

BORAK BORAK

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**T**HERE is something seriously wrong with the standard of English in Malaysia these days. We don't have to go far. Just look at the housing issue.

I don't know who was the nut who described houses costing RM300,000 to RM400,000 as 'affordable'. Affordable, my foot!

Even Bank Negara Malaysia (BNM) governor Tan Sri Muhammad Ibrahim has questioned this description, adding that the World Bank has even characterised houses in Malaysia as 'severely unaffordable'.

The Statistics Department's 2013 Housing Income Survey revealed that 80% of Malaysians earned less than RM6,900 a month. This puts the majority of Malaysians in the middle 40% and lower 40% of the earnings spectrum of the population.

Financial simulations in BNM's 2016 annual report revealed a number of telling things.

For example, employees earning less than RM3,000 a month could only finance a home worth RM176,000. Those earning RM5,000 and below could only afford houses up to RM283,000.

And the majority of Malaysians earning RM7,000 and below can't afford houses priced higher than RM300,000.

Only those raking in around RM10,000 a month could buy houses costing up to RM515,000. But remember, they number only 20% of our population.

Let's take RM176,000 as a starting point. Firstly, you'd be hard-pressed to find property developers selling at this price.

For those earning less than RM3,000, it's still a challenge, especially for non-graduates, or those who are stuck in terms of salary mobility because of one reason or the other.

Let us generously assume that someone earning around RM3,000 has been frugal enough to save up RM20,000 - more than 10% - as downpayment.

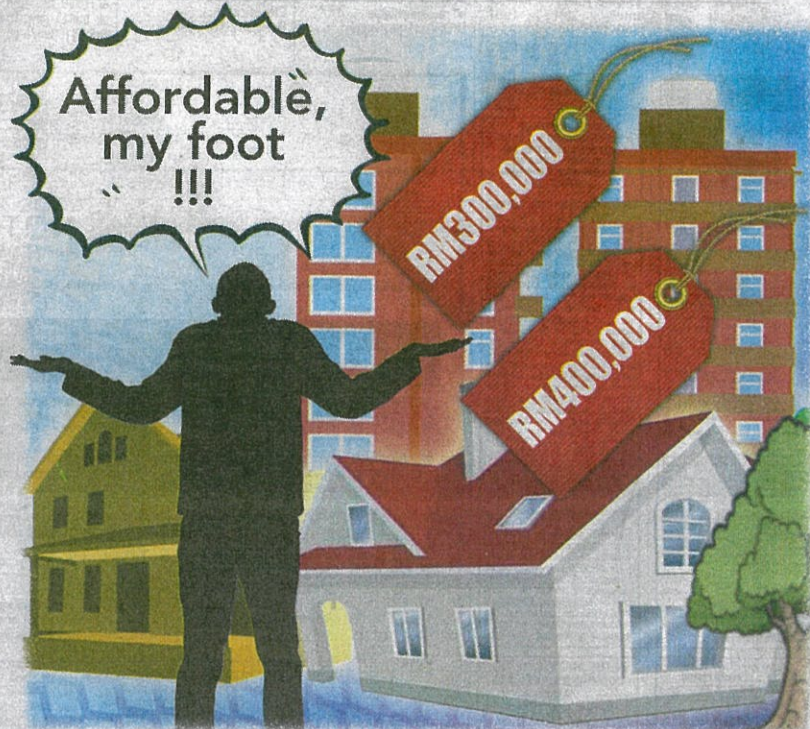
In that case, the most daunting thing would be repaying the bank, assuming one can get a loan for the remaining RM156,000.

Assuming that a borrower is

## Home out of range

> The search for an affordable house to call their own for many young people is like looking for a needle in a haystack

Affordable, my foot !!!



buying his first house at the age of 30, he might be offered a 25-year loan to coincide with his retirement age at 55, or a 30-year loan if he can retire at 60.

A 25-year loan for RM156,000 works out to about RM845 a month at 4.25% interest. A 30-year loan is less painful, at RM767.

With RM845 taken away each month, the beginning is always difficult, but one assumes the borrower's wages would increase as the years go by.

However, he would also have to contend with saving money for necessities, as well as paying monthly bills.

I recently met 30-year-old Tan Wai Cuan from Cameron Highlands, on his first day

working as an e-hailing driver.

He decided to earn extra on weekends because of his belief that "having your own house brings greater dignity", as opposed to renting a room from an unpleasant landlord.

In 2016, only 35% of new homes in Malaysia were deemed affordable, and the rest were pitched as 'luxury' class.

Brochures have phrases like 'evocative elegance', 'charm and elegance, redefined', 'a lavish playground for the senses', 'relishing in nature's beauty', and 'a private haven', to name a few.

They may even entice buyers with glossy pictures showing lots of rolling hills, trees, and even a brook by a meadow.

If you're in the RM176,000 bracket, you'd be lucky to find a few clumps of grass and some trees in the spaces that have not already been utilised by the developer to maximise profits.

But maybe there's still some hope left for getting dream homes: just get a lifetime partner who is also gainfully employed to qualify for a joint loan.

Jeff Yong, after making his mark in the twisty maze of mainstream journalism, has finally decided to enjoy what he does best - observing the unusual and recounting the gleeful. He can be contacted at [lifestyle.borak@gmail.com](mailto:lifestyle.borak@gmail.com).