

Malaysia

Malaysia My Second Home (MM2H)

The Ministry of Tourism Malaysia is targeting 3,000 approved participants this year in the MM2H (Malaysia My Second Home) programme, up from 2,387 in 2011.

Top 10 Participating Countries									
RANK	2006	2007	2008	2009	2010	2011	2012 (MAR)	OVERALL 2002-MAR	2012
1	Bangladesh	UK	Iran	Iran	Iran	Japan	Japan	China	China
2	China	Japan	Japan	Japan	Japan	China	China	Bangladesh	Bangladesh
3	UK	Korea	UK	UK	China	Iran	Bangladesh	Japan	Japan
4	Japan	Bangladesh	China	China	UK	Bangladesh	Iran	UK	Iran
5	Singapore	China	Korea	Pakistan	Pakistan	UK	UK	Iran	Iran
6	USA	Sri Lanka	Bangladesh	Bangladesh	Bangladesh	Pakistan	Australia	Singapore	Singapore
7	Korea	Iran	Pakistan	Australia	Singapore	Singapore	Australia	Taiwan	Taiwan
8	Indonesia	Singapore	Sri Lanka	Singapore	Australia	Australia	Korea	Pakistan	Pakistan
9	Taiwan	USA	Singapore	Korea	India	Taiwan	Taiwan	India	India
10	Australia	Australia	USA	Indonesia	Korea	Korea	Singapore	Korea	Korea

Source: MM2H Centre, Ministry of Tourism

“Looking at the trends from existing and new markets and with promotional efforts by Tourism Malaysia, we are confident that we will be able to achieve this year’s target of 3,000 approved participants,” said Siti Nani, director of MM2H Centre.

“From the year 2002 until 2011, the programme has managed to successfully attract 17,389 approved participants, whereby in 2011 alone, there were 2,387 approved applicants. The top countries from where the participants came from are China, Bangladesh, United Kingdom, Japan and Iran.”

A reflection of the success of the MM2H programme is in terms of placement of fixed deposit in Malaysian banks since 2002 by approved participants as well as their daily expenditure which had clearly contributed to the country’s economic activities. “Aside from that, the education and healthcare sector also enjoys spillover effects from this programme when our MM2H participants send their children to schools in Malaysia and use the healthcare services available in Malaysia’s hospitals.”

According to her, the MM2H programme initially started out as the Silver Hair programme targeted at attracting senior citizens for a long stay or to retire in Malaysia using a five-year social visit pass in 1996 under the Department of Immigration Malaysia.

“However, after recognising the programme’s potential, it was later rebranded as the MM2H programme in 2002, whereby foreigners are welcome to apply to join the programme using a 10-year multiple entry social visit pass as long as they fulfill the terms and requirements. This social visit pass is renewable for as long as the approved applicant wishes to remain in Malaysia,” she adds, tracing the origins of the programme.

Later in 2006, the MM2H programme came under the Ministry of Tourism Malaysia with the set-up of the One Stop Centre. In 2009, an Immigration Unit was established under this centre to help facilitate the processing and issuance of the MM2H Social Visit Pass.

According to her, the Ministry of Tourism Malaysia works with other related government agencies, non-government organisations and industry players before implementing any changes to the programme. Feedback is also obtained from Tourism Malaysia Offices overseas to gauge the interest of different

markets and what entice them to come to Malaysia. Any changes to the programme are then tabled and presented to the Cabinet Meeting for approval before being implemented by the Ministry.

“Any foreigner is allowed to purchase residential property in Malaysia, where the minimum price per unit for most states is RM500,000 (pending the implementation of the proposed RM1 million minimum purchase price). However, for MM2H participants, the average price range of residential property is RM900,000 with condo-miniums being the preferred choice of residential property purchased,” she adds.

Among the list of reasons why foreigners opt to join the MM2H Programme is Malaysia’s diversity in terms of culture and its people, the low cost of living, freedom from natural disasters and Malaysia’s relative stable political environment.

Jaslyn Sim, director of Richmond Consultants (MM2H) Sdn Bhd and principal of Richmond Realty says MM2H is very popular with citizens from Singapore, Hong Kong, China, Iran, United Kingdom, Pakistan and Bangladesh.

Playing a role in promoting Malaysia as an ideal place to stay, she says that allowing MM2H programme applicants to receive a 10-year Social Visit Pass and Multiple Entry Visa is an encouraging move by the government.

“This allows them the right to live in Malaysia for 10 years that is renewable, giving them peace of mind and comfort to migrate. Malaysia becomes their second home to purchase properties for their own stay and for investment,” she shares.

“Quality foreigners welcomed”: Sim who is also the Vice President of MM2H Agents Association says that the government welcomes quality foreigners who are “financially capable of residing in Malaysia” for the purpose of stimulating the country’s economy.

Sim adds that the MM2H Programme promoted by the Ministry of Tourism appoints official agents to assist in promoting and helping candidates in applying for the programme.

“Each agent is required to recruit a minimum of 10 cases per year, failing which they will be considered as non-active agents and the license will not be renewed.”

Commenting on the rules and regulations that have been changed to “upgrade the requirements and benefits for the applicants” she says that the deposit amount now stands at RM150,000 for those aged above 50 years old while RM300,000 applies for those below the age of 50. In the event that property purchase of more than RM1 million has been fully paid, then only the minimum amount of deposit is required.

The latest amendments also allow foreigners to withdraw part of the deposit for the purchase of car (tax-free), properties, children’s education and medical expenses. Children are eligible to apply as dependants up to age 21 instead of 18.

Sim says foreigners looking to invest in this part of the world are mostly from United Kingdom, China, Iran, Singapore, Hong Kong, Pakistan and Bangladesh. The lure of good location remains intact, with most of them opting for condominiums as well as gated-and-guarded landed properties. Besides being easily accessible and within a short distance of amenities, the demand is for properties with security features. Needless to say, good price appreciation ranks high as well.

“Safety and security is their main concern besides the location and pricing. They prefer to buy completed properties as they feel more secure. However, they are also attracted to purchase new projects launched by well-established developers that come with good incentive packages especially for investments.

“There are demands for high standard, well- planned resort-style ‘retirement homes’ which provide (a sense of) community living,” reflects Sim.

Commenting on the profile of the property owners, she says that most of them are property owners in their own countries.

“Some buy Malaysian properties for investment while others purchase for their own stay with most of them being first time buyers. So far, only about 30 per cent buy properties while most Japanese and Koreans choose to rent properties. Additionally, a lot of westerners only stay over during winter season, so they chose to rent service apartments for short term stay,” shares Sim, adding that most of the property searches are done through websites, referrals, agents and property exhibitions.