



17 MAY, 2021

Home ownership initiative lauded

The Sun, Malaysia



Home ownership initiative lauded

► Better Malaysia Foundation programme to assist B40 group own homes viable and should be fully supported: Experts

■ BY SHIVANI SUPRAMANI
AND ALISHA NUR
newsdesk@thesundaily.com

PETALING JAYA: An initiative by Better Malaysia Foundation (BMF) to help the poor own a home has garnered positive reviews from various parties.

Financial expert Felix Neoh said the programme proposed by BMF is a viable option while economist Tan Sri Ramon Navaratnam said any initiative to help the poor should get

the people's support.

BMF, formerly known as the Vincent Tan Foundation, recently launched the programme to help the government meet the aspirations of the B40 group to own a home.

In an interview with TV3 on its *MoneyMatters* programme, Tan explained that the programme would facilitate the construction of property with a low monthly ownership cost.

He said property in the Klang Valley can realistically be priced from RM120,000 to RM300,000 each, with

floor areas from 450sq ft to 900sq ft.

He added the government could implement strategic initiatives for financial institutions to provide 100% financing to B40 housebuyers, with the option for the loan to be paid over two generations, from 40 to 60 years.

"One way is to take a longer term loan, then invest some of it to generate returns that is potentially higher than the borrowing cost."

"The second option is to take as small a loan as possible for as short a duration as possible to minimise

interest expense," he added.

Neoh, who is director of financial planning at Finwealth Management Sdn Bhd, said these options can help a person own a home at the lowest cost while channelling money into an asset, in this case the home, rather than incur expenses in rent.

However, he cautioned that the borrower will also be subjected to higher interest costs and will be more vulnerable to fluctuating interest rates over the long term.

"As personal finance is more 'personal' than 'finance', the choice would depend on one's preference and financial situation."

Neoh also reminded borrowers that owning a home may not be the only financial goal they have.

"Don't exceed your financial capacity for one goal at the expense of other goals that are also important."

Ramon said apart from healthcare and education, affordable housing is one of the basic needs that everyone should have access to.

"It's great that Tan Sri Vincent Tan is taking the initiative to provide such help to those who need it."

He said the government should encourage such initiatives as its aim is to ensure the B40 can own a home.

"The government may not be blessed with adequate funds, hence when such initiatives come, there should be full support. The private sector can play complementary and supplementary roles in promoting socio-economic development."