

## **PRESS STATEMENT**

**Petaling Jaya, 23 October 2009**

### **PRESS STATEMENT ON BUDGET 2010**

Real Estate and Housing Developers' Association Malaysia (REHDA) President, Datuk Ng Seing Liong welcomes the various incentives and measures announced in Budget 2010 to further promote home ownership in the housing sector namely :-

- i. The priority given to the low and middle-income groups to own or rent houses provided by the Government with low cost houses will be sold at a price of between RM21,000 and RM35,000 per unit by the Kuala Lumpur City Hall (DBKL) and National Housing Department (JPN) by end 2010.
- ii. Provision of another 74,000 low-cost houses for rental in 2010 by National Housing Department (JPN).
- iii. Provision of a RM200 million allocation under the Ministry of Housing and Local Government to revive abandoned low and medium-cost houses.
- iv. New housing scheme effective January 2010 which enables buyers to utilize current and future savings in EPF Account 2 in order for them to obtain higher financing to purchase higher value and additional houses.
- v. Provision of a RM899 million allocation for various programmes for the tourism industry including attracting more foreign participants to participate in the Malaysia My Second Home (MM2H) programme.

On the incentives provided to promote construction of green buildings, Datuk Ng hopes that the incentives to producers / suppliers will help keep costs of such features low and encourage more developers to embark on green developments.

REHDA also lauds the immediate steps taken by the local authorities to facilitate registration of businesses and expedite the issuance of Development Orders in an effort to provide conducive and friendly business environment. In addition, the allocation of RM3.7 billion to prevent crime will help to project good image of the country and thus attract more foreign investors.

The reduction of individual income tax rate to 26% and personal relief increase to RM9,000 will provide higher disposable income to the public and is expected to increase their spending power which in turn will grant positive impact to the housing industry.

However, REHDA expresses its concern on the re - imposition of the Real Property Gains Tax at 5% for disposal of real property effective 1 January 2010. "Such imposition is counter-productive to the effort to stimulate the property market especially in these trying times and will discourage local and foreign investment in the property sector." said Datuk Ng.

**Issued by:**

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**PRESIDENT**

**REAL ESTATE AND HOUSING DEVELOPERS' ASSOCIATION MALAYSIA**