



For Immediate Release

LBS WELCOME GOVERNMENT'S BUDGET 2021 INITIATIVES URGES ADDITIONAL PROPOSALS TO BENEFIT FIRST-TIME HOMEBUYERS

(Petaling Jaya, 9 November 2020) – Leading affordable township developer, LBS Bina Group Berhad (LBS) lauds the substantial government's initiatives announced through the budget tabled by Finance Minister Datuk Seri Tengku Zafrul on November 6 2020, which were seen as beneficial to all Malaysians in all sectors including the property industry. This budget truly helps all Malaysians by stimulating and sustaining the economy in lieu of the current COVID-19 pandemic.

"Budget 2021 is an expansionary and inclusive budget focused on substantial support for the economy. The Government projected Malaysia's economy to rebound between 6.5% to 7.5% in 2021, supported by fiscal expansion and accommodative monetary policy," said LBS Group Managing Director, Tan Sri Lim Hock San.

"Rolling out construction projects in the development agenda under the 12th Malaysia Plan (12MP) will have great positive spill over impact to stimulate the economy. In addition, the budget also focuses on generating and retaining jobs, which is an important component to revive the economy. The Government is indeed putting in great efforts to help alleviate the pressures faced by many households, especially those in the B40 group," Tan Sri Lim elaborated.

As affordability is still the main concern for homebuyers, LBS is pleased with the latest announcement on the full stamp duty exemption for the memorandum of transfer (MOT) and loan agreement for the purchase of first house worth up to RM500,000 for up to year 2025, as these incentives will help Malaysians to own a home, especially the younger generation.

Meanwhile, LBS applauded the review of tax incentives for manufacturers of Industrialised Building System (IBS) components, where incentives will be simplified and merged. IBS manufacturers will be given an investment tax allowance of 60% on qualifying capital expenditure incurred within 5 years to be set off against 70% of statutory income.

Tan Sri Lim said, "IBS plays a key role in helping developers and builders to achieve sustainable goals to build houses in high quality with greater efficiency. IBS method allows substantial savings on construction time, improves efficiency and reduces on-site labor. It also has environment-friendly advantages which would include waste minimisation, well-planned usage of green materials, noise reduction on site and increased site safety." MGB Berhad, a subsidiary of LBS, is currently operating two IBS plants one of which is in Nilai, Negeri Sembilan and another in Alam Perdana, Ijok. These 2 plants combined have the capacity of producing 4,000 units of homes annually.

In order to further boost the property market, LBS would like to recommend the following measures for Government's considerations:

(1) To improve buying sentiment amongst potential homeowners, LBS urges the Government to introduce a new Developer Interest Bearing Scheme (DIBS), by lowering upfront cost, which increases housing affordability.

(2) The Government should also consider resuming the Malaysia My Second Home (MM2H) programme, and to reduce the minimum price threshold from RM1 million to RM600,000.

Tan Sri Lim said, As the 'People's Developer', LBS remains committed to continue supporting the Government's housing agenda. To encourage homeownership, during MCO (Movement Control Order), LBS rolled out the #dudukrumah deals campaign in April 2020 to aid Malaysians to own a home. "The deals allow buyers to start owning a home from as low as RM200 booking fee. Apart from the low booking fee, we also offer free Sale and Purchase Agreement (SPA) legal fees and free loan legal fees. We are delighted that the campaign has been receiving tremendous response from our homebuyers till today and due to the encouraging take-up rate of our projects, this campaign will continue to run until end December 2020.

Moving forward, LBS will continue to build products based on three core pillars of affordability, community and connectivity. "In our vision to house the nation, we will continue to maintain our strategy of building affordable housing that caters to market demand," concluded Tan Sri Lim.

-End-