

# Home prices can come down if certain issues addressed — developers

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KUALA LUMPUR: While the government is asking property developers to lower home prices following the sales and service tax (SST) exemption on construction services and building materials, industry players said lower prices can be achieved if issues such as labour shortage and the lofty compliance and development costs are addressed.

“Yes, [the house prices can be brought down]. We developers would like to work with [the government] to bring down the house prices but there are certain issues [that need to be addressed],” said Country Heights Holdings Bhd executive chairman Tan Sri Lee Kim Yew.

He said it also requires a collective effort from other stakeholders such as contractors to achieve the target.

“The contractors must cooperate with us also. If they don’t want to cooperate, we cannot bring down the prices. And we also need to listen to them as they could be facing some challenges, like shortage of workers,” he said at a panel session on “Property Leaders Roundtable: The Changing Property Landscape — Where Do We Go From Here Post GE14?” at the Housing and Property Development Colloquium here yesterday.

Meanwhile, Trinity Group Sdn Bhd founder and managing director Datuk Neoh Soo Keat, who was also a speaker during the session, noted that there are still a lot of professional services that are taxable under the SST and coupled with the rising labour costs, the waivers equate to about a mere 3% of cost savings in housing development instead of a direct 6% cost savings.

“What we are seeing today is a lot of policies have been implemented by developers to re-

duce house prices but that are not going to solve the problem. Because the key is actually to increase our income level,” he said.

Neoh suggested that the government find ways to increase income levels and tackle rising land prices, which is pushing up the housing costs and prices in the country.

On Monday, Finance Minister Lim Guan Eng said that land prices were out of the government’s control as they were determined by market forces.

Neoh also urged the government to review the density of housing developments to allow developers to build more houses with cheaper prices on a parcel of land.

“The public is asking the government to reduce the density [of housing development] while asking for lower house prices. This is a contradictory policy which we would like to urge the government to look into,” he said.

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This article was first published in [www.EdgeProp.my](http://www.EdgeProp.my). Check out the website for the latest property news and listings.



Lee: The contractors must cooperate with us also. If they don't want to cooperate, we cannot bring down the prices. **Photo by Shahrin Yahya**