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MEDIA RELEASE
MINISTER OF FINANCE MALAYSIA
YB TUAN LIM GUAN ENG

STAMP DUTY EXEMPTION FOR FIRST HOME PURCHASES DURING THE HOME OWNERSHIP CAMPAIGN IS EXTENDED FOR SIX MONTHS UNTIL 31 DECEMBER 2019

The Home Ownership Campaign (HOC) that was announced in Budget 2019 and in effect from 1 January 2019 until 30 June 2019, is a collaboration between the Ministry of Housing and Local Government (KPKT) and the Real Estate and Housing Developers' Association (REHDA), along with the Sabah Housing and Real Estate Developers Association (SHAREDA) and the Sarawak Housing and Real Estate Developers' Association (SHEDA). These associations were fully involved with the HOC campaign that was intended to help Malaysians own their first home at a lower price and cost, while simultaneously addressing the real estate supply overhang.

According to a report from the National Property Information Centre (NAPIC), the number of unsold residential properties in Malaysia had risen to 32,313 units valued at RM19.86 billion as at the fourth quarter or 2018. This reflects the long-standing issues of home ownership, as well as the mismatch between the supply and demand of houses in the market. Compared to the fourth quarter of 2017, this represents a 30.6% increase in the volume of residential units unsold and 27.0% increase in the value of residential units.

The HOC combines Government incentives in the form of stamp duty exemptions and incentives from housing developers of at least 10% discounts on purchase prices. The stamp duty exemptions that have been made available are as follows:

House Price	Stamp Duty Exemption	Exemption period
Priced between RM300,000 to RM2.5 million and must be purchased from a developer: ● registered with REHDA, SHAREDA and SHEDA; and ● discounted by at least 10% on the house's sale price	**<u>Memorandum of Transfer</u>** Stamp duty exemption of 100% is limited to the first RM1 million of the house's value. Remaining value is subject to a 3% rate. **<u>Loan agreement</u>** Stamp duty exemption of 100% on the entirety of the loan agreement	For sale and purchase agreement (SPA) completed between 1 January 2019 until 30 June 2019

HOC has received a positive reception from the public as the stamp duty exemption incentives and discounts of at least 10% were able to reduce the cost of home ownership especially for Malaysians who have never owned a house.

The Finance Ministry has accepted the KPKT Minister, YB Puan Hajah Zuraida Kamaruddin's, request in support of REHDA's appeal to extend the HOC period for another 6 months. To encourage the increase in the level of home ownership among Malaysians and achieve the objective of reducing the number of unsold houses, the Government has agreed to extend the HOC for another 6 months; from 1 July 2019 until 31 December 2019. The HOC is for housing developers registered with REHDA, SHAREDA, and SHEDA.

Besides the HOC incentives, the Government has also made available incentives for first home purchases (regardless of whether the purchase is from a housing developer of from the secondary market), as follows:

No	House Price	Stamp Duty Exemption	Exemption period

a)	Price is up until RM300,000	**Memorandum of Transfer** and **Loan Agreement**	For Sale and Purchase Agreement completed from **1 January 2019 until 31 December 2020**
a)	Price is between RM300,001 and RM500,000	**Memorandum of Transfer** and **Loan Agreement** (Exemption is limited to the first RM300,000 of the house's price)	For Sale and Purchase Agreement completed from **1 July 2019 until 31 December 2020**

For first home purchases, that is for those who have yet to own their own residence but intend to purchase one from developers who are not registered with REHDA, or for purchases made in the secondary market, they can apply for stamp duty exemptions under this incentive.

Sayangi Malaysiaku!

Lim Guan Eng
Minister of Finance
Ministry of Finance Malaysia
Putrajaya
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