

Headline	Should home ownership be a national problem?
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# Should home ownership be a national problem?

> Khazanah Research Institute's MD laments the use of national resources to address 'big cities' problems

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**KUALA LUMPUR:** The government needs to ensure efficient use of resources and be wary of exhausting resources for the sake of encouraging home ownership, as there are other alternatives such as renting and rent-to-own schemes.

Khazanah Research Institute managing director Datuk Charon Mokhzani (*pix*) said affordability is not a national problem, but a problem in the big cities or a "rich man's problem".

He said while houses are severely unaffordable in areas like Kuala Lumpur and Penang, it is not the biggest problem for Malaysians living in other states.

"If you go to those states and ask the people, is house price your number one problem? It isn't. Many other things are problems, for example cost of schooling or food, but housing is not their number one problem. It is a problem for the rich," he said at the Dialogue on Sustainable Development of Affordable Housing organised by Cagamas Holdings Bhd yesterday.

"It is the most important

problem for people in the Klang Valley perhaps, but is that the most important problem for Malaysia? We have to think about this very hard because we need to prioritise what should be done and prioritise the right thing," he added.

Charon, who noted several government schemes that provide aid for homes that cost almost RM400,000 or aid for people who earn up to RM10,000 a month, questioned whether it is right to give money to those who earn that much when there are Malaysians in other states who could have better use for the money.

"Are we getting our priorities right? Are we prioritising things the right way and are we helping the right kind of people? Because we have schemes that actually benefit the T20 crowd - is that the right use of resources?"

"Another thing to think about is, for example, MyHome which gives RM30,000 to the home buyer. Are we helping buyers or subsidising developers? Because the money goes straight to the developer," he said.

In terms of renting, Charon said the People's Housing Programme (PPR) is one of the most successful rental housing schemes as it offers apartments for rent at an affordable RM124 per month for

those with monthly household income of less than RM2,500.

While the government should assist those who can afford to buy houses, it should also consider whether it should be spending money and resources to help the lower income group buy houses when their incomes are just not high enough for them to be able to own a home.

"Isn't it better to build more PPR units and have the state give them affordable lending? For some people whose incomes are just not high enough to buy a house, we should ensure that they have somewhere decent to stay at a rental that they can afford," he said.

National House Buyers Association secretary-general Chang Kim Loong said those who cannot afford to buy houses should not buy, as the buyer would be saddled with a 30-year loan and risk foreclosure if he or she cannot meet the monthly payments.

"Why hurry to buy? Why should the government encourage the rakyat to buy quickly? The government should not be a promoter for property developers," he said, adding that renting is an easier option, as it also provides flexibility if one needs to relocate.

The World Bank representative, Abhas K. Jha who is the practice manager for urban and disaster risk management in East Asia and Pacific, said that home ownership is not necessarily a public goal.

"Many countries in Europe, for example Germany, have low home ownership but a big rental market," he said, adding that the government should not care if the people own or rent, as rental often makes more sense.

However, land is critical in providing shelter and the government should ensure effective provision of adequate land for housing.

