

Property: Malaysia relaxes foreign ownership barriers

Malaysia has stolen a lead on several regional countries by removing most of the restrictions on purchase of property by foreign individuals and companies.

The purchase of property from a non-Bumiputra (a term that broadly means, in practice, Muslim) will no longer require a certificate from the ministry of finance, known as an Foreign Investment Committee (FIC) certificate.

From a date yet to be fixed, FIC certificates will be required only for properties valued at more than MYR20 million (around USD5 million) and which involve a dilution of Bumiputra or government interest to where the interest falls below 50%.

But this means that much coastal and hill land, which is held by government interests, are excluded from the release.

However, although much of the rural land is Bumiputra owned, much of the land in cities is not, leading to the prospect of inward investment in city property.

There are thousands of unsold properties in and around Kuala Lumpur. However, many of them are suburban homes designed for Malaysian family tastes.

Information on how many developments are outside the city and will fall into the available classification is not readily available.