

## LBS PROPOSES 5 KEY RECOMMENDATIONS FOR BUDGET 2025

- *Focuses on homeownership, innovative construction, and green financing to drive the future of Malaysian property*

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**Petaling Jaya, 16 October 2024** – LBS Bina Group Berhad (“LBS” or the “Group”), a leading property developer guided by people-first values, is pleased to share its key recommendations for the upcoming National Budget 2025.

As part of its commitment to innovation, sustainability, and affordable homeownership, LBS has outlined key measures for the National Budget 2025 that aim to support the property sector and broader economy. These recommendations reflect the Group's dedication to deliver affordable, high-quality homes while aligning with the nation's economic and environmental goals.

**a) Rejuvenation of Home Ownership Campaign**

LBS encourages the government to bring back the successful Home Ownership Campaign (HOC), which was in place from 2019 to 2021. The initiative, which offered stamp duty exemptions and relaxed loan eligibility criteria, helped over 100,000 families achieve their dream of homeownership. The return of HOC is expected to stimulate sales in the residential property market, speeding up property turnover and boosting positive sentiment within the sector.

**b) Promote Industrialised Building Systems**

As the Group continues to lead in innovative construction practices, LBS calls for additional financial incentives for the adoption of the Industrialised Building System (IBS). While the current Investment Tax Allowance has been extended to 2025, the Group hopes for subsidies or grants that reduce the upfront costs of IBS production. Encouraging wider IBS adoption will improve construction quality, reduce labour dependency, and increase productivity in the sector.

**c) Foster AI and Technology Advancements**

LBS supports government initiatives that foster artificial intelligence (AI) in property development. AI adoption in the industry can significantly improve efficiency, safety, and productivity, all while reducing operational costs. LBS proposes that the government introduce more comprehensive AI training programmes and financial incentives to promote AI-driven innovations across the property sector.

**d) Strengthen Green Financing Initiatives**

In line with LBS's commitment to sustainable development, the Group advocates for increased funding under the Green Technology Financing Scheme. LBS recommends expanding the current RM1 billion budget and raising the maximum financing available for green development projects. This will allow developers to undertake larger-scale green projects, contributing to Malaysia's environmental goals and helping the property sector align with global sustainability standards.

**e) Reduce Compliance Cost**

A report by the Real Estate and Housing Developers' Association highlights that compliance costs now account for 21% to 33% of the gross development value for township projects and up to 35% for strata developments. In light of these rising costs, LBS hopes the government will take steps to alleviate the burden to ensure property prices remain affordable for Malaysians, fostering a positive and sustainable outlook for the property market.

LBS Bina Group Executive Chairman, Tan Sri Dato' Sri Ir. (Dr) Lim Hock San, said "The National Budget 2025 has the potential to significantly shape the future of Malaysia's property sector. By incorporating measures that support affordable homeownership, drive technological advancements like AI, and expand green financing initiatives, we can unlock immense growth opportunities. These initiatives would not only boost the industry's productivity but also make homeownership more accessible for Malaysians, ultimately fostering a more sustainable and resilient property market."

LBS remains committed to building homes that meet the needs of Malaysians while promoting sustainable, innovative development practices. The company believes that by addressing the challenges within the property sector and implementing thoughtful policy changes, the government can create a conducive environment for both developers and homebuyers, fostering long-term growth in the industry.

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