

# Ministry wants more land for affordable homes

State governments are told to disclose vacant plots by end of this month

BY AHMAD NAQIB IDRIS

KUALA LUMPUR: In a bid to lower the cost of building affordable houses, the housing and local government ministry said it has requested the respective state governments to disclose vacant lands available for such development.

Housing and Local Government Minister Zuraida Kamaruddin yesterday said that only 27 out of 127 existing affordable housing projects are being built on state-owned land.

The ministry has given the states until the end of October to submit a list of vacant land that could be used to develop affordable housing projects.

"If they don't give their land, we won't build houses for them — to put it simply. So far, I have received good responses from the chief ministers.

"Currently only 27 of the land were given by state governments and the rest are private land, which has made land cost expensive. Now we are having this policy where the state governments must give their land and by doing so, we hope to reduce the prices of the houses," she said.

She pointed out the 27 tracts of land come in varying sizes, from as small as 2.75 acres (1.1ha) to 10 acres.

For new affordable housing projects, Zuraida said each development needs at least 10 acres from each state government to be allocated for affordable housing projects.

"So far, we have received responses from Pulau Pinang, Negeri Sembilan and Perak. We are not waiting for the state governments to submit their total vacant land allocation, so they can just submit one or two pieces of land first," explained Zuraida.

Besides state government land, the federal government is also looking at land under the Federal

Lands Commission to be released for development.

Zuraida said the housing and local government ministry has also approached different ministries for the release of the land owned by them.

"This includes government-owned land around the transit-oriented developments, where there are some pockets and also some land in Bandar Malaysia. There are also some other big plots of land.

"With bigger plots, we could develop a precinct township or district township on its own, so we can do a city type of development," she said.

The spiralling land prices have been one of the main grouses voiced out by property developers in building affordable units, as land accounts for about 20% of development expenses, while labour accounts for another 10% to 15% and compliance costs can go up to 20% to 25%.

Zuraida said the ministry is also working on lowering compliance costs and is in discussions with the other ministries.

"In total, I dare say that there will be a price reduction with all these policies put in place and it will be a substantial amount," she said.