

Diverse collaborative partnerships needed for affordable housing

KUALA LUMPUR: There is a need to foster more diverse collaborative partnerships to deliver affordable housing, which includes a vibrant community of social housing enterprises, private foundations and non-profit organisations that support or complement the government's affordable housing agenda.

Bank Negara Malaysia (BNM) Deputy Governor, Shaik Abdul Rasheed Abdul Ghaffour (pic), said such organisations had been instrumental in encouraging the development of a vibrant rental market as a viable alternative to house ownership.

He cited an example in Australia and Hong Kong where social enterprises have had an important role in building affordable housing units or revitalising existing properties for sale or rental, typically targeted at lower-income groups.

"We need to consider how similar models could be developed here and the role of public policy to enable this.

"In the context of rental properties, a robust legal and institutional framework to safeguard the rights of tenants and landlords, mechanism to protect tenancy deposits, and arrangements for dispute resolution have been key success factors for countries that have a thriving rental market," he added.

Shaik Abdul Rasheed said this in his keynote address at the Dialogue on Sustainable Development of Affordable Housing organised by Cagamas Holdings Bhd here, today.

He said based on 2014 data, the shortage in affordable housing was estimated at 960,000 units and could rise to one mil-

lion units by 2020 if further measures were not taken to increase supply of affordable houses and improved affordability.

Simultaneously, the introduction of "rent-to-own" schemes could also complement the effort as the government had recently launched such a programme, he added.

"We would welcome the private sector, particularly developers, to also explore such a strategy," said Shaik Abdul Rasheed, adding that sound, innovative and coordinated public policy was central to addressing the affordable housing challenge.

"We have advocated that this should reside with a central authority that leads, oversees and coordinates affordable housing initiatives for the nation. This would promote greater strategic and operational cohesion at the national level," he said.

Innovative financing models to fund affordable housing projects should also be further developed as current intervention measures largely focused on subsidising housebuyers or the direct provision of housing.

"Over the longer term, these need to be complemented by new, more sustainable alternatives that combine public and private funding for affordable housing development and investment," said Shaik Abdul Rasheed.

He said that public-private partnerships through joint-ventures had replaced traditional methods of financing in other parts of the world, replacing traditional methods of financing for the supply of public housing.

"Public funding could also be deployed more efficiently to crowd in private capital for affordable housing developments, for example, by providing cost-efficient funding to institutions that finance affordable housing projects," he added. - Bernama

