising and streamlining the data available. These timely data will tremendously assist developers and relevant industry players in making proper and informed decisions in regards to their development projects.

Whilst we are happy to note that the income per capita of Malaysians in general has improved by about 46% (since 2010), this is not reflective in the disposable income

and purchasing power of the average Malaysians due the rising cost of living. This is the fundamental reason why many Malaysians cannot afford to purchase property as their high household debt is high. We believe that some measures need to be taken by the powers that be to address this serious issue.

As a partner to the industry, REHDA lauds the efforts by the Government towards the national housing agenda. We are in total support of the call by Datuk Seri Johari Abdul Ghani and Bank Negara Malaysia to establish a single authoritative body to oversee all housing matters in the country, especially in regards to affordable housing. We believe it is an essential step to safeguard the growth of the property and real estate industry, and the interests of its players. However, we urge for more incentives be accorded to attract more private developers to build affordable housing, and at the same time, review and reduce unnecessary compliance/contribution costs to help lower down developers' cost of doing business as well as remove restrictions on unsold completed properties for all types of properties. Stamp duty waiver especially for buyers of the affordable housing category, would also go a long way in assisting purchasers to buy. In addition, REHDA also supports the proposal to repurpose completed office space and retails lots as the move may be able to help mitigate the high number of the said property segments.

In conclusion, REHDA hopes that the authorities will reconsider the new ruling, considering that for certain areas in the country where land prices are high and building properties below RM1 million is impractical. Furthermore, in certain locations across the city, there are still demand for high-end properties and free-market should prevail. Nevertheless, an in-depth research and feasibility study is needed before embarking on new projects by all developers, in which we continuously urge REHDA members to undertake.

REHDA MALAYSIA

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