The Star : 6 October 2006&#65533; Weak market conditions and tightening of loans by banks has caused house sales to drop, according to the Real Estate and Housing Developers Association Malaysia (Rehda). &#65533; A recent survey by Rehda on the property market showed that amajority of the 1,100 members surveyed reported unsold housing units. Rehda deputy president Datuk Michael Yam said while most developers&#65533; unsold stock levels were still manageable, the industry was facing major challenges.&#65533; &#65533;The cost of building materials has escalated in the wake of fuel price increases, and with pricing pressures intensifying, costs are fluctuating rapidly, resulting in uncertain supply,&#65533; he told a media briefing here yesterday.&#65533; Yam said the increasing pressure of regulatory compliance costs, such as low-cost quota policy, bumiputra quota and discount policy, and &#65533;build-then-sell&#65533; (BTS) or 10:90 policy were cramping development. &#65533; &#65533;In order for the BTS policy to succeed, financial institutions have to play a major role in ensuring that financing for housing projects is adequate and forthcoming,&#65533; he said.&#65533; &#65533;The BTS policy requires house buyers to pay a 10% down payment, with the remainder to be settled upon the completion of the house, putting developers at a dangerous disadvantage.&#65533; &#65533;A proper legislation framework is needed to prevent buyers from backing out on sales and purchase agreements halfway through a project, which could lead to it being abandoned.&#65533; &#65533; He added that buyers, too, must protect themselves from being cheated by unscrupulous developers. &#65533; Weakening demand and quality issues had also become a concern to industry players, said Yam. &#65533; However, there are pockets of optimism indicated by better sales in certain areas of Selangor, Johor, Malacca, Perak and Penang, according to the survey.&#65533; &#65533;It is all about location. A developer is also a businessman who must make wise decisions in encouraging better reception from buyers,&#65533; said Yam, who is also managing director of Sunway Bhd. &#65533; In the light of the challenges, Rehda is determined to boost the industry by focusing on three key areas &#65533; mitigating the cost of doing business, strengthening demand, and continuing professional development of human resources.&#65533; &#65533;This will bring about a level of competency and quality expected by the public. Only then will our industry be able to compete with the world,&#65533; he said.&#65533;