

21/02/2004

Refreshing the hope for housing

ON May 22 last year, the Government under the leadership of then Prime Minister Tun Dr Mahathir Mohamad unveiled a series of strategies to bring the country's economy back to its feet.

With the property sector identified as a prime engine of growth, a raft of measures packaged under a scheme called Project Hope (or Home Ownership for the People) was introduced with the aim of revitalising demand for property, especially residential units priced RM180,000 and below.

Since its inception, the scheme, designed to reduce the costs associated with purchase, has helped to buoy the residential sector and keep the wheels of development moving.

But all good things must come to an end, and Project Hope's will expire in slightly more than two months' time on May 31, 2004. This means prospective purchasers who haven't made deals yet have slightly more than two months to do so to enjoy the savings as well as contribute to the country's growth.

Here's what they can expect to receive:

1. For new buyers and first-time owners of houses costing below RM100,000 who obtain loans from Bank Simpanan Nasional, the Government will provide:

- i) * subsidy on housing loan interest payment of three per cent for the first year; or
- ii) * interest free loan on the 10 per cent deposit for the first year.

2. For those who obtain loans from other financial institutions to purchase houses costing below RM100,000 under Bank Negara Malaysia Lending Guidelines on Housing Loans, a cash payment of RM600 will be given and credited into their loan accounts.

3. For new buyers of completed houses and first-time owners of houses costing between RM100,000 and RM180,000, a tax relief on interest payments will be given to individuals as follows:

- i) * RM5,000 for the year of assessment 2003;
- ii) * RM3,000 for the year of assessment 2004; and
- iii) * RM2,000 for the year of assessment 2005.

4. Real property gains tax will be exempted.

5. Stamp duty exemption will be given on completed loan documents related to purchase of houses costing not more than RM180,000 per unit from housing developers, Government agencies or cooperatives, on condition a sale and purchase agreement is executed before May 31, 2004.