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Budget-Homes

GOVT TAKES OVER CONSTRUCTION OF LOW AND MEDIUM-COST HOMES

KUALA LUMPUR, Sept 12 (Bernama) -- The government will take over the construction of low and medium-cost houses, particularly through Syarikat Perumahan Negara Berhad (SPNB) to enable home ownership for the low and medium-income group.

The Prime Minister Datuk Seri Dr Mahathir Mohamad said the demand for low and medium-cost houses was expected to increase by 500,000 units in the next five years based on the national population profile, especially those in the 20-24 age group.

"To reduce the burden of private housing developers, they will be given the choice of either implementing the construction of 30 per cent low-cost houses or allowing SPNB to undertake its construction," he said when tabling the 2004 Budget at the Dewan Rakyat here today.

However, the private developers are required to pay a contribution in return, said Dr Mahathir who is also the Finance Minister.

He announced that a Real Estate Investment Trust and a Property Trust Fund would be set up to enable small investors invest in the real property sector.

The government proposed to exempt the real property gains tax on gains from disposal of property by individual or company so as to encourage the development of these funds, he said.

The government also proposed the exemption of stamp duty on instruments of transfer of real property from individual or company to these two funds, he said.

Currently, profits gained from disposal of real properties by individual or company are subjected to Real Property Gains Tax (RPGT).

Dr Mahathir said the establishment of the two trust funds would enable small investors to invest in the real property sector and they would be managed by professional managers to generate more attractive returns.

For next year, the government has allocated RM558.8 million for several low-cost public housing projects, including RM484 million to construct 62,672 units under the Program Perumahan Rakyat which will be rented out to squatters in the Federal Territory of Kuala Lumpur and major towns.

"The balance of RM74.5 million is allocated as loans to state governments to continue the construction of 28,541 low-cost houses," he said.

EPF contributors who purchase low-cost houses built by SPNB would be provided with end financing from MBSB, and the prime minister said "this will ease their financial burden as well as reduce the administrative red tape in obtaining financing from commercial banks."

He requested state governments to exempt land premiums for the construction of low-cost houses as the provision of low-cost housing was a social responsibility of the government.

"All utility companies providing facilities, such as electricity, water and telephone will also be required to charge only basic costs," he said.

He said a pilot project to build 10,000 units of affordable homes based on a new concept would be implemented as a showcase on 400 hectares of land owned by the Rubber Research Institute of Malaysia (RRIM) in the Klang Valley.

"The project will also be provided with public transport facilities, religious centres, commercial facilities, shopping centres, retail shops, recreation facilities, such as parks and playgrounds and community halls,

as well as other facilities," he said.

The Armed Forces would get RM418.1 million to continue the construction of 2,500 units of houses, while the police force, RM251 million to complete 44 projects, he said.

" A sum of RM38 million is provided for the construction of common use quarters in the KLIA area and Kuala Lumpur," he said.

Dr Mahathir also disclosed that currently there are 204 abandoned housing projects throughout the country involving 66,000 units valued at RM5.6 million.

" The rehabilitation of more than half of these projects involving 36,000 units valued at RM3.4 billion is being undertaken by SPNB," he added.

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