

PRESS STATEMENT

Petaling Jaya, 24 December 2009

REHDA Welcomes the Amendment to RPGT

The Real Estate and Housing Developers' Association Malaysia (REHDA) lauds the Government's decision announced by the Prime Minister to amend the Real Property Gains Tax (RPGT). The re-imposition of RPGT effective next year, which was announced during the tabling of Budget 2010 will now only be applicable to properties disposed within five years of ownership.

Describing the decision as a much awaited New Year gift, REHDA and all property players are very grateful to the Government for making amendment to RPGT and believe that the move will have a positive impact to the housing industry. REHDA President, Datuk Ng Seing Liong, JP said that the property market will certainly benefit from the RPGT amendment as it has a very significant stimulating effect to encourage investment in the property sector both from foreign and local investors. "REHDA noted that the market reacted positively to the RPGT waiver in 2007 where increased sales and enquiries were recorded". House owners in return, would also benefit as property value would have appreciated after five years," he added.

In accordance to the Prime Minister's hope to witness the stronger growth of the housing industry, Datuk Ng opines that such a move together with the government's liberalisation policy will further stimulate the property sector on a wider scale. With the market showing signs of recovery albeit at a slow pace, he is confident that the housing sector will continue to grow positively in 2010 and beyond.

However, he expressed his concern that there should be an assurance from the Government on the consistency of the policy to avoid any misperception on the country's image due to frequent changes in policy.

As the original intent of introducing RPGT is to curb speculation, the amendment to allow RPGT only to property sold less than five years is indeed a step in the right direction whilst encouraging homeownership and investment.

Issued by:

Datuk Ng Seing Liong, PJN, JP

拿督黃騰亮 太平局紳

President

Real Estate and Housing Developers' Association Malaysia