

Rehda calls for more incentives to build affordable homes

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PETALING JAYA: The Real Estate and Housing Developers' Association Malaysia (Rehda) has urged the government to provide more incentives to encourage developers to build affordable homes.

Its president Datuk Seri FD Iskandar (pix) said its members have requested for reduction in development charges, exemption of capital contribution and lower land conversion.

He said these charges on affordable homes

should not be the same rate for luxury homes.

"I think more needs to be done. Not everybody can afford to buy houses so there must be schemes for rental as well. Rent-to-own (RTO) is one of them," FD Iskandar told reporters at a briefing yesterday.

"Not only the government, the private sector also has a role to play. But when you build things like this you need a deep pocket. When you need a deep pocket, you need incentives," he added.

Besides incentives, he said another



method the government could consider is to buy unsold homes from developers at a discount and offer these homes under an RTO scheme, similar to what the UK government does for unsold council homes.

"In the UK... when you build council homes, after a certain period if there are no takers, the government will buy those council homes at a small discount," he said.

Rehda deputy president Datuk Soam Heng Choon said the government should

have one central agency to overlook matters pertaining to affordable housing in order to implement schemes in a wholesome manner.

"Secondly, in the last budget the government talked about Rental Regulation Act. To have RTO, I think we need to enhance our rental act as well so that both tenant and landlord are protected.

"We also need to increase the financial literacy of our citizens because they need to know the difference between owning and renting. The Asian mentality is to own. But when you really cannot afford, you need to rent," he said.