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Drive promises good deals for home buyers

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THE second Home Ownership Campaign, which will be held next month against the backdrop of recovering economy, promises more houses with attractive prices.

Second Finance Minister Datuk Mustapa Mohamed is confident that sales from the second nationwide campaign will exceed the RM3.9 billion recorded in the first campaign.

He said this time around, more houses will be sold as the economy is recovering and the property prices have stabilised.

"We expect this campaign will be more successful because the interest rate has gone down, the economy is recovering and prices have stabilised," he told a news conference after officiating Plaza Dwtasik and launching Cemara Apartment in Kuala Lumpur yesterday.

The previous campaign, which was held between December 12 1998 and January 12 this year, was initiated by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Mustapa said more developers will participate in the second campaign, which will be held for a month starting October 16.

He said the parties involved such as the Government, housing developers, insurance companies and banks, will offer similar facilities to potential house buyers during the one-month campaign such as the minimum discount of 10 per cent and exemption from stamp duty.

The campaign is also part of the Government's effort to reduce the overhang of houses, especially those at the higher-end, which have yet to be sold.

Another move is to tighten the credit for the construction of high-end property.

He said the overhang of houses has to be cleared so as to stimulate activities in the construction sector.

The Government is focusing on this sector as it was among the hardest hit during the economic crisis, he said.

Mustapa also said that property transactions are expected to pick up further during the second half of this year.

He said signs of increasing demand for houses are showing, especially now that the interest rate has dropped to pre-crisis level.

"During the economic crisis, house-buyers faced problems in loan repayment as the interest rate shot up to 30 or 40 per cent....

previously, it was between 8 and 9 per cent," he said.

For the first half of this year, a total of 110,754 transactions were conducted in the property sector.

This represented a 22.2 per cent increase from the June-December 1998 period, which recorded 90,645 property transactions.

Mustapa said a body to collect data from the property sector will be set up soon for monitoring purposes of the sector's development.

The body will be called the National Property Information Unit, which will be under the jurisdiction of the Valuation and Property Services Department.

The property market is currently overbuilt with an estimated RM20 billion worth of houses not being sold.

Plaza Dwtasik and Cemara Apartment are part of the 86.4-ha Bandar Sri Permaisuri project, which is developed by Dwtasik Sdn Bhd, a wholly-owned Bumiputera company.

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