



25 OCT, 2019

## Less than 10percent of BNM`s RM1b affordable homes fund utilised

The Malaysian Reserve, Malaysia



# Less than 10% of BNM's RM1b affordable homes fund utilised

*Houses in Malaysia are considered as 'seriously unaffordable' by international standards*

by FARA AISYAH

BANK Negara Malaysia (BNM) has utilised less than 10% of the RM1 billion Fund for Affordable Homes in the first nine months of implementation, as housing unaffordability remains a major hurdle for people intending to own a unit.

BNM director of financial surveillance Qaiser Iskandar Anwarudin said as of September, the central bank used a minimal amount of the fund to support the funding of more than 1,100 households from the bottom 40% income group in purchasing properties.

"The take-up rate for the scheme is below 10% — that is the amount of utilisation to support the funding cost.

"The amount of loans that have been approved under the scheme is about RM180 million," Qaiser Iskandar told reporters at the Household Debt and House Financing in Malaysia briefing in Kuala Lumpur yesterday.

"Most Malaysians cannot afford to buy newly launched houses. Houses in Malaysia are considered



BNM established the fund in November last year to help homebuyers from the lower-income group nationwide to finance the purchase of their 1st homes  
 Pic by Mhd Amin Nahrul

as 'seriously unaffordable' by international standards," he said.

He said the maximum affordable house price in the country is RM282,000 while the average price of new properties launched is RM417,262.

A house, Qaiser Iskandar explained, is deemed unaffordable if it is priced not more than three times of annual household income.

"There is also a mismatch between the growth in income and

growth in the property prices coming into the market.

"However, the house prices are growing at a moderate pace now and there is a higher proportion of new launches in the affordable segment which would help address some of the issues in the property market — although it will take some time to adjust," he said.

BNM established the fund in November last year to help homebuyers from the lower-income

group nationwide to finance the purchase of their first homes.

The fund will be available for two years from January 2019 or until it is fully utilised.

Initially, the fund was available to Malaysian citizens with a maximum monthly household income of RM2,300; and for property price of below RM150,000.

In August this year, BNM expanded the eligibility criteria to the citizens with maximum monthly household income of up to RM4,360; while the maximum property price is increased to RM300,000.

"We enhance the feature so that more people are able to benefit from this scheme," Qaiser Iskandar added.

According to him, from January to August this year, RM113 billion of housing loans were approved which are benefitting 260,000 borrowers.

He said it is higher than the average borrowers of 248,000 from 2016 to 2018.

Forty-nine percent or 127,000 people from the total borrowers in the eight months were first-time homebuyers.

The majority of the loans are for the purchase of properties below RM500,000 (69%), while properties below RM300,000 own 38% share of the total loans.



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### SUMMARIES

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