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Govt has resources to resolve housing issue, says institute

By **THEAN LEE CHENG**
leecheng@thestar.com.my

PETALING JAYA: Rehda Institute is proposing that the Government build 560,000 units of public and social housing in various parts of the country.

These units – which will see the Government ultimately being the landlord for some of them – can be built in Tun Razak Exchange, Bandar Malaysia, Kwasa Damansara in Sungai Buloh where the MRT depot is located, and other federal and state land near public rail transport.

Rehda Institute chairman Datuk Jeffrey Ng urged the Government to play a bigger role in the social housing agenda because it had the resources to do so.

Rehda Institute is the research arm of the Real Estate and Housing Developers Association (Rehda).

It also issued an affordable housing transformation game plan, identifying nine problems in the sector as well as their solutions.

Among the problems are land scarcity and its high costs, the short supply of affordable housing, rigid policies relating to quota and the absence of current data.

“Private developers do not have the resources and means available to the public sector and its many agencies,” said Ng.

He said a major part of the housing crisis

facing Malaysia was the supply and construction of affordable and social public housing, which it felt should come under the Government's purview.

He also called for a clear definition of the type of housing that the Government and its agencies should be involved in.

The Government, he said, should build social and public housing based on a redefined threshold price while the private sector should construct “market-driven affordable housing”.

Ng defined the two types of housing according to a redefined affordability threshold based on a moving scale of RM200,000 for Kelantan and up to RM500,000 for the Klang Valley.

“The Government undertakes the responsibility of social or public housing below that threshold level while private developers build affordable market-driven housing “above and/or within (that) threshold”.

The institute's research and development manager, Rusnami Abdul Rahman, said this essentially meant that “the public sector build units below RM500,000 in the Klang Valley and private developers build those priced at RM500,000 and above”.

Ng also proposed that private developers contribute towards a fund for a “limited period” to subsidise rental for the B40 group (bottom 40% of households) and for households to be allowed to borrow more to help them towards home ownership.