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Currency controls will boost housing, says HDA

KUALA LUMPUR, Sat. - The Housing Developers Association Malaysia today expressed confidence that the currency control measures announced by Prime Minister Datuk Seri Dr Mahathir Mohamad recently would boost the local property market.

The expected influx of liquidity into the country's financial system would also accelerate the development and completion of affordable housing projects, said HDA president Eddy Chen Lok Loi.

"We welcome the lowering of interest rates as this will boost consumer spending, especially in the affordable housing sector.

"This will be a catalyst to meeting the housing targets set by the early part of the Eighth Malaysia Plan period."

Chen said the HDA had written to Bank Negara for clarification on the operational details of the currency control regulations.

This, he said, was because HDA members had received enquiries from qualified foreign buyers seeking clarification on the new measures' effect on property purchases.

He added that given the current economic and financial realities, many housing developers were restructuring their products to meet market needs and affordability levels.

"This, in many cases, involves the changing of plans which will inevitably lead to some delay in the housing delivery process."

On Housing and Local Government Minister Datuk Dr Ting Chew Peh's recent statement that housing targets under the Seventh Malaysia Plan might not be met, Chen said the targets were likely to be achieved in the early part of the Eighth Malaysia Plan period.

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