

Headline	PRIMA could be dissolved		
MediaTitle	The Malaysian Reserve		
Date	30 Apr 2019	Color	Full Color
Section	Corporate Malaysia	Circulation	12,000
Page No	1,4	Readership	36,000
Language	English	ArticleSize	457 cm <sup>2</sup>
Journalist	AFIQ AZIZ	AdValue	RM 4,228
Frequency	Daily	PR Value	RM 12,684



# PR1MA could be dissolved

*It will depend on the findings of due diligence. At this point, we are not going to have new projects for PR1MA, says Zuraida*

by AFIQ AZIZ

THE 1Malaysia People's Housing (PR1MA) scheme is facing the possibility of being dissolved in light of its impending due diligence report that is expected to be completed within two months.

Housing and Local Government Minister Zuraida Kamaruddin said

PR1MA, which has been moved into her portfolio and supervised by the National Affordable Housing Council (NAHC), is currently "cleaning up" its outstanding projects.

She said any decision on the fate of the "ill-managed agency" will be based on the findings of the due diligence report.

Zuraida also did not discount the possibility of PR1MA being abolished.

"It will depend on the findings of due diligence. At this point, we are not going to have new projects for PR1MA, while cleaning up the current situation, including its stocks and debts.

"After cleaning that up, then we can see what is our way forward," she told a press conference in Sepang yesterday.

Established under the PR1MA Act 2012 by the previous administration, PR1MA Corp Malaysia was supposed to be an agency that plans, develops, constructs and maintains high-quality housing for middle-income households in key urban centres.

The housing scheme was envisioned to offer affordable houses ranged between RM100,000 and RM400,000 for households earning between RM2,500 and RM15,000.

In a report by *The Malaysian Reserve* (TMR) last year, Zuraida described

the project as "ill-managed", and said PR1MA had only completed some 11,000 residential units from its target of 500,000 units that were scheduled to be delivered by last December.

Currently, the government is trying to clear up some 42,000 units of the projects using several methods including offering up to 30% discounts throughout the six-month Home Ownership Campaign (HOC) exposition that began in January.

Zuraida has set a target to sell up to 50% of the outstanding units before the campaign ends.

In a text reply to TMR's query recently, PR1MA stated that as of

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# Transit homes in Bandar Malaysia

FROM P1 PRIMA

April 15, some 8,325 units of its houses were booked during the HOC.

Zuraida, who was part of Prime Minister Tun Dr Mahathir Mohamad's envoy to China last week, said the government has identified eight Chinese firms to back the campaign's rent-to-own (RTO) scheme for house buyers.

"There will be two phases. The first one will be applied to future developments, while the second phase will cover existing projects, especially that of PRIMA's," she said.

The RTO scheme is expected to offer buyers an opportunity to rent their home for five years before they can purchase the house via bank loans, subject to their rental payment records.

Zuraida added that PRIMA will not be tasked to construct any new housing project.

"All affordable housing projects will be made under the NAHC, either for PRIMA or Syarikat Perumahan Negara Bhd. At the moment, they are



Pic by Muhd Amin Noharul

**PRIMA had only completed some 11,000 residential units from its target of 500,000 units that were scheduled to be delivered by last December**

cleaning up the mess," Zuraida said.

On a separate note, Zuraida said her ministry is expected to allocate 30% of the new 10,000 affordable houses in Bandar Malaysia, Kuala Lumpur, as transit homes.

"This is the component for young people who are single or

married, and have no children. It would be transit homes or smaller units of about 600 sq ft with one bedroom.

"The other 20% would be allocated for the M20 group — the lower 20% in the middle 40% (M40) income group. The remaining 5,000 units would be for the bottom 40% (B40)

income group," she said, adding that the designated units for the M20 group would be capped at the RM500,000 threshold.

The ministry had earlier revised the affordable housing price cap at RM300,000 and at a floor price tag of RM90,000 with a minimum of 900 sq ft area to allow homeownership access to the B40 group.

All affordable projects, except for the Federal Territories Affordable Homes Programme or RUMAWIP, were also moved to the Housing and Local Government Ministry and overseen by the NAHC, chaired by Dr Mahathir.

For now, Zuraida said the government has entered into more than 13 agreements — including with the private sector — to build some 30,000 new units of affordable homes.

In its 14th General Election manifesto, the Pakatan Harapan coalition pledged to provide one million affordable houses to the people, which translates to about 100,000 units a year.