

# Nobody gives honest answer on housing affordability

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**By ALIFAH ZAINUDDIN / Pic By ISMAIL CHE RUS**

**All** stakeholders must be transparent when providing relevant data and address the housing affordability issue in an open and honest manner, said National Housing Department DG N Jayaselan (*picture*).

He said developers' lack of disclosure of the detailed costs of their development had led to claims of higher price due to the spiralling costs of doing business, while buyers had claimed of profiteering.

"The day everybody is willing to come with an open book, definitely we can sit and talk. Right now, everyone is talking in percentages. If you are not transparent, how are we supposed to work out all these grievances," he said during a panel discussion after the launch of Khazanah Research Institute's (KRI) report titled "Rethinking Housing: Between State, Market and Society" in Kuala Lumpur yesterday.

He claimed that since he was appointed to the position three years ago, it has been difficult for him to gather the truth.

"Nobody comes to the meeting with an honest answer. Everybody comes with a vested interest," he said.

During the forum, Real Estate and Housing Developers' Association president Datuk Soam Heng Choon cited cost of doing business as a key reason behind the rising prices of houses.

"The cost of 'ingredients' going into the development. We know land is a big portion of it and land prices are not coming down.

Others include the physical planning site and conditions imposed by authorities, such as land that we need to surrender for Tenaga Nasional Bhd substations and reservoirs which fall under compliance cost. That is also high," he said.

But Soam said everyone needs to play a role when it comes to solving the country's housing affordability issues.

"Everyone must play a role — the government, developers, contractors and even the discipline of the housebuyers. Everyone feels that it is the developers who are always at fault and only trying to maximise profits," he said.

National House Buyers Association VP Datuk Goh Seng Toh had proposed the implementation of a price control mechanism to curb the property price rise, adding that such mechanism is not impossible.

"Some developers have this teh-tarik syndrome where if steel prices increase by 10%, house

prices will also go up by 10%. However, a house comprises various materials. But in the housing arena, we have allowed the developers to call the shots," Goh said.

KRI chairman Dr Nungsari Ahmad Radhi, however, feels that a house pricing mechanism would not be feasible.

"If you impose this on the developer, they will set a floor price and will not sell anything below this price. This will distort supply," he said.

On a separate development, Jayaselan said the government is drafting several new laws to offer better protection for landlords, tenants and property buyers.

He said the Housing and Local Government Ministry is currently in the middle of drafting a Residential Tenancy Bill, and two other laws for commercial buildings and wakaf land.

Jayaselan said the proposed law on commercial buildings would focus on providing standardised terms and guidelines on sales and purchase agreements. Currently, the sale and purchase of any commercial property is not controlled.

The ministry is also looking to amend the Housing Development Act 1966 to encompass buyers' rights, compounds, extension of time and more self-regulation to reduce government interference. Jayaselan said a separate bill on wakaf land is also in the works. The bills are expected to be tabled in Parliament late next year.