



This week's spotlight A rise in property legal fees

What's going on here?

Starting from July 15, there was an increase in property legal fees due to the implementation of the Solicitors' Remuneration Order 2023 (SRO 2023).

What does this mean?

The SRO 2023 governs the legal fees that lawyers can charge in Malaysia in respect of Sale and Purchase Agreements and financing agreements involving immovable properties, including lands and buildings. The sale and transfer of properties valued at RM500,000 and below will now be subject to a conveyancing fee of 1.25%, instead of 1% previously. For properties valued between RM500,000 and RM7.5 million, the conveyancing fee is now 1%. This translates to conveyancing fees between RM2,500 (for property valued at RM200,000) to RM76,250 (RM7.5 million), as compared to previous fees ranging between RM2,000 and RM48,000.

Why should I care?

The spokesperson for the National House Buyers Association (HBA) stated that the rise in legal fees is insignificant when compared to the value of the property or the loan amount. Hence, it is not anticipated to trigger a chain reaction leading to an escalation in the cost of living or house prices.

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OPR remains at 3%

What's going on here?

Bank Negara decided to maintain the overnight policy rate (OPR) at 3%, which aligns with the average predictions made by economists.

What does this mean?

This decision is in line with the global economic development and the inflation rate in Malaysia which shows a declining trend and remains stable. In the domestic context, the central bank acknowledged that after a robust performance in the first quarter, the local economy has subsequently grown at a slower rate due to sluggish external demand. Going forward, the central bank said economic growth will continue to be driven by resilient domestic demand, stronger-than-expected tourism activity, and faster implementation of projects.

Why should I care?

While BNM stated that the monetary policy stance remains accommodative and continues to support economic growth, most economist expect the central bank to maintain its monetary policy stance until the end of the year.

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