

Govt aims to remove RM11b PR1MA debt exposure by 2023



Wednesday, January 8th, 2020 at , [News](#) | [Property](#)

A net GDV of RM2b from 9,306 units of PR1MA houses sold during HOC 2019 period will be used to reduce the remaining debt

by AFIQ AZIZ/ pic by BERNAMA

THE government plans to fully cut down Perbadanan PR1MA Malaysia debt exposure by 2023, supported by encouraging take-up rate from the PR1MA scheme.

According to Housing and Local Government (KPKT) Minister Zuraida Kamaruddin, PR1MA's debts have already been reduced to RM11 billion from RM24 billion since the past 20 months.

Zuraida attributed this to the success of the 12-month Home Ownership Campaign 2019, which saw 9,306 units of PR1MA houses sold during the period, surpassing its initial target of 7,240 units.

This translated into a net gross development value (GDV) of RM2 billion that will be used to reduce the remaining debt.

Overall, the affordable housing scheme sold 10,797 units last year, which is 93% of its original target of 11,566 units.

"In the past, while many expected PR1MA to be withdrawn by the government, we managed to contain that and settle issues related to the developers and reach consensus pertaining to this issue," she said at a press conference in Putrajaya yesterday.

Zuraida said currently there are 56,342 units of houses under the remaining 65 PR1MA projects that have been approved for resumption.

“Meanwhile, for the half-completed project — the 40% and below, the Finance Ministry has allocated KPKT with RM641.9 million to pay off PR1MA’s long outstanding payment which has reached more than a year. As such, they can move on and carry out the projects,” Zuraida said.

In total, she said up to RM1.03 billion was collected by PR1MA last year.

“This collected money will be used to pay the developers to complete the projects. We hope by 2023, we will zeroise everything,” she said.

As for this year, 19,797 PR1MA units have already been booked and are waiting for loan approval, Zuraida said.

The company has completed 14,656 units of houses in 2019. PR1MA aims to complete another 12,959 units this year.

KPKT is also expected to bring PR1MA enactment to the Parliament to allow the ministry to have full control of the housing agency before 2023.

Currently, PR1MA — which was formed on Jan 1, 2013 — still technically reports to the Prime Minister’s Department, based on the PR1MA Act 2012.

Zuraida said with the enactment, the ministry could chart a new direction pertaining to housing policies, including establishing a single entity like Singapore’s Housing Development Board.

The Pakatan Harapan (PH) government has also pledged to construct one million affordable houses priced below RM300,000 with a minimum size of 900 sq ft within the next decade.

As of December 2019, Zuraida said KPKT, federal agencies and the state governments have completed the construction of 46,666 affordable houses, with 151,933 homes still under construction.

“Altogether, that already makes up almost 200,000 for 2018 and 2019. We will continue to develop another 100,000 this year to fulfil the manifesto before our property big data ready in 2021.

“Then we will see what are the needs of the affordable houses in the country,” Zuraida said.

Meanwhile, Zuraida said the government is still studying the framework to establish a local council election, which is also a part of the PH election manifesto.

“There are concerns that some municipal councils would be dominated by one race, but as I said, while we are studying the other country’s structure, it must also be tailored to suit Malaysian culture.

“We could have a quota system according to the population in the municipal areas,” she suggested.