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10pc discount on house prices (HL)

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PETALING JAYA, Thurs. - In a move to get the housing industry moving towards boosting economic recovery, a campaign will be launched on Dec 12 where buyers will be offered at least 10 per cent discount, increased loan margins and reduced interest rates.

Waivers will also be made on stamp duty and processing fees with significant reduction in legal charges.

Prime Minister Datuk Seri Dr Mahathir Mohamad is scheduled to launch the campaign at Bank Negara.

Housing Developers' Association Malaysia president Datuk Eddy Chen Lok Loi said today the month-long campaign themed "Home Ownership Fest" has been endorsed by the National Economic Action Council.

"Bank Negara Malaysia has brought together key players in the housing and banking industries to encourage home ownership.

"The property sector contributes significantly to the nation's economic growth and developers will play a crucial role towards achieving positive GDP growth in 1999," Chen told a press conference at the HDAM secretariat in Kelana Jaya.

Buyers of houses costing below RM100,000 would pay interest fixed at nine per cent or "even lower" depending on participating banks while those who bought houses below RM250,000 could get 95 per cent financing or more if they qualify, he said.

Chen said another objective of the campaign was to speed up approval processes for loans, Employees' Provident Fund disbursements and insurance requirements. He said there might also be some easing of property ownership by foreigners who could now only buy property costing more than RM250,000.

"This is a one-off thing for developers to sell as much stock as possible."

Chen, however, said the bulk of the property was at the higher end of the property market and the exact properties available would be known after the Dec 7 deadline for participating developers to inform the association.

HDAM vice-president Tan Teng Boon said although the sale of property costing below RM250,000 was brisk, the Government wanted to see more sales.

He said the association, which has about 700 members, will advertise predominantly in the print media and provide information on the properties available.

The campaign is expected to cost between RM600,000 and RM2 million and this would be shared equally between HDAM and the Association of Banks in Malaysia.

Asked what impact the campaign would have on property prices, Tan said although the impact would be minimal given the short campaign period it could help stabilise prices.

Tan said the Government's Housing Loans Division would expedite approval for buyers who were civil servants.

The campaign is also to encourage home ownership as a long term savings plan, a long term investment and as a hedge against inflation.

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