

ISIS ROUNDTABLE

HOUSING A NATION – OUR EXPERIENCE

Dr. Kamarul Rashdan Salleh DSDK, MRICS, MBIFM, MISM
Managing Director



SYARIKAT PERUMAHAN NEGARA BERHAD

[Milik Penuh Menteri Kewangan (Diperbadankan)] (444205-M)

SPNB established in 1997 as a subsidiary of MoF Incorporated. With over 15 years experience in housing industry, our current turnover is RM1 billion. We have 470 professionals and 42,000 registered contractors and supply chain partners

Vision

- To become a leading developer in delivering quality affordable homes to people

Mission

- Committed to provide adequate affordable homes for people in line with the National Housing Objectives, in the best quality and within the level of affordability by a society, especially the lower income

Motto

- Housing for All



**RUMAH MAMPU
MILIK**

COMPLETED
15,060 unit
RM 1,302,091,134
billion

CONSTRUCTION
10,123 unit
RM 1.3 Billion



**PEMULIHAN RUMAH
TERBENGKALAI**

COMPLETED
24,945 unit
RM 1.5 Billion

CONSTRUCTION
3,094unit
RM 244 Million

**SERVICE
ADVISOR**
13,245 unit
54 project



**RUMAH MESRA
RAKYAT**

COMPLETED
17,790 unit
RM 1.2 Billion

CONSTRUCTION
6,041 unit
RM 392 MIL

COMING SUPPLY
3,959 unit
RM257 MIL



**KUARTERS
KERAJAAN**

COMPLETED
62,629 unit
RM 1.4 Billion

CONSTRUCTION
288 unit
RM 120 mil



**RUMAH MANGSA
BENCANA**

COMPLETED
67 unit
RM 11.6 mil

**CONSTRUCTIO
N**
709 unit
RM 77 mil

STATE	TYPE OF HOUSE		
	LOW COST (unit)	LOW MEDIUM COST (unit)	MEDIUM COST (unit)
PERLIS	-	-	-
KEDAH	782	-	786
P. PINANG	-	518	5
PERAK	-	50	175
PAHANG	478	216	165
TERENGGANU	-	-	-
KELANTAN	-	397	1,013
SELANGOR	2,472	1,224	435
WP KUALA LUMPUR	-	-	-
MELAKA	1,625	-	-
N. SEMBILAN	277	1,006	379
JOHOR	112	1,024	1,014
WP LABUAN	-	-	141
SABAH	641	2,604	6,678
SARAWAK	-	-	2,115

PROJECT STUDY

ALAM PRIMA SHAH ALAM



PROJECT TYPE : Alam Prima, Seksyen 22, Shah Alam, Selangor
: 3 Bedrooms and 2 Bathrooms Apartment

TYPE : A
AREA : 850 sqft
PRICE FROM : RM143,673



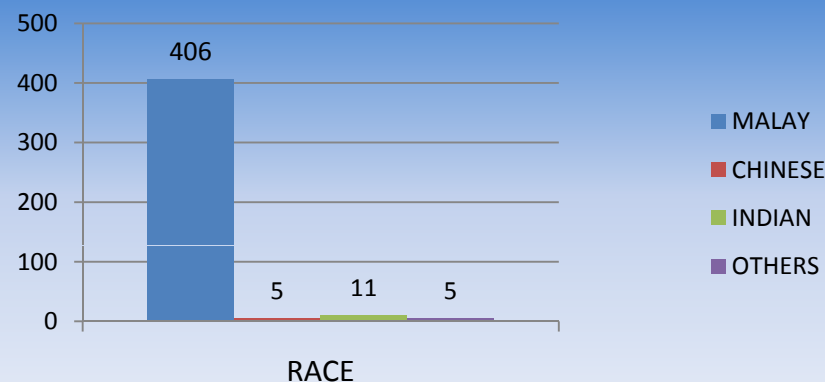
TYPE : B
AREA : 771 sqft
PRICE FROM : RM133,699



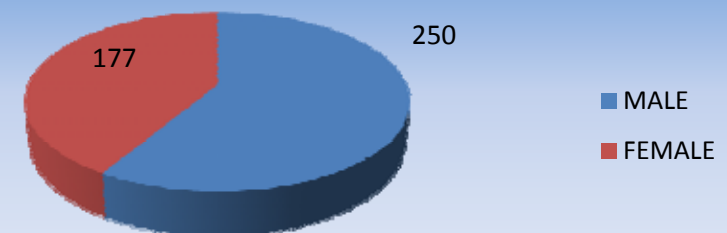
TYPE : C
AREA : 1,725 sqft
PRICE FROM : RM316,766



TYPE : D
AREA : 1,621
PRICE FROM : RM298,935



SEX



PROJECT STUDY

ALAM PRIMA SHAH ALAM



98%
SOLD

PROJECT TYPE : Alam Prima, Seksyen 22, Shah Alam, Selangor
: 3 bedrooms and 2 bathrooms Apartment



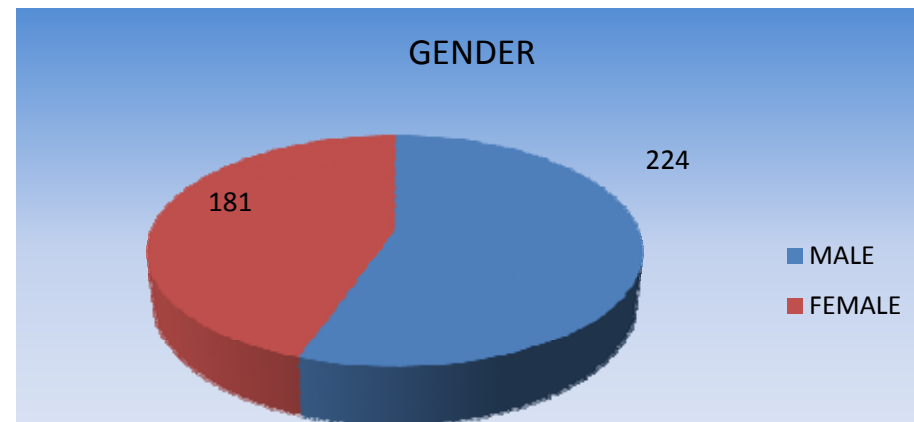
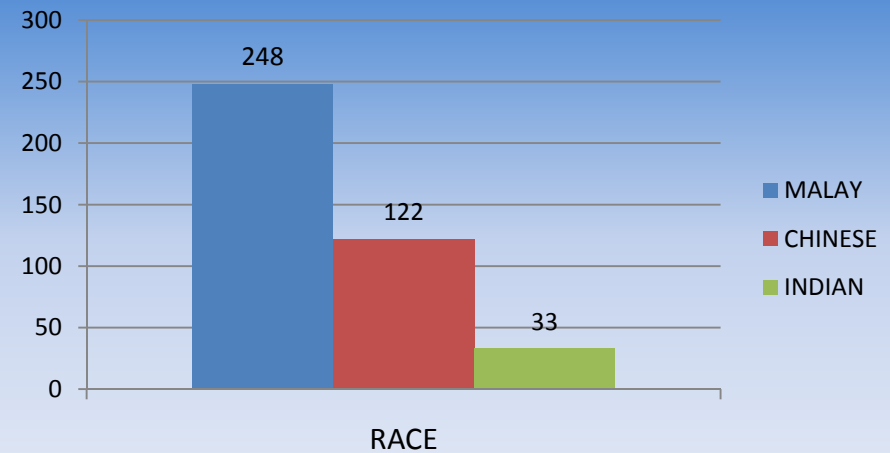
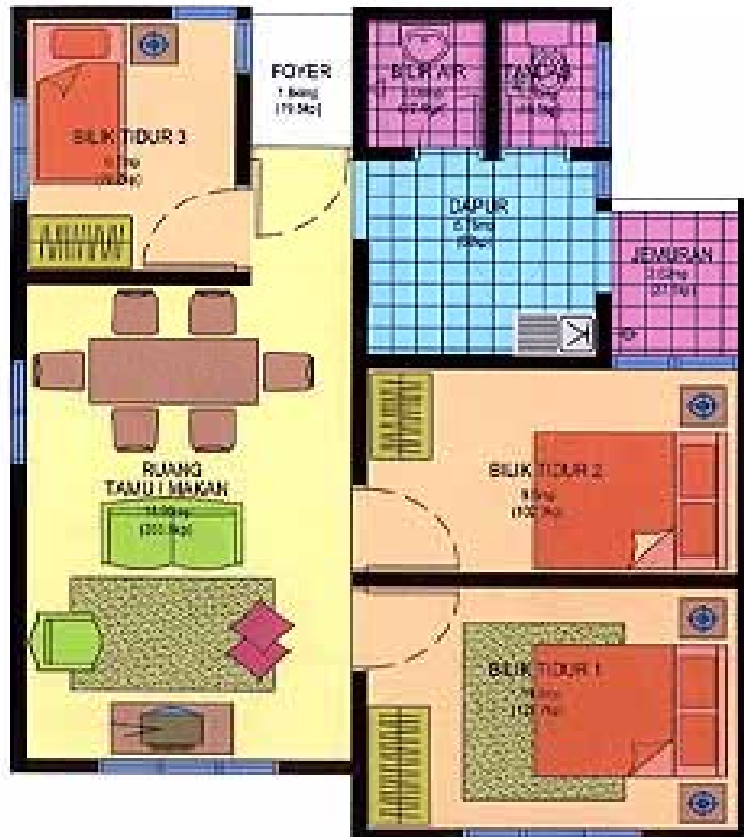
PROJECT STUDY

MUTIARA VISTA PENANG



PROJECT TYPE : Mutiara Vista, Jalan Jelutong, Penang
: 3 bedrooms and 2 bathrooms Apartment

AREA : 650 sqft
PRICE FROM : RM75,000



PROJECT TYPE : Mutiara Vista, Jalan Jelutong, Penang
: 3 bedrooms and 2 bathrooms Apartment

**100%
SOLD**



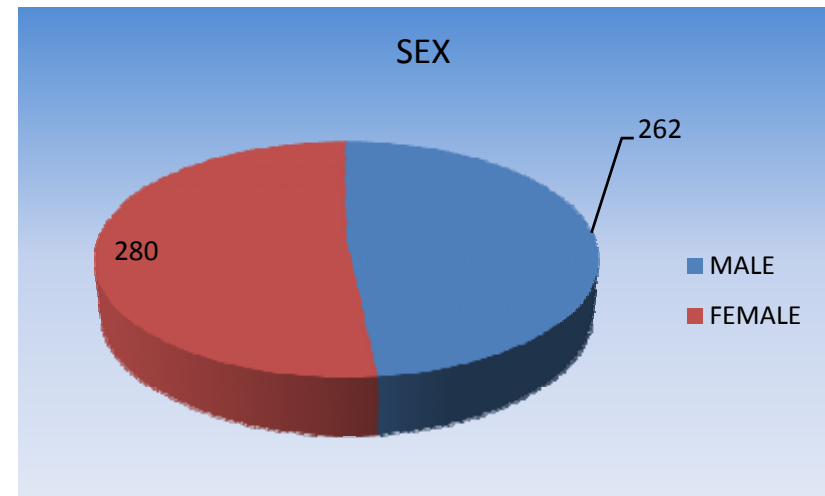
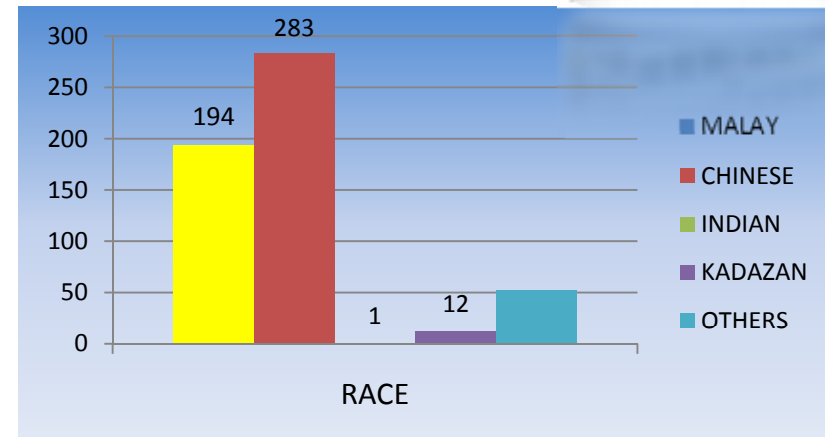
PROJECT STUDY

PUTATAN PLATINUM KOTA KINABALU



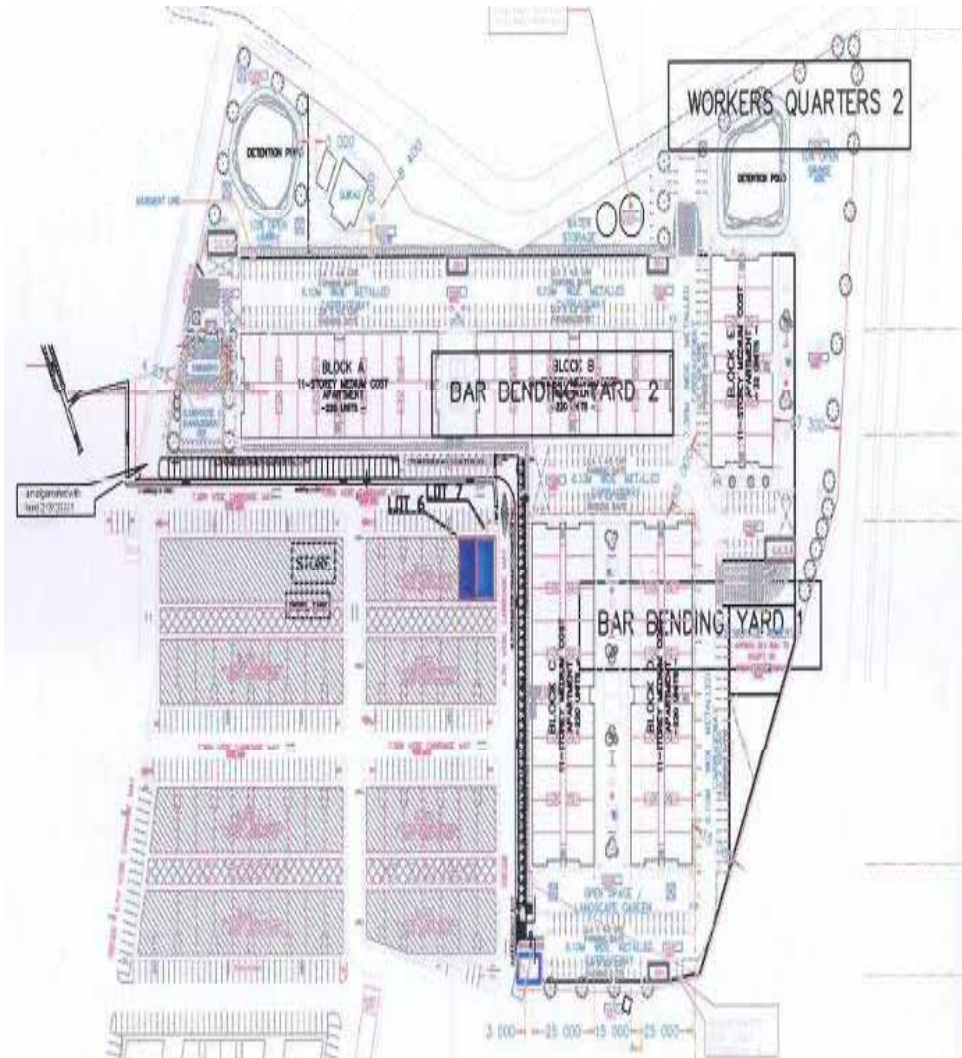
PROJECT TYPE : Putatan Platinum Apartment, Putatan District, Kota Kinabalu, Sabah
: 3 bedrooms and 2 bathrooms Apartment

AREA : 850 sqft
PRICE FROM : RM158,080



PROJECT TYPE : Putatan Platinum Apartment, Putatan District, Kota Kinabalu, Sabah
: 3 bedrooms and 2 bathrooms Apartment

**100%
SOLD**



PROJECT STUDY

TAMAN KULIM UTAMA KULIM

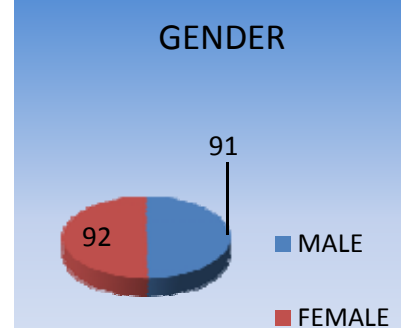
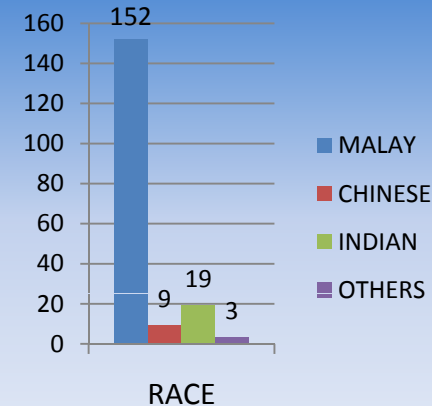
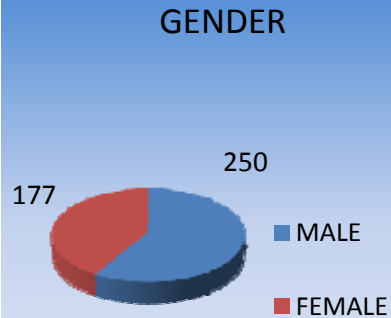
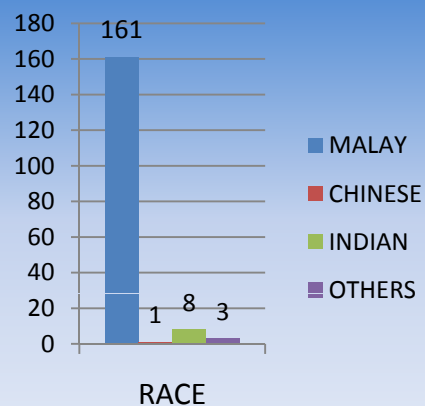


PROJECT TYPE : Taman Kulim Utama, Kulim Industrial Park, Kulim, Kedah
: 3/4 bedrooms and 2/3 bathrooms Houses

TYPE : Single Storey Medium Cost
SIZE : 20' x 70'
PRICE FROM : RM143,673



TYPE : Double Storey Medium Cost
SIZE : 22' x 70'
PRICE FROM : RM195,000



PROJECT : Taman Kulim Utama, Kulim Industrial Park, Kulim, Kedah
TYPE : 3/4 bedrooms and 2/3 bathrooms Houses

**84%
SOLD**



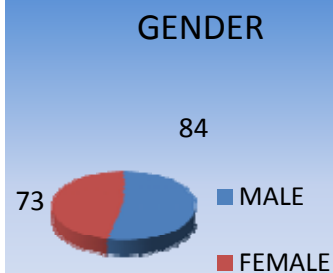
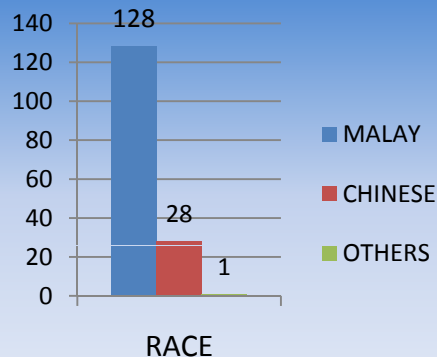
PROJECT STUDY

TAMAN PERISAI WIRA KUALA KRAI



PROJECT : Taman Perisai Wira, Kuala Krai, Kelantan
TYPE : 3/4 bedrooms and 2/3 bathrooms Houses

TYPE : Single Storey Terrace House
SIZE : 22' x 70'
PRICE FROM : RM82,935

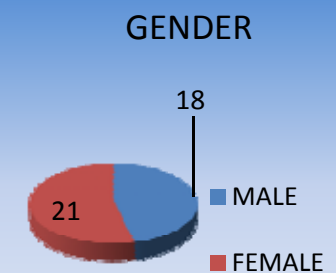
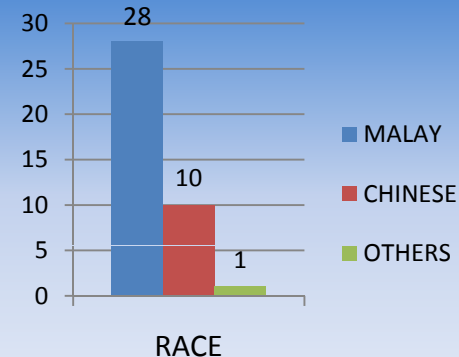


TYPE : Double Storey Terrace House
SIZE : 24' x 70'
PRICE FROM : RM138,224



Ground Floor Plan

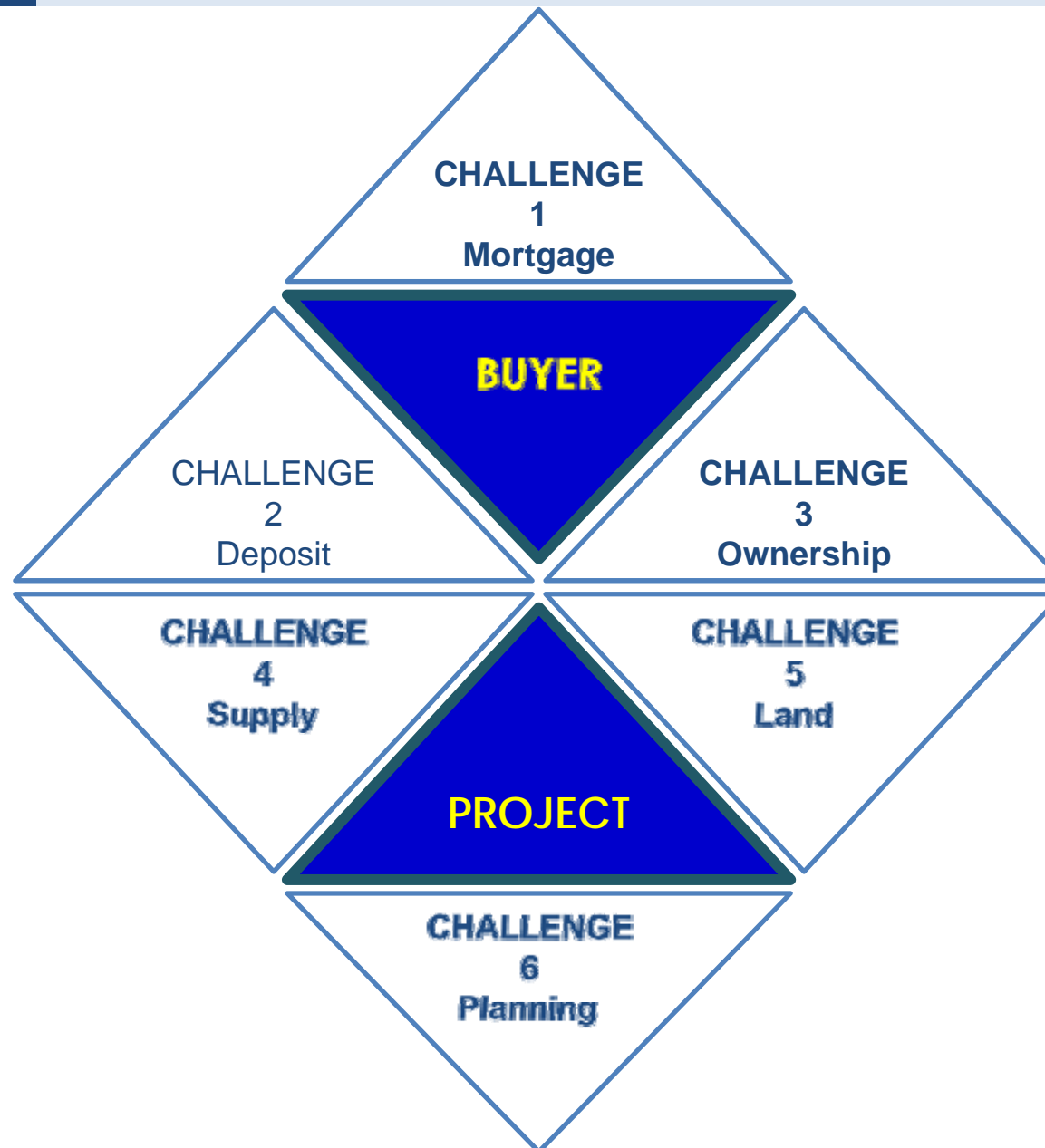
First Floor Plan



89%
SOLD

PROJECT TYPE : Taman Perisai Wira, Kuala Krai, Kelantan
: 3/4 bedrooms and 2/3 bathrooms Houses



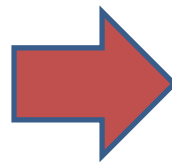


- Impact of Bank Negara OPR = increase of loan rates
- Protect buyer from fluctuation risk of interest rate
- Responsible financing



Affordable housing

$$\text{Mortgage Expenses} < \left[\frac{1}{3} \text{ Household Income} \right]$$



BNM (FEBRUARY 2012)
RESPONSIBLE FINANCING

Before offering a mortgage to potential buyer, banks and financial institutions shall consider **all debt repayments and nett income after statutory deductions (i.e. Tax, EPF and SOCSO)**

IMPACT – MORTGAGE IS FAR LESSER THAN BEFORE IF REPAYMENT BASED UPON NETT INCOME

- Struggling to save money for deposit (on top of EPF)
- New buyer spend an additional RM26,000 in the first year of purchase on top of deposit and mortgage
- Widening income disparities VS My First Home Scheme

My First Home scheme calculation

Young adult with RM3,000 monthly salary buying a RM220,000 house with a 30-year loan

• Gross income	RM3,000
• EPF	- RM330
• SOCSO	- RM5
• Income tax	- RM51
• Net income	RM2,614
• Housing loan	- RM1,200
• Car loan	- RM500
• Education loan (PTPTN)	- RM108
Amount left for other expenses and savings	RM806

For a house valued at RM300,000

• Net income	RM2,614
• Housing loan	- RM1,600
• Car loan	- RM500
• Education loan (PTPTN)	- RM108
Amount left for other expenses and savings	RM406

Azlan Zamhari / Malaysiakini

VS

Widening Income Disparities in Malaysia



- Hybrid approach through affordable mortgage + rentable rate in the form of a shared equity scheme
- PR1MA offer affordable homes with 10 years moratorium
- Target eligible and genuine buyers

Target Population Segment

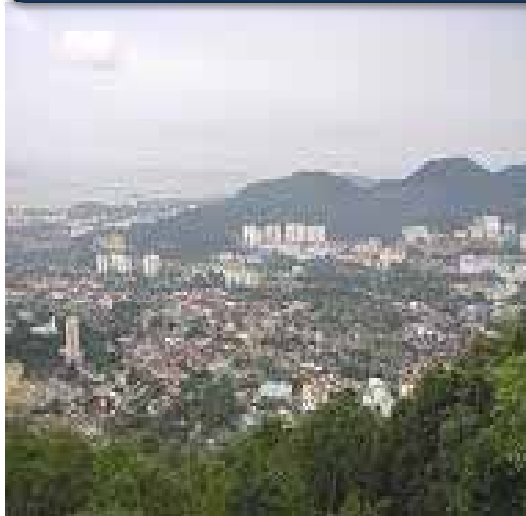


- **Knowledge workers**, e.g. engineers, IT software developers, entrepreneurs
- **Young professionals**, e.g. doctors, lawyers
- **Recently married** families
- **Double Income**, with both husband and wife working on full-time jobs
- Joint household income of **RM 3,000** per month
- 40% of Malaysia population belongs to this category, i.e. households

- Supply side incentives and tax incentives for construction
- Committed developer to build affordable homes i.e. 30 years is proposed to receive 10 years stream of credits to set income tax payable which can be sold to capitalise benefits

TYPE	PPRT	RUMAH MAMPU MILIK	MY FIRST HOME	PERUMAHAN 1 MALAYSIA	OTHERS
PRICE RANGE	BELOW RM 50K	RM 50K – RM 220K	RM 100K – RM 220K	BELOW RM 400K	RM 300K & ABOVE
AGENCY	JPN	SPNB	ALL DEVELOPER	PR1MA	PRIVATE DEVELOPER
TARGET INCOME	BELOW RM 1,000	BELOW RM 3,000	BELOW RM 3,500	BELOW RM 6,000	ANY RANGE

- Trend of speculative land investor buying plots with no planning permission for future gain then increase house price
- Shortage of land for residential development
- Brownfield / industrial land

KLANG VALLEY LAND

- Land Scarcity due to natural geographic constraint
- Density impact in planning

- Planning permission can increase the value of the land and this value can be 'taxed' to provide for public benefits
- Change of goal post when applying for CF
- Improper planning requirements

LOCATION LOCATON LOCATION



- Houses are supplied at unattractive (but cheaper) location due to improper planning requirements, e.g. location with insufficient public transportation, poor amenities and lack of roads and other necessary infrastructure

Government

- Government partnership to encourage private sector

Hybrid Framework

- Hybrid framework for agencies and companies to work together to provide affordable housing including empowerment

Flexible Ownership

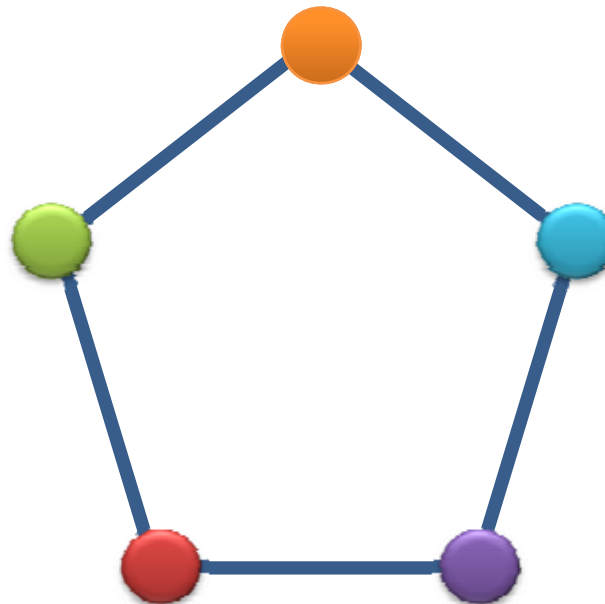
- Flexibility on size, format and structure of ownership through flexible mortgage and shared ownership scheme as options due to potential rising incomes

Incentives

- Combination of incentives, subsidies and contributions by beneficiaries where they can typically contribute 20%-40% of monthly income

Planning

- Zoning strategy for affordable housing in the city centre by making available public lands or by attaching mandates to planning permits for new development



CONCLUSION

BENEFITS





Q & A