



Plans for 1m affordable homes scrapped

Instead, the govt has set out a new target of 227,100 units in 10 years or just over a 5th of the initial plan



THE federal government has scrapped plans to build a million units of affordable homes over a period of 10 years after recent statistics showed that about 20% of unsold home units in the country were low-cost apartments.

Deputy Housing and Local Government Minister Datuk Seri Ismail Abd Muttalib said the government has set out a new target of 227,100 units in 10 years or just over a fifth of the initial plan.

They comprise 70,100 homes under the 1Malaysia People's Housing Programme (PR1MA), 65,000 units under Syarikat Perumahan Negara Bhd, 45,000 units for civil servants, 25,000 units under the People's Housing Project (PPR), 12,000 units of Rumah Malaysia and 10,000 units of youth transit housing.

"We will not be too ambitious in trying to build houses as previously targeted (by Pakatan Harapan [PH]), but it will be done based on market demand to keep prices under control and affordable for home buyers, especially those in the bottom 40% income group," Ismail told the Dewan Negara yesterday.

Ismail was responding to Senator Dr Ahmad Azam Hamzah's question on the ministry's plan to build



PPR houses in Kuala Lumpur. The target comprises 70,100 homes under PR1MA, 65,000 units under Syarikat Perumahan Negara, 45,000 units for civil servants, 25,000 units under the PPR, 12,000 units of Rumah Malaysia and 10,000 units of youth transit housing

100,000 houses per year to hit the one-million mark within the next decade.

He said the target set out by the previous PH administration was an election promise that was subjected to a slew of factors including market demand and strength of the local economy.

The National Property Information Centre's Property Market Status Report 2019 showed that there were 30,664 overhang units for the year, of which 18.6% were high-rise apartment units under RM300,000.

Another 3,438 high-rise apartment units priced between RM300,000 and RM500,000 went unsold last year.

The number of unsold homes in

the first quarter this year stood at 29,698 units compared to 127,604 residential units launched worth RM18.9 billion over the period.

Ismail attributed the overhang to affordability issues and the absence of an integrated system to resolve the supply-demand mismatch.

He said the government's effort to build a housing integration management system to address the mismatch issue is expected to be completed in April 2021.

Housing and Local Government Minister Zuraida Kamaruddin last week said the online platform is 50% complete.

PH announced the plan to build one million affordable homes in 10 years last year at the launch of the

National Housing Policy 2018-2025, in line with its election manifesto.

Critics said it was an ambitious plan to build one million houses by 2028 when the private sector can only provide an average of 200,000 new launches across all price ranges per year at best.

Prior to the collapse of the PH government in February, Zuraida said the one million target was achievable and that her ministry had set out a goal of building 100,000 units per year.

At the time, she said a total of 39,864 units of affordable houses had been completed nationwide, with 181,211 more units still under construction. An additional 386,340 units were in the pipeline.