

He said the government could look into the supply of land in specific locations that is “livable”, compared to a location that is far from amenities such as transportation and job opportunities.

Au Yong added that beyond the Housing and Local Government Ministry’s (KPKT) role, the demand factor of insufficient income may need a push.

Consumers can also be encouraged to adopt the renting lifestyle instead of owning a home, while building up their financial capacity to buy their homes in the future.

KPKT Minister Zuraida Kamaruddin recently said the government is expected to introduce six new home loan schemes in mid-October, after the central bank announced its decision to ease home lending rules effective Sept 1.

She added that the government is in the final stage of discussion to make more end-financing options available for low-income groups, which is in line with the federal administration’s target to build one million affordable homes.

“We would have six different schemes with participation from about 15 different financial institutions like Cagamas Bhd, commercial banks and investors who will be offering various financing models like rent-to-own schemes,” Zuraida told reporters in Putrajaya last week.

Bank Negara Malaysia has also revised the criteria for its RM1 billion Fund for Affordable Homes.

The fund has been expanded to include a maximum household income of RM4,360 from RM2,300 previously, an extension of the repayment duration to 40 years from 30 years, and a reduction of monthly instalment payments by 20%.

“If extra 10 years is being extended, it may extend beyond the productive career life of the person, as the person may retire by the official age of retirement. On top of that, there is an additional interest for the extra years.

“Extending the coverage of income to above RM4,000 is good news, especially for middle-income families residing in urban areas where the cost of living is much higher and house prices are much more compared to the less urban areas,” Au Yong said.