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RESIDENTIAL properties in Malaysia has experienced significant price appreciation in the past 20 years with prices in several states like Kuala Lumpur, Johor and Penang expanding at higher rates than other locations.

Despite the current slowdown in the property market and many developers offering up to 30 per cent discounts on real estate purchase, prices are still high for many people, and some buyers are still not able to secure the right margin of financing.

Under any circumstances, the need for housing as a basic necessity persists.

If you a first-time house buyer, a middle-income earner and are interested to buy, you may want to look at public housing schemes.

Property prices at public housing projects are relatively more affordable, about half or one-thirds that of units built by private developers.

There are many government initiatives out there that could help you get the right type of property that meets your requirement.

Data from the PropertyGuru Consumer Sentiment Survey H2 2018 showed that overall, Malaysians were satisfied with government initiatives like 1Malaysia Housing Programme (PR1MA) to bring affordable houses to the people.

However, the take-up for such affordable housing programmes was low.

The survey showed that only 19 per cent of respondents had applied for PR1MA houses.

The government aims to build one million units of affordable houses in 10 years, but would this meet the needs of the people?

Statistics from National Property Information Centre (Napic) show there is a supply overhang for houses priced below RM300,000.

Overhang is defined as unsold properties that have been launched for more than nine months. This include properties that have been completed, are under construction and those launched but not constructed.

Based on a survey by the Real Estate and Housing Developers' Association Malaysia on 1,747 visitors at the Home Ownership Campaign, only 20 per cent of them were interested in properties priced below RM300,000.

Developers have been blamed for building low-cost houses in places that have poor connectivity, which have resulted in lack of interest from the public in the properties.

But are government agencies themselves doing enough to attract buyers to these low-cost houses? Have they also done a study to find out why their housing schemes are not been favoured by many Malaysians?

Here are the affordable housing schemes available in Malaysia.

PR1MA

The prices of PR1MA properties range from RM100,000 to RM400,000 and they are ideal for young adults who have just graduated or started working.

To be eligible for PR1MA, one has to be a Malaysian citizen of more than 21 years old, with an average monthly household income of between RM2,500 and RM15,000.

He or she should own no more than one property.

The properties are allocated through an open balloting process.

The only setback when you buy a PR1MA house is a 10-year moratorium imposed on the property. During this period, you can't sell or transfer your property to another party without prior approval from PR1MA.

Public schemes offer affordable properties



A PR1MA unit in Kullm, Kedah, that is selling from RM145,000. PR1MA PIC

FEDERAL TERRITORIES AFFORDABLE HOUSING PROJECT (RUMAWIP)

Rumawip offers stratified studio, as well as one-, two- and three-bedroom houses.

These units come in different sizes and prices (below market price) and are targeted at low- to middle-income workers.

The cheapest apartment that you can find under Rumawip is RM63,000, while the most expensive one costs RM300,000 (three-bedroom units).

To be eligible for Rumawip, the buyer must be a Malaysian citizen, at least 18 years of age, and living in Kuala Lumpur. The buyer's gross monthly household income must not exceed RM10,000 (for single applicants) and RM15,000 (married applicants).

The constraint is Rumawip homeowners are not allowed to rent out their property. It has to be for their own use.

The properties under MyHome are priced between RM80,000 and RM300,000 (price is before the RM30,000 subsidy offered to applicants).

Under MyHome scheme, successful applicants don't have to fork out the 10 per cent downpayment to own the property as the government will take care of that.

To be eligible for MyHome, applicants must be Malaysian citizens of at least 18 years of age with average monthly household income of between RM3,000 and RM6,000.

Only one application is allowed per family, which means more families will have a chance to buy a house under this scheme.

The constraint for this scheme is that resale is forbidden within 10 years.

RUMAH selangorku

RUMAH SELANGORKU

If you are renting in Selangor or plan to reside there, Rumah Selangorku should interest you.

Rumah Selangorku is a low-cost housing scheme catered to low- and medium-income families living in Selangor. The objective is to provide affordable homes for the middle-income group in the vicinity of the state.

There are seven types of houses under this scheme, each with different built-ups and priced between RM42,000 and RM250,000 each.



Owning a home has become more challenging for many Malaysians.

Applicants are selected based on a merit system and will not be able to appeal if their application is rejected. Applicants cancelled a successful application will get blacklisted for two years.

Eligibility conditions include having an average monthly household income of between RM3,000 and RM10,000 and not owning any property in Selangor.

Resale for Rumah Selangorku houses is forbidden within five years and owners are not allowed to rent out their properties.

MY FIRST HOME SCHEME

My First Home Scheme is targeting at young adults who have just started work and are interested to buy their first house.

The good part about this scheme is that successful applicants are entitled to access loan financing of up to 110 per cent of the property price, and they can make instalments via monthly salary deduction.

To be eligible for this scheme, buyers should be below 40 years old, have an average monthly household income of between RM3,000 and RM6,000, and don't own more than one property.

Only one application is allowed per family.



MYHOME (PRIVATE AFFORDABLE OWNERSHIP HOUSING SCHEME)

MyHome is run by the Urban Wellbeing, Housing and Local Government Ministry, as well as the National Housing Department.