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FIABCI-PROPERTY

PROPERTY TRANSACTIONS ENQUIRIES SURGE FOLLOWING HOME-OWNERSHIP CAMPAIGN

KUALA LUMPUR, Dec 15 (Bernama) -- The enquiries on property transactions are rising following the recently launched home ownership campaign from Dec 12 1998 to Jan 12, 1999, said Datuk Alan Tong Kok Mau, president of FIABCI (The International Real Estate Federation) Malaysian Chapter here today.

In his speech at a closed door luncheon talk here, he said the campaign which was launched by Prime Minister Datuk Seri Dr Mahathir Mohamad on Saturday is definitely a boost to the real estate sector.

He added that response is encouraging given the incentives, relaxation of rules and regulations for this month's purchase to attract local and foreign investors.

Tong said the housing industry is poised for recovery with the appropriate and continuous measures adopted by the government to stimulate foreign exchange and foreign direct investment.

FIABCI Malaysia was glad that the Foreign Investment Committee (FIC) requirements had been waived for purchases by foreigners during this month-long home ownership campaign, he said.

He added: "In fact, we urge the government to seriously consider separating the rule applicable to foreign investors and the Malaysian investors."

FIC's standard rule is to impose 30 percent quota for any investment including investments in asset valued at RM5 million and above. There is a need for the committee to re-examine such restrictive and outdated act, by taking into cognizance that today there are so many investment opportunities for everybody, both Malaysians and foreigners, said Tong.

Tong said: "It is appropriate that for Malaysians in particular there is no necessity to apply the 30 percent quota rule, not forgetting the Bumiputera investors who generally prefer to be the majority shareholders rather than the minority shareholders."

This waiver could entice a lot of Malaysians who have investments in other countries to withdraw their resources and re-invest in Malaysia that would augur well and further stimulate investment climate in our country, he added.

Nevertheless, he said FIABCI cautioned purchasers to buy when there is a need and did not encourage speculation because some developers might be selling the completed projects at below replacement value in order to ensure healthy cash flow.

Tong said: "It is heartening to note that the government will be setting up the national property information centre. For the long term stability of the real estate industry, there is a need to relax existing rules on dissemination of data from the public sector to those needing such information."

The regular release of such data would allow the private property sector to self regulate to ensure efficiency and to avoid drastic over supply in the future.

He said: "It would be very beneficial if we are able to have a data bank in every city and every town. FIABCI Malaysian chapters believes that this is the vehicle to arrest future overbuilt situation, thus pre-empting a situation of supplies more than demand or supplies not relevant to the needs of the market."-- BERNAMA

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