

SNAPSHOT OF MALAYSIA BUDGET 2024 FOR REAL ESTATE INDUSTRY

Overall, the **government allocated RM2.47 billion to implement public housing projects** for the year 2024. Following are the measures mentioned in the Budget 2024 for real estate industry:

- **A special RM1 billion guarantee fund to encourage reputable developers to revive identified abandoned projects.**
- RM546 million will be allocated to continue 36 People's Housing Program (PPR) projects, including a new project in Kluang, Johor. 15 PPR projects are expected to be completed in 2024 to benefit 5,100 new residents.
- RM358 million is allocated for 14 Rumah Mesra Rakyat Programme to continue the development of 3,500 housing units.
- RM460 million for approximately 65,000 extremely underprivileged in rural areas to build new houses or repair dilapidated houses.
- RM100 million for the maintenance of low and medium-cost public and private strata housing nationwide. This includes work on water tanks, roofs, electrical systems, and the installation of closed-circuit cameras.
- RM10 billion for the Housing Credit Guarantee Scheme to benefit 40,000 borrowers.
- RM 100 million for basic infrastructure and social facilities for Kampung Baru Cina.
- RM2.4 billion for the construction and maintenance of government quarters.
- RM500 million in loans to develop Waqf land in Malaysia
- **Threshold for residents' consents to en-bloc sales will be reduced from 100% to a level that is consistent with the international standard.**
- **Current conditions of the Malaysia My Second Home (MM2H) applications will be eased to attract foreign tourists and investors to Malaysia.**
- **The government has taken charge of the development of Bandar Malaysia to ensure that strategic land is best utilised for projects for the people based on Madani values.** This includes affordable housing projects for veterans, considering the interests of Bumiputera in the Federal Territories, in addition to the provision of parks and green spaces that would benefit all residents of the Klang Valley.

Stamp Duty and Taxes

- A fixed duty of RM10 will be imposed on the transfer of property ownership where the eligible beneficiary renounces his/her right to another eligible beneficiary in accordance with a will or faraid or the Distribution Act 1958 from 1 January 2024, instead of the previous ad valorem duty.
- A flat rate stamp duty of 4% will be imposed on the instrument of transfer executed by foreign-owned companies and non-citizen individuals, except Malaysian permanent residents, from 1 January 2024.
- **Tax deduction of up to RM50,000 for each year of assessment be given on ESG-related expenditure.** This applies to the **year of assessment 2024 to the year of assessment 2027.**

- **Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE) will be extended** for applications received by MIDA or Malaysian Green Technology and Climate Change Corporation (MGTC) from 1 January 2024 until 31 December 2026.
- A further **tax deduction of up to RM300,000** will be given to companies for costs incurred on the Development and Measurement, Reporting and Verification (MRV) related to the **development of carbon projects**. This further deduction is deductible from the carbon credits income traded on the Bursa Carbon Exchange. This applies to applications received by the MGTC from 1 January 2024 until 31 December 2026.
- **Service tax rate will increase from 6% to 8%, excluding food and beverage, and telecommunications. The scope of taxable services will be expanded to include logistics, brokerages and karaoke.**
- Capital Gains Tax (CGT) will be introduced on the net gains of the disposal of unlisted shares by companies from 1 March 2024.

ECONOMY

Unemployment Rate is Going Down

The Star – 08 October 2023

The country's unemployment rate has continued to trend downwards, with 3.5% recorded in the first quarter of 2023 compared with 3.6% in the fourth quarter of 2022. Data from the MYFutureJobs Portal showed that 455,350 job seekers nationwide had been successfully placed in various sectors from 2022 until last month. Efforts were being made to reduce reliance on foreign workers, with the government agencies focused on attaining 100% local employees in crucial sectors.

GOVERNMENT

Over 28,000 Houses from Abandoned Projects Rescued this Year, Dewan Rakyat Told

The Star – 09 October 2023

A total of 28,363 housing units from abandoned and "sick" private housing projects have been revived as of Aug 31 this year, said the Local Government Development Minister Nga Kor Ming. A special task force was set up to deal with abandoned or "sick" housing projects. The special task force has successfully saved 256 'sick' housing projects. Of this, 225 projects were continued until completion and the status of another 31 projects have been changed to 'smooth flowing'. No public housing projects have been abandoned in 2023.

KPKT Sets Two-Year Deadline for Operators to Submit Applications for Existing EV Charging Bays

The Edge – 12 October 2023

The Minister of Local Government Development (KPKT) has set a two-year deadline for charger point operators (CPOs) to submit applications for existing completed and operational electric vehicle charging bays (EVCBs) to local authorities. The Electric Vehicle Charging Bay Planning Guidelines (EVCB GPP) and the application procedures have been approved by the National Physical Planning Council. The move aims to ensure adherence to the planning and fire safety guidelines provided by PLANMalaysia and the Malaysian Fire and Rescue Department (JBPM).

LEGAL

Dewan Rakyat Passes Energy Efficiency and Conservation Bill

The Edge – 11 October 2023

The Energy Efficiency and Conservation Bill was passed for third reading in the Dewan Rakyat. Upon enactment of the bill, industrial and commercial users that consume 21,600 gigajoules of energy per annum will be regulated by the Energy Efficiency and Conservation Act (EECA). The larger commercial and industrial electricity and gas consumers will be required to conduct mandatory energy audits.

MBPJ Gets Leave to Appeal over Resident Payments in Residential Areas

The Edge – 12 October 2023

The Petaling Jaya City Council (MBPJ) was granted permission by the Federal Court to appeal over the Court of Appeal's decision, which allowed the Parkville residents' association to impose a rule that non-paying owners and residents or non-members of the association in the residential area would operate the boom gates to the entrance there themselves without the assistance of the security guards.

PROPERTY

Two More Industrial Parks to be Developed in Sabah to Further Boost the Economy

The Edge – 7 October 2023

Two new industrial parks will be developed in Sabah to further stimulate economic growth and industries of the State. A general industrial park will be developed in the Kota Marudu-Kota Belud area, while another industrial park for the oil and gas industry will be developed in Kimanis.

INFRASTRUCTURE

Progress of JB-Singapore RTS Link Construction at 52%

The Edge – 11 October 2023

The Johor Bahru-Singapore Rapid Transit System (RTS) Link project entered the main construction phase in October 2023, and will reach peak by June 2024. The construction activities included the depot, the platform, an overpass linking the depot to the station, and the Immigration, Customs and Quarantine (ICQ) complex. The RTS Link project is expected to be completed in December 2026.

Government Approved RM93 million Allocation for Penang Airport Expansion

The Edge – 11 October 2023

Under the framework of Rolling Plan 3 (RP3) of the 12th Malaysia Plan (12MP), the Malaysian government will allocate RM93 million for the expansion of the Penang International Airport. The allocation focuses on land acquisition, including the replacement of government quarters and compensation payments, as well as infrastructure development.

Sungai Sepang Bridge Construction to Start Next Year

The Edge – 11 October 2023

The construction of Sungai Sepang-Sungai Pelek bridge is expected to commence in 2024. The Selangor State government was in the process of acquiring the site for the project. The Rural and Regional Ministry has approved the road alignment for the project, which was also tabled at the State Planning Meeting on 19 September 2023.

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