

SUPPLY AND DEMAND

Affordable housing conundrum

IN February this year, Bank Negara Malaysia data suggested that Malaysia faces a shortage of affordable housing for the masses. It also suggested that houses in the country are "seriously unaffordable" by international standards.

Why would such a situation present itself in this country? With so much emphasis placed on the Bottom 40 per cent (B40) of income earners and with so many agencies tasked with finding solutions for the housing conundrum, why does this matter sink persist? Aren't these agencies doing what they are supposed to do? Are they just marking time, doing the bidding of their political masters by making all kind of announcements that sound nice and politically correct? Is it a case of "cakap tak serupa bikin"?

I have read many announcements made by these agencies about the large number of affordable houses that are being planned in the future. I believe that even if half of what they announce are actually built, we will not face such a serious shortage of houses that are actually affordable for those who really need them.

This matter is further compounded by the fact that so many residential units that are launched end remain unsold. Can you see the irony in this situation?

On one hand, we have a large number of people who want to buy houses, but can't find any that are suitable to them. On

the other hand, we have a large number of properties that cannot be sold, simply because there is no one interested in buying them.

What can we do to address this situation and improve the situation? In order for any suggestion to work, the government must get involved and there must be iron policies will to make this happen. It cannot simply remain rhetoric anymore. The time to talk is over, it's now time to do.

So what can be done? Here are some simple things we can do to address the situation:

1. IF MOST ACTUALLY BE AFFORDABLE

There really is no point in building properties that are socially unaffordable and labelling them as affordable. This label is not going to solve anything. It is simply going to make the situation even worse.

2. DEFINE AFFORDABLE

There must be a clear definition on what affordable actually means. Without this being clearly defined, every developer will go about building what they think is affordable, and those things will get labelled affordable. And then, when they don't sell as well as predicted, everyone will scratch their heads wondering what gone wrong.

3. AFFORDABLE DOESN'T MEAN THE BOOMBOCKS

We must understand that the B40, who these properties are being chiefly targeted at, will not buy the properties simply based on their prices. Accessibility is also an important criterion. We should start taking the location of these properties into consideration. They need to have reasonably good access to amenities, public transport etc.

4. NATIONAL REGISTRY

We must develop a national registry of people who qualify for these affordable housing. This registry must be centralised, so that all data is accessible easily to all stakeholders. This registry must be able to track, not just eligibility, but also preferences of the buyers. In this way, we can build the type of properties, in the preferred locations, based on actual supply and demand.

5. B40-FRIENDLY FINANCING

During the heydays of the property market, ie 2010 to 2016, there were many creative financial solutions to help purchasers buy properties with very little money. Some of these schemes were so creative that you sometimes didn't even need any money to buy a property. If we could be so creative to push the sales of the upmarket properties then, why can't we now put our collective heads together to find creative solutions to help the B40

buy affordable houses?

6. RESEARCH

The most obvious reason this mismatch between demand and supply occurs is because there is very little research done to determine what the market is actually looking for. If we could conduct proper market research into this matter, perhaps we could narrow this gap to acceptable levels. In order for research to be properly done though, there needs to be precise, updated data available to all stakeholders. And this is currently lacking.

Malaysia has much hope for a bright future. The recently concluded election has given everyone new hope for a better tomorrow. It's time we get our act together and started our journey into becoming a first world country. We can do this if we put our minds and hearts into it. The actions we much start the way. We are looking towards our leadership for guidance.

Happy hunting and may the force be with you.



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