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PUTRAJAYA RESIDENTS UNHAPPY WITH ASSESSMENT RATES TRIPLING IN PRICE 1

Putrajaya Residents Unhappy with Assessment Rates Tripling in Price

Putrajaya residents were irked by the new property evaluation method used by Putrajaya Corporation (PPJ) as it significantly raised the assessment on their property.

A landowner, who only wanted to be known as ASM Shariff, complained that the recent valuation review on his vacant property has increased the rate to RM3,400 from RM1,300 per annum, reported The Star.

“This is a massive three-fold increase,” he said.

In concurring, Datuk Sirajuddin Salleh, president of Precinct 10 Residents’ Association revealed that his property was valued at RM62,110 in 1999. With the assessment rate at eight percent, his bill at the time stood at RM2,712.

“In the latest bill, my property is valued at RM62,110. Though the assessment rate is lower at six percent, the new value has pushed my bill up to RM3,726. I was shocked.”

However, a cap imposed on the higher sum kept his payable rate at RM2,712.

But the lack of information as to when the capping will remain in force caused much anxiety among residents.

With majority of the residents unhappy with the move, Sirajuddin sent a letter to PPJ which set forth 10 reasons on why the authorities should reconsider the assessment hike.

“People who live in Putrajaya are mostly in the government service...Some 40 percent of residents are retired government officers living off our pension, like me. Not that we cannot pay, but we will feel the pinch,” stated Sirajuddin.

The assessment hike also fuelled speculation that property values in Putrajaya had risen.

In questioning the basis of the valuation method applied on existing properties, Sirajuddin noted that gross rental values do not accurately reflect the real market rates since government officer have housing allowances.

“So if a property owner knows an officer is allowed RM1,500, he is not going to rent his property out for less even though the real rate is only at RM1,200,” he said.

Meanwhile, Nik Shukri Nik Soh, vice-president of PPJ Finance Department, explained that the hike was based on a new evaluation list that determined the property’s annual value.

The state authorities conduct these reviews every five years, with the approval of the Federal Territories Minister, to ensure that property taxes are fairly rated, according to current market prices, he said.

International Property Tax Institute

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