

Hopeful for the future

IN the past week, our country has witnessed a historic change of Government. In my 58 years of being involved in the housing industry, initially as an architect for the then Kuala Lumpur Municipality (today's City Hall), and later as a developer for the past 50 years, I am the most optimistic today, with this new government, for real change to happen for the benefit of the *rakyat*.

Once the dust of election has settled, I hope the newly formed government can quickly focus on some important issues like feeding the nation, which will benefit our *rakyat* and the country in the long run.

To achieve the vision, here is my wish list for the housing sector, going forward:

1. Government to drive affordable housing

While each of us plays a part in developing the nation, our Government remains the main driving force when it comes to providing affordable homes, just like what we see in Hong Kong and Singapore.

I have often wondered why the Government doesn't drive affordable housing and I was enlightened when a friend told me last year, "The reason is that there isn't any 'money' involved in affordable housing." Given the new government's promise of a cleaner government, I believe that the time is right.

The Government is in the best position to do so as it holds all the important elements – the land, the approval rights and the expertise. The various government organisations should pool their resources together to build more affordable homes for the *rakyat*.

The key factor to affordable housing is available land. With ample land resources, the Government can free up land in appropriate locations, convert agriculture land to residential land, or purchase land to expedite the supply of affordable housing.

2. Continue to invest in public transport and infrastructure

A great city is a city where people can live safely and move around conveniently. Public transportation is an important element in gearing our cities to achieve world-class standard.

Offering an efficient public transportation system to high density areas is crucial as it encourages people to change their travelling mode. Hopefully, with the new government's intention to deliver such public infrastructure works at more affordable prices, such projects can be scaled in a quicker fashion with the same available budget.

The mass rapid transit project is a good initiative that helps accommodate the growing population and facilitate the development in the Klang Valley. The Government should continue to expand our public transportation infrastructure and increase its usage in order for our cities to meet world-class standard.

Once our public transportation system becomes more comprehensive, efficient and affordable, people can opt to stay further away from major cities, and still enjoy quality life without owning a car.

3. Review cooling off measures

We have been dealing with the high household debt issue for years, and there were cooling off measures imposed on the housing industry.

It is timely to review the effectiveness of these measures, to ensure they do not create a downward spiral in the economy by choking off genuine demand and supply in the market.

On the other hand, the easy access to car, credit card and personal loan facilities tend to encourage people to spend excessively without looking at their current financial situation.

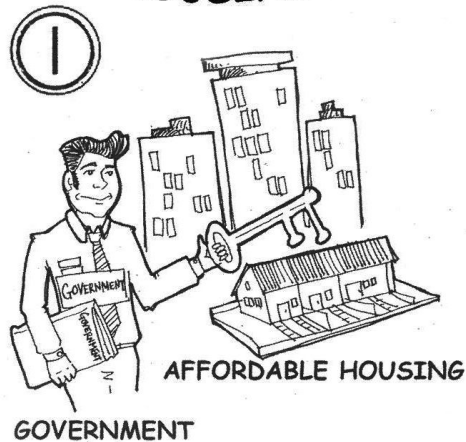
In view of this, the Government should

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HOUSING WISH LIST



consider cooling off measures on car loans and credit card debts as these debts are non-asset-backed, as compared to housing loan that has underlying assets that is likely to appreciate over long term.

The new government should encourage the *rakyat* to borrow for deserving reasons, and to purchase asset instead of liability.

4. Develop a high income nation

There have been concerns on high living costs and house prices in the country which has led to various measures being put in place but have yet to reap significant results.

One of the contributors to high living costs is the rising costs around the world that have pushed up the cost of housing materials despite our efforts to contain it.

The Malaysian Institute of Economic Research recently, however, opined that it is not the cost of living that is too high; rather it is the nominal income of Malaysians that is too low.

Many a time, low income, coupled with high financial commitments such as car and personal loans, are the major reasons why the common people are unable to afford a home.

Therefore, it is crucial for our new government to escalate its effort in improving our household income and reduce the household debts at the same time. The Government should encourage more economic activities and investment, create more value-added jobs and equip people with education and skills. These are among the measures to move the *rakyat* towards a high income nation.

5. Accelerate housing approval process

To encourage more supply in the housing market, especially affordable homes, we need greater transparency in the housing approval process. In line with the new government's directives, we need to eliminate corruption where it exists.

The relevant authorities need to streamline the delivery system, lessen bureaucracy and improve efficiency to speed up the approval process, which will eventually lower overall development costs.

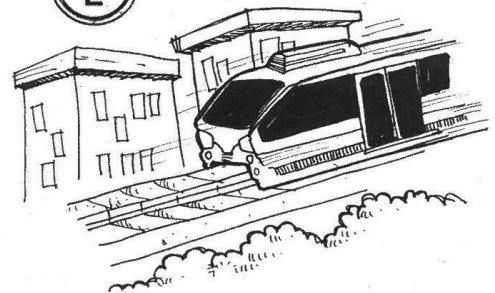
To further increase the supply of affordable housing, the Government should conduct a study to accelerate the approval process by reducing the number of steps and time involved (sometimes two to three years). It should also remove the burden of utility infrastructure costs on developments that ought to be borne by the privatised utility companies running the business.

From my knowledge, the Kuala Lumpur City Hall has led the way in improving the approval process by committing to the processing period stated in their client charter. Other authorities should follow the City Hall's steps in doing the same.

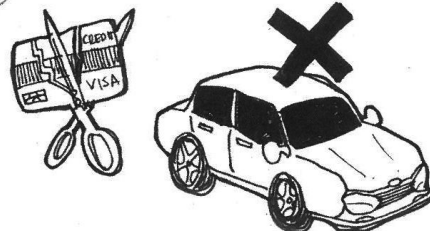
Once again, I congratulate the new government on their mandate to lead the nation for the next five years, and I am optimistic that real change will finally happen to help the *rakyat*.

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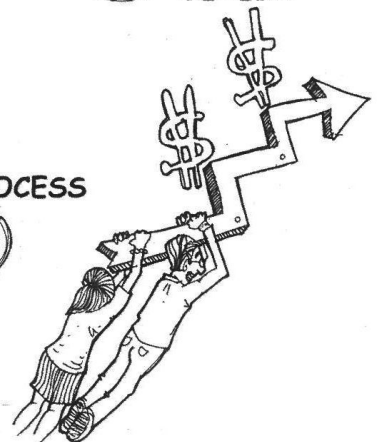
2 PUBLIC TRANSPORT



3 REVIEW COOLING OFF MEASURES



4 INCREASE INCOME LEVELS



5 SPEED UP APPROVAL PROCESS

