

Headline	Social housing programmes may tighten supply
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Social housing programmes implemented by the federal and state governments may have an unintended outcome. There is a possibility that upcoming projects may get affected by the requirement, says a property consultant.

While acknowledging the need for such programmes, she says due to the current slowdown in the property market, developers are holding back the launch of new projects because they might not be able to sell the units allocated to the social housing programmes.

"If you are looking for approval for new housing projects in Selangor, half the units are price-controlled to make them affordable. Some developers are wondering whether it is good to launch now because they would then have to bear the cost of Rumah Selangorku," the consultant adds.

In April, Selangor Housing and Property Board (LPHS) executive director Norzaton Aini Mohd Kassim said developers of serviced apartments in the state may need to set aside a percentage of the units as affordable homes.

It was reported then that the new guidelines were pending finalisation and would be announced by the end of June. It is not known if this panned out.

Efforts to reach Datuk Iskandar Abdul

Samad, the Selangor executive councillor for housing, building management and urban living, were not fruitful at press time. There was also no reply to an email sent to LPHS requesting an interview for the purpose of finding out the status of the new guidelines.

With developers holding back their launches in the light of the new guidelines, the consultant expects a housing supply squeeze in Selangor by the end of next year. This could bolster property prices in the state going forward, although it might not address the soft demand.

A property agent working for IJM Land Bhd in Seremban 2 says there is still demand for new launches in the township. However, many of the applicants have been unable to secure financing from the banks due to the 75% loan-to-value ratio.

"Sales are good but the loan rejection rate is rising ... the situation is still okay but we need to monitor closely and offer prospective buyers an easy financing plan," the agent tells The Edge.

According to IJM Land's website, the group is offering an instalment-free period of up to 12 months, low down payment, 0% interest instalment scheme of up to 36 months and even a free three-days two-nights stay at Club Med Kani Maldives for selected properties.