

Invest in real estate, PM tells foreigners

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FOREIGN investors have been urged to invest in real estate in Malaysia as long-term investment in view of the significant changes made to regulations enabling them to purchase various types of property.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the changes cover agricultural, residential, commercial and industrial property.

In his speech at the opening of the Asia Pacific Real Estate Congress in Kuala Lumpur yesterday Datuk Seri Dr Mahathir said with Malaysia's population of about 16 million and a rapid growth rate of about 2.6 per cent, there will be a continuous strong demand for shelter.

Datuk Seri Dr Mahathir's speech was read out by the Deputy Minister in the Prime Minister's Department Raja Ariffin Raja Sulaiman.

The Prime Minister assured foreign investors that they need not fear and need not be pessimistic because of the current low growth. The Government, he said, is making every possible move to help the real estate industry.

Such measures include lowering alienation premiums, reduced land use conversion charges, trimming of infrastructural requirements, minimising red tape to quicken the approval process, cheaper financing charges and, enabling partial withdrawal of contribution to the Employees Provident Fund for purchasing of houses.

"But I must emphasise that we have a property-owning policy which has generated many booms, and we are confident that the policy can help rejuvenate the real estate industry," he added.

He said there was still a shortage of housing for the lower and medium income groups.

"Although we have technocrats and professionals looking into more expeditious methods of constructing buildings with some of them already in use, there is still room for further foreign

expertise and capital investment in this sector," he said.

The Government had introduced and implemented a special housing programme which had set a target of 80,000 homes per year for three years from 1986.

Datuk Seri Dr Mahathir said there was still a strong demand for medium-cost houses throughout the country.

"With lower prices for some building materials and reduction in construction costs, developers and entrepreneurs with right strategies can enjoy a reasonable margin of profit," he said.

The Prime Minister said even though Malaysia is not yet an industrialised country, it had achieved a high degree of success in its industrialisation. As a matter of fact it entered the high tech and heavy industries areas.

The formulation and implementation of the Industrial Master Plan, with an emphasis on export oriented manufacturing sector, will accelerate further industrial growth. "We also have the resources, ingredients and resilience to steer us out of the present setbacks to higher economic growth in the years to come," he added.

Asia-Pacific Real Estate Federation President and the organising chairman Datuk Abdul Rahim Abdul Rahman said the real estate industry plays a vital role in the countries' economic growth as it provides shelter catering to the different strata of society, commercial properties to conduct business in a conducive atmosphere and source of income.

"We can advise our governments or clients to refurbish or redevelop properties instead of demolishing or building new ones. We can work out better ways of marketing property in a depressed market," he said.

Developing countries facing difficulties in providing public housing can benefit from the experience and knowledge of other countries who have or are coping admirably.