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# Knight Frank: M`sia not yet ready for BTS system

Property consultancy says scheme will lead to more expensive houses

By EUGENE MAHALINGAM  
eugenicz@thestar.com.my

**PETALING JAYA:** Compelling housing developers to implement the build-then-sell (BTS) structure, a policy that is being considered by the government, will lead to more expensive homes, warns Knight Frank Malaysia.

In a statement yesterday, the property consultancy said Malaysia was not yet ready for the BTS structure, adding that it should be free for developers to decide on the model of the development.

"The structure generally will increase cost on housing units, therefore against lowering house prices and affordability," said Knight Frank Malaysia managing director Sarkunan Subramaniam.

The BTS system, which is being proposed to replace the much-preferred sell-than-build structure, is one of the policies under the Housing and Local Government Ministry's (KPKT) recently announced National Housing Policy 2.0.

At the launch of the policy last month, Housing and Local Government Minister Zuraida Kamaruddin said the government was still studying whether to compel housing

developers to implement it.

She said the concept was introduced under the previous housing policy and was tried out on six housing projects but found to be not viable.

Zuraida also noted that the present government is leaning towards the rent-to-own (RTO) concept, which has been successfully adopted in Penang and Selangor.

The RTO scheme offers buyers the option to rent their homes for five years and apply for end-financing to purchase it in the sixth year.

Sarkunan said the scheme was a good initiative by the government, adding that it can increase the eligibility of low income earners in securing their homes by credit scores.

"We note that in order to prevent speculation, these houses under KPKT can only be resold to the Ministry," he said.

However, Sarkunan said the recent announcement in providing micro housing for low-income, unmarried individuals to rent small capsules at only RM100 per month, still requires thorough market research.

"Single people also require a reasonable amount of space and premises, anything below 200 sq ft is definitely not an ideal

choice, even for a single owner.

Even in Hong Kong, which is known for its unaffordable property prices, several developments featuring shoebox flats, had failed to achieve favourable sales results.

"Therefore, a proper market research is needed to find out the actual demand for this sort of developments. Furthermore, these types of housing are at risk of becoming ghettos and drug dens."

The National Housing Policy, which was launched on Jan 28, outlined five focuses, 16 strategies and 57 action plans, of which 15 would be carried out in the first two years.

The five focuses under the new National Housing Policy include improving accessibility and affordability; quality housing for all; cohesive neighbourhoods; improving coordination between housing development and transportation; and strengthening institutional capability for the National Housing Policy.

At the launch, the government pledged to build 100,000 affordable homes by the end of this year, in line with the Pakatan Harapan government's manifesto to provide budget housing totalling one million over a decade.