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LEAD Mahathir-Property

GOVT EASES HOUSING LOAN CONDITIONS FOR CIVIL SERVANTS

KUALA LUMPUR, Dec 12 (Bernama) -- The government today announced relaxation in the housing loan conditions for civil servants on the permanent establishment who have yet to be confirmed in their posts.

It also announced attractive incentives to encourage the people to buy houses during the one-month "Home Ownership" campaign launched today by Prime Minister Datuk Seri Dr Mahathir Mohamad.

With the relaxation, civil servants on the permanent establishment and had worked for a year, can apply for housing loans without having to be confirmed in their posts during the campaign period.

Previously, a civil servant must have served for five years, emplaced in permanent establishment and confirmed in his or her position to be eligible to apply for housing loans.

The campaign, which will go on till Jan 12, is organised jointly by Bank Negara, Housing Developers' Association of Malaysia and Association of Banks in Malaysia is aimed at resuscitating the property sector to stimulate the economy.

Dr Mahathir also announced incentives for residential houses in the price range of between RM100,000 and RM250,000. The incentives does not apply for low-cost houses.

Among the incentives are up to 95 percent loans by banks and financial institutions, 15 percent discount for Bumiputeras and 10 percent for non-Bumiputeras for properties offered during the campaign period.

Other incentives announced today are non-residents or foreigners without work permits in Malaysia will be allowed to obtain up to 50 percent financing from local institutions to buy residential properties during the campaign.

For non-residents with work permits, they are eligible for a maximum of 95 percent margin financing.

Under normal circumstances, non-residents without work permits are not allowed to obtain loans from financial institutions in the country while non-residents with such permits are eligible for only 60 percent margin financing.

However, the residential properties to be purchased by non-residents are restricted to those priced above RM250,000.

Non-residents need only to notify the Foreign Investment Committee (FIC) on the purchase of residential properties in Malaysia during the period.

Under normal circumstances, they are required to obtain the approval of the FIC before buying properties here.

Stamp duty would be exempted on purchases made during the campaign period, he added.

Referring to unsold Bumiputera lots, Dr Mahathir said they could be bought by non-Bumiputeras during the campaign period but this only applied to completed units and not low-cost houses.

To facilitate the transactions, state governments would also waive the levy imposed on the purchase of Bumiputera lots by non-Bumiputeras during the one-month campaign, he said.

Dr Mahathir said the government had thought out various incentives to revitalise the property sector to hasten economic recovery.

"I do hope you (developers) can sell more than RM5 billion worth of properties (during the campaign period)," he said

He noted that there was an overhang of some RM80 billion worth of properties comprising houses, hotels and other types of properties during the current economic slowdown.

He said the large overhang was due to the fault of the "previous financial administration in the country, which decided that the property market was not a priority area."

Association of Banks in Malaysia chairman Datuk Amirsham Abdul Aziz told reporters later that the banking system had the liquidity to sell over RM5 billion worth of residential units during the campaign period as envisaged by the prime minister.

On fears that Bumiputera lots would be sold at their whims to non-Bumiputeras, Deputy Housing and Local Government Minister Datuk Azmi Khalid said Bumiputeras could lodge reports to the ministry or state governments on the matter.

He said the ministry and state governments would have a committee to ensure developers do not take advantage of the government's concession.

Dr Mahathir also directed housing developers and financial institutions involved in the campaign to hold a nationwide exhibition of the properties to be sold.

He said such a fair would enable prospective buyers to see for themselves models of houses, shops and factories, make immediate enquiries and obtain relevant information on the properties at a central location.

He said banks and financial institutions should also set up booths at the fair and even lawyers can be there to enable prospective buyers to make decisions on the houses they want to buy.

Taking Dr Mahathir's cue, Second Finance Minister Datuk Mustapa Mohamed told a news conference later that Finance Ministry officials could also be stationed at the fair to provide information and approve Employees' Provident Fund (EPF) withdrawals.

Housing Developers' Association of Malaysia (HDAM) President Datuk Eddy Chen said they would organise an exhibition and a property fair in at least three main places -- in the Klang Valley, Johor Baharu for the southern and in Pulau Pinang for the northern area.

Dr Mahathir also hoped that property developers would cooperate in the campaign and make sacrifices as had been done by the government.

He also urged developers not to resort to tactics like offering bad properties for sale and putting up signs that the good ones had already been sold out.

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