

Govt considers setting up body to regulate property industry

KUALA LUMPUR: The Government is considering the setting up of a body to regulate the property industry.

Second Finance Minister Datuk Seri Johari Abdul Ghani said the problem with the local property market was that there was no single authority supervising it.

Many developers, he said, are now thinking of building affordable houses, but the definition differed from one to another.

Within affordable housing, the prices, he said, could also see a wide range of between RM300,000 and RM500,000.

"This is happening because there is no single regulator. This is something that the government needs to look into.

"Otherwise, you will see the private sector building affordable houses and then we have the government coming in with the Perbadanan PR1MA Malaysia, UDA Holdings and others," he said.

"There are many other companies building such affordable houses, so much so that some of these houses are not in the right location where people need them, and you have a mismatch (of supply and demand)," he said during an Invest Malaysia Kuala Lumpur panel discussion here yesterday.

Johari said while most people thought affordable housing is priced at RM300,000, Bank Negara has priced it in the region of RM200,000 and below.

"(It is) because this is the level where a first-time house buyer would be able to get 90% or almost 100% financing from the banks.

"But the supply is not there. Most of the supply is at RM300,000, RM400,000 and RM500,000.

"If you talk to the private sector, their affordable house is at RM500,000," Johari said.

He also said there was an oversupply of high-end properties.

"Today, if you look at high-end properties in Kuala Lumpur at night, only about 10% of them are lighted up, and you can't even get tenants," he said.

"So, that's why I fully support ideas to (check) this and engage with financial institutions to see which segments we need to be flexible with and which ones require tightening."