

Low Cost Housing

The Tenth Malaysia Plan was formulated to pave the way for Malaysia to become a high income nation by 2020. New policies were introduced to assist Malaysia in achieving the plan including the National Housing Policy where the goal was to provide adequate, comfortable, quality and affordable housing to enhance the sustainability of the quality of the people.

Private developers are required to provide public housing according to the quota set by the state government. As these quotas vary from state to state, we have compiled the latest updates on the low cost housing policy for the benefit of all readers.

JOHOR

Within Iskandar Malaysia

| Type | Percentage | Built Up Area (sq ft) | Plot Size | Type | Maximum Selling Price (RM) | Proposed Eligibility (RM) |
|--------------------------------|------------|-----------------------|-----------|--|----------------------------|-------------------------------------|
| PKJ Type A | 5% | 720 | NA | Strata | 42,000 | 3,000 |
| PKJ Type B | 10% | 850 | NA | Strata | 80,000 | 4,500 |
| | | | 18' x 55' | Landed | | |
| Rumah Mampu Milik Johor (RMMJ) | 20% | 1,000 | 18' x 60' | Landed (Terrace House) | 150,000 | 6,000 |
| | | | 20' x 70' | Town House | | |
| | | | NA | Strata (within Iskandar Malaysia Flagship Zone only) | | |
| Medium Cost Shop | 5% | 1,200 | NA | Landed | 200,000 | 7,000 |
| Total | | | | | | 40% of the total development |

* Iskandar Malaysia Flagship Zone is as determined by the Iskandar Regional Development Authority (IRDA).

Outside Iskandar Malaysia

| Type | Percentage | Built Up Area (sq ft) | Plot Size | Type | Maximum Selling Price (RM) | Proposed Eligibility (RM) |
|--------------------------------|------------|-----------------------|-----------|------------------------|----------------------------|-------------------------------------|
| PKJ Type A | 10% | 720 | 16' x 60' | Landed/Strata | 42,000 | 3,000 |
| PKJ Type B | 15% | 850 | 18' x 60' | Landed/Strata | 80,000 | 4,500 |
| Rumah Mampu Milik Johor (RMMJ) | 10% | 1,000 | 20' x 70' | Landed (Terrace House) | *140,000 **150,000 | 6,000 |
| Medium Cost Shop | 5% | 1,200 | NA | Landed | *150,000 **170,000 | 7,000 |
| Total | | | | | | 40% of the total development |

* for local authority with District Council (Majlis Daerah) status.

**for local authority with Municipal Council (Majlis Perbandaran) status.

Source: Unit Perancang Ekonomi Negeri Johor

KEDAH/PERLIS

Within Malay Reserve Land

- Housing development of up to 99 units with 100% sales to Bumiputera is exempted from low cost.
- 20% is allocated for low cost for housing development of 100 or more units.

Outside Malay Reserve Land

- Housing development project of 49 units or less is exempted from low cost.
- Housing development project of 50 to 99 units is subject to 20% development of low cost.
- Housing development project of more than 100 units is subject to 30% development of low cost.

KEDAH/PERLIS (cont'd)

(Developers can apply to State Government EXCO for exemption but need to pay a penalty of RM10,000 for each unit exempted).

Source: Bahagian Perumahan, Setiausaha Kerajaan Negeri Kedah
Bahagian Perumahan, Setiausaha Kerajaan Negeri Perlis

KELANTAN

- Upon approval, development above 10 acres for landed properties and development of 250 units or above 3 acres of strata titles properties will be imposed with a quota of 40% which comprises:
 - » 20% for low cost of 700 sq ft with selling price of RM43,000;
 - » 10% for low medium cost of 800 sq ft with selling price of RM65,000; and
 - » 10% for medium cost of 850 sq ft with selling price of RM99,000.
- In lieu of not building low cost, a one on one value of the units will be charged.

Source: Bahagian Perumahan, Setiausaha Kerajaan Negeri Kelantan

WP KUALA LUMPUR

- 30% low cost contribution in lieu allowed based on approved units.
- Private developers are allowed to pay contribution at RM42,000 per unit for unbuilt low cost units.

Source: Dewan Bandaraya Kuala Lumpur

MELAKA

- For development of 8 acres and more:
 - » 20% low cost
 - » 20% affordable housing
- For development of Melaka Customary Land of 8 acres and more:
 - » 20% affordable housing
- For development of commercial, multi-storey buildings and bungalow lots of more than 8 acres, financial contribution in lieu of 30% low cost provision charged is as follows:

| Price Category (RM) | Contribution/unit (RM) | Price Category (RM) | Contribution/unit (RM) |
|---------------------|------------------------|----------------------|------------------------|
| 40,001 – 50,000 | 2,000 | 110,001 – 120,000 | 9,000 |
| 50,001 – 60,000 | 3,000 | 120,001 – 130,000 | 10,000 |
| 60,001 – 70,000 | 4,000 | 130,001 – 140,000 | 11,000 |
| 70,001 – 80,000 | 5,000 | 140,001 – 150,000 | 12,000 |
| 80,001 – 90,000 | 6,000 | 150,001 – 200,000 | 13,000 |
| 90,001 – 100,000 | 7,000 | 200,001 and above | 15,000 |
| 100,001 – 110,000 | 8,000 | Vacant bungalow lots | 15,000 |

- Exemption if development involves:
 - » 100% low cost houses;
 - » Low cost and medium cost houses; and
 - » Tourism and industrial projects.

Source: Pejabat Tanah dan Galian Melaka

NEGERI SEMBILAN

- 30% low cost for development on private land.

Source: Unit Perumahan, Pejabat Setiausaha Kerajaan Negeri Sembilan

PAHANG

- 30% low medium cost houses with price ranging between RM70,000 – RM90,000 (minimum built up area 20' x 60').
- Open title land with mixed development of more than 5 acres.

Source: Unit Perumahan, Pejabat Setiausaha Kerajaan Negeri Pahang

g: State Policies

PENANG

- Development of more than 150 units (within urbanised areas) is subject to 30% development of low medium cost.
- Development of more than 100 units (outside urbanised areas) is subject to 30% development of low cost.

Financial contribution in lieu of physical provision

- Where developers have previously constructed fully low cost/low medium cost projects and have unutilised quota, the state government, subject to approval, will impose the following contributions:
 - For the first 45 units of low cost = RM40,000 per unit; and
For the first 45 units of low medium cost unit = RM30,000 per unit.
 - For the 46 unit and above of low cost = RM 70,000 per unit; and
For the 46 unit and above of medium cost = RM 60,000 per unit.
- Developers who do not build low cost/low medium cost housing and do not purchase housing quota are required to pay RM120,000 per unit to the state government.

Source: Unit Perumahan, Pejabat Setiausaha Kerajaan Negeri Pulau Pinang

PERAK

- For development of 10 acres and above:
 - On private land is subject to 20% development of low cost; and
 - On State alienated land is subject to 30% development of low cost

Source: Pejabat Pengarah Tanah dan Galian Negeri Perak

TERENGGANU

- To reserve 30% for Rumah Mampu Milik for any project above 5 acres and developers must submit to State UPEN for comment and approval before submitting to OSC.

Source: Unit Perumahan, Pejabat Setiausaha Kerajaan Negeri Terengganu

SELANGOR

- Rumah Selangorku is the rebranding of Medium/Low Medium Costs and Affordable Homes in Selangor effective 1 January 2014.

Developments are categorised under three zones as follows:

Zone 1:

| No | District | Mukim/Area |
|----|-------------|---|
| 1. | Petaling | The whole of Petaling District |
| 2. | Gombak | Mukim Batu and Hulu Kelang |
| 3. | Klang | Mukim Klang |
| 4. | Hulu Langat | Mukim Cheras, Kajang, Ampang and Semenyih |
| 5. | Selangor | Cyberjaya Area |

Zone 2:

| No | District | Mukim/Area |
|----|----------------|---|
| 1. | Gombak | Mukim Setapak and Rawang |
| 2. | Hulu Langat | Mukim Hulu Langat, Beranang and Hulu Semenyih |
| 3. | Klang | Mukim Kapar |
| 4. | Selangor | The whole Sepang district except Cyberjaya |
| 5. | Kuala Langat | The whole Kuala Langat district |
| 6. | Kuala Selangor | Mukim Ijok, Kuala Selangor, Jeram, Batang Berjuntai (Bestari Jaya) and Hujung Permatang |

Zone 3:

| No | District | Mukim/Area |
|----|----------------|--|
| 1. | Kuala Selangor | Mukim Pasangan, Tanjung Karang and Hulu Tinggi |
| 2. | Hulu Selangor | The whole Hulu Selangor district |
| 3. | Sabak Bernam | The whole Sabak Bernam district |

SELANGOR (cont'd)

- Percentage of dwelling unit based on land size according to zones:

| Housing Development Zone | Overall Project Development Area (acre)/Required Provision RUMAH SELANGORKU | | | | |
|--------------------------|---|--------------|---------------|---------------|--------------------|
| | 2 – 5 acres | 5 – 10 acres | 10 – 20 acres | 20 – 50 acres | 50 acres and above |
| Zone 1 | *20% | 30% | 40% | 50% | 50% |
| Zone 2 | – | 20% | 40% | 40% | 50% |
| Zone 3 | – | – | 40% | 40% | 50% |

* Subject only to the areas under the administration of Majlis Bandaraya Petaling Jaya (MBPJ) and Majlis Perbandaran Ampang Jaya (MPAJ). Percentage calculation is based on total units built in a project.

- Type of houses, build size, price, buyer's priority and facilities:

| Residential Building Type | Built Up Area (sq ft) | Maximum Selling Price (RM) | Priority (RM) | Facilities |
|---------------------------|------------------------------|-------------------------------|---------------|--|
| Rumah Selangorku Type A | 700 | 42,000 | ≤3,000 | i. Guarded and gated ii. 10% open space iii. Playground/Playing court |
| Rumah Selangorku Type B | 750 | 100,000 | ≤6,000 | iv. Surau v. Multipurpose Hall vi. Admin Office vii. 2 car parks (1 for unit, 1 for purchase) except for Rumah Selangorku Type A and B only 1 car park (included together with unit) |
| Rumah Selangorku Type C | **800 **900 *18' x 60' | 150,000 180,000 200,000 | | viii. 20% visitors' car parks ix. Hall/Centre for Community Education x. Minimum 2 OKU units for each block |
| Rumah Selangorku Type D | 1,000 *20' x 60' | 220,000 250,000 | ≤8,000 | Additional: i. 2 car parks (2 lots for each unit) ii. Swimming pool iii. Multipurpose Court iv. Community Shops/Stalls |

* Landed type – Terrace House 1 level / 2 level for Zone 2 and Zone 3

**May be provided with Town House 2 level especially in Zone 2 and Zone 3

- Percentage of dwelling unit according to house type and land size:

| Zone | Percentage of Land (acres) Requirement for Rumah Selangorku | | | | | | | | | | | | | | | | | | | |
|--------|---|---|---|---|--------|-----|-----|-----|---------|-----|-----|-----|---------|-----|-----|-----|--------------|-----|----|----|
| | 2 – 5 | | | | 5 – 10 | | | | 10 – 20 | | | | 20 – 50 | | | | 50 and above | | | |
| Zone 1 | 20% | | | | 30% | | | | 40% | | | | 50% | | | | 50% | | | |
| Type | A | B | C | D | A | B | C | D | A | B | C | D | A | B | C | D | A | B | C | D |
| | Prefered | | | | 10% | 20% | – | 20% | 20% | – | 20% | 30% | 10% | 40% | – | – | – | – | – | – |
| Zone 2 | – | | | | 20% | | | | 40% | | | | 40% | | | | 50% | | | |
| Type | – | | | | A | B | **C | D | A | B | **C | D | A | **B | *C | D | A | B | *C | *D |
| | – | | | | – | – | 20% | 20% | – | 20% | 10% | 30% | 10% | 40% | – | – | – | – | – | – |
| Zone 3 | – | | | | – | | | | 40% | | | | 40% | | | | 50% | | | |
| Type | – | | | | – | | | | A | **B | *C | *D | A | **B | *C | D | A | **B | *C | D |
| | – | | | | – | | | | – | 10% | 30% | – | 20% | 20% | 10% | 40% | – | – | – | – |

Land area between 2-5 acres are only subjected to area in the administration of Majlis Perbandaran Petaling Jaya (MBPJ) and Majlis Perbandaran Ampang Jaya (MPAJ).

* Landed type – Terrace House 1 level / 2 level for Zone 2 and Zone 3

**May be provided with Town House 2 level especially in Zone 2 and Zone 3

For more information, please refer to *Dasar Perumahan Mampu Milik Negeri Selangor (Rumah Selangorku)* at <http://lphs.selangor.gov.my/main.php>

Source: Lembaga Perumahan dan Harta Selangor (LPHS)