

PROPERTY ACQUISITION IN MALAYSIA FOR CITIZENS & FOREIGNERS

1. MALAYSIAN CITIZENS

Malaysian citizens enjoy relatively straightforward property ownership rights, including freehold and leasehold properties.

KEY FEATURES:

NO RESTRICTIONS ON PROPERTY TYPE:

Citizens can buy residential, commercial, and industrial properties without major restrictions except for Properties classified as "Malay Reserved Land" (restricted to Malay individuals only) and State-specific restrictions (varies by region).

GOVERNMENT ASSISTANCE:

Eligible for schemes like *PR1MA* (affordable housing) and other state-specific housing initiatives.

FINANCING OPTIONS:

Citizens have access to local bank loans, typically up to 90% financing for the first two residential properties, subject to financial qualifications. Loan tenure typically extends to 35 years or until the borrower reaches the age of 70.

STAMP DUTY BENEFITS:

Discounts or exemptions for first-time homebuyers.

DOCUMENTS REQUIRED:

- Identity Card (MyKad)
- Proof of Income
- Sale and Purchase Agreement (SPA)

2. FOREIGN CITIZENS (NON-CITIZENS & MM2H HOLDERS)

Foreigners can buy property in Malaysia, but there are restrictions and minimum purchase price thresholds set by individual states.

KEY FEATURES:

MINIMUM PURCHASE PRICE:

- Varies by state (e.g., RM1 million in Selangor and Kuala Lumpur, RM600,000 in Johor for MM2H holders).

PROPERTY TYPES:

Foreigners can typically buy freehold and leasehold properties but are restricted from purchasing:

- **Malay Reserved Land**
- **Low-Cost Housing**
- **Properties allocated under Bumiputera Quota**

FINANCING:

Banks offer loans to foreigners, usually covering up to 70%-80% financing of the property value.

MALAYSIA MY SECOND HOME (MM2H):

Foreigners under MM2H enjoy more relaxed property purchase terms.

APPROVAL PROCESS:

- Approval from the **State Authority** is required for foreign ownership.
- Additional approval from the **Economic Planning Unit (EPU)** if the property is above a certain threshold.

DOCUMENTS REQUIRED:

- Passport Copy
- Malaysia My Second Home (MM2H) Approval (if applicable)
- Proof of Income and Bank Statements

3. TAXES AND FEES APPLICABLE TO BOTH CITIZENS AND FOREIGNERS

STAMP DUTY:

Progressive rates apply (1%-4%) based on the property value. Varies based on property value:

- 1% for the first RM100,000.
- 2% for the next RM400,000.
- 3% for properties between RM500,001 and RM1 million.
- 4% for amounts exceeding RM1 million.

REAL PROPERTY GAINS TAX (RPGT):

Applies to profits from property sales, with varying rates depending on holding period and citizenship status. Applies upon disposal of property:

- 30% for sales within 5 years of purchase.
- 10% for sales in the 6th year or beyond.

LEGAL FEES:

Usually around 1%-2% of property value.

COMPARISON SUMMARY TABLE:

ASPECT	CITIZENS	FOREIGNERS
PROPERTY TYPE	No restrictions	Restricted (e.g., No low-cost housing)
MINIMUM PURCHASE PRICE	None	Varies by state (e.g., RM1 million)
FINANCING	Up to 90% loan	Up to 70% loan
STATE APPROVAL	Not required	Required
STAMP DUTY BENEFITS	Available for first-time buyers	Standard rates

4. PROCESS FOR PROPERTY ACQUISITION

CAREY

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IDENTIFY THE PROPERTY:

Engage a real estate agent or browse property portals.

SIGN A LETTER OF OFFER:

Includes a deposit (2-3% of the purchase price).

EXECUTE THE SPA:

A 10% deposit (including the earlier deposit) is typically required.

APPLY FOR FINANCING:

Submit required documents to the bank for loan approval.

TITLE TRANSFER & STAMP DUTY PAYMENT

Processed by the lawyer.