



The Institutional Framework for Public Housing

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HOUSING AFFORDABILITY - Definitions



“Adequate in quality and location; and its cost does not cost prohibit its occupants meeting other basic living costs or threaten their enjoyment of basic human right”

PR1MA Report, 2012

“A type of housing for low-income people, which has a variety of other names such as social housing, public housing and low cost housing”

UN Habitat, 2011

MALAYSIA: Any house which is being sold below RM300, 000

Approximately 76% of Malaysians are earning below RM5,000 monthly.



Credit line of 30% of the net income for the housing loan



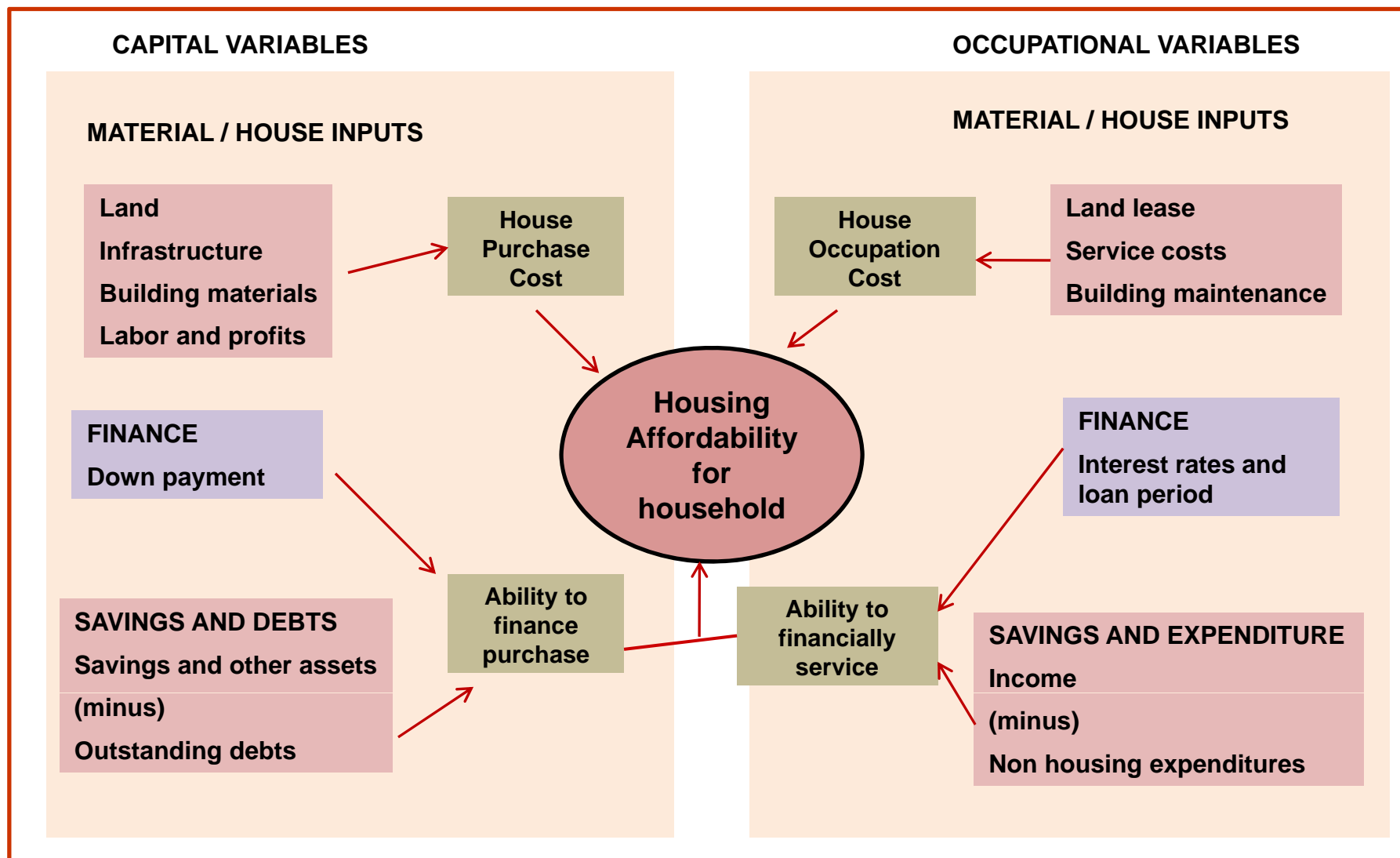
Current Lending Base Rate (BLR) of 6.60%



MAXIMUM AFFORDABLE PRICE
RM300,000 AND BELOW

Department of Statistics Household Income Survey, 2009

HOUSING AFFORDABILITY – Basic Components

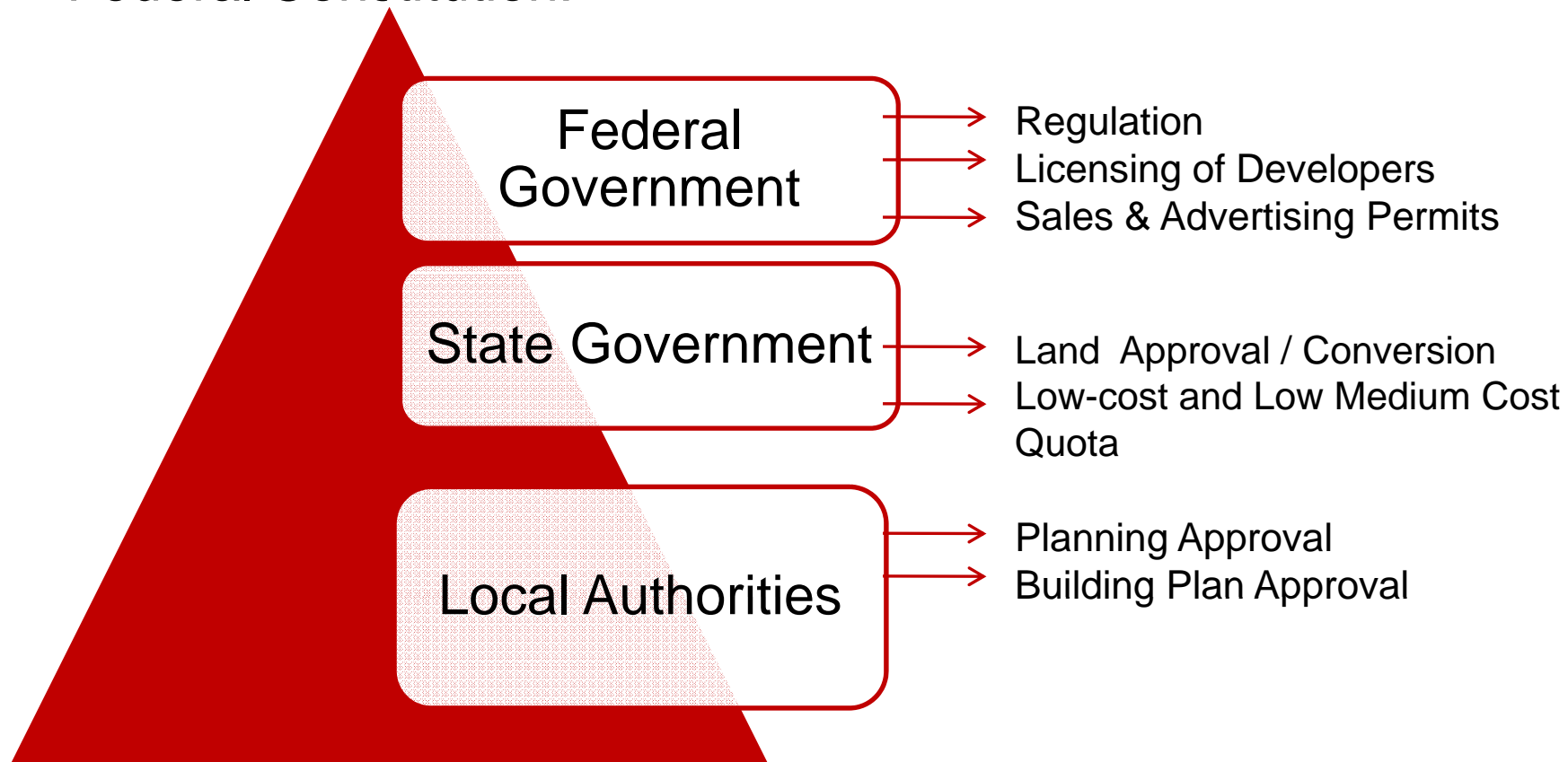


Source: UN Habitat 2011

3TIER GOVERNMENT



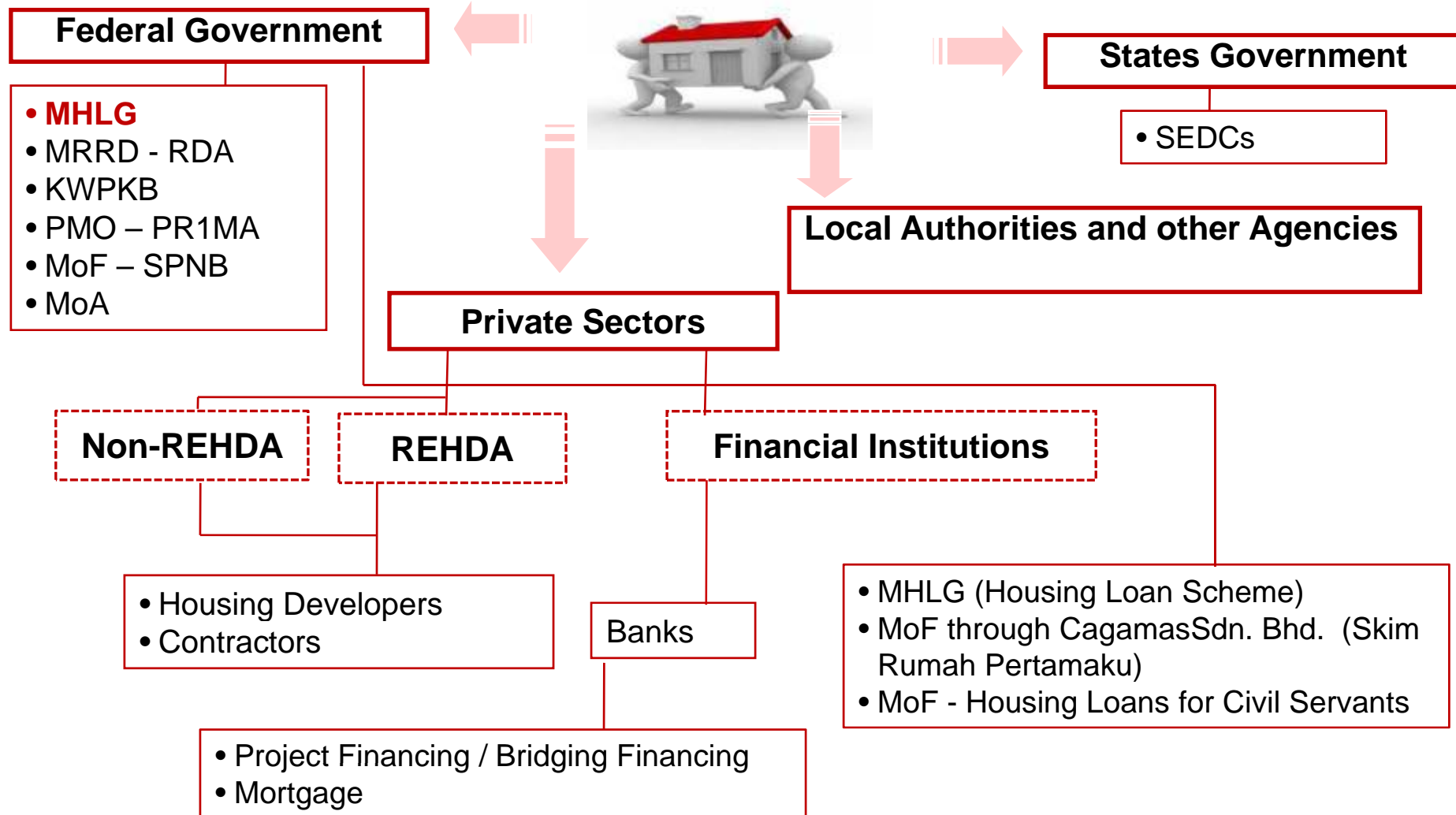
Housing is prescribed under the Concurrent List of the Federal Constitution:



INSTITUTIONAL FRAMEWORK



HOUSING PLAYERS



HOUSING PROGRAMS AND INITIATIVES



Summary of Various Housing Programs and Initiatives

PROGRAMS	CHARACTERISTICS
Public Low-Cost Housing Program (PLHP) by Federal and states Government	<ul style="list-style-type: none"> • Shelter to buyers with monthly household income of RM1,500 and below • Selling price not exceeding RM35,000 per unit
Program Perumahan Rakyat Bersepadu (Bersepadu MTEN) by MHLG	<ul style="list-style-type: none"> • Squatters / Low income Group • Houses for rental at lower rate (RM124 per month)
<u>People's Housing Program (PHP) by MHLG</u>	<ul style="list-style-type: none"> • Replaced PLHP • Buyers with monthly household incomes of RM2,500 and below • Specifications: 650 – 700 sq ft, 3 bedrooms and 2 bathrooms; and Living room and kitchen
Sites and Services Scheme by Local Authorities	<ul style="list-style-type: none"> • Those who not eligible for PLHP • Buyers with monthly household incomes of RM300-RM500 (Peninsular Malaysia, RM400-RM650 (Sabah and Sarawak)
Housing Program by Regional Development Authority (RDA) and Land Scheme	<ul style="list-style-type: none"> • E.g. FELDA, PERDA, FELCRA • Houses for settlers
Rural Programs by Ministry or Rural and Regional Development (MRRD); and Ministry of Women, Family and Community Development.	<ul style="list-style-type: none"> • Various programs for rural areas to eradicate poverty among the rural poor • e.g. PPRT , Program Pembangunan Masyarakat Setempat, Penyatuan Semula Kampung dan Pusat Pertumbuhan Desa
Various Programs under Syarikat Perumahan Negara Berhad (SPNB)	<ul style="list-style-type: none"> • To increase the supply of houses costing RM150,000 and below <ul style="list-style-type: none"> ▪ Rumah Mesra Rakyat – buyers with household income < RM1,500 ▪ Rumah Mampu Milik - buyers with household income < RM2,000
Special Housing Fund by Ministry of Agriculture (MoA)	<ul style="list-style-type: none"> • Set up under Budget 2012 to build and refurbish fishermen's houses with basic infrastructure.

NEW DIRECTION FOR PUBLIC HOUSING



1

Sale of public housing to the tenants e.g. PHP Batu Berendam, Melaka and PHP Lembah Subang II (Petaling Jaya, Selangor).

Note: This was decided by the Cabinet on 30th Mei, 2012

2

Expansion of PHP for sale in other states

e.g. Kepong (Selangor), Sentul (Kuala Lumpur), Pulau Tioman (Pahang), Inanam (Sabah) and Gua Musang (Kelantan)



HOUSING PROGRAMS AND INITIATIVES



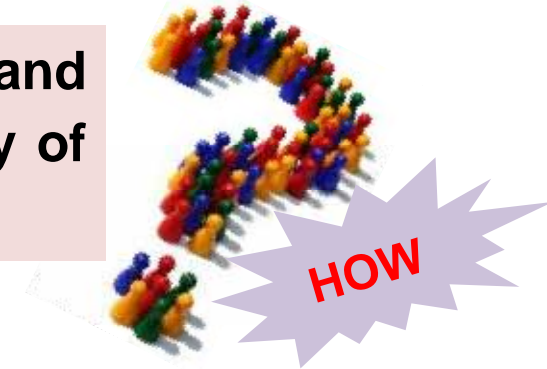
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ROLE OF THE NHP



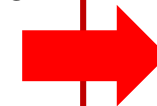
To provide adequate, comfortable, quality and affordable housing to enhance the sustainability of the quality of life of the people



The NHP consists of 6 key policy thrusts and 20 policy statements

Strategies:

- i. Formulation of the NHP Action Plan
 - Role of public and private sector in housing provision
 - Low cost houses
 - Medium cost houses
 - Enhancement of Government's housing service delivery system
 - policy coordination and implementation
- ii. Establishment of the Committee for Monitoring and Evaluation of NHP Action Plan



IMPROVING
COLLABORATION
AMONG ALL PLAYERS IN
THE HOUSING SECTOR



NATIONAL HOUSING POLICY (NHP)

GOAL: to provide adequate, comfortable, quality and affordable housing to enhance the sustainability of the quality of life of the people

OBJECTIVES

- i. Providing adequate and quality housing with comprehensive facilities and a conducive environment;
- ii. Enhancing the capability and accessibility of the people to own or rent houses; and
- iii. Setting future direction to ensure the sustainability of the housing sector.

Comprises 6 key policy thrusts and 20 policy statements:

T1: Provision of Adequate Housing Based on The Specific Needs of Target Groups

T2: Improvement of The Quality and Productivity Of Housing Development

T3: Enhancing Effective Implementation and Ensuring Compliance Of The Housing Service Delivery System

T4: Improving The Ability Of The People To Own And Rent Houses

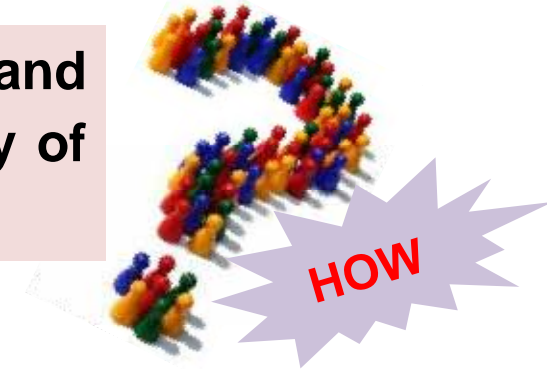
T5: Sustainability Of The Housing Sector

T6: Enhancing the level of social amenities, basic services and livable environment

ROLE OF THE NHP



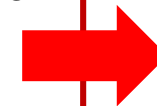
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ROLE OF THE NHP - PROVISION OF PUBLIC HOUSING



[1] Diversity

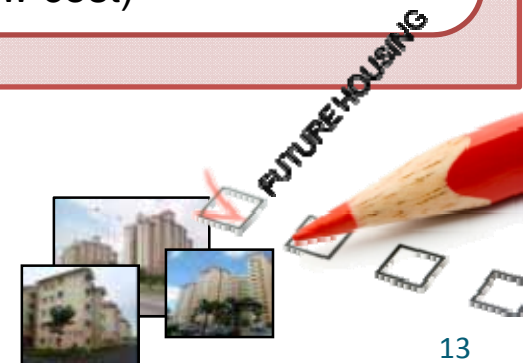
- Various type of public housing needed e.g. studio for single people, bigger size and more rooms for bigger families
- Rental model where different rental rate is charged according to the monthly household income

[2] Criteria

- Eligibility criteria needs to be reviewed at a fixed period

[3] Maintenance of Public Housing

- Demerit scheme
- Monthly maintenance / rental via direct debit
- Government Maintenance Facilitation Fund
90:10 (for maintenance of public common areas for low cost)



EMULATING SUCCESSFUL MODELS



Can we **emulate the successful models** of other countries
e.g. Housing Development Board (Singapore), Council Housing
(United Kingdom) or Housing Provident Fund (China)



CHALLENGES

- **Tier-Government**
- **Data – ownership**
- **Financial Constraints**

POSSIBILITIES

- **Enhancement of Current EPF Scheme**
–Saving scheme to purchase house
- **Specific banks to provide housing loans**
for affordable housing
- **Single entity to design, build and manage**
all federally-funded housing
- **Construction loans to the potentials**
developers

Thank you

