

Please do not include this first page. It is only your internal checklist.

- "Fast Facts" - one graph of weather patterns
- overview, - this includes three graphs. (Malaysia Germany France Japan comparisons)
- economic graphs - there are six of them, green tags
- tourism, this includes three graphs
- the property market - this includes the population graph of KL and Penang one graph
- Sabah, - no graphs
- infrastructure, - no graphs
- FAQ, - no graphs
- purchase. - no graphs

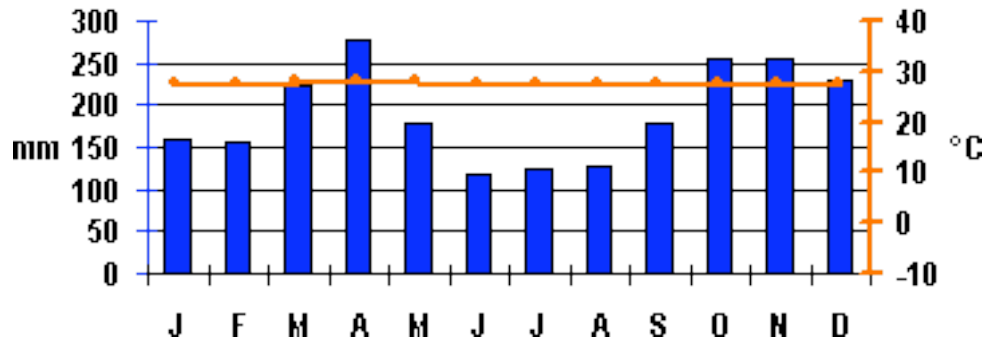
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MALAYSIA FAST FACTS:

- Area: 329,758 sq km
- Population: 27.5 million
- Capital city: Kuala Lumpur
- Climate: Tropical. It is warm throughout the year - 22ø at night to 34ø daytime. There are no natural disasters like typhoons, hurricanes, tornadoes or earthquakes. Extra rainfall can be experienced during the North East Monsoon period (December to February). The "hill stations" or high country areas are cooler.
- Living standard: Reasonably high but the cost is low. In areas popular with expatriates such as Penang, a monthly expenditure of 3950 Ringgit (around £625) is enough for two people.
- Language: Official language is Bahasa Malay. English, Cantonese dialects (Hakka, Hokkien and Teochew) and Tamil are widely spoken.
- Political system: Independent since 1957, a Constitutional monarchy, - the King, and two Houses of Parliament. The executive functions of the Government are carried out by the Cabinet, led by the Prime Minister.
- People: Main racial groups of Malays (57%), Chinese, Indians and the diverse indigenous people of Sabah and Sarawak
- Major religious faith: Islam.
- Distances to Malaysia by air (major airports)
London to Kuala Lumpur : 10,552 km
Berlin to Kuala Lumpur 9,622 km
Madrid to Kuala Lumpur 11,079 km
New York to Kuala Lumpur 15,126 km
- Currency: Ringgit Malaysia (MYR). Each Ringgit is divided into one hundred sen. Exchange rate on 7 April 2008 for MYR 1 was 0.157 GBP, 0.199 EUR, 0.34 AUD and 0.313 USD.
- Banks: Both international and local banks operate in Malaysia, as well as merchant bankers, finance companies and offshore financial institutions. Bank (and post office) hours in most states: Mon – Fri: 9.30am – 4.00pm Sat: 9.30am – 11.30am (closed 1st & 3rd Sat of each month) Sun: closed. In the Muslim-Party-controlled states of States of Kedah, Kelantan & Terengganu: Sat – Wed: 9.30am – 4.00pm Thur: 9.30am - 11.30am Fri: closed
- Government offices are open from 8am to 12:45pm and 2 to 4:15pm Monday through Friday and from 8am to 12:45pm on Saturday. Again, in Kedah, Kelantan & Terengganu the week runs from Saturday to Thursday.
- Time: The Standard Time in Malaysia is GMT + 8 hours.

- Electricity: The voltage used in Malaysia is 220-240 volts AC (50 cycles). Three-point square plugs are used

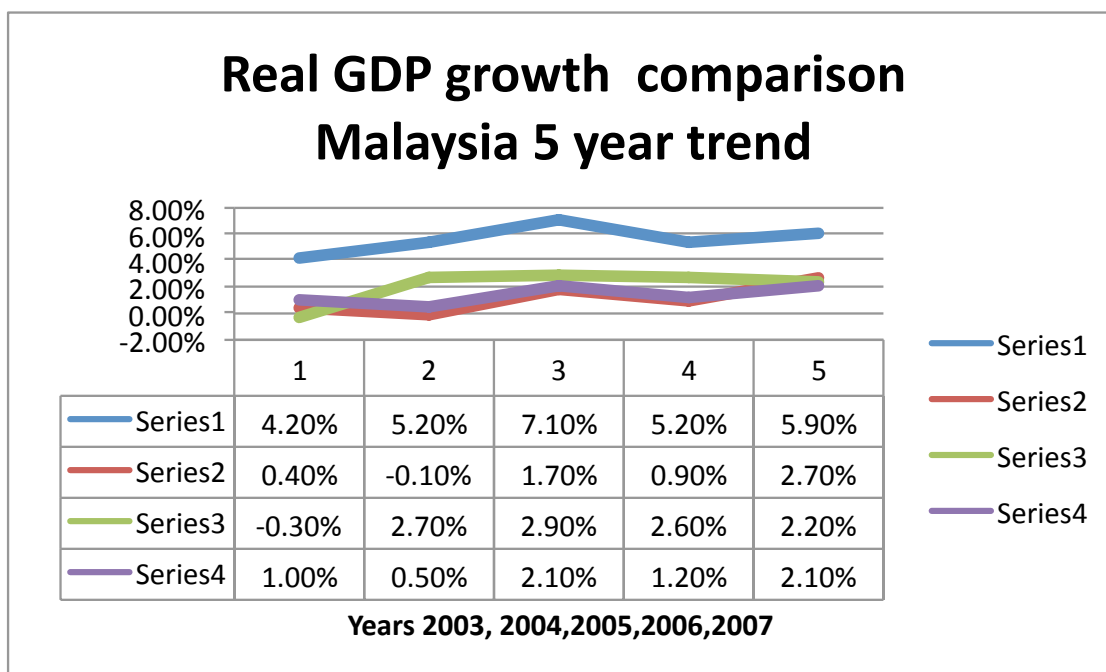
Kuala Lumpur



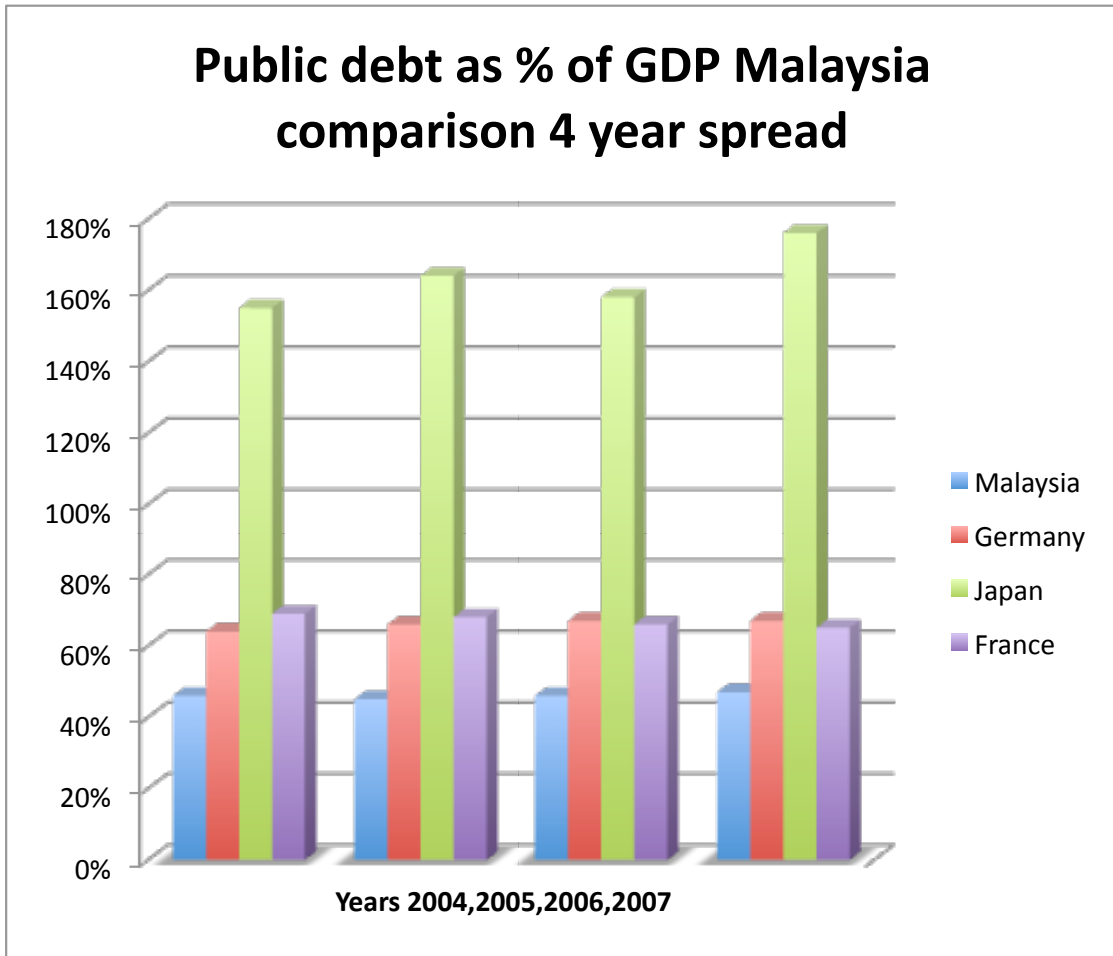
OVERVIEW

Malaysia- an investor's overview.

- Malaysia is the 26th largest economy in the world. It doesn't depend on the US economy for either imports or exports. (82.2% of its 2007 exports were to countries other than the USA). It has a stable currency rising against the USD over the long term, and good political and trading relations with the major Asian economies of China, Japan and Singapore. Its banking system interacts with that of the middle east and not with US banks so it is insulated from the sub-prime mortgage problem.
- Foreign investment in Malaysia's manufacturing and services sectors soared 69 % to €9.4 billion in 2007. The Government approved €6.8 billion in foreign manufacturing investment in 2007, up 65 percent from 2006, and it approved foreign investments in services of €2.3 billion, a 80 percent year-on-year increase.
- GDP per capita for 2006 was at USD 5643 with a real GDP growth rate of 5.9%
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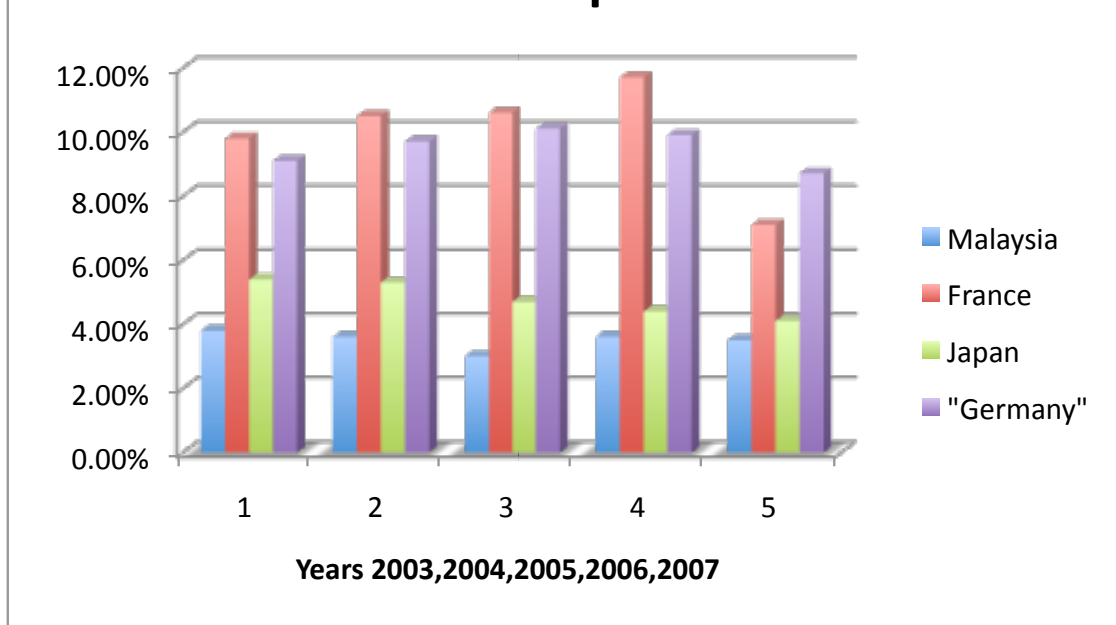


- (series codes: 1 Malaysia 2 Germany 3 Japan 4 France source CIA World Handbook 2008)



- Tourism is contributing to an ever-increasing percentage of Malaysia's GDP as a result of growing interest and government initiatives. Cumulatively, tourist arrivals recorded from January to February 2008 were 3,522,602, representing an increase of 4.4% on same period in 2007.
- Urban population: 64%
- Average annual population growth: 1.7%
- The Ringgit has increased at an average 4% in value against the USD in the last 8 years.
- Politically, Malaysia is very stable. It's never had a coup. It has free and fair elections and is a multi-racial society with large ethnic diversity. The last 30 years have seen increasing urbanisation, increasing education, rising living standards and relaxed relations between the various racial groups which make up contemporary Malaysian society.

Comparative recent unemployment 5 year trend Malaysia v Japan and Europe



- Malaysia is very accessible to the European investor - it's less than one hour by commuter flight from KL to Asia's two biggest air hubs, Singapore and Bangkok.
- With an average of 270 days sunshine a year, the country's climate makes for a lengthy, extended tourist season, beneficial for rental returns.
- Malaysia offers 10-year tourist visas under its Malaysia- My Second Home program, with tax concessions on items such as new local cars for expatriates.

PS- your due diligence.

We would expect you to carefully check all economic and legal data we present in a brochure like this before making your investment decision.

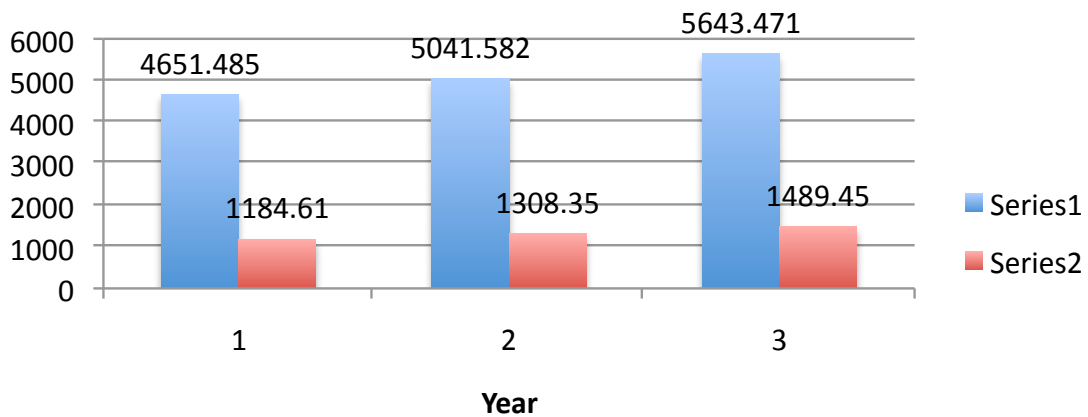
Please be assured that the major sources of information are official government figures. We have used information from the Malaysian Treasury, Malaysian Finance Dept Valuation Service, World Bank, Asian Development Bank and the amazingly helpful CIA World Handbook from the US Central Intelligence Agency. We have not simply churned press releases and other websites.

Employment Index

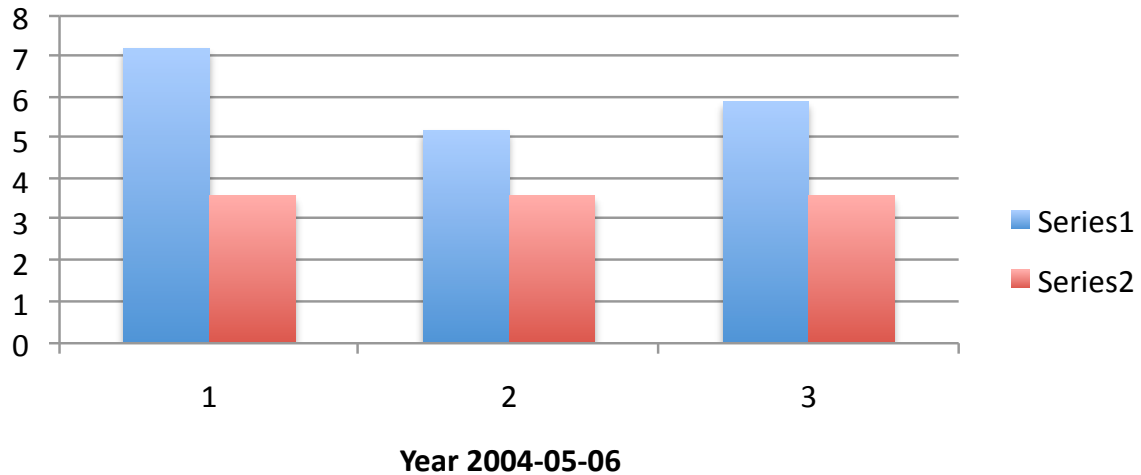
CSI



GDP growth 2004-05-06: Blue, per head USD. Red, total in hundred millions of USD



Red, GDP increase , Blue, inflation, year on year percentages



Services Sector Performance 2006-2008 (in 2000 prices)

	Change (%)			Share of GDP (%)		
	2006	2007 ¹	2008 ²	2006	2007 ¹	2008 ²
Intermediate Services						
Transport and storage	5.2	7.6	7.8	3.6	3.7	3.7
Communication	6.8	7.2	7.7	3.7	3.8	3.8
Finance and insurance	7.7	10.7	9.2	10.2	10.7	11.0
Real estate and business services	9.9	15.6	9.8	4.6	5.0	5.1
Final Services						
Utilities (electricity, water and gas)	5.2	4.6	5.0	3.1	3.0	3.0
Wholesale and retail trade	7.1	11.6	10.0	11.6	12.2	12.6
Accommodation and restaurants	6.0	9.4	9.5	2.2	2.3	2.3
Other services	4.7	5.0	5.9	5.8	5.7	5.7
Government services	9.8	4.6	8.6	7.1	7.0	7.1
Total	7.2	9.0	8.6	51.8	53.2	54.3

¹ Estimate.

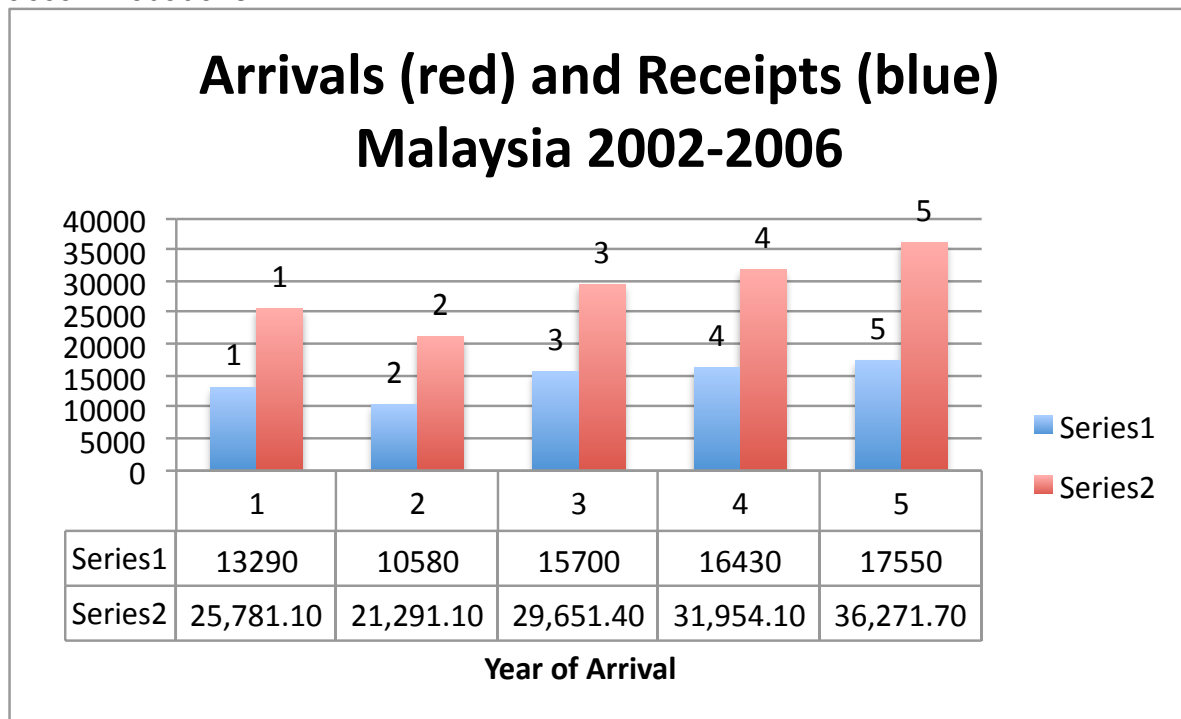
² Forecast.

Source: Department of Statistics and Ministry of Finance, Malaysia.

Malaysia's booming tourism industry:

Malaysia's government actively encourages overseas tourists to enjoy its year round warmth! Its 300+ days of sunshine a year provide investors in the tourist sector with an almost year-long season. Past investment in the sector has borne fruit: tourism numbers show a 4% annual increase consistently over the last 8 years and amount spent per tourist is also increasing markedly. Tourist arrivals are up almost 15-fold from 1.2 million in 1974 to 17.5 million in 2006. Gross earnings are also up - to RM38.2 billion in 2006, accounting for 6.7% of nominal GDP. Receipts have been steadily increasing at an average rate of 14.1% per year during the period 2000 to 2006. Tourist spending remains the main contributor to earnings in the services account, generating an average of 45.3% of gross receipts.

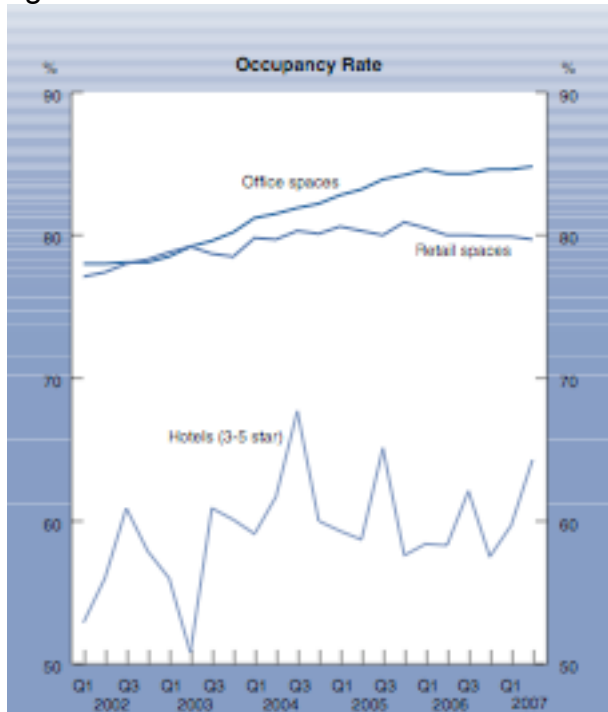
Tourists need places to stay, and it's no surprise that tightness in hotel and rental accommodation has spurred the growth of investment in hotel, resort and rental accommodations.



The government's serious commitment to growing the local economy has grown tourist arrivals to an estimated 21.5 million in 2008 with anticipated gross receipts of MYR 49 billion -which will contribute 7.2% to nominal GDP. By 2010, the number of tourist arrivals is expected to increase to 24.6 million, generating receipts of RM59.4 billion and providing 520,700 jobs.

A growing workforce and growing economy means economic stability and makes Malaysia a safe and profitable place to invest. The Malaysian currency has increased in value against the US dollar by an average of some 4% a year over the

past 8 years. Growing tourism, a banking system aligned with that of the Middle East and not that of the USA, and self-sufficiency in oil and natural gas means that Malaysia's economy can resist external factors. The Ringgit continues to strengthen against the US Dollar.

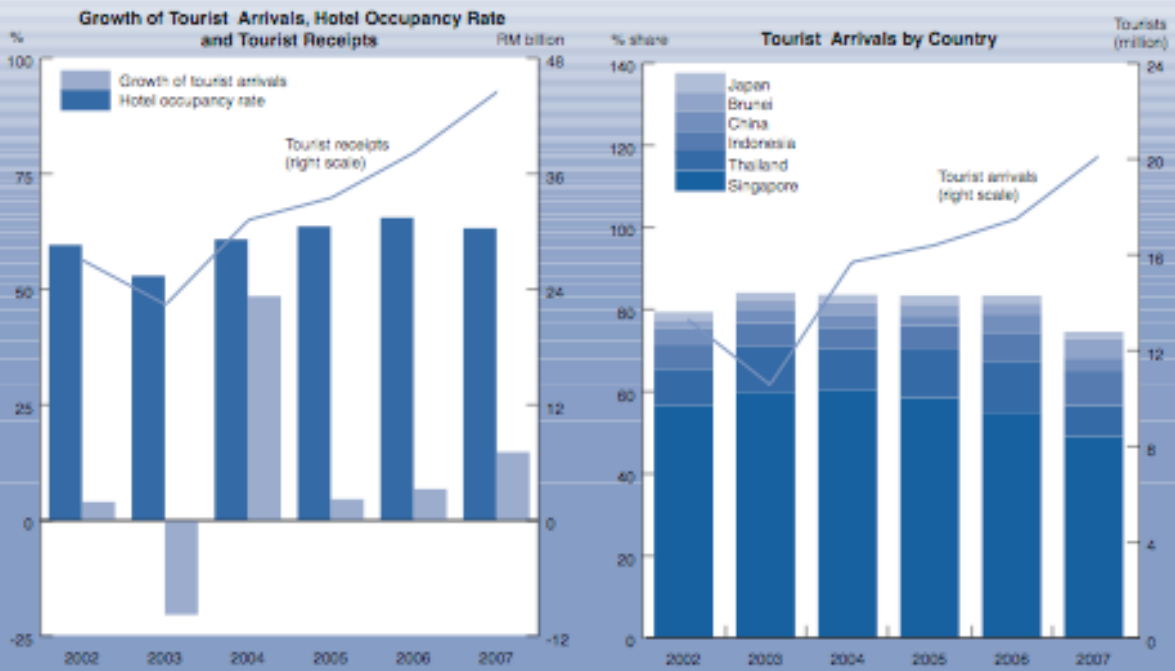


The Government continues to enhance and promote the Malaysia My Second Home (MM2H) programme. From its start in 1996 up to end-2006, this programme has drawn 9,551 foreigners, including 1,049 Britons. From January to July 2007, there were 146 British participants, of total 940 participants.

Over 45 international airlines fly into the country while national carrier Malaysia Airlines has a global network that spans six continents including twice daily flights from London Heathrow to Kuala Lumpur.

Investing in rental property in Malaysia also takes advantage of rising household incomes and improved quality of life. Domestic tourism also plays an important role in the overall tourism industry - so it's actively promoted to attract more Malaysians to travel within the country. The implementation of the five-day work week for the public sector since July 2005, and the rising number of corporate meetings, incentives and retreats as well as youth camps also contribute to higher growth of the industry.

Tourism Industry



Source: Malaysia Tourism Promotion Board and Department of Statistics, Malaysia.

THE PROPERTY MARKET

Malaysia is one of the major Asian tiger economies, with consistent recent economic growth far stronger than that of the EU and the USA. Its economic growth exceeded 8% in each year of 1989–1997.

Malaysia is just one of the Asean member countries back on the map again after falling out since the 1997 financial crisis. The turmoil in the US economy is not evident in Asia. Malaysia is buoyed by the many surplus funds in the region, particularly from wealthy investors from the middle east, its compulsory pension schemes and sovereign investment funds.

Why is the Malaysian market soaring?

The soaring Malaysian property market is fuelled by ongoing economic growth; a naturally-growing population averaging 1.8% long-term; increasing migration from country to city; the growth of the state-sponsored pension fund; expansion of economic activity by nearby Singapore; and the 10-year-old “Malaysia- My Second Home” programme.

In an age of global economic uncertainty and volatility in the major markets of the USA and UK, retirement planning for the Malaysian non-welfare state, with its trademark absence of taxation-funded old-age pension, has seen a flight by local investors into the quality of on-shore real estate investment. Listed property trusts have operated in Malaysia for the past 20 years, and their strict regulation (they have to be sponsored by financial institutions) has assisted even Malaysians with modest pension funds to invest in Malaysian real estate.
(insert one of the three comparison graphs - Germany France Malaysia Japan) here.
There are three of them. Doesn't matter which you use in which order.

Malaysia does not have the uncontrolled housing development of some other Asian countries, having adopted in the mid-1970s development control legislation patterned on the British Town and Country Planning Act. This to some extent props up prices, particularly in the fast-growing urban areas. Its developed legal system keeps many excesses of developers, which are common in countries with less-developed legal systems, in check, and offer a large degree of protection for consumers.

In what sort of housing do affluent locals wish to live?

The buy-to-rent market is growing in Malaysia, fuelled by rising incomes of a growing young, educated professional class.

There has been a spate of launches for high-end homes in many parts of the country, due to the keen interest from locals, as well as foreigners. Developers

believe that demand will stay steady, as developers are careful to build high-end projects in prime locations such as the city centre, targeting niche markets.

The luxury market has grown much more sophisticated in terms of design concepts and aesthetics to cater to the rising expectations of astute buyers. Design trends can be very fluid, but are most often dictated by buyers' preferences. Modern tropical and resort-like designs have an enduring and timeless appeal that will always be popular with buyers.

It's only natural for an increasingly affluent and prosperous population to aspire for higher-end homes, which promise better quality lifestyle features in terms of designs, amenities and security. Those who have pocketed handsome profits from selling their existing properties in established areas are also keen to upgrade to high-end homes in gated and guarded communities in newer neighbourhoods.

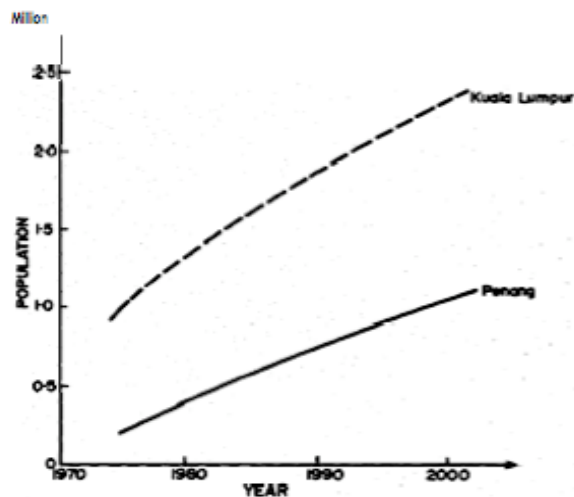


Fig. 2. Population increase in the cities of Kuala Lumpur and Penang 1966-2000.

Source: Journal/Architecture & Planning/Volume 3/issue 1 (1991) Housing Strategies in Malaysia - A Review Ibrahim Wahab Associate Professor, School of Housing, Building and Planning, University Sains Malaysia . RIYADH: KING SAUD UNIV.

Investment by non-Malaysian nationals:

Increasing tourism, increasing globalisation, and a preparedness to allow long-term social visit passes, have increased demand for premium properties particularly in the areas of Kuala Lumpur and Penang. Growth is also reported in the tourist area of Melaka and the beautiful tourist destination of Sabah, on the island of Borneo (Kalimantan).

Malaysia actively seeks long-term investment in the housing market and has abolished capital gains tax on profits from real estate held by individuals for a period of over 5 years. Non-citizens may access a full range of financial services, including

mortgages, from financial institutions and loans of up to 60% of the valuation of an investment property are common.

Much interest comes from the Middle East, and the first property trust in Malaysia was sponsored by the Arab Bank. The Arab Bank is arguably the largest foreign bank in Malaysia. Malaysia's strong identification with its Muslim co-religionists, whilst not excluding western investment, means that there is a preponderance of middle-eastern investors in its market.

As of 1st November, 2006, foreigners no longer need the approval of the country's Foreign Investment Committee to buy properties worth 250,000 ringgit or more, as long as the properties are for their own use. Approval is still needed for rental or investment properties.

If one shares the view that the ringgit is undervalued and the appreciation will take place gradually in the next one or two years, even if the price of the property has not appreciated, they would have gained the currency revaluation. With capital appreciation of the property in the medium to long term, it would be another avenue of gain for the foreign investors.

To take an example of a recently-completed and popular luxury development, the rental at The Ascott is about MYR 20,000 per month. Assuming the unit was priced at MYR 2mil, the return rate is 12%. For purchasers of high-end apartments, a reasonable or conservative yield estimate is about 7% to 8%, plus of course the twin streams of capital gain, on the land and on the currency appreciation.

SABAH is a tropical paradise, a rapidly growing international tourism destination with international-class resorts. This great tourist attraction on the Malaysian side of the island of Borneo has no major urbanisation. It's blessed with abundant natural attractions such as Mount Kinabalu (the highest peak in South-East Asia), the world's oldest rainforest and one of the world's best diving spots, Sipadan. It's truly a great place for a second home.

The Government is encouraging tourism and it's working! Hotel occupancy rates and room rates have already been showing impressive growth in the last two years. Major hotels currently enjoy up to 80% occupancy rate during peak seasons.

The tourism industry is a key driver for Sabah's development, contributing up to 7.4% of the state's GDP. Tourist transactions in Sabah increased by 22.1% last year with residential transactions growing by 27%. The Kota Kinabalu airport enjoys new found vigour, and is now the country's second busiest airport, after the KL International Airport. There are 79 direct flights a week to Kota Kinabalu from cities such as Singapore, Hong Kong, Tokyo, Seoul, and Shanghai.

Private, new buy-to-rent housing can be had for under €50 000 - a fifth of the cost of similar beach-side properties in nearby Singapore, for example, or in popular Australian retirement spots. It's expected that Sabah will soon rival Penang as a tourist and lifestyle destination - it's definitely prettier and less industrialised - and that prices will increase to the approximately four-fold Penang prices.

The Government scheme aims to turn Sabah into a regional trading hub with world-class facilities. Investment opportunities exist under the scheme for hotels, long-term rental accommodation and resort-style accommodation. Growth to date has increased confidence in the Government's plan. More than a dozen joint-venture agreements have been signed between local and foreign companies in sectors like tourism, including eco-tourism and health tourism, an agro-tourism project and rehabilitation of orang-utans in forest reserves.

The World Bank says that Malaysia is pumping!

With an 84% completion rate on major projects, Malaysia has one of the highest success rates of major infrastructure projects in the developing world. 10 major private or public-private partnership projects in water, energy, transport were completed at a cost of over 4.5 billion pounds.

Telco

Telephone connections and internet usage are amongst the highest in Asia. There are more users of the internet per head of population in Malaysia than France! Malaysia's fixed line, mobile and satellite communications infrastructure support a full range of domestic and international services encompassing voice, video, data, and other advanced communications services. Currently, there are more than 13 million subscribers of cellular telecommunications services, VSAT and satellite-based land and maritime services. There are six internet service providers (ISPs) with a total of 3.2 million subscribers. At the domestic level, the country is currently being served by an infrastructure of more than 40GB. Over 95% of roads are paved and over 95% of the population have access to improved drinking water, a figure better than most parts of Eastern Europe and South America.

Road

Malaysia will be a major beneficiary of the Asian Highway, a vast network of 141,204 kms. of roads and highways that will make it possible within the next decade to drive from Indonesia through Singapore and Malaysia and all the way to Europe. Most of the Malaysian development is toll-road, financed by private infrastructure companies.

Asian Highway Route Nos. 1 and 2 are part of an integrated, international, intermodal transport system that will facilitate the seamless movement of people and products through borders. It runs through Singapore, Malaysia and Thailand. Tour wholesalers use these transport links to develop excellent tour packages featuring road, air, cruise and rail products. The benefits to tourism are significant.

Ports

95% of the country's trade is by sea via Malaysia's seven international ports. Port Klang's central location and the government's emphasis on making the port a national and regional hub has resulted in an increasing volume of cargo. Port Klang recorded 4.5 million twenty-foot equivalent units (TEUs) for 2002, which ranks it the top 11th in the world. Malaysia's newest port, the Port of Tanjung Pelepas (PTP), at the southern tip of Peninsular Malaysia, achieved an annual cargo volume of 2.5 million TEUs in 2003.

And there's more

- Malaysia's newest and biggest airport, the Kuala Lumpur International Airport (KLIA), is soon to be complemented by an additional expanded international airport in Sabah.
- Cyberjaya, Malaysia's first intelligent city and the nucleus of the country's Multimedia Super Corridor (MSC), now contains a multimedia university which provides a pool of knowledge workers for industries. Kuala Lumpur Sentral is a transportation hub integrating all major rail transport networks.
- Asean Rail Express has been initiated with the aim of expanding the Trans-Asia Rail Link that will include Singapore, Vietnam, Cambodia, Laos and Myanmar before ending up in Kunming, China.
- Industries in Malaysia are mainly located in over 200 industrial estates or parks and 13 Free Industrial Zones developed throughout the country.

Frequently Asked Questions:

How politically and economically stable is Malaysia?

Political and economic stability has been a primary consideration of the government of the day which is why Malaysia has enjoyed a stable political and economic climate for decades. The rule of law prevails and it is not in the interests of government or private sector leaders to allow any disruption to the generally peaceful atmosphere that the country enjoys. Malaysia enjoys regular free and fair elections.

Malaysia has had a good record of maintaining law and stability and is one of the safest countries to live or work in, in this part of the world.

How much money will I need to live in Malaysia?

Living standard is reasonably high but the cost is low. In Penang, a monthly expenditure of RM3950 (£625) is enough for two people. Petrol and some staple foods such as sugar and cooking oils are subsidised by the Government.

Why is the Malaysian economy grabbing headlines?

The bounce-back from the Asian economic slow-down of 10 years ago has seen the local currency rise about 20% against the US dollar, despite consistently low interest rates and inflation. GDP per head rose about 70% in the same period. Current GDP per capita grew 31% in the Sixties and an amazing 358% in the Seventies but this proved unsustainable and growth scaled back sharply to 36% in the Eighties rising again to 59% in the Nineties led primarily by export-oriented industries. Malaysia is a world leader in exporting semi-conductors and is self-sufficient in oil and natural gas. Local business and consumer indices show growth at double the rate of the total EU and over 2.5 times the growth rate of the US economy, with confidence of both consumers and businesses consistently higher than 10 years ago. Malaysian inflation at under 2% is about half the rate of that of Australia, despite record low central bank interest rates of 3.5%.

Investment

I have purchased real estate in Malaysia. I am not a Malaysian national. Can I open a business as well?

Generally, non-nationals are NOT allowed to have their own businesses. However, they are allowed to invest in local companies as an inactive partner. They are allowed to attend Company's Board Meetings as one of the company directors but they are not allowed to have an office in the company. Foreigners with special expertise, like doctors, may qualify for special work permits. All foreigners can participate in the local share market.

Can I purchase a house for residential purpose and a shop lot to be rented out?
No, you are only allowed to purchase residential properties.

Do you have to live in Malaysia to buy property there? Do you need a visa to buy property?

No and no. You only need to buy property of a minimum value and have FIC approval.

Must foreigners buy new Malaysia property only, such as from developers, or can they purchase any property, such as from individual owners?

Foreigners can purchase any type of housing properties above the statutory minimum value provided that it has been issued with Certificate of Fitness).

What is the realistic rate of return I can expect from my investment in Malaysian real estate?

This depends on where you buy; generally however the long term rate of Malaysian property is to increase in real terms. Many local blogs and forums contain complaints that property prices are increasing at double the rate of the increase in wages. Coupled with a currency which has risen about 4% a year against the US Dollar, one's own research will demonstrate that £100 000 invested in 2000 in Malaysian property would be worth far more pounds now than had the same amount invested in real estate in, say, the USA or the UK. It is fair to say that as the MM2H programme attracts more participants it is reasonable to assume that prices of desirable properties will rise at a faster rate in areas where foreigners choose to live, like Melaka, Kuala Lumpur and Penang.

How much should I spend?

Generally the minimum is under £ 45 000. Property prices in Malaysia are quite low compared to many developed countries and because of an explosion in new developments the prices have not risen that much in recent years. The biggest increase has been seen in some of the high end properties, mostly apartments, in central KL.

What sort of real estate should I buy?

Choosing between apartments and landed properties is a personal choice. The advantage of an apartment complex is that many have quite good facilities and security is better. Landed properties offer your own garden and more privacy. Beach side developments are rather limited at present and many of them consist of high density apartments. A lot of beach front land in Malaysia is Malay reserve land which means only Malays are entitled to own the property.

Should I buy "off the plan"?

In Malaysia it is usual to buy new properties "off the plan" which means a wait of up to three years before the property is completed. You have the advantage that with a good developer the price will probably rise during the intervening period but you also have to wait for possession. If you want to buy a new home that is ready for immediate occupancy you will almost certainly have to buy from someone who has already bought off the plan.

Can foreigners get mortgages?

Yes, if they meet normal lending criteria. The low interest rates on offer offer opportunities for buyers to repay their loan over a longer period with affordable monthly instalments. You can borrow up to 80%, but the larger your deposit the higher percentage of debt service payments can be, because of the risk profile you present to the bank.

Most lenders don't want you to take out a loan that will overload your ability to repay everybody you owe. Although every lender has slightly different formulas, here is a rough idea of how they look at the numbers.

Typically, your monthly housing expense, including monthly payments for taxes and insurance, should not exceed about 28 percent of your gross monthly income. If you don't know what your tax and insurance expense will be, you can estimate that about 15 percent of your payment will go toward this expense. The remainder can be used for principal and interest repayment. In addition, your proposed monthly housing expense and your total monthly debt service combined cannot exceed about 36 percent of your gross monthly income. If it does, your application may exceed the lender's underwriting guidelines and your loan may not be approved.

There may be age restrictions depending on your state of health. You may have to repay the loan by the age of 60.

What if any restrictions are there on non-residents?

There is no restriction on a non-resident who wishes to

- repatriate of profits, commissions, dividends, fees, rental, royalties or proceeds from divestment of investments in Malaysia.
- purchase ringgit assets, such as property in Malaysia.
- transfer abroad in foreign currency any profits or returns from their investment in Malaysia, including divestment proceeds.

A non-resident individual may obtain property loans for the purchase of commercial or residential property which is not for his own use. He or she may obtain any number of credit facilities from residents to finance the purchase or construction of residential or commercial properties. There is no limit on the amount for each property loan. It is subject to the bank's own internal and credit assessment guidelines. A non-resident may obtain up to an aggregate of MYR10 million of any type of credit facilities from the onshore banking institutions. The funds may be used for any purpose in Malaysia.

Will I be able to sell easily?

Yes, according to these two newspaper reports in local media:

THE STAR (Malaysia) Saturday 1 September, 2007

The local property market is on an upswing, judging from the higher sales and profits achieved by a number of developers in the quarter ended June 30. Companies like Plenitude Bhd and UM Land Bhd saw higher-than-expected earnings, while Mah Sing Group Bhd and IGB Corp Bhd posted solid growth that met analysts' already bullish forecast. ...the robust growth outlook for these companies would continue to support their share price performances...

NEW STRAITS TIMES (Malaysia) Monday 3 September, 2007

Over the past two years, Asia Pacific has been steadily attracting a stream of foreign capital, particularly into its real estate markets. After years of being in the doldrums, renewed bullishness in the region's economies has revved investor interest in many property projects.

Last year was particularly exciting, with hoards of global real estate investors from the United States, the Middle East, China, and Japan drawn ... (to Malaysia).

Among the reasons for their interest:

- The ability of property to outperform other asset classes over the last five year;

- The perception by foreign fund managers that the region can provide high returns; and
- The improving transparency of the region's real estate markets.

Early last month, tycoon Tan Sri Quek Leng Chan made a record-breaking deal when he bought all the 140 serviced residences at the Oval Condominium from Titan Debut Sdn Bhd for MYR 475.58 million. Based on the project's gross builtup area of 586,356sq ft, the en bloc purchase equates to MYR 811psf.... The move follows on the heels of the escalating price of projects in in the city's luxury residential sub-sector where as much as MYR 2,000 psf can be commanded!

How do I buy Malaysian Real Estate?

1. Are you ELIGIBLE?

Foreign purchasers are subject to the approval of the Foreign Investment Committee (FIC), based on the FIC "Guidelines on the Acquisition of Properties in Malaysia by Foreign Interests". Houses built on Malay reserved land can only be purchased by Malays.

2. What sort of TITLE do you want?

There are two categories of titles:-

- freehold - which gives the owner perpetual ownership; (we recommend only freehold property)
- leasehold - which allows the owner to stay in possession only for a specified period. When the specified period ends, ownership reverts back to the authority which issued the title.

The British-style "Torrens Title" system is used: Generally, a house is issued a title for the piece of land on which the house is erected; and an apartment is issued a strata title for the specific area on the specific floor of the building in which the apartment or condominium is located.

3. Can you get FINANCE?

Banks and other financial institutions have different packages of housing loan to assist house buyers in their purchase. Pursuant to a recent Bank Negara guideline, house buyers can now only obtain housing loan of up to a maximum of 60% of the purchase price for the purchase of a second or subsequent house.

4. What are the LEGAL PROCEDURES I have to follow?

If you're buying off-the-plan from a housing developer, you must use prescribed forms for the sale and purchase agreements. Payment of the purchase price is by progressive payment based on completion of work as certified by the architects. Payment of the last 5% of the purchase price will be held by a firm of solicitors as stakeholders for the defect liability period, which is currently 18 months from the delivery of vacant possession.

There are no fixed rules on the form of agreement for purchases from existing house owners. Commonly, you pay a 10% deposit when signing the sales agreement, and have 3 months to pay the balance of purchase price with an extension of 1 month if you fails to do so within the first 3 months' period. Interest at the rate of 10% per annum calculated on a daily basis is normally charged for the extension period.

In addition to the sale agreement, a memorandum of transfer.

These are the approximate time lines:

- Sale-purchase agreement sent to Stamp Office for stamping (1 day)
- Memorandum of Transfer sent to Stamp Office for adjudication of Stamp Duty (1 day)
- Inspection and valuation of the property (36 days)
- Memorandum of Transfer sent to Stamp Office for stamping (1 day)
- The transfer is registered at the Land Office/Registry (144 days)

5. Are there any fees in addition to the purchase price which I must pay?

Yes, stamp duty and legal costs.

Stamp duty is levied on the memorandum of transfer based on the purchase price as follows:-

- a. 1% on the first RM100,000.00
- b. 2% on the next RM400,000.00
- c. 3% on the next RM1,500,000.00 and
- d. 4% on the remainder

Solicitors are paid on a percentage based on the purchase price as follows:-

- 1% on the first RM100,000.00
- 0.5% on the next RM4,900,000.00
- 0.25% on the remainder

6. What if I'm buying property subject to a mortgage?

If, at the time of sale, the house is still charged or assigned to a bank of financial institution for the loan granted to assist the purchase of the same, a redemption statement stating the amount due needs to be obtained from the financier concerned. Usually, the redemption of the house is incorporated into the sale contract.

7. Do I have to pay tax when I sell my property?

Everyone who sells a house must inform Inland Revenue within 30 days from the date of sale and purchase agreement. The sale of real property gains tax levied on all house sellers laid down in the Real Property Gains Tax Act as follows:-

- 30% on the profits made for sale within 2 years of purchase;
- 20% on the profits made for sale in the third year of purchase;
- 10% on the profits made for sale in the fourth year of purchase;
- 5% on the profits made for sale in the fifth year of purchase;
- for sale in the sixth year of purchase and thereafter;-
 - individual – 0%
 - company – 5% on the profits made

Payment of real property gains tax is also normally incorporated in the sale and purchase agreement. Usually the solicitors acting for the seller will act as stakeholders retaining 5% of the purchase price for payment of the tax.

