

HBA: Set up affordable housing taskforce

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KUALA LUMPUR: The National House Buyers Association (HBA) has proposed that the government set up an affordable housing taskforce to coordinate and act as a single umbrella for all matters related to affordable housing.

HBA secretary-general Chang Kim Loong said the taskforce should be responsible for the collection of data and establish a database of housing units in various stages including planning, construction and completed units, as well as collate data on overhang units that are available for distribution.

“The taskforce, comprising intelligent people, can also think of solutions on how to implement a rent-to-own (RTO) scheme for the middle income segment to assist them to own their dream homes,” he said at the Dialogue on Sustainable Development of Affordable Housing organised by Cagamas Holdings Bhd yesterday.

Chang said the taskforce should include federal government ministries, equivalent state government economic agencies, government linked companies that are involved in property development, Employees Provident Fund, financial institutions and key players in the property sector such as vendors, architects and town planners.

HBA suggested several steps to incentivise private developers to build affordable housing including alienating land at lower cost to developers, fast track approvals for affordable housing projects, utilities companies to bear the cost of laying last mile of utilities and tax incentives for developers who build affordable homes.

“What is required is a holistic and sustainable development of affordable housing including a RTO scheme which requires the cooperation of all stakeholders,” Chang said, adding that private developers would not venture into RTO schemes without some sort of partnership with the

> Grouping would include intelligent people who can think of how to promote rent-to-own schemes among others



From left: Cagamas Holdings Bhd chairman Nik Mohd Hasyudeen Yusoff, The World Bank Practice Manager of Urban & Disaster Risk Management East Asia & Pacific Abhas K. Jha, Abdul Rahim, Khazanah Research Institute managing director Datuk Charon Mokhzani and Chang at the dialogue yesterday.

government or tax incentives.

He said RTO schemes, which is currently available under PRIMA, should be extended to include the medium income group for affordable housing as it would greatly assist this group (household income of RM3,000 to RM10,000 per month), especially the “sandwiched” generation who have young children and elderly parents to provide for.

“While the lower income group (household income below RM3,000 per month) can receive help in the form of social housing, the middle income group are left to fend on their own,” he added.

With the rising cost of living, the middle income group which forms the backbone of the country find it very challenging to save for the 10% downpayment and service monthly housing loans based on their current income.

“However, due to escalating house

prices, their income can never catch up and without a RTO scheme, they are forced to continue renting. There is a clear mismatch between house prices as against their household income.

“This group is in dire need of a RTO scheme as legally owning a house provides financial security in their golden years so they do not need to continue renting when they are no longer economically active/able to work,” said Chang.

On the database for house buyers, National Housing Department director-general Datuk Abdul Rahim Ishak said the department is in the process of developing a database named Teduh.

He said the database, to be launched in September, will provide information on housing such as planned units, approved units, units under construction and completed units, based on area, demand and house buyers' budget.