

# A RM50,000 home? Impossible, says expert

[www.freemalaysiatoday.com/category/nation/2017/08/29/a-rm50000-home-impossible-says-expert/](http://www.freemalaysiatoday.com/category/nation/2017/08/29/a-rm50000-home-impossible-says-expert/)

'Even for a dwelling of 800 square feet, the construction cost alone will be RM80,000.'



PETALING JAYA: There is no longer such a thing as an affordable home if “affordable” means it costs less than RM50,000, according to property expert Ernest Cheong.

He told FMT the cheapest apartment or house today would probably cost about RM100,000.

According to him, the average construction cost is about RM100 per square foot.

“So, if you’re building a house or apartment of 1,000 square feet, it will cost RM100,000. And the units can’t be smaller than 800 square feet or they will be too small to live in.

“Even for a unit of 800 square feet, the construction cost alone would be RM80,000. And then there’ll be the consultation fee.”

He took note of a statement by Real Estate and Housing Developers Association (Rehda) president Seri Fateh Iskandar Mohamed Mansor that there was no demand for houses costing RM42,000 in areas like Bukit Beruntung.

“This is due to the lack of job opportunities in Bukit Beruntung,” he said.

“The developers initially hoped to cash in on Proton and others planning to set up factories and firms there to create a satellite town 20 years ago. However, this did not happen.

“The developers were hoping that Bukit Beruntung would turn out to be like Petaling Jaya. So, they developed houses there, hoping people would move there. Unfortunately, there was a sudden change of plans.”

He said this did not mean that there was no demand for affordable homes.

“If there are job opportunities close to the affordable homes, there will be takers as they will then not have to spend too much on transport,” he said.

In his statement, the Rehda president suggested the construction of 40% to 50% of affordable homes close to the MRT route.

Cheong agreed that those living in affordable homes would prefer to use public amenities but he said the Mass Rapid Transit Corporation had already bought up the land close to the MRT stations at the market price two years ago.

“They are not going to surrender these valuable pieces of land to developers to build affordable homes,” he said. “If MRT Corp wants to build homes, it will do so on its own.”

Even if individual developers could buy pieces of land from MRT, he added, they wouldn’t get the land cheaply enough to enable them to build affordable homes.