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KUALA LUMPUR: There has been poor response to 4,516 housing units under the My First Home scheme in the country.

The units were completed by Syarikat Perumahan Negara Bhd (SPNB) and were priced within the RM100,000 to RM220,000 range.

The scheme, launched by Prime Minister Datuk Seri Najib Tun Razak in March, is opened to private sector employees aged between 18-years-old and 35-years-old, drawing a monthly salary of not more than RM3,000.

Potential buyers can get 100% financing and a repayment period of up to 30 years.

According to SPNB chairman Datuk Idris Haron, the company has completed 11,400 low and medium cost houses valued at RM1.1bil which remained unsold.

"Of these, 4,516 housing units in 12 development projects can be categorised under the My First Home scheme.

"The response has not been encouraging,

No takers for 4,516 houses under scheme

The My First Home units are priced from RM100,000 each

perhaps due to the lack of publicity.

"We need to step up our marketing efforts," Idris said at the opening of the new SPNB headquarters in Wisma Perkeso, Jalan Tun Razak yesterday.

SPNB signed MoUs with and 19 banks, witnessed by Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah, for the scheme.

Ahmad Husni said as of April 30, 772 applications had been received for the My First Home Scheme.

"A total of 143 applications have been approved, amounting to RM21.3mil in housing loans. The average loan is RM149,365," he said.

Idris said 8,991 housing units, which fell under the My First Home scheme, were being built in 16 development projects in Selangor, Kedah, Johor, Kelantan, Sabah and Sarawak.

"For future developments in the Klang Valley, we are also in talks with landowners in

Puchong, Putrajaya, Cyberjaya, Damansara, Rawang, Klang and Shah Alam," said Idris.

He pointed out that it was not realistic to build homes under the scheme in prime areas in the Klang Valley due to high land values.

"We work with private land owners. However, in areas that we have built homes, such as Laguna Biru apartments in Sungai Buloh, have good potential to become prime locations in five or 10 years."

Set higher salary limit for properties in the major urban centres

PETALING JAYA: There should be a higher limit on monthly income and property prices under the Government's My First Home scheme in the Klang Valley and major urban areas like Johor Baru and Penang.

Property consultancy Rahim & Co executive chairman Datuk Abdul Rahim Rahman said it was not realistic to have the same limit on monthly income and property prices under the scheme across the country.

"While more research is needed, I think that it is justifiable to raise the monthly income limit to RM5,000 and property price to

RM350,000 in major urban areas," said Abdul Rahim in an interview.

Abdul Rahim said the current scheme was feasible in Kelantan, Terengganu, parts of Kedah and Johor, and remote areas in Selangor. "However, the scheme should reflect the higher land values, living costs and incomes in the Klang Valley."

Real Estate and Housing Developers' Association president Datuk Michael Yam also shared Abdul Rahim's opinion.

"The minimum value of RM100,000 for the My First Home scheme should be set aside so

that those who are not entitled to RM42,000 low-cost homes can also have opportunities to own a housing unit," said Yam.

It had been reported that the Government was looking at providing land for private property developers to build affordable housing for those who qualified under the scheme.

"There are also issues such as land matters that come under the state's jurisdiction.

"If private property developers are charged market value for the land, this scheme is not going to be feasible - especially in the Klang

Valley," said Abdul Rahim.

Yam pointed out that land generally constituted 20% of the total gross development cost of stratified properties.

"The bulk of the cost - 60% to 70% - goes into construction, professional fees, utility contributions, interest cost and cross subsidies.

"The challenge that the Government and developers will face is to find the right location, building type and costing to make this work for the scheme despite the land being free," said Yam.