

Focus on high housing interest rates and unsold units, govt told

KUALA LUMPUR: The government has been urged to give priority to solving the issue of high housing loan interest rates as well as the problem of unsold houses under Budget 2023, which will be tabled on Oct 7.

Universiti Putra Malaysia Faculty of Human Ecology lecturer Prof Dr Ahmad Hariza Hashim said interest rates charged at present to borrowers, especially the B40 group, is seen to be very high.

He said even houses sold under the People's Housing Programme are

expensive and beyond the means of the group.

"Therefore, it is necessary for financial assistance, a reduction in loan interest rates or interest-free loans to be introduced for this group so that it will be easier for them to own homes."

On the issue of overhang, he suggested that the government expand the rent-to-own financing scheme for unsold residential units in next year's Budget through financial assistance or loans with lower

interest rates to individuals interested in buying them.

Lawyer Datuk Nazri Mustafa from Messrs Nazri Azmi Islinda said the government, especially the Housing and Local Government Ministry, should control the price of houses and building materials.

He said the ministry should make its own assessment of a housing project by ensuring that a developer's selling price of houses is in accordance with market rates, before giving approval to the developer.

"Otherwise, the developer will inflate the property price and then offer a rebate to attract buyers."

Nazri said the ministry needs to limit the approval of housing projects to reduce "oversupply", thus reducing the overhang of unsold housing units in the country, Bernama reported.

Max Capital Management Holdings Ltd Group chief executive officer Max Shangkar said the government should focus on providing houses for people who do not own homes and are still renting.

"This can be achieved by working together with landowners or developers to build more quality affordable houses in suitable locations, and even with the existing Budget, the government can make the process easier for citizens to buy or rent houses."

He also urged the government, especially the Housing and Local Government Ministry, to take advantage of existing initiatives to improve the quality of housing in the country through Budget 2023.