



PROPERTY SECTOR

# MORE CATALYSTS PLEASE, GOVT URGED

Glomac MD proposes lower price threshold for foreigners, return of MM2H programme

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**T**HE government must undertake a study and introduce new catalysts to boost the property market, said Glomac Bhd group managing director and chief executive officer Datuk Seri FD Iskandar Mansor.

This, he said, could include a lower price threshold for foreigners to purchase properties in the country.

He noted that property ownership among foreigners in Malaysia was at less than two per cent.

"The influx of foreign investors will create a spillover effect on the property industry and the economy in general," he told the *New Straits Times* recently.



FD Iskandar, who is also the immediate past president of the Real Estate and Housing Developers' Association (Rehda), said there was a huge interest in Malaysia among foreigners due to the country's good healthcare system.

He also cited the low Overnight Policy Rate (OPR) at 1.75 per cent and the National Economic Recovery Plan (Penjana) stimulus

package introduced by the government to boost the economy, especially the property sector.

For the 2021 Budget, FD Iskandar proposed the reintroduction of the Malaysia My Second Home (MM2H) programme but with clearer and more transparent guidelines and regulations.

"The industry has been pushing the Housing and Local Government Ministry for a central database on property inventories, existing developments and approved developments.

"This database will provide a clearer picture on housing demand and supply in the market. It will also assist property developers in making the right development while offering buyers an insight into future developments."

He also proposed that all states should implement an automatic release mechanism for Bumiputera units with Certificate of Completion and Compliance (CCC).

"Unsold completed Bumiputera units with CCC can be given

automatic release for sale to the open market during this critical period to assist developers' cash flow."

FD Iskandar said the government must also look at introducing more rent-to-own schemes.

"Perhaps, the government can consider providing affordable housing for the Bottom 40 households with contribution from property developers, provided that these developers do not have to build low-cost units or contribute in other forms.

"Continued incentives under the Home Ownership Campaign (HOC) and extension of the campaign and reduction of compliance cost and development cost are some ideas that the government can also consider."

He said besides land conversion premiums and development

charges, the capital outlay for private utility companies was high.

He proposed that the government lengthen the period of the real property gains tax (RPGT) waiver to at least two to three more years as an impetus to boost the secondary market, as the perpetual RPGT was an issue for those who were considering upgrading their homes.

He said longer loan tenure of up to 40 years or till the age of 70 years, and lower interest rates for first-time buyers coupled with additional financial assistance for them, would also be helpful.

"Further, incentives for investment in Industrialised Building System (IBS), such as sales tax exemption for all accredited IBS materials, would be a good move to make them more price competitive," he added.



Datuk Seri FD Iskandar Mansor