

LBS CALLS FOR SIX MEASURES TO BOOST PROPERTY SECTOR

Managed to secure bookings close to RM113million during MCO

(Petaling Jaya, 4 May 2020) – Leading township developer, LBS Bina Group Berhad (LBS) deployed with strategies to address the significant changes in the market conditions due to COVID-19 pandemic, and urged the Government to consider six key measures to promote home ownership and spur the local property sector.

The pandemic has impacted and changed the landscape of businesses all over the world. Prior to MCO, LBS has already adopted digital platform to reach out to our potential buyers. “By further leveraging on our online platforms which includes virtual showrooms, website, email, WhatsApp, Facebook, Instagram and SMS, we continued to garner sales during MCO. As at 3 May 2020, we have secured bookings close to RM113 million during the MCO period. Sales documents will be signed once MCO is lifted. And, as at 15 April 2020, LBS has unbilled sales of RM 1.846 billion, which is enough to provide the company revenue for the next two to three years,” said LBS Group Managing Director, Tan Sri Lim Hock San.

The main sales contribution comes from the two key townships, KITA @ Cybersouth and LBS Alam Perdana township. In addition, other ongoing landed developments such as Bandar Putera Indah township, Johor and Taman Kinding Flora in Chemor, Ipoh, have also contributed to the Group’s solid performance.

“As the ‘People’s Developer’, LBS remains committed to support the government’s housing agenda by launching our marketing campaign #DudukRumah Deals, to ease the upfront payment of purchasing a house. Now with just RM200 along with various incentives, they can own a home,” Tan Sri Lim elaborated.

LBS would also recommend the following six key measures aimed at promoting homeownership and to boost property market:

- (1) LBS propose to reintroduce a bigger scale of the Home Ownership Campaign 2 (HOC2). The incentives under HOC will significantly reduce the burden of homebuyers, such as giving free stamp duty for loan instruments and on the memorandums of transfer.
- (2) To enable more homebuyers to secure housing loans, LBS suggest to introduce a special super low interest rate for housing loans limited to 3 years.
- (3) To address the loan eligibility issue, LBS is of the view that the government should also relax the lending guidelines for end-financing and higher Debt Service Ratio (DSR).
- (4) To boost growth in the secondary property market, LBS recommends to abolish Real Property Gains Tax (RPGT) imposed on gains obtained from the disposal of property, stressing it will promote home upgradings and boost property buyers' confidence.
- (5) Additionally, LBS propose to allow the price threshold for foreign buyers from RM600,000 onwards up to Dec 2021, to help resolve the issue of unsold residential units.
- (6) LBS hopes the Government will introduce incentives to encourage developers to leverage on Information Technology (IT) and online platforms. "We must embrace the trend towards digital technology such as enhancing digital engagements with customers, and showcase products via virtual showrooms. In fact, customers can view some of our development projects without physically going to a sale gallery." Tan Sri Lim explained.

"Last but not least, Government should abolish many of those cooling measures aim to cool down the hot property market adopted previously. Now is the complete reverse whereby we need supporting measures rather than cooling measures to spur up demand," Tan Sri Lim said.

"Due to COVID-19, global economy slow down and consumers may be tightening spending, the demand for property could be weaken and overall market may slowdown in the short term. However, I believe that for mid to long-term property market is still optimistic.

Taking a cue from the SARS outbreak in 2002, the property market in Malaysia saw a strong rebound in mid-2003 towards early 2004. I would expect once the COVID-19 pandemic subsides, property market will recover in 2021." Tan Sri Lim explained.

Furthermore, China, United States and European countries are in full force developing COVID-19 vaccines. Once the vaccine is successfully developed, the epidemic will be resolved, world economy will definitely recover, and the demand for real estate will certainly rebound strongly.

“Own stay home buyers and long-term investors should take this opportunity to buy their choice of property when there’s good bargains. Property is an important asset which will appreciate in value over time. Historically, buying property in times like this is proven to be a good investment decision,” Tan Sri Lim added.

Moving forward, LBS will continue to build product based on three core pillars of affordability, community and connectivity. “We maintain strategy of building affordable housing that caters to market demand and I believe the current and up-coming new project launches will contribute significantly to the Group.”

“With the right strategies and Government supporting policies in place, it will definitely boost the property market, create job opportunities, and stimulate economy. Property is an important sector to have big multiplier effects contributing positively to our economy,” concluded Tan Sri Lim.

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