

09/12/1998

Good time to invest in properties: HDA

Anita Gabriel

PROPERTY prices have reached bottom which makes it a very good time to invest in real estate, says Housing Developers Association Malaysia (HDA) president Datuk Eddy Chen.

Having plunged by 10-40 per cent since the economic downturn, there is only one way for real estate prices to go from here, and that is up, he said.

Prospective house buyers should therefore take advantage of the one-month "Home Ownership Campaign" to be launched on Saturday by Prime Minister Datuk Seri Dr Mahathir Mohamad at the Shangri-La Hotel in Kuala Lumpur, Chen said at a joint press briefing in Kuala Lumpur yesterday.

"Developers will not offer anything cheaper than now," he added.

In addition, numerous "sweeteners" will be offered by participating developers, financial institutions and insurance companies during the campaign period of December 12 1998 to January 12 1999.

On offer are residential properties, the bulk of which is located in the Klang Valley, Johor and Penang, costing between RM100,000 and RM250,000.

The units will be sold at a discount of up to 15 per cent for Bumiputeras and 10 per cent for non-Bumiputeras.

According to Chen, a large portion of the properties will be disposed of below cost.

At least 178 developers will participate in the campaign. They include big names like Tan & Tan Developments Bhd, Sunway City Bhd, Metro Kajang Holdings Bhd and IOI Properties Bhd.

HDA has 700 members and interested property developers can still sign up to participate in the campaign, Chen said.

Speaking on behalf of the Association of Banks Malaysia (ABM), Bank Bumiputra Malaysia Bhd chief executive officer Datuk Abdul Aziz Othman said the campaign is a government initiative designed to spur economic activity.

Endorsed by the National Economic Action Council, financial institutions will offer purchasers 95 per cent financing during the campaign period for units costing up to RM250,000.

The interest rates on loans will be base lending rate (BLR) plus zero per cent during the first year and BLR plus 1.5 per cent for subsequent years.

Abdul Aziz said second-house buyers are welcomed and are also eligible to receive 95 per cent financing as long as they are credit-worthy.

Association of Finance Companies Malaysia (AFCM) chairman Datuk Tay Ah Lek told the briefing that the campaign is timely as it allows consumers to take advantage of stable house prices and lower interest rates.

Furthermore, it will help clear the existing supply of certain properties, he said.

Finance companies will offer attractive packages such as longer loan tenure, flexible monthly repayments, low interest rates and free gifts, he said.

The campaign involves the collaboration of ABM, AFCM and HDA and participated by all financial institutions, property developers with unsold properties, insurance companies and the Employees Provident Fund.

General Insurance Association of Malaysia executive director/secretary Lim Chia Fook said buyers of houses in projects involved in the campaign will be given up to 25 per cent discount on premiums for general insurance

in the first year and personal accident cover of RM10,000 for a nominal premium of RM1.

Vincent Kwo of MBA Life Assurance Bhd said a 10-per cent discount will be offered on mortgage insurance for properties worth up to RM150,000.

EPF will meanwhile set up special counters during the campaign period, which will remain open during public holidays and at weekends, said its senior general manager, members' services department, Mohd Yusoff Abdul Mubin.

The list of developers and projects will be published in the newspapers, while hotlines will be set up by the financial institutions.

Malaysian Trades Union Congress (MTUC) president Senator Zainal Rampak, in welcoming the move to revive the housing sector, said in a statement: "Since the sector is one of the key determinants of economic growth, it is hoped that developers will make good use of these incentives and build more affordable homes for the middle- and low-income groups in the country."

(END)