

KERATAN AKHBAR

NAMA AKHBAR: THE EDGE

What home can you get for RM300,000 in KL?



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Housing and Local Government Minister Zuraida Kamaruddin was earlier quoted as saying that the price of affordable homes should be kept below RM300,000. Currently, prices vary according to location.

That has somewhat redefined the term "affordable property", which has been used rather subjectively, especially in recent years. Ask anyone and he might say RM500,000 is affordable. Skim through property ads in the newspaper and you may see a RM800,000 property being marketed as affordable.

Take this scenario for example. Leslie buys a house for RM300,000 and gets a loan of 90%, but he will have to pay RM1,244 per month at an interest rate of 4.3% for 35 years. He also has to consider other costs — such as stamp duty, legal fees, mortgage insurance and renovation — that are included in the transaction.

After purchasing the house, there are also various monthly, half-yearly and yearly fees, including monthly maintenance fee, home insurance, Indah Water bill, quit rent and assessment tax to deal with.

So, here is where it gets more interesting. What can one get for RM300,000 on the subsale market? Can you get a decent residential unit at that price in the Klang Valley?

City & Country explores locations with a Kuala Lumpur address. With a budget of RM200,000 to RM300,000, we set the

ing flats or government-related affordable homes), with built-ups of about 750 sq ft and a minimum of two bedrooms.

A search on property listing websites found residential units in various suburbs that fit the bill — apartments and condominiums in Wangsa Maju/Setapak area, Cheras, Kepong/Menjalara area, Jalan Kuching/Jalan Ipoh area, Jalan Klang Lama area and Desa Petaling, among others.

There are also limited landed homes, mainly terraced homes and townhouses, in the Wangsa Maju/Setapak area, Cheras and the Kepong/Menjalara area, priced from RM200,000 to RM300,000.

A common feature of these developments is that most of these units are more than 10 years old. Compared to newer developments, these older products are better options in terms of location, accessibility and proximity to amenities.

These are not an exhaustive list but four condominium suggestions as to what is available in the market for consideration. However, make sure to always do your homework before making the final decision.

These developments include a freehold development that is located just a stone's throw away from the Awan Besar LRT (light rapid transit) station in Bukit Jalil. Its proximity to the LRT station also sees some residential blocks being next to the track.

According to listings on EdgeProp.my, the development offer units of various sizes and those priced below RM300,000 have built-ups of 775 to 800 sq ft. It comes with 2-bedrooms and 1-bathroom. Based on data from EdgeProp.my, a 797 sq ft unit

Another development is located diagonally opposite the bustling Kuchai Entrepreneurs Park in Kuchai Lama. Surrounded by highways and links, the leasehold development is a five-minute drive from the upcoming Kuchai Lama MRT (mass rapid transit) station.

The units for sale have built-ups of 800 to more than 1,100 sq ft, with a few units priced just below RM300,000, listings on EdgeProp.my show. A 904 sq ft unit was sold at RM270,000 in March.

The third development is located in Jalan Ipoh, which is a 15-minute drive from the Kuala Lumpur city centre and within walking distance from the Batu Kentonmen KTM station.

The EdgeProp.my listings for this year shows built-ups for the units range from 869 to more than 1,024 sq ft, priced from RM265,000 to slightly above RM300,000.

There were 155 transactions for this development from 2012 to 2017, with a median price of RM250,000.

Another development is in Desa Petaling, which is surrounded by highways and links such as the New Pantai Expressway, KL-Seremban Highway, Shah Alam Expressway and Maju Expressway.

Based on listings on EdgeProp.my, the units feature built-ups of 886 to slightly above 1,000 sq ft, with half of the units priced below RM300,000. There were 84 transactions for this development from 2012 to 2017, with a median price of RM265,000.

However, issues involving the land for this development, according to some online forums, may be the reason behind

Caveat emptor applies when buying affordable homes

Purchasers of affordable homes under federal and state government schemes, similar to those who buy subsale properties, need to pay a downpayment of 10% of the house price. So, for a RM300,000 house, one would have to pay RM30,000.

However, there is a difference between older, subsale properties and newly built units labelled as "affordable home".

City & Country talks to 35-year-old Jane, who bought a Residensi Wilayah affordable home at the end of 2015. She paid the booking fee of RM5,000 without a second thought.

The Residensi Wilayah project is known as Rumawip or the Federal Territories Affordable Housing Project.

"[At] that time, I did not know about affordable homes. I just felt that it was a good deal to buy a brand new house for RM300,000. After paying the booking fee, I needed to pay RM25,000 for the downpayment. The developer allowed me to pay with credit cards ... I remember bringing three credit cards to swipe," she says.

She borrowed from her family members to pay the credit card bills. However, the adrenaline rush soon subsided and she realised that she had rushed into buying the unit.

"I thought government projects were quality guaranteed. Now, I understand the meaning of 'you get what you pay for,'" she says.

"I bought the unit because of the price and its proximity to the KL city centre ... It was impossible for me to get a similarly sized house in the same location at that price back then. However, I overlooked the fact that it is a mature area and there won't be any new development there."

Metro Homes Realty Bhd executive director See Kok Loong points out that new houses require little maintenance and come with a defect liability period.

"Subsale properties are usually old but in a good location with amenities. Buyers should be aware that while the monthly instalment is the same for new and subsale units, the cost of buying subsale properties might be higher as there are legal fee that have to be paid upfront," he explains.

See adds that when buying subsale properties, "what you see is what you buy" and buyers can move in almost immediately. Subsale properties are usually lower density and in mature areas.

The house price is supported by the valuation, he says. However, there are other costs like renovation, legal fees and high ownership transfer stamp duty.

"For new units, there is a defect liability period and they usually come with better facilities. They are also usually of higher density than the older projects."

While RM300,000 can buy a home on the primary or secondary markets, one needs to know that both have their caveats. Potential buyers need to do their due diligence before making the decision to buy. Caveat emptor.