

RTO scheme eases pressure on first-time house buyers

IPOH: The Rent To Own (RTO) financing scheme has received the thumbs-up, especially from those who just started saving to get their first home.

Communications executive H. Kuna, 31, said the scheme gives buyers options on whether to purchase a house or not.

"I, for one, am worried to commit myself to buying a house because jobs in my line of work are dwindling, especially outside the Klang Valley.

"Society expects us to buy a house immediately before or after getting married but some of us are just not that confident in our finances. The RTO scheme allows us to buy the house without the hefty downpayment," he said.

Kuna said the scheme would allow people to stabilise their lives and finances for a five-year period, whereby the monthly instalments would not hit them as hard as a downpayment.

"Once I am more settled, I can think of buying the house," he added.

Kalvinderjeet Kaur, 24, who just started work as an accountant, also lauded the scheme as it allowed new graduates to rent the place first.

"This will allow me to settle down, save up a little before deciding if I wanted to permanently buy the house.

"If we are to work in a different state, we will eventually be renting a place and if the house is comfortable enough, it will also give me time to save up to buy the place," she said.

She said it was also good that the focus was not only on new houses but also on maintaining older low and medium cost houses, many which are not in good condition.

"With the announcement of an affordable housing fund, more individuals are able to afford better and comfortable homes," she added.

Finance Minister Lim Guan Eng said the RTO scheme was to help those unable to pay the 10% deposit and have difficulty in obtaining financing.

Through the scheme, RM10bil will be provided by financial institutions while the government would pledge about RM3bil.

The scheme is for the first-time property purchase of up to RM500,000, whereby applicants could rent the place for five years and after a year would be given the option to purchase the house on the price set upon signing the lease.

The government will also waive the stamp duty on transfer of the property between the developer and financial institutions, as well as between financial institutions and prospective buyers.