

## **LBS' BUDGET 2024 WISHLIST: PROPERTY SECTOR RESURGENCE**

**Petaling Jaya, 3 October 2023** – A renowned people's developer, LBS Bina Group Berhad ("LBS" or the "Group") today shared its wish list for Budget 2024 which will be tabled in Parliament on 13<sup>th</sup> October 2023.

Following the conclusion of Malaysia's 15th General Election and 2023 State Elections, LBS is pleased that Malaysia has achieved political stability and is optimistic of a stronger economy in the upcoming months. However, the property sector has encountered multifaceted challenges, with two prominent ones being rising interest rates and higher raw material prices. With the Ministry of Finance projecting a 4% - 5% growth rate for Malaysia's economy in 2023, LBS remains steadfast in its commitment to delivering affordable and quality housing to meet the nation's demands.

To fulfill its crucial role in this endeavor, LBS eagerly anticipates the government's forthcoming announcements in Budget 2024. As a proactive participant, LBS has crafted several proposals that it deems essential to spur the property sector. It is our hope that the government will consider these proposals as valuable contributions towards achieving a vibrant and resilient property sector that aligns with Malaysia's economic growth objectives.

a) Revival of the Home Ownership Campaign (HOC)

Amidst the current inflationary challenges, the cost of essential items, including housing, has increased. To ease the financial strain on the public, especially for those aspiring to become first-time homeowners, we wish to suggest the government to explore additional measures. Specifically, we propose the reinstatement of the Home Ownership Campaign (HOC). The HOC's effectiveness during its previous run from 2019 to 2021 is well-documented. Therefore, reintroducing it would stimulate demand, promote homeownership, and expand choices and affordability for prospective buyers.

b) Incentives for adoption of Industrialised Building System (IBS) precast system

The government should consider providing special incentives or subsidies for developers who incorporate the IBS precast system into their housing projects, as this can help reduce construction costs and make housing more accessible. These short-term incentives can pave the way for the widespread adoption of IBS precast systems in the property sector. The ultimate goal is to achieve higher construction efficiency, cost-effectiveness, and sustainability while maintaining or improving overall construction quality.

c) Strengthening environmental incentives for developers

With the increasing global interest in sustainable and green buildings, the capital expenditure to design, develop sustainable and carbon neutral buildings can be an added cost to local developers, especially when it can be higher than conventional buildings.

The government should continue to support and expand green building development and consider providing grants to developers to encourage industry players to incorporate more green features into their developments, such as the use renewable energy sources including solar panels. In addition, financing support for green financing with lower interest rates should also be considered.

d) Lower compliance costs

Through our commitment as a people's developer, LBS prioritises affordability in all its projects. Nevertheless, the expenses related to compliance, such as development charges, land conversion premiums, or strata title application fees, have been on the rise. Developers and contractors are frequently compelled to transfer these costs to consumers through higher property prices. Given the current economic climate, we kindly request that the government consider imposing limits or reducing compliance costs associated with the development of a property.

e) Promoting urban growth through infrastructure development

Sustainable urban growth is a key goal for many governments worldwide. Infrastructure development is a cornerstone of this objective, as it directly impacts the quality of life for urban residents and the long-term viability of cities.

With this, we recommend the government to provide incentives to developers in order for them to incorporate smart technologies into their projects, such as energy-efficient building systems, smart grids, waste management solutions, and intelligent traffic management systems.

Commenting on the wish list, LBS Executive Chairman Tan Sri Dato' Sri Ir. Lim Hock San said, "We are hopeful that Budget 2024 will bring about a significant change and positively influence the sentiment in the property market through the introduction of stimulus packages. This budget presents an opportunity for the government to assist the general public in addressing everyday challenges, particularly related to homeownership.

The formation of a unity government is expected to create an environment that can attract more investors, foster economic growth, and enhance the overall well-being of the population. We eagerly anticipate the government's commitment to ensuring the availability of adequate, high-quality, and affordable housing options, allowing more people to realize their dream of owning a home.

Furthermore, building on our sales target of RM2 billion for 2023, we are optimistic that the government will introduce initiatives that will further support our ongoing projects. We are looking forward to witnessing a robust recovery in the property market."

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### **About LBS Bina Group Berhad**

LBS Bina Group Berhad ("LBS"), an internationally recognized developer with a vision for building and inspiring delightful spaces, is a renowned township developer that has amassed numerous awards through their various developments. By placing people at the heart of their approach, LBS has been building and shaping the nation's landscape for over 30 years while continuing to meet the market demands for quality and affordable homes.

The continued success of LBS is attributed to the leadership of Executive Chairman, Tan Sri Lim Hock San. In recognition of his leadership, Tan Sri Lim was named as the Property Man of the Year by Malaysia Property Award (formerly known as FIABCI Malaysia Property Awards of Distinction or FIABCI Malaysia Awards of Distinction) in 2018, which is the gold standard for developers in the real estate industry. Further recognition received was the "Oscar Award" in the property fraternity. The award was in recognition of Tan Sri Lim's perseverance and resilience over time within the industry, excellent demonstration of strong leadership, deep industry knowledge and impeccable values of integrity and responsibility.

To date, LBS with vast land banks spread across Malaysia, will continue to grow in stature and strength, through replicating successful townships such as Bandar Saujana Putra to other parts of Selangor including KITA @ Cybersouth in Dengkil, LBS Alam Perdana in Bandar Puncak Alam and so on. Beyond property development, LBS is also venturing into retail management, hospitality and tourism.

For more information, visit <https://lbs.com.my/>.

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