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Call for property sector oversight

'Regulate laws to boost home ownership'

By HEMANANTHANI SIVANANDAM
and EUGENE MAHALINGAM
newsdesk@thestar.com.my

KUALA LUMPUR: There needs to be a unifying body to regulate all laws governing the property sector to improve home ownership.

National Housing Department director-general N. Jayaselan, from the Housing and Local Government Ministry, said that while there are many laws governing the industry, they operate in isolation.

"We don't have an umbrella (body) to bring all the required acts together. Then it is easier to come up with the right idea," he said in a panel discussion during the launch of Khazanah Research Institute's "Rethinking Housing: Between State, Market and Society" report yesterday.

Jayaselan said the ministry had been doing its best to ease the affordable housing woes in the country.

Real Estate and Housing Developers Association Malaysia (Rehda) president Datuk Soam Heng Choon agreed there should be avenues for all policies to converged.

Soam said the property sector was one that had many laws governing it, adding that they were different as land matters come under the purview of the state governments.

"It makes implementation difficult," said Soam, who was also one of the panellists.

Others included National House Buyers Association vice-president Datuk Goh Seng Toh and Dr Suraya Ismail, the lead author of the report from Khazanah Research Institute.

According to the report, housing affordability in the country has not improved significantly between 2002 and 2016, partly stemming from the unresponsiveness of housing supply to effective demand.

"A comprehensive housing agenda needs to move towards guiding and managing the housing sector as a whole, recognising housing as a basic need and for asset accumulation," it said.

Suraya said that between 2012 and 2014, the country's overall housing affordability worsened significantly.

She said the median house price increased at a compounded annual growth rate (CAGR) of 23.5% from RM175,000 to RM280,000.

The median household income too grew at a CAGR of 11.7%, which is half of the rate of increase in house prices.

Suraya also said as of 2016, Kuala Lumpur, Johor and Selangor were among states that had properties deemed "seriously unaffordable", while Sarawak, Perlis and Melaka were "moderately unaffordable".

Kelantan, Sabah, Penang and Negri Semb-



Rethink: Khazanah Research Institute assistant Alyssa Farha Jasmin holding up a copy of 'Rethinking Housing Between State, Market and Society' report after the launch in Kuala Lumpur.

lan on the other hand are deemed "severely unaffordable".

Meanwhile, Goh proposed that a housing price control mechanism be implemented to curb rising property prices and ease the country's housing affordability issues.

He said measures need to be in place to prevent developers from raising property prices.

"Some developers have a 'teh-tarik' syndrome, where if steel prices increase 10%, house prices go up 10%.

"However, a house comprises various materials. But in the housing arena, we have allowed the developers to call the shots!" he said.

However, his proposal did not sit well with other panellists. KRI chairman Dr Nungsari Ahmad Radhi said a house pricing mechanism would not be feasible.

"If you impose this on developers, they will set a floor price and won't sell anything below this price. This will distort supply," he said.

Soam meanwhile said everyone needs to play a role when it comes to solving the country's housing affordability issues.

"Everyone must play a role - the government, developers, contractors and even the house buyers. Everyone feels it is the developers who are always at fault and only trying to maximise profits," he said.

Jayaselan said the Housing Ministry never had plans to impose price control.

"In an open market, we need to be fair or it will cause an impact to the other industries, it will also have an impact on the country's ratings," he said, adding that there would also be effects to the nation's gross domestic product.

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