“NATIONAL HOUSING POLICIES: CHALLENGES AND WAY FORWARD”

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HOUSING
AFFORDABILITY
Buildings or structures that individuals and their family may live in or the providing of places for people to live.

**Housing**, or more generally living spaces, refers to the construction and assigned usage of houses or buildings collectively, for the purpose of sheltering people, the planning or provision delivered by an authority, a home in which to live, whether this is a house, or some other kind of dwelling, lodging, or shelter.

Source: [http://www.businessdictionary.com/definition/housing.html](http://www.businessdictionary.com/definition/housing.html)
Source: [https://en.wikipedia.org/wiki/Housing](https://en.wikipedia.org/wiki/Housing)
WHAT IS AFFORDABLE?

Inexpensive: Reasonably priced and adequate in quality and location

Able to be bought or rented by people who do not earn a lot of money

Source: https://en.oxforddictionaries.com/definition/affordable
https://dictionary.cambridge.org/dictionary/english/affordable
OVERVIEW

Definition

Affordable Housing refers to residential property which is deemed affordable to those households with income at, or below the median income as determined by the national government using a recognised housing affordability index.

United Nations Human Settlement Program (2011) – Affordable housing is defined as:
• housing with decent quality and suitably located, and its purchase does not prevent its occupants from satisfying their other basic living needs; and
• the construct of an affordable house includes not only the price of the house, but also its quality and location.

The Australian 1991/1992 National Housing Strategy, recommended that:
• households in the bottom 40% of the income distribution, their maximum housing cost burden is capped at 30% of their household income.

Method

Three commonly used approaches to determining house purchase capabilities:
• Median Multiple (MM)
• Housing Cost Burden (HCB)
• Residual Income (RI).

Affordability of Housing In Malaysia

Malaysia’s home ownership agenda has always focused on
• access to quality; and
• affordable housing for the people

The median multiple methodology is used to access Malaysian property market;
• house is considered unaffordable to a household if its median multiple exceeds 3.0 (Bank Negara Malaysia, 2016).

The national median multiple was recorded between 4.0 and 5.0 from year 2002 to 2016, which is above the median multiple 3.0 affordability threshold.
(i) Housing unaffordability based on selling / market price
(ii) Low quality of housing
(iii) Mismatch between supply and demand for housing
(iv) Weakness in housing facility management and maintenance
(v) Absence of coordination and Integrated Housing Data System
(vi) Rising housing component costs
(vii) Access to financing
3 Key Factors Resulting in Housing Unaffordability:

i. House prices > household income
ii. Housing supply skewed towards unaffordable range
iii. Mismatch between supply and demand for housing
A Housing Need and Demand Assessment (HNDA) is used to estimate the number of additional housing units necessary to meet existing and projected future housing requirements.
An integrated housing database system
ACCESS TO FINANCING
RISING CONSTRUCTION AND LAND COST

Labour-intensive traditional construction methods

Land costs in urban and semi-urban are very high
HOUSING POLICIES
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)
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

FOCUS 5
- STRATEGY 3
- STRENGTHENING INSTITUTIONAL CAPABILITIES TO DELIVER NHP (2018 – 2025)

IMPROVING HOUSING AND TRANSPORTATION COORDINATION FOR BETTER QUALITY OF LIFE

NATIONAL HOUSING POLICY (2018 – 2025)
CLUSTER OF DRN (2018 – 2025)

CLUSTER 1
Policy and Legislation

CLUSTER 2
Standard of Procedure (SOP) and Guidelines

CLUSTER 3
Studies And Research

CLUSTER 4
Maintenance

CLUSTER 5
Monitoring and Governance

CLUSTER 6
Construction Technology

CLUSTER 7
Community Development

CLUSTER 8
System and Digitilisation of Data

NATIONAL HOUSING POLICY (2018 – 2025)
NATIONAL AFFORDABLE HOUSING POLICY (DRMM)

DRMM FOCUSES

01 Transit Oriented Development (TOD)
- 900 sqft minimum
- IBS & BIM QLASSIC

02 Construction
- High rise – 120 – 150 units / acre
- Landed – 20 units / acre
- Kindergarten, Mosque, Playground, garbage chute, Multipurpose Hall etc

03 Density & Plot Ratio

04 Facilities & Amenities

05 Category of pricing
- RM150,000 & below
- RM300,000 & below

06 Cost reduction
- Government land
- Development & utility charge
- Top-up fund
- Flexible financing scheme
- Cagamas Berhad Guarantee
- Longer mortgage Term (LPPSA)

07 End Financing
- Built to Rent
- FundMyHome (Crowdfunding)
WAY FORWARD
RECOMMENDATIONS & WAY FORWARD

01 IMPROVING AFFORDABLE HOUSING PROVISION BASED ON LOCALITY AND NEEDS

02 IMPROVING AFFORDABLE HOUSING FINANCIAL ACCESSIBILITY

03 ENSURING GOOD QUALITY HOUSING FOR ALL

04 STRENGTHENING INSTITUTIONAL CAPABILITIES TO DELIVER NATIONAL HOUSING POLICY

05 ENSURING QUALITY AND COHESIVE NEIGHBOURHOODS

06 IMPROVING HOUSING AND TRANSPORTATION COORDINATION FOR BETTER QUALITY OF LIFE

IMPROVING AFFORDABLE HOUSING PROVISION BASED ON LOCALITY AND NEEDS

ENSURING GOOD QUALITY HOUSING FOR ALL

STRENGTHENING INSTITUTIONAL CAPABILITIES TO DELIVER NATIONAL HOUSING POLICY

ENSURING QUALITY AND COHESIVE NEIGHBOURHOODS

IMPROVING HOUSING AND TRANSPORTATION COORDINATION FOR BETTER QUALITY OF LIFE

IMPROVING AFFORDABLE HOUSING FINANCIAL ACCESSIBILITY
1. IMPROVING AFFORDABLE HOUSING PROVISION BASED ON LOCALITY AND NEEDS

1. Increase the supply of affordable housing.
2. Developing localised housing affordability threshold.
3. Review Housing Component Cost.
4. Shifting the development of affordable houses towards Build-then-Sell (BTS).
5. Encourage the construction of Retirement Village that can offer a good quality of life for senior citizen.
2. IMPROVING AFFORDABLE HOUSING FINANCIAL ACCESSIBILITY AND VIABLE

01. Rent to Own (RTO) Programme
02. Incentives given to buyers and developers
03. Strengthening the rental market
04. Shared Ownership and Home Equity
05. Mortgage Guarantee
06. Special Financial Package for Individual Landowner
3. ENSURING GOOD QUALITY HOUSING FOR ALL

Guideline

• Implementing **Quality Requirement of Housing Standard** in new housing and redevelopment guidelines.

How

• Compulsory **QLASSIC certification based on the Construction Industry Standard Quality Assessment System for Building Works Construction (CIS 7)**;
• Use **life-cycle costing** to support a more informed decision-making process on technology choices; and
• Leveraging on technology and its supporting ecosystem to improve the quality of house.

Incentive

• Encourage the developers to use the latest technology to improve efficiency and reduce delivery period and wastage.
Establishing an integrated housing database system
- Consolidating data and addressing data gaps to advance national housing research;
- Establishing Big Data Analytics (BDA) to consolidate data from various agencies and making analysis on used-case; and
- Incorporate the implementation of consolidated data into appropriate act or regulations

Centralisation of affordable housing initiatives
- Annual meeting of National Affordable Housing Council chaired by YAB PM that synchronises all public affordable housing schemes under one roof

* As in PH Manifesto
5. ENSURING QUALITY AND COHESIVE NEIGHBOURHOODS

01. Build the capacity of communities in ensuring quality neighborhoods initiatives through National Community Policy

02. Strengthening management and maintenance of public and low-cost private housing
   • Housing Management Corporation

03. Providing and maintaining quality amenities and services in residential neighborhoods to support community life

04. Revitalizing the role and vibrancy of communities in strengthening neighborhood quality
6. IMPROVING HOUSING AND TRANSPORTATION COORDINATION FOR BETTER QUALITY OF LIFE

01
Streamlining housing and sectorial planning processes in regional, structure, local and special area plans; And increase the effectiveness of public participation.

02
Strengthening the capacity of state and local authorities to monitor and integrate housing and transportation considerations at the planning and implementation levels.
THANK YOU