



Housing helpline

KUALA LUMPUR: The Better Malaysia Foundation (BMF), formerly known as the Vincent Tan Foundation, announced yesterday the launch of a new social enterprise programme with one goal - to assist the government to address the home ownership aspirations of low-income Malaysians, namely the B40 households, through innovative and sustainable solutions.

Commenting on the reason behind the initiative, BMF founder Tan Sri Vincent Tan said: "Our government is a caring and benevolent government and is committed to providing affordable housing to the less privileged members of our community and the lower income groups (especially the B40 group) through its various low-cost and affordable housing schemes. However, BMF would like to offer some recommendations and suggestions that can help to improve on the provision of affordable housing which is consistent with the government's affordable housing agenda.

"Owning your own home is a basic need of everyone. It is essential for a person's sense of dignity, safety and inclusion in the community. Owning a house means having a stake in the country. It means that all Malaysians share in the responsibility of taking care of the less privileged members of our society and maintaining the nation's harmony so that everyone can live happily," he added.

"We believe this social enterprise will facilitate the construction of properties with a low monthly cost of ownership, carefully designed for families to grow and prosper. Affordability is a key issue as most, if not all, B40 households will not be able to purchase a home without some form of financial assistance. I understand that in the Klang

► Foundation offers recommendations to put affordable homes within reach of B40 families

Valley, for every 1,000 affordable houses launched, there are something like between 10,000 and 60,000 applicants vying to purchase them. There is a severe shortage of affordable homes to meet demand."

BMF has in the last two years assembled a "brain trust" of like-minded professionals involved in this new social enterprise programme to help formulate innovative and sustainable solutions to address the affordability gap faced by the B40 households in our community. Recently, Prime Minister Tan Sri Muhyiddin Yassin expressed concern that the B40 has now deteriorated to B50 due to the Covid-19 pandemic and this has spurred BMF to even greater efforts to address this issue.

Based on the median house price of RM295,000 in 2Q2020 published by the National Property Information Centre and median household income of RM5,873, the housing price range that is affordable to those with such income level will be RM211,000 and below. Thus, at this price range, most houses are deemed to be "unaffordable" to the average Malaysian buyer.

BMF believes that affordable housing can realistically be priced from RM120,000 to RM300,000 for an apartment, with sizes starting from 450sq ft, 600sq ft, 750sq ft and up to 900sq ft in the Klang Valley.

BMF believes this price range is

achievable with government support in terms of charging lower land premiums and nominal development charges for affordable housing projects. As key partners to this initiative, the federal and state governments' contributions could include selling development land at low cost to developers to build affordable housing projects, especially in urban locations close to transportation hubs, which would translate to lower purchase prices for low-income house buyers.

Banks and financial institutions must also play their part by providing loans with 100% financing to B40 house buyers. According to research by BMF, several banks are already offering 100% financing loans to house buyers with minimum income between RM2,000 and RM3,000 per month, including RHB Bank, Maybank, CIMB, OCBC, MBSB Bank, Bank Rakyat, AmBank and Affin Bank. The government's support for this initiative will give added confidence to the banking community to lend to the B40 category of house buyers.

As government support is key to any



strategic initiative aimed at providing more affordable housing for the B40 group, BMF has proposed the following two key recommendations for the government's consideration, which is believed to be essential to facilitate the successful implementation of this strategic initiative.

Turn to
page 3