



Boom on the horizon for the Malaysian property market

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Property in Malaysia could be given a major boost following the government's decision to abolish real property gains tax.

The Real Estate and Housing Developers' Association Malaysia claims the tax change will further improve the country's property sector - which has been sluggish over the past few years.

"It is a positive step for the property market," said Shahril Ridza Ridzuan, managing director of property developer MRCB. "It will encourage more secondary trading and liquidity into the secondary property market. It is something which will have a big boost in terms of people's ability to reinvest to upgrade their properties and move up the property ladder."

James Wong from the Association of Valuers & Property Consultants in Private Practice Malaysia said: "Except for the mass housing development projects, there will be improvement across the board in the property market.

"Growth activities will initially be underpinned by transactions in high-end residential units. This will be followed by investments in other segments such as shop offices and industrial properties as well as properties in new growth areas in Johor, Penang and the Klang Valley."

International Real Estate Federation president Datuk Fong expects stronger demand from foreign investors for properties in the above RM250,000 segment. This would help 'mop up' excessive supply of high-end residential units, he said.

Fong, also executive vice-chairman of Glomac Bhd, welcomed the move to enable foreigners to obtain local financing, saying this would encourage foreigners to purchase in bulk.

Commenting on the wider impact of this tax law change, Lars Evans, sales director at Claire Brown Realty said: "It is going to help improve the market which is already very good in that region for off-plan property sales in the second residential market.

"Now this has happened there will be further moves in future to encourage foreign investment in the property sector which is not only good for Malaysia, but for the rest of Asia who'll see this as an indicator and follow suit."

Source: Overseas Property Professional