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Dr M: There should be no more home ownership drives

Sarban Singh

KUALA LUMPUR, Sat. - There should be no more home ownership campaigns as the property sector has picked up, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said at the same time, efforts should be made to ensure there was no glut in the sector in future with developers being required to prove that they had ready buyers for their projects.

He said this was to prevent the recurrence of a property glut which occurred during the recent economic downturn.

In the home ownership campaigns, developers had to give discounts and the Government lost revenue when it waived stamp duty. During the campaigns, it also approved housing loans for eligible civil servants immediately.

The Government further relaxed the conditions for housing loans allowing all civil servants who had been confirmed in service to be eligible.

Dr Mahathir said these measures were necessary so that the property developers did not find themselves in a difficult position.

"During the economic downturn, we could see rusting (construction) machinery around KL. It became one of the ugliest sights and an eyesore.

"Prior to that, we saw tower cranes everywhere. We even wanted to suggest to the Datuk Bandar to have the motif of the crane in City Hall's emblem."

He was speaking to reporters after performing the ground breaking ceremony of the Sri Rakyat low-cost apartments in Bandar Baru Bukit Jalil.

The first National Home Ownership Campaign in 1998 saw 14,452 units worth RM3.8 billion sold. Last year, it raked in total sales of RM2.4 billion.

Apart from these, there have been several other property fairs organised in recent months with the last one being held this month. There are plans to organise more such fairs in other states.

Dr Mahathir said due to the recession, many projects could not be completed and some who could not service their loans had to be declared bankrupt.

He said following this, City Hall no longer allowed the construction of shopping malls as these were already sufficient.

"We can now control the construction of properties in KL but not in other states as it is out of our jurisdiction," he said.

Citing an example, he said even if City Hall refused permission to developers to build shopping malls, they could always do so in other states.

The Sri Rakyat low-cost unit project is undertaken by Panca Warni Sdn Bhd, a subsidiary of Ho Hup Construction Company Bhd. It comprises five 16-storey blocks with a total of 1,728 units.

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