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Putting our house in order

Food for thought
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WITH the announcement of the new Housing and Local Government Minister, Zuraida Kamaruddin, there have been a lot of news and interviews on her proposals to put our housing industry in order.

Her new plans will help create a new housing environment in our country if well executed. I particularly like the minister's assurance that there won't be any political intervention in decision-making, especially in housing development matters.

The key objective of the ministry is to synchronise all affordable housing schemes under one roof with the establishment of the National Affordable Housing Council, which is expected to be announced in August.

The streamlining will involve four agencies, Syarikat Perumahan Negara Bhd, 1Malaysia Civil Servants Housing Programme (PPA1M), Rumah Mampu Milik Wilayah Persekutuan (RumaWIP), and 1Malaysia People's Housing Scheme (PR1MA).

With this prompt move, the housing ministry will have better control over the construction of affordable houses, and will attempt to resolve the mismatch between market supply and demand in certain housing segments.

Apart from the new supply, we should also look at our current

housing supply. As at end-2017, we have 5.4 million houses, of which 21% or 1.15 million were low-cost houses and flats. This should be sufficient to accommodate the critical housing needs of our Rakyat if they were allocated to the right group of people.

In my last article, I mentioned that there were potential leakages in our previous distribution system that had caused the failure of qualified applicants to buy or rent a low-cost home.

In early June 2018, the new Housing Minister requested owners of People's Housing Projects (PPR units) who were renting out their units to foreigners to evict their tenants within 90 days.

It is important for the authorities to carry out surveys on residents of low-cost housing after certain grace period to ensure the ownership and tenancy of government housing fall into the right hands.

By addressing the current leakages and with the identification of the right target audience, the issue can be quickly resolved.

Our new government plans to set up an online platform for application of affordable housing in the future. This would be an effective way to gather market demand based on the actual requirement and ensure greater transparency in the allocation process.

In addition, the government promises to build one million affordable homes within 10 years. It also suggests the housing price for the B40 group (with a median monthly household income of RM3,000) to be around RM60,000, and equipped with basic facilities such as a park and a community

hall.

Based on the contributing factors of housing development which include land, the approval process and resources, only the government can build houses at the price of around RM60,000.

Only the government can gather land bank through compulsory land acquisition of agriculture land, then to convert the land for housing development, and increase housing projects with public funds.

As taxpayers, I believe we are more than happy to help elevate the living standards of the B40 group knowing very well that our money is well-spent in making a difference for the future of our nation.

I applaud the new government for taking the bold measures in putting things in order, and walking the talk by planning for more affordable housing.

Offering affordable housing and a comfortable living environment are essential criteria in building a sustainable future for our country. Whenever the government announces more constructive measures and makes things more transparent, the market environment becomes more optimistic. With this confidence, the Rakyat will be more than willing to do our part as taxpayers to achieve the common goals for the benefit of all.

Datuk Alan Tong has over 50 years of experience in property development. He was the World President of FIABCI International for 2005/2006 and awarded the Property Man of the Year 2010 at FIABCI Malaysia Property Award. He is also the group chairman of Bukit Kiara Properties. For feedback,

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