

**Property Developers Thankful No Hard-hitting Measures In 2012 Budget
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KUALA LUMPUR, Oct 7 (Bernama) -- Property developers are thankful that no hard-hitting measures are introduced in the 2012 Budget.

They also welcome and view the incentives and measures announced by Prime Minister Datuk Seri Najib Tun Razak as "generally positive".

Among the proposed measures is a review of the Real Property Gains Tax (RPTG) to curb speculation, whereby properties held and disposed within two years, the RPTG is 10 per cent.

For properties held and disposed within a period exceeding two years and up to five years, the rate is five per cent.

Real Estate and Housing Developers' Association Malaysia (REHDA) President Datuk Ng Seing Liong said the government's proposal to increase the RPTG for two years ownership to 10 per cent would help reduce property speculation and promote a more stable, healthy and orderly growth housing industry.

"The announcement for the industry will encourage home ownership and long term investment and encourage home buyers to hold their properties for long term capital appreciation of the property," he told Bernama today.

Meanwhile, United Malayan Land Bhd Group Chief Executive Officer Pee Tong Lim said: "On the RPTG, I think the effect is minimal as they were very light measures. What was announced will have impact on speculators than genuine buyers."

Ernst & Young Tax Consultants Sdn Bhd Tax Partner Lim Kah Fan also said the RPTG measures would have minimal impact on market speculators.

Other budget proposals include a 100 per cent stamp duty exemption on loan instruments for purchase of houses under the 1Malaysia Public Housing Scheme (PR1MA) and 100 per cent loan financing for first time buyers.

The government will also raise the limit of house prices under the My First Home Scheme from RM220,000 to RM400,000 beginning January 2012 and extend the tax incentive period to five years for Real Estate Investment Trusts (REITs).

Mah Sing Group Managing Director Tan Sri Datuk Leong Hoy Kum said before the tabling of the budget it had been widely speculated that the RPTG would be revised to 25 per cent.

"It was revised to only 10 per cent. This is a good signal to both the local market and foreign investors who can see stable continuity in government policies and a willingness to encourage genuine investments.

"On REITs measures, it will encourage more foreign institutional real estate investors to participate in the local property market which is still attractive compared to the region," he said in a statement.

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