

16/12/1998

Queries on property transactions rising

KUALA LUMPUR, Tues. - Enquiries about property transactions are rising following the launch of the Home Ownership Campaign, International Real Estate Federation president Datuk Alan Tong Kok Mau said.

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

He added that response was encouraging given the incentives and relaxation of rules to attract local and foreign investors.

Tong said the housing industry was poised for recovery with the appropriate measures adopted by the Government to stimulate foreign direct investment.

The federation was glad that the Foreign Investment Committee requirements had been waived for purchases by foreigners during this month-long campaign, he said.

FIC's standard rule is to impose a 30 per cent quota for any investment including those in assets valued at RM5 million and above. There is a need for the committee to re-examine such restrictive and outdated measures.

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 ones."

This waiver could entice numerous Malaysians who have investments in other countries to re-invest in Malaysia and further stimulate the investment climate here, he added.

Nevertheless, he said the federation cautioned purchasers to buy when there was a need and does not encourage speculation because some developers might be selling the completed projects at "below replacement value" in order to ensure a healthy cashflow.

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