

18/12/1998

BNM to submit report on home ownership drive

Lokman Mansor

BANK Negara Malaysia will submit a progress report on the Home Ownership Campaign to the National Economic Action Council (NEAC) on Monday, Second Finance Minister Datuk Mustapa Mohamed said.

He said the report, the first since the campaign was launched on December 12, will be presented by Central Bank Governor Tan Sri Ali Abul Hassan Sulaiman.

Speaking at a press conference after launching the Pocket Money and Family Financial Statement books in Kuala Lumpur yesterday, Mustapa said Ali Abul will report on the progress of the campaign throughout the nation, including problems faced.

"We have received reports of some buyers being cheated and other problems. We will try to solve these problems as fast as possible," he said.

Asked if the campaign will be extended beyond its initial one-month period, Mustapa said there has been such a request but no decision has been made yet.

"We will discuss that on Monday," he added.

The campaign, launched by the Prime Minister Datuk Seri Dr Mahathir Mohamad last Saturday, is scheduled to end on January 12 1999. The response from the public so far has been encouraging.

The campaign is organised by the Housing Developers Association of Malaysia (HDAM), Association of Banks Malaysia and the Association of Finance Companies Malaysia.

It aims to provide housebuyers with the opportunity to buy homes at reduced prices with attractive incentives and special packages valid only during the campaign period.

At the start of the campaign, some 22,036 units of property worth RM5.2 billion were registered for sale. The units, whose total discounted value under the campaign comes to RM4.5 billion, are mostly residential properties.

Shophouses, offices, retail space and factories are also on offer. The bulk of the properties are in Selangor and Kuala Lumpur, with the rest located throughout the country.

The total number of participants at the start of the campaign was 222 developers, with more expected to join in. They offer discounts of at least 10 per cent with an additional discount of 5 per cent for Bumiputeras.

Banks involved in the campaign offer financing of up to 95 per cent for property costing up to RM200,00. An interest rate of 9 per cent per annum is imposed on property costing up to RM100,000, while for property worth between RM100,000 and RM250,000 buyers will pay only the base lending rate for the first year.

For subsequent years, the payment will be the BLR plus 1.5 per cent.

Processing fees and stamp duties are also waived, while reductions in legal charges can be negotiated on a case-by-case basis during the campaign period.

(END)