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CAMPAIGN-HOUSES

EXTRA DISCOUNT FOR BUMI BUYERS DURING HOUSE OWNERSHIP CAMPAIGN

KUALA LUMPUR, Dec 8 (Bernama) -- Bumiputera buyers of residential properties during the one-month home ownership campaign would get an additional five percent price cut on top of the minimum 10 percent discount offered by developers.

Housing Developers' Association Malaysia (HDAM) president Datuk Eddy Chen Lok Loi said today the 122 developers who had so far registered to participate in the campaign had agreed to offer this extra discount.

Speaking at a press conference here, he said for properties that were completed or under construction, the prices would be based on current levels and not their launch rates.

The government-initiated campaign, to be launched by Prime Minister Datuk Seri Dr Mahathir Mohamad this Saturday, would run until Jan 12, 1999.

Endorsed by the National Economic Action Council (NEAC), the campaign is aimed at increasing house ownership as a way to boost the national economic recovery.

The campaign also covers houses that are yet to be built by developers who have obtained end-financing and for which, no sales and purchase agreement has been signed.

Chen said HDAM expects more of its members to sign up for the campaign. HDAM currently has 700 members.

All banks and finance companies would offer 95 percent financing for residential properties bought during the campaign period. However this covers only properties up to RM250,000.

Bank Bumiputra Malaysia Bhd chief executive Datuk Abdul Aziz Othman, who represented the Association of Banks in Malaysia, said ABM members and those of the Association of Finance Companies in Malaysia (AFCM) would charge nine percent interest on properties up to RM100,000.

"For properties priced between RM100,000 and RM250,000, we will charge the base lending rate (BLR) plus zero percent for the first year while for the subsequent year, it will be BLR plus 1.5 percent," he added. The current BLR is about 8.05 percent.

Abdul Aziz said the loan tenure would be at the discretion of the banks and finance companies. Presently, it ranges from 10 to 35 years.

"We have been advised that there would also be discounts for legal fees based on individual negotiations," he added.

In expecting the campaign to spur loan growth in the banking sector, AFCM chairman Datuk Tay Ah Lek said this however would not affect the availability of secondary financing for properties. "We have ample funds," he added.

For houses above RM250,000, Tay said the loan would be disbursed based on normal terms and conditions.

Asked whether foreigners would be entitled to the various offers under the campaign, Chen said: "This will be announced by the prime minister."

Explaining why the campaign is conducted over such a short period of one month, Chen said this was to provide a "one-off boost" for the housing industry.

"We are also sending out the signal that the industry had hit the bottom and is set to go up after this. Buyers' confidence had been affected by the economic turmoil and we are building up this confidence," he said.

Other goodies offered during the campaign are insurance discounts offered by members of the General Insurance Association of Malaysia and

Life Insurance Association of Malaysia. -- BERNAMA
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