

OPENING KEYNOTE ADDRESS

by

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Minister of Urban Wellbeing, Housing and Local Government,

ASLI's 20th National Housing & Property Summit 2017

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The State of the Housing & Property Industry – Where Do We Go from Here?"

A very good morning and Salam Sejahtera

Tan Sri Jeffrey Cheah AO

Chairman, ASLI and Sunway Group

Tan Sri Michael Yeoh

CEO, ASLI

Excellencies,

Distinguished guests and speakers,

Ladies and gentlemen,

I am delighted to be here this morning to deliver the Keynote Address at the **20th National Housing & Property Summit 2017**, an event that brings together eminent industry leaders, policymakers and delegates from across multiple sectors. I would like to take this opportunity to thank the organisers for inviting me to share some thoughts on the industry and its future.

In Malaysia, the provision of housing is undertaken by both the public and private sectors. While the private sector focuses more on market demand, the Government concerns itself with providing adequate, affordable and quality housing for all, particularly the low-income group or the B40.

The core housing program for my Ministry is the **Public Low-Cost Housing or commonly known as PPR**. Financed by the Federal Government, as at 30th June 2017 a total of 184 PPR projects have been planned where 118 of these projects have been completed providing 83,380 houses for the B40 income group. The average cost of building each unit ranges between **RM130,000 to RM180,000** which means the Federal Government have spent **more than RM12 billion** to provide houses for the rakyat. While some of the PPR units are rented out, our Prime Minister YAB Dato Sri Najib Tun Razak have recently approved the **Rent-to-Own** scheme where the tenants have the option to buy the rented unit at the price of **RM35,000** for PPR in Semenanjung Malaysia and **RM42,000** for PPR in Sabah and Sarawak. The idea to sell these units is part of my Ministry's effort to assist the B40 income group to have their own houses. Bear in mind that not only these PPR units are being sold at a price

much lower than the market values of equivalent properties, but for every unit sold the Federal Government provides a subsidy of more than **RM120,000** per unit to the buyers. Rent-to-Own schemes have yet to be adopted at all PPR projects but for those renting, the rental charge is merely RM124 per month, which again is so much lower than the average market cost and this is another of Government assistance to the rakyat, particularly those in the B40 income group.

Ladies and Gentlemen,

Population in the urban continues to expand and we have a larger group of younger people who chose to live here mainly due to socio-economic reasons. The recent poll on Budget 2018 by our Prime Minister YAB Dato Sri Najib Tun Razak highlighted that housing continues to be a main concern among rakyat, particularly those living in urban areas. In view of this, my Ministry recently introduced the **Youth Transit Home** scheme where studio units will be built to be rented out to youths living in urban areas. These units will be rented out for a maximum of 5 years to young couples and the beneficial part of this scheme is that these tenants will be paying a rental cost of about **20% to 30% lower** than the average market rate for rented properties in urban areas. On top of that benefit, a portion of their rental will be returned to them at the end of their tenancy agreement as part of the Government's effort in assisting them to save money to buy their future dream houses. One of the Youth Transit Home project was recently launched by the Prime Minister and located at Kepong.

The Government not only build houses for the rakyat but also assist them to build their own houses under the **Housing Loan Scheme or SPP** where up to RM60,000 loan is provided for low-income groups to build houses on their own lands. According to

our records since 1979 **6,122** people have benefited from this program at a total assistance of **188.5 million**.

Ladies and Gentlemen,

While PPR is provided for the B40 income group, the Federal Government also provides assistance to the M40 income group to own their first houses. Currently there are two schemes catered to this group namely the **MyHome** and **MyDeposit** programs. MyHome is a partnership program with private housing developers to build more affordable houses for first time buyers that provides subsidy of up to **RM30,000** to each eligible buyer and so far the Government had spent **RM127 million** to provide subsidy under this program.

MyDeposit was the latest initiative provided by our Prime Minister YAB Dato Sri Najib Tun Razak under Budget 2017 where the Government provides assistance of 10% or a maximum of RM30,000 to assist first time buyers in buying their dream houses. As at 30 June 2016 a total of **1,451 rakyat**s benefited from this program amounting to **RM39.2 million** being paid out. Another housing program funded by the Government in the housing industry is the revival of abandoned projects. A total of **RM219 million** was spent on 32 abandoned projects across Malaysia since 2011.

Ladies and Gentlemen,

Under these 5 programs, the Government through my Ministry has spent nearly **RM13 billion** in order to assist rakyat in owning houses and resolving the housing issues particularly in the urban areas. Combined with other housing incentives by other Government agencies such as Integrated Public Low-Cost Housing (PLCH), housing facilities for land settlers such as by FELDA & FELCRA, housing facilities by economic

