

JPPH does not control property prices in M'sia

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PUTRAJAYA: The Valuation and Property Services Department (JPPH) does not control the price of property, including residential buildings, says its director-general Nordin Daharom.

Instead, he said, the prices of houses were usually determined by demand and supply, except for low-cost houses in the primary market (from developers), where their ceiling price had been fixed by the respective state authorities.

"Among the key components that are said to influence the costs of housing development are the costs of land and building materials. This burden is then reflected in the price of the house concern which the buyer has to bear," he said in a statement here today.

He said this in response to a newspaper report which claimed that only JPPH could control the price of residential properties.

Nordin said that JPPH, which is under the Ministry of Finance, played a role in announcing important indicators for the real estate market to keep the market under control.

He said the role of JPPH, through the National Property Information Centre (NAPIC), was to gather accurate, comprehensive and timely information, and to provide indication on the demand and supply of real estate market to government agencies, property developers and other parties involved with the property industry, as well as the general public.

"With the dissemination of information on the real estate market from time to time, developers, buyers, and authorities that approve projects, in particular, housing projects are kept abreast of the market's situation," he said.

Nordin said the components of a housing development scheme which could potentially contribute to an increase in home prices included costs of land, premiums, infrastructure development charges, contributions to utility providers (TNB, Syabas, Indah Water), building materials, bridging finance and end financing.

Insurance, labour, professional fees, developer profits, marketing techniques/marketing, advertising and marketing costs, developer deposits and compliance with planning requirements also contributed to higher prices of houses, he added.

Nordin said that the price list, namely the minimum and maximum selling price, should be able to be regulated by the National Housing Department under the Ministry of Housing and Local Government.

He said this was because the checklist for applying for a new Advertising and Sales Permit outlined by the Housing Development Licensing Division under the National Housing Department required two items, namely the list of the selling prices for all housing units by

type, and setting the minimum and maximum selling price for each type of house.

"This shows that the price list, as well as minimum and maximum selling prices, should be able to be regulated by the department concerned," he said.

On the exemption or imposition of the Sales and Services Tax, Nordin said JPPH was of the view that some of the listed components should be reviewed in a more holistic manner.

"In this regard, there is a proposal to establish a Housing Cost and Price Committee to monitor the cost of development components to keep residential property prices under control," he said, adding that the components were infrastructure, building materials, labour and percentage of developers' profits.

JPPH, under the Ministry of Finance Malaysia, was first established as the Valuation Division of the Treasury of Malaysia on June 1, 1957, to provide property valuation and services to the Government and its agencies.

JPPH plays an important role in the country's development by providing reliable, timely and professional services as well as acting as an advisor to the Government and its agencies in all aspects relating to the valuation, consultation, and services for properties.

JPPH also plays a role in recommending reasonable valuations for stamp duties, conversions, alienation of land, and financing for civil servants' homes. — *Bernama*