



Headline	More affordable housing projects needed in city centre
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More affordable housing projects needed in city centre

A lot of units in the affordable housing segment remain unsold particularly in the outskirts

by IZZAT RATNA

MORE areas in the city centre should be zoned for the development of affordable housing projects against the current emphasis on retail, commercial and office units.

Property consulting firm CBRE-WTW MD Foo Gee Jen told *The Malaysian Reserve (TMR)* that the authorities need to play a bigger role in encouraging more supply of housing under the affordable bracket that is closer to infrastructure developments.

"The priority now should be

in providing more affordably priced houses for the public and state government agencies should assist developers in building more housing units under this segment, as they are the biggest landowners in the country.

"Providing units with good infrastructure in place will simultaneously bring down compliance cost rather than developers having to use their own resources to provide the much needed amenities," he told *TMR* when contacted recently.

There is a mismatch of supply and demand in the affordable housing segment — despite efforts by government agencies such as Perbadanan PR1MA Malaysia and People's Housing Programme — as a lot of units remain unsold particularly in the outskirts, he said.

An online portal recently reported that the National House Buyers Association of Malaysia pointed out that only 50% of the land alienated to PR1MA was being used to build affordable properties. The rest has been allocated to build commercial and high-end properties.

According to the report, this has resulted in the threat of a homeless generation, as nearly 80% of the population cannot afford to buy their own properties. The authorities should increase the supply of affordable homes to solve this crisis.

In 2013, PR1MA targeted to supply 500,000 units of affordable housing, but managed to complete only about 410,000 residential units between 2011 and 2015.

As a result, PR1MA has since

set a more realistic target to deliver another 210,000 affordable homes by 2018.

PropertyGuru International (M) Sdn Bhd country manager Sheldon Fernandez told *TMR* that from a consumer's perspective, it is positive to give access to amenities and transportation to buyers as living in transit-oriented developments present more opportunities than elsewhere.

Fernandez also said the government should consider reducing the percentage of stamp duty for first-time buyers as this can help increase the nation's home ownership level.

"Securing a housing loan is one of the main challenges in affordable housing, so if the authorities introduce more financing incentives, ultimately it will bring down the

cost of owning a home," he added.

According to Bank Negara Malaysia, household debt-to-gross domestic product ratio increased to 89.1% and the share of borrowings by households with incomes of less than RM3,000 a month dropped to 23.6% of total household debt from 24.3% in 2014 and 28.4% in 2013.

Financial assets of households grew by RM97.9 billion in 2015, compared to an increase of RM70.4 billion in debt.

As at July 2016, the central bank recorded outstanding housing loans extended by financial institutions continue to grow at 10.1% year-on-year totalling RM460.2 billion. About 75% of borrowers (approximately 1.5 million borrowers) with housing loans are first-time house buyers.