

‘Bank Negara should help first-time homebuyers’

KINIBIZ ONLINE

September 30, 2015

STORY BY KHAIRUL KHALID

Bank Negara Malaysia should relax lending policies to help first-time homebuyers, says Siva Shanker, chief executive officer of property valuers and agents PPC International.

“We should give first-time homebuyers a bit of advantage, especially with property market slowing down. Banks should make loans easier for them, don’t be so harsh,” said Siva, who is also former president of Malaysian Institute of Estate Agents to KINIBIZ.

Siva also said that other than providing them with easier access to loans, there are several other ways that the banks could assist first-time homebuyers.

“For example, they can give preferred interest rates or have easier payment plans for them. Maybe even a 100% loan on the purchase. I’m all for it, as long as they are genuine homeowners,” said Siva.

Today, Bank Negara governor Zeti Akhtar Aziz said that current policies are flexible enough for first-time homebuyers and the responsibility is on them to ensure they meet loan requirements and criteria.

There has been a clamour by for Bank Negara to boost a sluggish property market by easing lending policies to first-time homebuyers.

Siva expects the market to be flattish, in terms of volume sold, until the end of the year. He explained that other than the goods and services tax, the falling ringgit and fall of oil prices causing the property market to slump, it is also suffering from negative perceptions about the country.

“There is a big perception problem. The political uncertainties, over issues like 1Malaysia Development Bhd, has to be settled before the market can recover,” said Siva.

Two years ago, the government moved to cool down an overheating property market by clamping down on speculative buying. Some of the cooling policies include

increasing Real Property Gains Tax, raising the minimum price for foreign buyers to RM1 million and tightening lending criteria.

National House Buyers Association secretary-general Chang Kim Loong reportedly told The Star this week that Bank Negara should consider directing banks to provide 100% financing for first-time homebuyers subject to conditions.

Chang added that currently, financing for first-time homebuyers is on a case-to-case basis. He suggested that the 100% financing should only be for properties that are self-occupied, costing RM300,000 and below, and should not be allowed to be sold at least 10 years.

© 2015 KINIBIZ. All rights reserved.

Source: <http://www.kinibiz.com/story/corporate/192508/bank-negara-should-help-first-time-homebuyers.html>