



Persatuan Pemaju Hartanah Dan Perumahan Malaysia
马来西亚房地产发展商会
Real Estate And Housing Developers' Association Malaysia
“Towards Sustainable Development”
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WISMA REHDA

Kelana Jaya, Petaling Jaya

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Media Release on Cost Saving for Developers

The Real Estate and Housing Developers' Association Malaysia (REHDA) is appreciative of the Government's kind move to exempt basic construction materials and all construction services from the Sales and Services Tax (SST) in the effort to reduce house prices.

“Under the Goods and Services Tax (GST) regime, residential property developers were unable to claim input tax credit and had to absorb the cost increase but with the abolishment of GST and the above waiver from SST, we should expect to see some savings in development cost,” said Dato' Soam Heng Choon, REHDA Malaysia's President. “We are expecting between 2.5% - 5% savings depending on the type of developments, but this would be applicable to new projects only as prices for those projects during GST era would have been agreed upon with the contractor and are in various stages of completion,” explained Dato' Soam.

REHDA is therefore encouraging all developers to pass on this savings back to their purchasers in the form of house price reduction for new launches. Together with other discounts and rebates that most developers are currently offering in view of the soft market for new launches, house purchasers can look forward to lower prices of minimum 5% depending on the location and type of product, said Dato' Soam further.

Meanwhile, REHDA also hopes that all stakeholders will work together to look at ways to reduce the input cost of the property development business and in particular compliance cost so as to enable property prices be reduced further.

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