



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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Preliminary Media Release and Comments on Budget 2020 by REHDA Malaysia

The Budget announced today by the Minister of Finance, Yang Berhormat Mr Lim Guan Eng spoke of the Federal Government’s commitment to rebuild the economy and improve our fiscal position, at the same time keeping the interest and wellbeing of all Malaysians close to heart. As such, the Real Estate and Housing Developers’ Association (REHDA) Malaysia conveys our deepest appreciation to the Federal Government for another people’s first Budget that will hopefully continue to elevate the nation into greater heights.

The theme “Driving Growth and Equitable Outcomes Towards Shared Prosperity” reflects the Government’s newly announced Shared Property Vision 2030, which aspires to develop Malaysia as a high-income country, address wealth and income disparities and build a united, prosperous and dignified nation. It is an inclusive Budget that focuses on the needs of the people.

As an Association that believes all Malaysians deserve to own a place to call their own, we welcome the Government’s decision to extend the Home Ownership Campaign 2019 until 31 December 2019. The Campaign which commenced in January this year has since received positive response from both developers and purchasers. We hope more of such incentives will be forthcoming to further spur the industry. We were also encouraged by the decision from Bank Negara Malaysia to expand the eligibility criteria for its RM1 billion Fund for Affordable Homes to include household income of up to RM4,360 from RM2,300, and house price is set at RM300,000. This will enable more of the B40 group to benefit.

Lowering of Foreign Home Ownership Threshold from RM1 Million to RM600,000

Decreasing the foreign home ownership threshold for strata properties to RM600,000 is seen as a positive move to the industry. Although limited to a one-year period in 2020 and specific to only urban areas, we foresee that it will assist in alleviating the unsold units issue. We call upon the Federal Government to ensure the support from State Governments in implementing the threshold limit for this period, as this is still very much a matter where States have the final say.

Revision of Real Property Gain Tax (RPGT) Base Year for Assets Acquired Before 1 January 2013

We also welcome the Government's announcement to revise the Real Property Gain Tax (RPGT) imposed on disposal of properties after five years onwards for assets acquired before 1 January 2013. With the change of the base year, earlier set at 1 January 2000 to 1 January 2013, we believe that this will significantly lessen the burden of homeowners who are planning to sell their houses.

Rent-to-Own Scheme

REHDA lauds Yang Berhormat Mr Lim Guan Eng's announcement whereby financial institutions will provide RM10 billion for a Rent-to-Own scheme. Those who are not ready to purchase at current time will have the option to rent first and buy later based on the price fixed at the time the Tenancy Agreement is signed. This, along with the stamp duty waivers on Memorandum of Transfer and Loan Agreement will definitely play a role in increasing homeownership amongst the rakyat, as per the national housing agenda.

Extension of Youth Housing Scheme

The extension of the Youth Housing Scheme by Bank Simpanan Nasional for another two years is one that will be beneficial for youths looking for a home. With a 10% loan

guarantee through Cagamas purchasers' burden to come up with the 10% deposit will be lessened, in addition to the lower margin instalment for the first two years. However, we hope the limitation to 10,000 home units will be increased to benefit more purchasers.

Once again, we would like to thank the Federal Government for the announced measures, and REHDA reiterates its support of all endeavours that benefit the housing and real estate industry, as well as the rakyat, and to meet the new Shared Prosperity Vision 2030.

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