

Headline	States need standardised guideline for land development
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A guideline under one authority which overlooks all states' regulations and requirements is very much needed

by FARA AISYAH

REAL Estate and Housing Developers' Association Malaysia (Rehda) hopes the proposed regulatory body on affordable housing will establish a guideline to standardise requirements and operations in all states.

Rehda president Datuk Seri FD Iskandar Mohamed Mansor said some of the state governments' premium charge for developers have been increased by five times since 2008, while some are still having basic needs issues such as water supply.

"This happened because there has not been a guideline which standardises the operation for all states," he said.

As it is, FD Iskandar explained that the developers are obliged to meet state governments' requirements such as building community centres — as well as allocating their land for road and drainages systems, utilities and infrastructures.

As a result, developers are left with only 50% of their land size for housing development.

Other than that, developers also have to submit financial contribution for business

capital, connectivity charges, development charges and drainages development charges among others.

The Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia immediate past president Datuk Siders Sittampalam concurred and said that a standardised regulation in all states will not only help the developers, but improve the whole market as well.

"Each state has their own affordable housing scheme which offers different types of units at a different 'affordable' range. This has caused confusion in the market.

"Since land has always been a state government matter, a guideline under one authority which overlooks all states' regulations and requirements is very much needed," Sittampalam said.

He said although it is a good effort for the state governments to control the land, mutual compromise is needed to improve the situation.

Sittampalam also added that the delay in approving a development's project due to various requirements from authorities will increase the developer's holding cost, which they will then transfer to the buyers.

VPC Alliance (KL) Sdn Bhd director James Wong noted the lack of coordination between the federal and state governments.

"Currently, there are too many government institutions

that are involved in affordable housing. Various state governments which are having their own affordable home programme have caused a lack of coordination for the sector.

"However, getting the state government's cooperation may be difficult in states controlled by the Opposition parties," Wong said.

Conversely, Malaysia Institute of Estate Agents immediate past president Erick Kho said that it is impossible to standardise the affordable home prices in every state as the land price is different.

"What is affordable in one state might not be affordable in the others. If you look in Johor for example, the land price in Johor Baru is very expensive, while Batu Pahat would be cheaper.

"But if we're talking about the standardisation for example, contribution to the state government in all affordable housing projects, then it should be encouraged," Kho added.

Recently *The Malaysian Reserve* reported Second Finance Minister Datuk Seri Johari Abdul Ghani as saying that the government is looking at setting up a single entity to manage affordable housing issues the country.

"This is something the government may look into in the near future to see how we can consolidate prices.

"If there are agencies that can get together and work things out, it may not be neces-

sary to have a regulator. But it is necessary to look at this issue," Johari said.

Meanwhile, according to FD Iskandar, among major challenges that property developers are currently facing is the surge in the cost of doing business.

According to Rehda's Property Industry Survey in the second-half of 2016 (2H16), the cost of doing business for private developers increased by 10% compared to 1H16.

Additionally, he believes that state governments should build more affordable homes for the people instead of shifting the responsibility to private developers.

"We are not trying to forgo our responsibility and will still pay in terms of contribution, but we hope the state government can take over the obligation to build low-cost houses for the people," FD Iskandar added.

"Rehda members are trying our best to bring down, if not slow down the rising house price. But if we have to bear a lot of rising costs, we will not be able to do so," he said at the recent Affordable Housing Carnival (KPMM)-Malaysia Property Expo (MAPEX).

KPMM-MAPEX is an initiative by the government and Rehda, which is in line with the government's objective to promote home ownership besides facilitating opportunities for homebuyers to have easy access to affordable houses in the market.