

RM1mil freeze not a blanket ban, says Johari

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KUALA LUMPUR: The RM1mil freeze on residential units priced RM1mil and above will not be a blanket ban for the entire country, Second Finance Minister Datuk Seri Johari Abdul Ghani said.

"This is not a blanket freeze for all the high end residential units (costing RM1mil and above) in the country but for office and mall space, yes, the freeze stays," he said.

"The high-end developers like the Kuala Lumpur City Centre (KLCC) area. So if they are confident and the banks who lend them the money (to build) are also confident, so be it," he said.

He added that comparatively, the high-end residential units were comparatively more competitively priced compared to regional peers and that there was a demand for them from overseas investors.

Johari said this after witnessing a corporate exercise between EcoWorld International Bhd and Britain's Be Living Holdings Ltd to jointly develop 12 sites there.

Earlier this week, Kuala Lumpur mayor Tan Sri Mohd Amin Nordin Abd Aziz said it was "not feasible" for a blanket freeze, especially in the Golden Triangle of Kuala Lumpur.

Johari said the government came up with the idea of a freeze because of the high number of unsold and unutilised office and mall space and residential units in the country at a time when the government wants the industry to focus on providing affordable housing.

"We don't want to see developers (caught in a situation) of (being) unable to sell and banks getting into trouble I am not here in the business of bailing out," he said.

He said developers will have to write to the Housing and Local Government Ministry in order to get its approval and at the same time, gain the confidence of the banks that their project is feasible and viable.

So it is not just "satisfying" the Housing Ministry along, but the lending and financing institutions, he said.