

Each state can have its own foreign home ownership guidelines

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GEORGE TOWN: Each state can have its own guidelines on the minimum price for condominiums and apartments to be purchased by foreigners.

Housing and Local Government Minister Zuraida Kamaruddin said the property overhang and its related figures were different in every state, and therefore each state could have its own guidelines.

She said this after opening the Local Government Empowerment Convention held in conjunction with 7th Asia Pacific Urban Forum (APUF-7) here today.

During the 2020 Budget tabling last Friday, Finance Minister Lim Guan Eng announced that the government will lower the threshold on high rise property prices in urban areas for foreign ownership, from RM1 million to RM600,000 in 2020.

This was to reduce the supply overhang of condominiums and apartments which in the second quarter of 2019 stood at RM8.3 billion.

Meanwhile, Housing, Town and Country Planning Committee chairman Jagdeep Singh Deo earlier said that he would bring the newly announced policy to the state exco's meeting for consideration.

Penang's guidelines for foreign property ownership is a minimum RM3 million for landed property and RM1 million for condominiums on the island, while on the mainland it has been set at a minimum of RM1 million minimum for landed properties and RM500,000 for condominiums.

Since the new policy announced at the Budget was to address property overhang, he reminded developers to give importance to building affordable homes.

"When they build houses worth millions which people cannot afford, it would result in a overhang and the government has to come up with such policies to address it.

"If building such houses continues, then the issue of overhang will still remain. So developers should look at the high demand for affordable homes," he said.