



## HOME OWNERSHIP CAMPAIGN: AN OPPORTUNITY

Home Ownership Campaign was previously announced in Malaysia's Budget 2019 in order to catalyze property sector which reveals many unsold houses in the market. The campaign ran throughout 2019 and has received positive responses from the general public. The campaign was once again reintroduced recently in the Short-Term Economic Recovery Plan (PENJANA) starting from 1 June 2020. The main objective of the campaign is to stimulate the property market and also to provide a financial relief to home buyers.<sup>1</sup>

This is an opportunity to be seized if you are seeking to buy your dream home as the campaign features will help to avoid you from overspending. There will be an exemption of stamp duty on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM 300,000 up to RM 2.5 million subject to at least 10% discounts provided by the developer.<sup>2</sup> Yes, you read it right, the developer will give you 10% discounts of the selling prices and you will not have to pay for the stamp duty. However, if your properties are priced over a million ringgit, only the stamp duty of loan agreement is fully exempted while the stamp duty on the instrument of transfer will be calculated on a tiered basis.<sup>3</sup>

To enjoy these benefits, the Sale and Purchase Agreements or SPA must be signed from 1 June 2020 until 31 May 2021.<sup>4</sup> At the moment, it remains less than a year before this campaign comes to an end. Let me illustrate the benefits that come with the campaign that you will enjoy.

Assuming you are interested to purchase a house at RM 600,000. Now, let us calculate the cost you will be incurred with Home Ownership Campaign. There will be 10% discount from the property price so the down payment will cost RM 54,000. As the property is priced between RM 300,000 to RM 2.5 million and less than RM 1 million, both stamp duty for loan and instruments of transfer will be exempted and thus costing you zero ringgit. What a significant saving you can make while buying a house priced at RM 600,000.

On the other hand, like any other campaign, it would be subjected to certain circumstances. But worry not, I am sure most of you would be eligible to buy your dream house under this campaign. The purchasers must be Malaysian citizens and his or her purpose of purchasing the said property is only for residing within it and not for other purposes such as commercial activities, SoHo, SoFo or SoVo. These properties also must be registered with the relevant authority for each region such as Sabah Housing and Real Estate Developers' Association (SHAREDADA), Sarawak Housing and Real Estate Developers' Association (SHEDA) and Real Estate & Housing Developers'

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<sup>1</sup> PENJANA booklet, pg. 44

<sup>2</sup> P.U. (A) 216, STAMP DUTY (EXEMPTION) (NO. 3) ORDER 2020

<sup>3</sup> P.U. (A) 217, STAMP DUTY (EXEMPTION) (NO. 4) ORDER 2020

<sup>4</sup> PENJANA booklet, pg. 44

Association Malaysia (REHDA) for Peninsular Malaysia.<sup>5</sup> <sup>6</sup> Last but not least, this campaign only covers for new properties and not meant for secondary market thus, *subsales* are not applicable for the said campaign.

So, what are you waiting for? This campaign is free of charge and you must grab this opportunity of tax holiday to materialize your dream home. Moreover, there is also no mention of limits of properties you can purchase under the House Ownership Campaign, hence, you may be able to get those stamp duty exemptions on all of them. Nevertheless, always be sure to contact any nearest lawyer to assist you further on this matter.

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<sup>5</sup> P.U. (A) 216, STAMP DUTY (EXEMPTION) (NO. 3) ORDER 2020

<sup>6</sup> P.U. (A) 217, STAMP DUTY (EXEMPTION) (NO. 4) ORDER 2020