

FREEZE ON HIGH-END PROJECTS

Noh: Leniency given to luxury housing projects

PUTRAJAYA: The government will allow housing projects worth more than RM1 million in big cities if they meet requirements set by the Urban Wellbeing, Housing and Local Government Ministry.

Its minister, Tan Sri Noh Omar, said approval would be given to developers on a "case by case" basis until the temporary ban on high-end properties was lifted.

"Developers who want to undertake or build houses more than RM1 million at a location of their choice in the city must send an official application to the ministry.

"The approval of the project will depend on the need for the development in that area, the number of houses worth more than RM1 million which are sold or not sold in the area requested and whether the appeal or application is suitable," he said yesterday.

A special committee at the ministry would be established to study and approve applications from developers.

He said Prime Minister Datuk Seri Najib Razak had appointed five ministers to discuss and deliberate matters following the ban on high-end properties in the country by the cabinet.

"They are Second Finance Minister Datuk Seri Johari Abdul Ghani, Federal Territories Minister Datuk Seri Tengku Adnan Tengku Mansor, Minister in the Prime Minister's Department Datuk Seri Abdul Rahman

Dahlan, Works Minister Datuk Seri Fadillah Yusof and myself."

Johari said on Nov 19 that the government had frozen approvals for luxury property developments from Nov 1.

This was to control the oversupply of luxury projects from affecting the economy.

The cabinet decided to temporarily stop the development of shopping malls, commercial complexes and condominiums which units were priced above RM1 million, he said.

Noh said after discussing and receiving feedback from various bodies, including Real Estate and Housing Developers' Association Malaysia following the ban, the ministers decided the ban would continue for the development of shopping malls and office spaces, but leniency would be given to housing projects.

"We have decided that leniency will be given to housing projects above RM1 million after our discussion last week. This is after considering that purchases of houses above RM1 million in the city centre are mostly by foreigners.

"I brought forward the move to the prime minister (Najib) yesterday and he has given his approval."

The ban came about after Bank Negara Malaysia's quarterly bulletin published last month that the total of unsold residential properties for the first quarter of this year stood at 130,690 units, the highest recorded in a decade.