

# Mortgage rejection rate as high as 60% — Redha

BY YIMIE YONG

KUALA LUMPUR: The rejection rate for housing loans is as high as 60%. This remains the root cause of the current sluggish property sales, according to the Real Estate and Housing Developers' Association (Rehda).

"Banks and developers have different sets of statistics. From what we have heard, the rejection rate is as high as 60%," said Rehda patron and past president Datuk Ng Seing Liong, stressing that high housing loan rejection is the pressing concern for property developers.

Banks claim that housing loan applications have a success rate of 80%, Ng pointed out, noting that this could be because banks have filtered the housing loan seekers before applications are officially submitted to them.

"The requirements are so stringent and it is difficult for potential homebuyers to get financing," he told *The Edge Financial Daily*.

Property developers have been urging Bank Negara Malaysia to revise the prudent lending policy introduced as a cooling measure to stop the spiralling of property prices.

Ng said there is still demand for certain properties, especially affordable homes, despite the soft property market.

"With a growing population, the demand for homes is about 100,000 to 200,000 units a year," he said, adding that first-home buyers, especially those aged between 25 and 35 years old, should be given assistance.

Redha also urged the government to consider easing some planning guidelines such as car park provision for strata/high-rise development to meet demand, especially for affordable housing.

"The space allocated for the extra car parks can be used for other common space or green area and eventually lower the overall cost of development," said Ng.

Ng, who is also the Malaysia Property Exposition (Mapex) committee chairman, told a press conference yesterday that Rehda and its branches will be organising 22 property expositions nationwide this year.

The biggest exposition will be the national Mapex, which will be held from April 14 to April 16 at the Mid Valley Exhibition Centre in Kuala Lumpur.

He said Mapex has garnered better response this year, with more than 37 renowned developers confirming their participation so far.



Ng (third from left) and Mapex committee members (from left) Loo Chee Yang, Tian Oon Ling, Carrie Fong and Chen Kin Meng at the Mapex 2017 press conference yesterday. Photo by Patrick Goh