

Owning a home: Win-win for the poor and not so poor



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HBA suggests that government agencies build 'social' houses and private developers build 'affordable' houses.



PETALING JAYA: A consumer group has cautioned the authorities against forcing private developers to subsidise the cost of building so-called affordable homes, saying it will force them to jack up prices for other properties to cover their losses.

“It is not financially viable for property developers to build homes costing only RM50,000 or even RM80,000,” said Chang Kim Loong, the secretary-general of the National House Buyers Association (HBA).

Speaking to FMT, he called for a differentiation between “social housing” and “affordable housing” as well as a decision to assign the former to federal and state agencies and the latter to private developers.

He defined a “social house” as one costing below RM80,000 and having a floor area of 800 square feet. Such dwellings, he said, would be for the urban poor and others in the “very low income” group.

“An affordable property, on the other hand, should cost between RM150,000 and RM300,000, with a built-up area of between 800 and 1,000 square feet, excluding a balcony,” he said, adding that such properties should be meant for buyers in the lower and middle income groups.

He said government agencies should see it as part of their social responsibility to build houses for the poorest segment of Malaysian society and thereby relieve private developers of the burden so that they would not have to raise the prices of other properties to cover losses.

Last March, the Selangor government warned developers in the state that they would be barred from developing other housing schemes if they failed to fulfil the requirement to build houses under the state’s Rumah Selangorku initiative.

Chang said it was important to ensure that social houses and affordable houses be built in places with good accessibility to public transportation to ease the burden of the lower income group.

He also said the screening of potential buyers of social and affordable houses must be thorough and transparent to ensure that such units did not fall into undeserved hands.

He said such homes must be sold only to first-time house buyers and must be owner-occupied. He suggested that local councils carry out periodic checks to ensure compliance. Owners found to have rented out their units should have the units confiscated, he added.

Chang reiterated his call for the authorities to introduce or widen rent-to-own (RTO) schemes.

“With the rising cost of living, those in the lower income group won’t be able to save up for that 10% down payment and, with their wages, aren’t likely to qualify for bank loans,” he said.

“RTO schemes will go a long way towards solving the current problem of overpriced properties and help a large part of the population to eventually own homes.”

In the Klang Valley, there are now several affordable housing projects under the Rumah Wilayah Persekutuan (Rumawip) scheme, launched by the Federal Territories Ministry and Rumah Selangorku.

Rumawip offers apartments in various locations in Kuala Lumpur. Prices range from RM198,000 to RM300,000 per unit.

Rumah Selangorku offers town houses and terrace houses in Petaling Jaya, Sepang, Gombak, Klang, Kuala Langat, Kuala Selangor, Hulu Langat and Hulu Selangor at prices ranging from RM42,000 to RM250,000.