

Affordable homes prices to be based on locality, average household income

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KUALA TERENGGANU: The Housing and Local Government Ministry will ensure that in the future, the prices of affordable homes will be based on factors such as locality and the area's average household income.

Its minister Zuraida Kamaruddin said the government is sensitive to the needs of those who cannot afford affordable homes, which are priced beyond their means.

She said the government has drawn up the National Affordable Homes Policy (DRMM), which is a continuation of the National Housing Policy 2018 - 2025 earlier this year, to ensure that affordable homes are reasonably priced.

“The DRMM aims to ensure that the prices of affordable homes are no more than three times the median of the particular area. The ministry will gauge this based on three times the average household income of the area.

“The DRMM will control the prices of affordable homes by way of locality and the conditions of the local community. For example, the prices of houses in Kuala Lumpur will definitely be different from Kuala Terengganu's. As it is, house prices also vary from district to district,” she told reporters after visiting the KT Sentral site here today.

Zuraida said international standards which had categorised Malaysian homes as “seriously unaffordable” had taken into account the average prices of existing homes which had been developed since the 1980s and 1990s.

“Their study drew upon the average (prices) of existing homes. But as we are all aware, there was a glut of construction of expensive houses in the 80s and 90s.

“This led to the average prices of homes being categorised as being seriously unaffordable,” she said.

Zuraida said that currently, there are more than 200 units of affordable homes nationwide, priced under RM300,000, which have been completed but remain unsold, while 14,000 other affordable homes are under construction.