

GROWING DEMAND

REHDA: NO HOUSING GLUT

Govt, developers urged to address shortage of affordable units in cities

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THERE is no housing glut as Malaysia needs about three million more residential units, especially affordable houses, said Real Estate and Housing Developers' Association Malaysia (Rehda).

Its president Datuk Seri FD Iskandar concurred with Bank Negara Malaysia that there was an oversupply of shopping complexes and office space but not residential properties.

Data from the National Property Information Centre (Napic) showed that there were only about five million residential properties in the market, he said.

"We need at least eight million units this year. Based on the (Napic) data, there are about five million units in supply. Four million units are from developers and one million units are from the government," said FD Iskandar at a briefing on an industry survey

for the second half of last year and the market outlook this year, here, yesterday.

According to Napic, Malaysia's population is about 33 million, with an average ratio of four people living in one house.

FD Iskandar said the government and developers must find solutions to address the shortage of affordable houses in cities such as Kuala Lumpur, Petaling Jaya, Penang and Johor Baru.

One solution is to set up a central agency to oversee affordable housing matters. Property developers should also focus on building more affordable houses in highly-populated areas.

FD Iskandar said the government, state authorities and related agencies should reduce development costs to spur the construction of affordable houses.

He said the increasing household debt was the main cause of loan rejection for houses priced RM500,000 and below.

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Real Estate and Housing Developers' Association Malaysia president



Data from the National Property Information Centre shows that there is a supply of about five million residential properties in the market but Real Estate and Housing Developers' Association Malaysia says at least eight million units are needed this year.

mand. One of the ways to improve the residential property market is to reduce non-housing loans such as credit card, car and personal loans."

FD Iskandar also said a proper research should be carried out to tackle the oversupply of commercial and retail properties.

"As an agency representing developers, we can only ask them to do a thorough research to match the demand before undertaking any projects. We do not have the authority to stop them (developers) from deciding on their development. Don't build right products in the wrong location or

wrong products in the right location."

Rehda's survey shows that of the 200 respondents, 55 per cent plan to launch a total of 27,853 new properties in the first half of this year.

This is a significant increase of 206.45 per cent compared with 9,089 units launched in the first half of last year, and a rise of 84.68 per cent compared with 15,082 units launched in the second half of last year.

Ninety-two respondents who plan to roll out new projects expect their sales to be 50 per cent and below.