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RM11b properties for sale (HL)

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PETALING JAYA, Fri. - The Real Estate and Housing Developers Association will hold an expo offering for sale 58,000 units of properties worth more than RM11 billion to reduce property overhang nationwide.

The Malaysian Property Expo 2001 (Mapex 2001), being held in collaboration with the Government, will kick off in Seremban on July 13. It will be followed in other States until the end of the year.

The expo, the fourth in recent years, is expected to be the biggest compared with the Home Ownership Campaign One, Home Ownership Campaign Two and Mapex 2000.

According to the National Property Information Centre (Napic), the property overhang as at March this year stood at close to RM29 billion, of which RM6 billion were in the residential sector.

To date, more than 250 developers have confirmed participation. In some States, the organisers had to turn away developers due to space constraints at expo venues.

However, REHDA expects more developers to participate as the State-level expos are held in the next few months.

At Mapex 2001, buyers will receive discounts of between three and 20 per cent depending on the location of the property.

The national-level Mapex 2001 will be held at the Putra World Trade Centre from Aug 2 to 5.

REHDA president Datuk Eddy Chen Lok Loi said Mapex 2001 would enable buyers to take advantage of the stamp duty waiver for transaction of completed properties.

The exemption which began on March 28 will be offered until Dec 31.

Prime Minister Datuk Seri Dr Mahathir Mohamad announced the extension of the property transaction incentive on March 26, in line with the Government's efforts to overcome the problem of excess supply.

The property transactions that qualified for stamp duty exemption include property that has been developed and registered with the association and has obtained the relevant certificate of practical completion.

"Those who opt to buy completed properties will enjoy the stamp duty waiver on sales and purchase agreement, loan documents as well as transfer of properties," Chen said.

Foreigners, he added, would also be able to check out the properties on sale.

Dr Mahathir announced on May 4 that foreigners would be allowed to own residential and commercial properties costing more than RM250,000 each.

Foreigners are also allowed to buy houses worth RM150,000 and above under the "Silver-Haired Programme" in specially designated areas.

Chen said REHDA was working with Bank Negara and the National Economic Action Council to get additional incentives for exco participants, including higher margin of financing for residential properties.

These include financing of up to 95 per cent for properties below RM250,000 and a maximum of 80 per cent financing for properties costing between RM250,000 and RM500,000, he added.

Similar benefits would also be accorded to non-residents working in Malaysia. Non-residents not working here will be given a maximum of 50 per cent loan for properties above RM250,000.

Chen said developers would also give discounts on legal fees as

incentives to buyers.

He said REHDA would announce the final package of incentives after receiving the approval from NEAC.

Chen said civil servants who wish to buy houses should also attend the expo as Housing Loans Department officials would be present to give instant approval of loans to qualified applicants.

Officials from financial institutions and the Employees Provident Fund would also be present.

"REHDA has strongly encouraged developers to give discounts on a voluntary basis to ensure the properties offered are priced attractively.

"We are working on further incentives to make the expo more meaningful," Chen said.

He said apart from a wide range of choices, visitors to Mapex 2001 also stand a chance to win a medium-cost apartment in Klang.

REHDA would also, among others, get architects, engineers, structural and interior designers to provide free advice to prospective housebuyers at Mapex 2001.

Chen said about 90 per cent of the exhibition space at PWTC has been taken up. Eleven financial institutions would also be participating. The association projects 200,000 visitors to Mapex 2001.

Chen said REHDA expected to sell about RM1 billion worth of properties at the expo.

However, this was a conservative figure as past experiences indicated that higher sales could be achieved.

On another note, Chen said some developers were facing difficulties in getting bridging finance from banks.

"We have already raised the matter with Bank Negara which has promised to look into it," he added.

Chen said some banks were also reluctant to provide bridging-finance if the profits to be derived by developers from the sale of their projects were minimal.

"All these may lead to a short supply of residential properties in the next few years as developers were in no position to build houses," he said.