

State govts urged to submit land lists by end of the month

Zuraida: Parties concerned need to resolve affordable housing issue

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KUALA LUMPUR: Housing and Local Government Minister Zuraida Kamaruddin called on state governments to submit their respective lists of land that will be used to build affordable housing by the end of the month.

"No land, no affordable housing," she said at a press conference after the government-industry open dialogue on housing – Seeking True Value in the Property Market – organised by the Asian Strategy & Leadership Institute yesterday.

She said state governments, developers and the federal government need to meet each other halfway to resolve the long-running affordable housing issue.

Negeri Sembilan, Perak and Penang have handed their respective location lists where they propose these units can be built.

The ideal land size should be 10 acres or larger. So far, the smallest acreage submitted for development is 2.7 acres.

Because land is a state matter, the strategy is for the states to put forward the locations – provide the land – and the federal government to help develop these locations.

She said the federal government is in the final stages of discussions with infrastructure utility companies and authorities like electricity, water and communications to fund these utilities.

"If these were to be borne by developers, it will only add to the



Rent plan: Zuraida says units in the cities developed under the federal plan will not be sold but will be rented out. — Bernama

end price of the house," she said. The plan is to reduce compliance costs, she added.

Affordable projects will be built under the federal government's National Affordable Housing Council, which will be a subset of the National Housing Council.

Zuraida also said that under the proposed plan, which will be unveiled later, units developed in the cities will not be sold but be rented out. The federal government will help subsidise the development of these units in the city and rent

them out.

"We will not sell but rent (these units out). This will help to strengthen the rental market in the city," Zuraida said.

The open dialogue with real estate stakeholders included various heads of agencies and associations related to the property industry, World Bank and National Property Information Centre officials.

This was the first time the housing minister was holding an open dialogue with real estate personnel to help resolve the long-running

affordable housing issue.

Affordable units which are managed by the government are separate from units under the rent-to-own (RTO) scheme, which also comes under the federal government's affordable housing proposal.

Under this RTO scheme, there will be a review of income every five years, Zuraida said.

More details will be made known later, she added.

She also proposed that the affordable units in the Klang Valley and major cities be priced about RM300,000 and those in smaller towns be priced lower. Rental will also be higher in the urban centres, she said.

On using Bandar Malaysia for affordable housing, she said there are proposals to carve out a certain portion for affordable housing to be developed there.

"We will not monetise it but build these units for rental purposes," she said in response to questions from the floor, adding that affordable units must have ready infrastructure like transport and amenities.

As for financing issues which are being ironed out with the Finance Ministry and Bank Negara for the purchase of affordable housing, Zuraida highlighted some possibilities, which include extending housing loans from 35 to 40 years, tweaking the interest rates and giving 100% loans.

Participants also urged the ministry to review the bumiputra quota system and consider housing needs instead of according to race.