

# Right time to invest in real estate: Dr M

## 'FAVOURABLE CHANGES IN POLICY'

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INVESTORS should take the opportunity to invest on a long-term basis in the real estate industry in Malaysia in view of the favourable changes in the Government's property-owning policy, Datuk Seri Dr. Mahathir Mohamad said yesterday.

The Prime Minister said one of the significant changes was to allow foreigners to purchase real estate, including agricultural, residential, commercial and industrial properties.

"In relation to these changes, our country has about 16 million people and with a rapid demographic growth, there will be a continuous demand for shelter," he said at the Asia-Pacific Real Estate Congress in Kuala Lumpur in a speech read by the Deputy Minister in the Prime Minister's Department Raja Ariffin bin Raja Sulaiman.

### Diversification strategy

Dr Mahathir said there was still a shortage of housing for the lower and middle-income groups, and to cater to these people, the Government last year introduced and implemented a special housing programme with a target of 80,000 low-cost houses per year for three years.

"Although we have technocrats and professionals looking into better methods of constructing buildings, there is still room for further foreign expertise and capital investment in this sector."

He added that there was also a strong demand for medium-cost houses in 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."

**By ROSLI ZAKARIA**

Dr Mahathir said Malaysia was making every possible move to boost the property industry which had been affected by problems arising from the backlash of the economic recession.

He is confident that the Government's property-owning policy which has generated many booms, will help rejuvenate the real estate industry.

He added that many measures had been implemented to help the industry, including lowering alienation premiums, reducing land conversion charges, trimming infrastructural requirements, cheaper financing charges and partial withdrawal of contributions to the Employees Provident Fund for purchasing houses.

On the economic situation in Malaysia, Dr Mahathir said the country recognised the need to diversify its economic activities early to reduce the over-dependence on primary commodities, prices of which had been affected by the global recession.

He said the main thrust of the diversification strategy has been in industrialisation which emphasised manufacturing for export.

"This strategy has proven to be right and our achievements in the manufacturing sector in the last few years have helped cushion the effects of declining commodity prices and demands.

"With the recent introduction of various measures and generous incentives for investments, and with the improvement in the prices of some primary commodities, we are optimistic of the future outlook," he added.