

Affordable housing: The city is working against us

The DNA of a city is crucial in creating affordable housing. Policy papers and industry lobbyists have led many discussions on the subject. However, these discussions are almost often accounting exercises that zero in on the cost of construction as a sole focus.

Such microscopic value engineering is certainly not futile. It is a given that we must begin the conversation by asserting that we need an efficient construction method such as the industrialised building system (IBS) and at the same time, streamline our public procurement system to increase the efficiency of housing investments.

That should not be a debate at all. Our real challenge lies at the macro level: the city is structurally built to make affordable housing difficult. Through a failure to plan an efficient use of our land and misguided public transportation policy, we created a condition of land scarcity that is at the same time absurd and spectacular.

As of for now, it is near impossible for affordable housing to be built with a reasonable profit margin for developers and where it is financially feasible, it is either so badly designed or located in far-flung places where not even the most desperate would consider.

Cost composition

To put it in less abstract terms, let's look at the composition of the cost of housing. In our research, we observe that the cost of housing comes from three levels: the micro level which is the cost of the rooms, bathrooms, kitchen, living room and associated corridors; the meso level which refers to the neighbourhood where the provision of common facilities are required by local guidelines and social norm; and finally at the macro level where the sprawling DNA of our city compelled the construction of car park podiums. We believe that to provide a long-term strategy for affordable housing we must look at innovation at each level.

It comes as a surprise to many when we

- **Through** failure to use land efficiently and misguided public transportation policy, we created a condition of land scarcity in the city
- **We** need to reorganise our whole metropolitan area to become more efficient and compact so we can rid ourselves of the cost of building car park podiums



by
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reveal that the micro level cost accounts for only 50% to 60% of the total cost of construction while meso-level costs are mere 6-10%. But the true cost is visible on the macro level. Due to our dependence on cars and therefore car parks, the inefficient city contributes 40-50% of the cost of building affordable housing.

Let that sink in: half of what we pay for our apartment is actually for building car park podiums. Reducing car parks is not a straightforward highway – it requires a dismantling of the spaghetti junction of regulations and a wholesale rethinking of how our city works.

After all how do we get to work, send our children to school and how do our shops get their supply? We need to drive to function and we need car parks for that to happen. Our inefficient city made it impossible to have a long-term solution for affordable housing.

Reorganisation needed

We therefore need more than just innovative apartment layouts and lightning-fast construction systems, we need to reorganise our whole metropolitan area to become more efficient and compact so we can rid ourselves of the cost of building car park podiums.

We may do so through two major thrusts: firstly, an equitable master plan of land use across the metropolitan area and secondly, a serious development of a public transportation network so we can have mobility without private vehicles.

Let's begin with a master plan of land use. At the moment, many municipalities including the ones in Greater KL continue to partition their townships into neat categories of functions: commercial zone in the central business districts, vast tracts of residential zones in the periphery and finally industrial zones sandwiched in between the two.

This separation has roots in the modernist school of thought in the 1940s and is now in serious need for reconsideration. The result of this structure is the daily migration of millions of commuters from the periphery into the central business districts where the jobs are concentrated.

As land prices grow, more and more people are priced out further, creating an even longer journey for those whose incomes do not grow in tandem with prices. This is often viewed as the natural order of things but it is in reality no less ideological than the belief in the divine right of kings.

What the Greater KL master plan should do is model itself on mixed-use cities such as Barcelona. The land use pattern should be transformed from the segregated grand zones (that creates sprawl) into a reticulated pattern where the different zones are broken down into a smaller matrix of mixed-use corridors. This model distributes jobs from a central business district like Kuala Lumpur into several subcentres, providing the possibility to cut down journey time between home, work and entertainment.

Return of Mahathirist economic policy

We are fortunate that the state and GLCs are still one of the biggest land bank owners so the return of Mahathirist economic

policy is now most opportune, as locating affordable housing projects in reasonable locations is more than possible. After all, for affordable housing to be successful this land-use master plan must be equitable in character and has an inclusive vision of a city for all incomes levels.

This land-use masterplan on its own, however, may be ineffective so it must be supported by a comprehensive public transportation strategy. In order to create the new subcentres, the public transportation system must first create orbital routes in its network.

As of now the train lines all converge in Kuala Lumpur, making a lot of journeys between peripheral centres possible only with a interchange located deep in the centre of the city.

Creation of orbital transit lines allow commuters in Petaling Jaya, Subang Jaya or Shah Alam to move around these subcentres without having to change trains in KL. These lines (a dedicated-lane BRT system or a tram system) could pave the way for jobs to move from the expensive KL city centre into the new underdeveloped and cheaper subcentres.

Furthermore, the orbital or "local" transit lines have the potential to expand the Transit-Oriented Development (TOD) zone, which is now restricted to only 300m radius from the train station. The Expanded TOD or what our principal Azif Nasaruddin calls E-TOD spans as far as 1.5km radius, unlocking a vast land area previously unfeasible for affordable housing projects.

We should not forget to consider what happens at the meso level. About 6-10% of your house price is due to the construction of common facilities like the community hall.

This may sound small in percentage but in monetary terms, this ranges from RM10 mil to RM20 mil - money better spent in a more strategic way. As it stands, housing projects are built as isolated developments separate from each other and as a result of this, in one neighbourhood there is a high level of redundancy in provision of common facilities.

A much more strategic use of this budget would be to pool together the resources of several developments to build a neighbourhood centre that can be shared among all residents. In addition, the money can also be used to invest in existing community facilities in the precinct thus regenerating a whole neighbourhood as more developments come in.

This could lead to further savings in construction costs as facilities are shared out more importantly, it weaves every development into its neighbours, creating a strongly-linked community that we so lack in the current development paradigm.

A new government has been entrusted with a mandate for change. The new National Housing Policy soon to be

announced by our new Housing and Local Government Minister Zuraida Kamaruddin must reflect this new spirit of the age. When she took the helm, many expressed relief – finally a federal government that is responsive to the dire state of affordable housing in the country.

But tepid ways of the old regime may not be able to rise to the challenge. We are in an epoch-making moment. Like the ongoing grand project to renew our institutions, affordable housing, too, requires the courage of imagination. **FocusM**

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It is the cost of construction that tends to be the focus when discussing affordable housing