

28 AUG 1997

Mahathir-Levy

DR M: ADEQUATE HOUSES FOR LOCALS

KUALA LUMPUR, Aug 28 (Bernama) -- The Government decided to lift the RM100,000 levy imposed on foreigners for the purchase of properties costing RM250,000 and more only after it was satisfied that there were adequate number of houses and affordable by the people.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the decision to abolish the levy was also appropriate to boost the sale of properties in that price range as the government did not want to see houses lying idle with no buyers.

"We find there are sufficient number of houses for locals. The situation is also the same in Johor with adequate number of houses so that the people will not be deprived of the opportunity to buy houses," he told Bernama.

Dr Mahathir was approached on current national issues after recording his 40th National Day message at Angkasapuri here today.

Deputy Prime Minister Datuk Seri Anwar Ibrahim announced yesterday that the government's decision to scrap the levy comes into force today.

The levy was introduced in the 1996 Budget to check speculations in the real estate sector and to control foreigners from buying properties particularly in big towns like Johor, Pulau Pinang and Kuala Lumpur.

Dr Mahathir said the government introduced the levy as there were too many foreigners buying property in Malaysia then.

"Now that the purchases by foreigners are not that obvious, we scrap the levy to boost the property market as we do not want houses to be built with no buyers," he said.

Dr Mahathir said the locals need not worry with the government's move because houses in Malaysia were built and sold at different prices -- low, medium and high.

"Hence, if we cannot afford to buy the expensive ones, we can go for the medium cost houses," he said.

Asked to comment on the Federation of the Malaysian Consumer Associations (Fomca) statement yesterday that developers would take advantage of the abolition to build more high-cost houses, Dr Mahathir said he did not think so.

He said developers would continue to build medium-cost houses as long as there were demand for it.

Furthermore, the government had a policy requiring all developers to build low-cost houses, he added. -- BERNAMA

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