AN AFFORDABLE HOUSING REFORM:
PRESSING NECESSITY FOR NEW MALAYSIA

NOORIHAN ABD HALIM
SENIOR PRINCIPAL ASSISTANT DIRECTOR
NATIONAL HOUSING DEPARTMENT

Constructing & Financing Affordable Housing Across Asia
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HOUSING AFFORDABILITY: PRIORITY IN THE DEVELOPMENT AGENDAS
More than 1.6 billion of people all over the globe face the problem of inadequate housing and lack suitable homes (Habitat, 2016)

- lack of secure, adequate and affordable housing,
- forced to live in slums or even homeless,
- low-quality housing,
- overcrowded dwellings;
- lacking access to adequate water and sanitation, amenities and transportations

Government Roles

- Access to good quality affordable housing
- inclusive housing policies
WHAT IS AFFORDABLE HOUSE?

United Nations Human Settlement Programme (2011): defined as homes that meet the quality and location; and home buyers still have the financial capability to buy other basic needs. Based on the Multiple Median approach, a home is considered affordable if the median home price is less than 3 times the median household annual income.

Malaysia:
Median Average household income: RM5,228.00
Annual Median Average Household Income: RM188,208.00 (5,228*12*3)
Average market price of all homes (1st quarter 2018): RM372,801.00
Median Multiple Index : 5.0 ( Seriously Unaffordable)
(372,801/12/5,228 = 5 years and 9 months)
Mismatched between supply and demand of housing based on price and location.

**Demand and Supply Gap:**
- Supply of units: 114,000
- Demand of new households: 154,000

Absence of single entity to coordinate housing management

Rising construction cost, land cost

**Traditional construction:**
- Labour intensive, high cost, lengthy duration

Poor quality of construction & materials, poor existing housing management, lack of facilities and high maintenance cost

Unavailability of an integrated registration system for stocks and home buyers

Unaffordability of housing becomes critical due to limited access to finance
- Income does not match the house prices.
- Disposable income is limited although household income is sufficient

Affordable Housing: Issues and Challenges

BNM survey 2016
NATIONAL HOUSING POLICY
(2018 – 2025)
NHP (2018 – 2025) :
A catalyst towards national housing drive capable of owned, thus reliable quality and meet the community’s elements.

i. Public Housing Management Act (is being enacted)
ii. Strata Title Act 1985 (Act 318)
iii. Strata Management Act (Act 757)
iv. Residential Tenancy Act (will be enacted)

iv. Housing Development Act 1966 (Act 118) - amendment
v. Commercial Development Act (will be enacted)
vi. Waqaf Land Development Act (will be enacted)
NATIONAL HOUSING POLICY (2018–2025)

5 FOCUS, 16 STRATEGIES, 57 ACTION PLANS

FOCUS 1
- STRATEGY 5
  - ENSURING GOOD QUALITY HOUSING FOR ALL

FOCUS 2
- STRATEGY 4
  - IMPROVING ACCESSIBILITY AND AFFORDABILITY OF HOUSING

FOCUS 3
- STRATEGY 2
  - ENSURING QUALITY AND COHESIVE NEIGHBOURHOODS

FOCUS 4
- STRATEGY 3
  - IMPROVING HOUSING AND TRANSPORTATION COORDINATION FOR BETTER QUALITY OF LIFE

FOCUS 5
- STRATEGY 2
  - STRENGTHENING INSTITUTIONAL CAPABILITIES TO DELIVER NHP (2018 – 2025)
GOVERNMENT INITIATIVES
WAY FORWARD ON HOUSING

1. PLANNING
   - New Single Entity
   - Land Management - FLC - State Government - Individual
   - Integrated Database System
   - AH and PH Mapping

2. DEVELOPMENT
   - Development Coordination of 1 Mil. AH
     - Federal
     - State
     - Private
   - Housing Development
     - AH
     - Public
   - Cost Effective, ‘JIT’ and Quality:
     - Construction
     - Standard
     - Design
     - Technology
     - Compliance
     - Cost / Utility Charge

3. OWNERSHIP/RENTAL
   - Financing Scheme (Ownership)
     - Depositiku
     - Flexi Financing Scheme
     - Subsidy Scheme
     - Cagamas Berhad Guarantee
     - Top-up Fund
     - Fundmyhome (Crowdfunding)
   - Rent-to-Own (Ijarah)
   - Rental (Residential Tenancy Act)
   - Built-To-Rent

4. HOUSING CYCLE
   - Community Management
   - Maintenance & Management
   - Redevelopment

5. MONITORING
   - National Affordable Housing Council (MPMMN)
   - Monitoring & Coordination of 1 Million AH Steering Committee
   - National Housing Policy (DRN) Monitoring Committee

6. POST DEVELOPMENT
   - Cost of Living Council
     - Housing Committee Meeting

CONTROL AND ENFORCEMENT

1. NATIONAL LAND CODE (ACT 56)
2. ACT 118
3. ACT 133
4. ACT 172
5. ACT 318
6. ACT 757
7. ACT 739 (PR1MA ACT)
8. ACT 3P
9. WAKAF LAND DEVELOPMENT ACT
10. RESIDENTIAL TENANCY ACT
11. COMMERCIAL DEVELOPMENT ACT
RM1 Billion Dana Scheme by Bank Negara (2019 Budget):

- Targeting B40 with household income under RM2,300
- Financing house price RM150,000 and below
- Interest capped at 3.5%
- AmBank, CIMB, Maybank, RHB and BSN

PHP SELLING PRICE:
- RM 35,000 = Peninsular Malaysia
- RM 42,000 = Sabah & Sarawak
Subsidy given 80% from government

SPP: Housing Loan Scheme maximum of RM 60,000

MyHome: offers incentive up to RM30,000 per home unit

DepositKu: 10% or max RM30,000 deposit loan financing

GOVERNMENT SCHEMES
Thank you