

FORMULATING LEGAL FRAMEWORK TOWARDS
ACHIEVING SUSTAINABILITY OF AFFORDABLE
HOUSING PROGRAMME IN MALAYSIA

BY

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INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

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ABSTRACT

Providing affordable housing is a significant challenge in Malaysia, especially for the middle-income group (M40), who do not qualify for low-cost housing and struggle to afford market-priced homes. Five structural problems have been identified: inadequate supply of affordable housing, lack of access for the M40 group, inconsistent concepts and policies across federal and state jurisdictions, and over-regulation of the housing development process.

This study aims to formulate a legal framework towards achieving the sustainability of the affordable housing programme for the middle-income group in Malaysia. Three research objectives are first, to analyse the concept of affordable housing in ensuring the accessibility of the programme by the middle-income group; second, to study the legal framework on the affordable housing programme in guaranteeing housing ownership for the middle-income group; and third, to formulate and recommend improvements to the legal framework towards achieving the sustainability of the affordable housing programme for middle-income groups in Malaysia.

This study uses a qualitative approach, blending traditional legal research with methods such as interviews and focus group discussions with relevant stakeholders. It conducts a PESTEL analysis (assessing Political, Economic, Social, Technological, Environmental, and Legal factors) across three regions: Malaysia, Victoria (Australia), and Singapore. To further validate the methodology, a case study of *Residensi PR1MA Alam Damai* in Cheras, Selangor is included, highlighting how the PESTEL framework works in practice.

The research yields four primary discoveries. First, Malaysia lacks a standardised statutory definition of affordable housing; the study proposes a six-element definition integrating financial sustainability, human rights, community infrastructure, distributive social justice, and the *Maqāṣid al-Sharīʿah*. Second, the existing legal framework is fragmented across multiple unharmonised statutes, including the Housing Development (Control and Licensing) Act 1966, the National Land Code (Act 828), and the *Perumahan Rakyat 1Malaysia Act 2012*, with no dedicated legislation for the affordable housing programme. Insights from Victoria and Singapore reveal that comprehensive statutory frameworks significantly enhance programme sustainability. Third, the *PR1MA Alam Damai* case study validates that good administrative practice cannot substitute for legislative infrastructure, as programme sustainability remains dependent on political will. Fourth, the study proposes an enhanced legal framework structured around seven pillars, operationalised through a draft outline of a proposed National Affordable Housing (Framework) Act aligned with the *Dasar Perumahan Negara 2018–2025* and the *Dasar Perumahan Mampu Milik Negara 2019*.

The proposed framework adapts best practices from Victoria, Australia and Singapore, while respecting three limitations: Malaysia's federal constitutional structure, the Islamic jurisprudential dimension, and the socio-economic context. The integration of the *Maqāṣid al-Sharīʿah* and waqf-housing partnership provisions represents original contributions with no direct foreign precedent. The study recommends legal reforms, strengthened intergovernmental coordination, enhanced financing mechanisms including waqf-housing partnerships and the legislative consolidation of existing policy efforts into a sustainable, unified framework. It further emphasises the need to improve urban planning to enhance affordability and accessibility, offering valuable guidance for policymakers, legal practitioners, and urban planners to ensure programme continuity across political cycles.

ملخص البحث

يُعدّ توفير الإسكان الميسور التكلفة تحدياً كبيراً في ماليزيا، لا سيما بالنسبة لفئة متوسطي الدخل (M40)، الذين لا يستوفون شروط الحصول على الإسكان منخفض التكلفة ويجدون صعوبة في تحمّل أسعار المساكن في السوق. وقد تم تحديد خمس مشكلات هيكلية، تتمثل في: عدم كفاية المعروض من الإسكان الميسور، وضعف إمكانية وصول فئة M40 إليه، وعدم اتساق المفاهيم والسياسات بين السلطات الاتحادية والولائية، والإفراط في تنظيم عملية تطوير الإسكان.

تهدف هذه الدراسة إلى صياغة إطار قانوني لتحقيق استدامة برنامج الإسكان الميسور لفئة متوسطي الدخل في ماليزيا. وتتمثل أهداف البحث في ثلاثة محاور: أولاً، تحليل مفهوم الإسكان الميسور لضمان إمكانية استفادة فئة متوسطي الدخل من البرنامج؛ ثانياً، دراسة الإطار القانوني لبرنامج الإسكان الميسور لضمان تمكين هذه الفئة من تملك المساكن؛ وثالثاً، صياغة توصيات لتحسين الإطار القانوني بما يحقق استدامة البرنامج لهذه الفئة.

تعتمد هذه الدراسة منهجاً نوعياً يجمع بين البحث القانوني التقليدي وأساليب أخرى مثل المقابلات ومجموعات النقاش المركزة مع أصحاب المصلحة المعنيين. كما تتضمن تحليلاً وفق إطار PESTEL (العوامل السياسية والاقتصادية والاجتماعية والتكنولوجية والبيئية والقانونية) عبر ثلاث مناطق: ماليزيا، وفيكتوريا (أستراليا)، وسنغافورة. ولتعزيز موثوقية المنهجية، تتضمن الدراسة أيضاً دراسة حالة لمشروع Residensi PR1MA Alam Damai في تشيراس، سيلانغور، توضح كيفية تطبيق إطار PESTEL عملياً.

وقد أسفرت الدراسة عن أربع نتائج رئيسية. أولاً، تفتقر ماليزيا إلى تعريف قانوني موحد للإسكان الميسور؛ وتقتصر الدراسة تعريفياً يتضمن ستة عناصر تجمع بين الاستدامة المالية، وحقوق الإنسان، والبنية التحتية المجتمعية، والعدالة الاجتماعية التوزيعية، ومقاصد الشريعة. ثانياً، يتسم الإطار القانوني الحالي بالتجزؤ عبر عدة تشريعات غير منسقة، بما في ذلك قانون تطوير الإسكان (الرقابة والترخيص) لعام 1966، وقانون الأراضي الوطني، وقانون Perumahan Rakyat Malaysia لعام 2012، دون وجود تشريع مخصص لبرنامج الإسكان الميسور. وتُظهر الخبرات المستفادة من فيكتوريا وسنغافورة أن الأطر التشريعية الشاملة تسهم بشكل كبير في تعزيز استدامة البرامج. ثالثاً، تؤكد دراسة حالة PR1MA Alam Damai أن الممارسات الإدارية الجيدة لا يمكن أن تحل محل البنية التشريعية، حيث تظل استدامة البرنامج رهناً بالإرادة السياسية. رابعاً، تقترح الدراسة إطاراً قانونياً محسناً قائماً على سبعة محاور، يتم تفعيله من خلال مسودة قانون وطني مقترح للإسكان الميسور، متوافق مع السياسات الوطنية للإسكان للفترة 2018-2025 وسياسة الإسكان الميسور لعام 2019.

يقترح هذا الإطار تكييف أفضل الممارسات المطبقة في ولاية فيكتوريا بأستراليا وسنغافورة، مع مراعاة ثلاثة قيود رئيسية هي: البنية الدستورية الاتحادية في ماليزيا، والبعد المتعلق بالفقه الإسلامي، والسياق الاجتماعي-الاقتصادي. وتمثل عملية دمج مقاصد الشريعة وأحكام الشراكات السكنية الوقفية إسهامات أصيلة لا نظير لها في النماذج الأجنبية المباشرة. وبوصي البحث بإصلاحات قانونية، وتعزيز التنسيق بين مستويات الحكومة، وتحسين آليات التمويل بما في ذلك شراكات الإسكان الوقفي، إلى جانب توحيد الجهود والسياسات القائمة تشريعياً ضمن إطار مستدام وموحد. كما يؤكد على ضرورة تطوير التخطيط العمراني من أجل تعزيز القدرة على تحمّل كلفة السكن وتوسيع نطاق الوصول إليه، بما يوفر إرشادات قيمة لصانعي السياسات والممارسين القانونيين والمخططين الحضريين لضمان استمرارية البرامج عبر الدورات السياسية المختلفة.

APPROVAL PAGE

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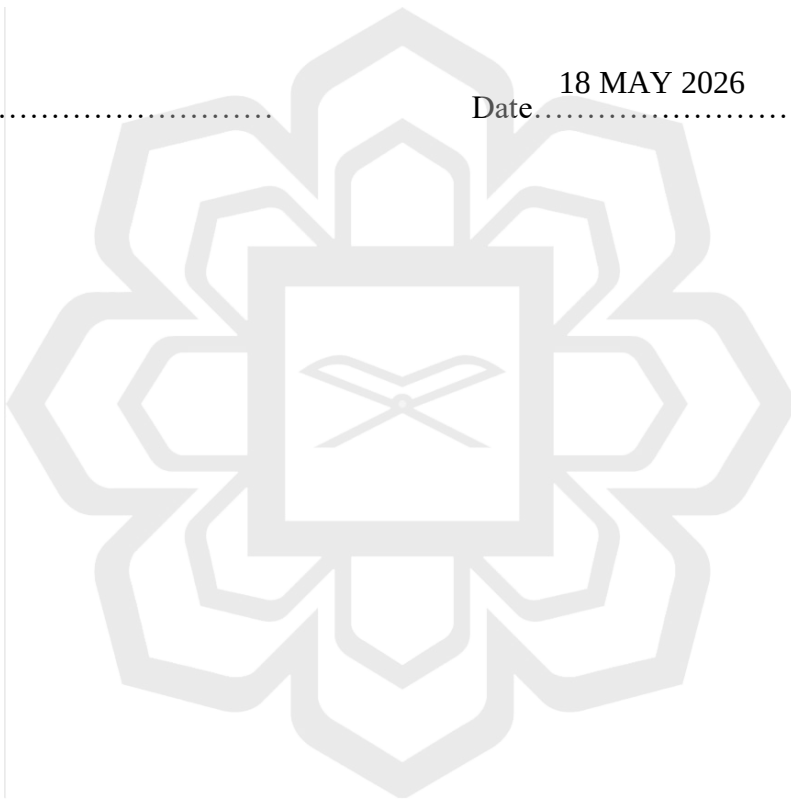
DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

Norlaili binti Mat Isa

Signature.....

Date..... 18 MAY 2026



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3. Housing Development (Control and Licensing) Act 1966 (HDA)
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6. Town and Country Planning Act 1976 (TCPA)
7. Perumahan Rakyat 1Malaysia Act 2012 (Act 739)
8. Land Acquisition Act 1960 (Section 40D)
9. Strata Management Act 2013
10. Environmental Quality Act 1974

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11. Universal Declaration of Human Rights (UDHR) 1948 (Article 17, Article 25)
12. International Covenant on Economic, Social and Cultural Rights (ICESCR) 1976 (Article 11)
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17. Residential Tenancies Act 1997
18. Building Act 1993
19. Domestic Building Contracts Act 1995
20. Building and Construction Industry Security of Payment Act 2002
21. Building (Interim) Regulations 2005
22. Fair Trading Act 1999
23. Trade Practices Act 1974
24. Melbourne's Metropolitan Plan 2030
25. Building Code of Australia
26. Local Building Laws

Singapore Legislation:

27. Land Acquisition Act 1966
28. Housing and Development Act 1960
29. Transboundary Haze Pollution Act 2014
30. Concept Plan of 1971 & Land Use Master Plans
31. Development Control Guidelines
32. Parks and Trees Act 2005

LIST OF ACRONYMS

DRMM	Dasar Perumahan Mampu Milik (National Affordable Housing Policy)
NHP	National Housing Policy
MHLG	Ministry of Housing and Local Government
PR1MA	Perumahan Rakyat 1Malaysia (1Malaysia People's Housing Programme)
PPR	Programme Perumahan Rakyat (People's Housing Programme)
B40	Bottom 40% Income Group
M40	Middle 40% Income Group
DPMMN	Dasar Perumahan Mampu Milik Negara (National Affordable Housing Policy)
RUMAWIP	Rumah Mampu Milik Wilayah Persekutuan (Federal Territories Affordable Housing Scheme)
SPNB	Suruhanjaya Perumahan Nasional Berhad (National Housing Corporation)
PPAM	Perumahan Penjawat Awam Malaysia (Malaysia Public Servants Housing Programme)
JPN	Jabatan Perumahan Negara (National Housing Department)
KPKT	Kementerian Perumahan dan Kerajaan Tempatan (Ministry of Housing and Local Government)
MyHome	Government Housing Assistance Programme
RMM	Rumah Mampu Milik (Affordable Housing)
RKJ	Rumah Komuniti Johor (Johor Community Housing)
RMM	Rumah Mampu Milik Sarawak (Sarawak Affordable Housing)
Sarawak	
PPA1M	Perumahan Penjawat Awam 1Malaysia (1Malaysia Civil Servants Housing)
FHOG	First Home Owner Grant
NRAS	National Rental Affordability Scheme
OTP	Off-The-Plan Purchases
HomesVic	HomesVic Shared Equity Scheme
Buy Assist	Community initiative helping low-to-medium income individuals purchase homes
PPP	Public-Private Partnerships
IIUM	International Islamic University Malaysia

CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Housing has historically been fundamental in shaping the trajectory of nations, influencing various industrial, economic, and technological dimensions of development. According to Article 17 (1) of the Universal Declaration of Human Rights, “Everyone has the right to own property alone as well as in association with others”, which underscores the importance of property rights in housing development. The evolution of housing needs has transformed from mere shelter provision to fostering communal living environments. In its 2011 Global Report on Human Settlements, it was emphasised that a house transcends its role as a mere physical structure; it serves as a crucial element of individual and national identity. This highlights the multifaceted significance of housing within societal frameworks, encompassing both functional and symbolic dimensions.

Over the years, Malaysia has pursued housing provision through governmental and private sector initiatives. Despite these efforts, segments of the population remain unable to afford homeownership. In 1991, as part of the nation’s progression towards developed status, Tun Dr. Mahathir Mohamad introduced Vision 2020, which encompassed extensive policies focused on affordable housing. The government’s responsibility is underscored as providing essential shelter, access to healthcare, and fundamental necessities. Vision 2020 emphasised the importance of fostering a robust middle class while creating pathways for the lowest income groups to elevate themselves from relative poverty. As Malaysia pursues its development goals, providing adequate housing and expanding the middle class remain focal points in fulfilling this vision.

With the middle class positioned as a central theme of Vision 2020, the Sixth Prime Minister, Dato’ Seri Najib Abd Razak, further refined the 10th Malaysia Plan to enhance housing strategies, specifically targeting the middle-income demographic. He stated,

“The Government intends to provide an adequate supply of affordable houses especially for the low-income. For this, 78,000 affordable houses will be built during the Plan period. Related laws will also be tightened and enforcement enhanced to ensure the quality of affordable houses built.”

In line with the Sustainable Development Goals launched by the United Nations, the Government has introduced “*Wawasan Kemakmuran Bersama 2030* (Shared Prosperity Vision 2030)”. This initiative emphasises the provision of affordable housing as a crucial element in achieving economic equality and sustainable urban growth. It acknowledges that housing affordability is a significant concern for the B40 and M40 income groups, and advocates for inclusive housing development through government intervention, public-private partnerships, and sustainable financing models.

The policy promotes structured economic reforms to reduce the wealth gap and ensure equitable access to housing for all Malaysians. Moreover, it aligns with SDG 11: Sustainable Cities and Communities, supporting policies integrating affordable housing with urban infrastructure to create a more inclusive and livable environment.

In response, the government has launched various initiatives to increase the availability of affordable housing, improve the living standards of lower-income groups, and promote cost efficiencies through advanced construction methodologies that prioritise predictability and time savings. These strategies are regularly reassessed to ensure the sustainability of housing affordability. However, affordability remains a significant barrier, preventing certain income brackets from accessing suitable housing relative to their financial capabilities.

1.2. STATEMENT OF THE PROBLEM

Since the introduction of the New Economic Policy in the 1970s, the middle class has led both public and private sectors in urban centres. The challenges of homeownership amongst the middle class have become a scorching topic in the housing system, as they are neither eligible for low-cost housing nor can afford the current market price of a house¹. Lack of adequate supply and access, inconsistent concepts, and the need for policies related to affordable housing have been identified as the main issues that challenge housing ownership for the middle-income

¹ Suraya Ismail, Imran Naeemullah Jalil, and Putri Marjan Megat Muzafar, Making Housing Affordable (Kuala Lumpur: Khazanah Research Institute, 2015) The report "Making Housing Affordable" by the Khazanah Research Institute reveals significant trends in Malaysia's housing market. There is a growing gap between rising house prices and household income, making it difficult for families to buy homes. Additionally, there is an imbalance in supply and demand, especially in urban areas. Middle-income households struggle to afford market prices and often receive no government assistance. Current policies focus mainly on demand-side solutions, like subsidies, neglecting supply-side issues. The report calls for a comprehensive housing strategy that addresses both aspects, highlighting the need for better construction processes and planning for affordable housing to improve accessibility for all.

group. The housing price hike has also become a hurdle factor for middle-income people to own a house at the market price.

1.2.1. Lack of Adequate Supply of Affordable Housing

Khazanah Research Institute reported a significant increase in urbanisation since 1970 where there were 182 households for every 1,000 people and 250 households for every 1,000 people by 2020.² Rapid urbanisation since the 1970s, accompanied by rural-urban migration, led to escalating demand for affordable homes in cities.³ Urbanisation in Malaysia has escalated from 26.8 percent in 1970 to 71 percent in 2010, with projections suggesting it will reach 88 percent by 2050. The World Bank estimates that Malaysia's urban population grew by 10 million from 2000 to 2010, equivalent to replicating Kuala Lumpur five times.⁴ This rapid growth poses both opportunities and challenges for sustainable development.

Presently, Malaysia's condition on median house price is 4.4 times higher than household incomes, which indicates a 'seriously unaffordable' housing market according to global standards (at a median house price of 3.0x)⁵.

² Ibid.

³ Salfarina Abdul Gapor, Nor Malina Malek, and Azrina Husin, "Trends, Problems and Needs of Urban Housing in Malaysia," *International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering* 5, no. 2 (2011): 248–252.

⁴ Property Guru, "Exploring Urbanisation And Affordable Homes In Malaysia", *Property Guru*, <<https://www.propertyguru.com.my/property-guides/effects-of-urbanisation-affordable-homes-malaysia-40191>> (accessed 7 March, 2023).

⁵ Su Ling Cheah and Stefanie Joan Almeida, "Demystifying the Affordable Housing Issue in Malaysia", *Bank Negara Malaysia*, (2016a): 90; Saizal Pinjaman, Debbra Toria Nipo, and Sarma Aralas, "Demystifying the Issue of House Affordability in Malaysia: The Bi-Directional Relationship Between House Prices, Economic Growth, and Income Inequality", *International Journal of Academic Research in Economics and Management Sciences*, vol. 12, no. 2 (2023): 642–656. The study explores the relationship between house prices, economic growth, and income inequality from 2000 to 2020. It shows that while economic growth increases house prices, worsening income disparity negatively impacts affordability. Bank Negara Malaysia reports that 76percent of households earn below RM100,000 annually, but most new homes are priced above this level, with states like Sabah, Sarawak, Johor, and Perak deemed severely unaffordable. The research concludes that house prices are linked to economic growth rather than speculation, but highlights the need for policymakers to address income inequality to enhance affordability and stabilize the housing market.

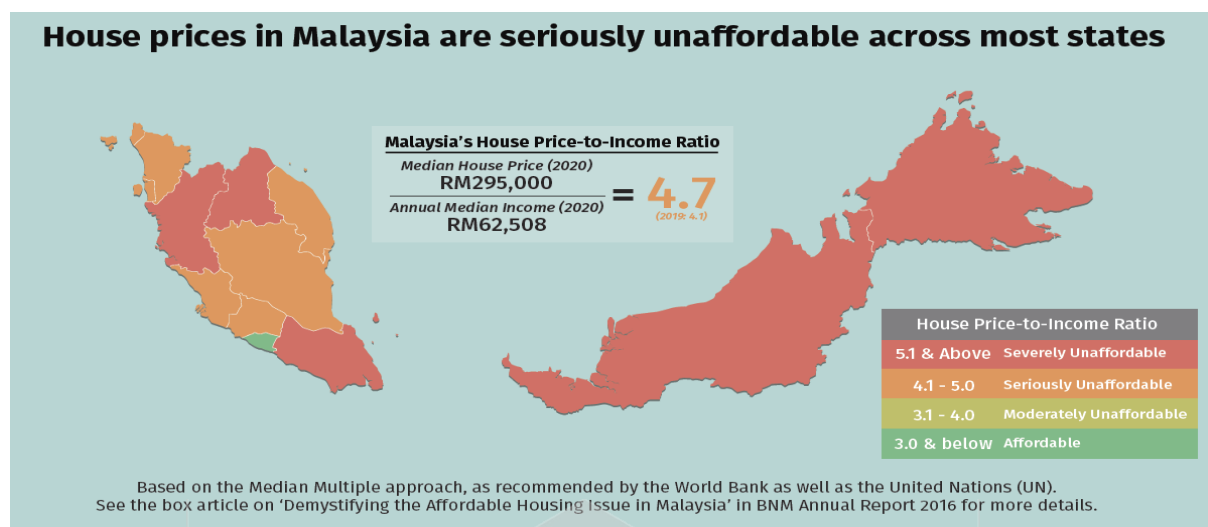


Figure 1.1: House Price in Malaysia 2016.⁶

The above figure shows that 2020 Malaysia's median house price was RM295,000, contrasted with a median annual household income of RM62,508, resulting in a house price-to-income ratio (HPIR) of approximately 4.7. According to international benchmarks, an HPIR exceeding 4.1 is classified as "Seriously Unaffordable," placing Malaysia firmly within this category⁷. The accompanying map illustrates that housing affordability issues persist across most Malaysian states, with many bordering on "Severely Unaffordable" status (HPIR ≥ 5.1). Only a select few regions fall into the "Moderately Unaffordable" range (HPIR between 3.1 and 4.0), while virtually none are categorised as "Affordable" (3.0 and below). In summary, home prices remain elevated compared to incomes nationwide, presenting a significant hurdle for those aspiring to homeownership.

⁶ Bank Negara Malaysia, "Housing (UN) Affordability", BNM.

⁷ Wendell Cox, *Demographia International Housing Affordability* (Sydney: Chapman Institute and Frontier Centre for Public Policy, 2024). The report employs the median price-to-income ratio, or "median multiple," to assess affordability, highlighting that it can vary significantly between markets within the same country, rendering national averages less representative.

DEMOGRAPHIA HOUSING AFFORDABILITY RATINGS	
Housing Affordability Rating	Median Multiple
Affordable	3.0 & Under
Moderately Unaffordable	3.1 to 4.0
Seriously Unaffordable	4.1 to 5.0
Severely Unaffordable	5.1 & 8.9
Impossibly Unaffordable	9.0 & Over
Median multiple: Median house price divided by median household income	

In 2019, the Valuation and Property Services Department of Malaysia (JPPH) reported that 61.7 percent of residential property transactions were for properties priced at RM300,000 or lower, highlighting a strong demand for affordable housing⁸. Recent 2024 report by National Property Information Centre (NAPIC) Report reveals that the national Malaysia House Price Index (MHPI) saw a moderated growth rate of 3.3 percent in 2024, down from 4.1 percent in the previous year. This translates to an increase in the average house price across the country, rising to RM486,678 from RM471,020 in 2023, which means an increase of RM15,658 in just one year⁹. To break it down by housing type and state, Table 1.1 and Figure 1.2 below summarise the annual percentage changes in MHPI for 2023 and 2024:

Table 1.1: Annual Changes of Malaysia House Price Index by Housing Type 2023 vs 2024

Housing Type	2023 (percent)	2024 (percent)
All Houses	4.1	3.3
Terrace	4.6	3.6
High-rise	4.3	2.3
Semi-detached	3.3	4.1
Detached	2.3	2.6

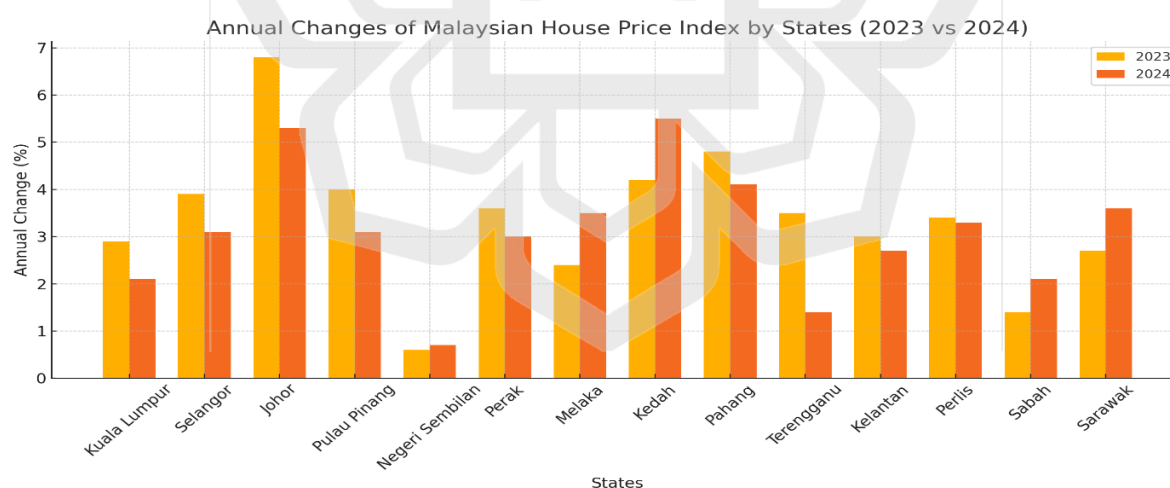


Figure 1.2: Annual Changes of Malaysian House Price Index by States (2023 vs 2024)

⁸ Ahmad Naqib Idris, "JPPH: Malaysian Property Market Saw Marginal Improvement in 2019," *The Edge Markets*, <https://theedgemalaysia.com/article/jpph-malaysian-property-market-saw-marginal-improvement-2019> (accessed 11 March, 2022).

⁹ NAPIC, "Malaysian House Price Index 2024", National Property Information Centre.

Interestingly, the states with the highest growth rates were Johor, at 5.3 percent, and Kedah, at 5.5 percent. Conversely, Kuala Lumpur experienced a slight slowdown, decreasing from 2.9 percent to 2.1 percent. Semi-detached houses particularly stood out, boasting a growth rate of 4.1 percent, which surpassed that of terraced houses, which recorded 3.6 percent.

Rising residential property prices significantly affect housing affordability for middle- and low-income families. While states like Melaka (RM238,109) and Perlis (RM239,872) maintain average prices below RM250,000, challenges persist for homebuyers in Malaysia. Despite a slowing rate of price increase, the demand for policy solutions remains urgent to balance housing supply and demand, improve affordability, and stabilise the market.

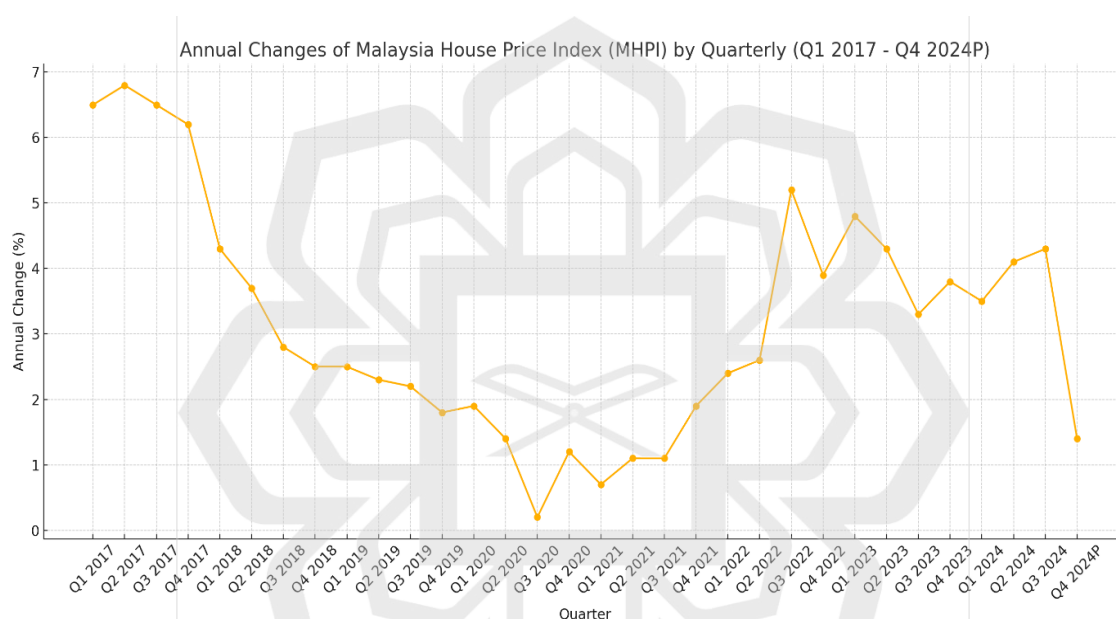


Figure 1.3: Annual Changes of MHPI by Quarter 2017-2024

The above figure of the Malaysia House Price Index (MHPI) from Q1 2017 to Q4 2024 shows a declining and fluctuating trend in housing growth rates. Rates were strong at 6.5 percent to 6.8 percent in early 2017 but fell below 2 percent during 2020-2021, largely due to the economic impact of the COVID-19 pandemic¹⁰. A slight recovery occurred in 2022 and 2023, with growth peaking at 4.3percent in mid-2023, but forecasts indicate a decline to 1.4percent by Q4 2024, reflecting a cooling housing market. These fluctuations highlight ongoing affordability challenges, especially for lower- and middle-income households, as population growth, urban migration, and a rising middle class exacerbate the shortage of affordable

¹⁰ Ibid.

housing. The result is an alarming mismatch between supply and demand, making homeownership increasingly unattainable for many.

1.2.2. Lack of Access to Affordable Housing by The Middle-Class Income Group

Access to affordable housing for middle-income households has become a significant issue in Malaysia. Despite initiatives like the 2011 National Housing Policy (NHP) designed to enhance housing affordability for the middle-income group (M40), an increasing number of middle-class families find themselves unable to purchase homes¹¹. This discussion is bolstered by statistical data and policy evaluations, which indicate that the number of middle-income households lacking homes increased from 3.8 million to 4.5 million within a span of just two years.

HOUSEHOLD INCOME SURVEY 2012							HOUSEHOLD INCOME SURVEY 2014								
	B30%		M60%		T10%			B18%		M68%		T14%			
State	0 - 2.5k		2.5k - 10k		More than 10k		Grand Total	State/District	0-2.5k		PRIMA INCOME BRACKET 2.5k-10k		More than 10k		Grand Total
	Do Not Own	Own	Do Not Own	Own	Do Not Own	Own			Do Not Own	Own	Do Not Own	Own			
Johor	69,503	152,247	122,433	386,791	10,001	45,197	786,171	Johor	21,271	52,401	143,896	514,105	7,963	66,414	806,050
Kedah	33,525	167,441	39,473	193,794	1,413	12,247	447,891	Kedah	26,964	106,249	49,055	251,192	2,851	28,718	465,030
Kelantan	30,986	140,850	23,611	115,648	1,078	10,331	322,503	Kelantan	24,728	122,898	27,349	136,533	944	15,899	328,350
Melaka	9,451	33,020	25,166	101,623	646	11,422	181,326	Melaka	5,590	12,243	25,303	139,661	987	20,977	204,760
Negeri Sembilan	16,970	48,170	34,119	126,608	1,405	12,367	239,638	Negeri Sembilan	11,722	34,946	37,098	139,680	1,480	19,794	244,720
Pahang	36,910	93,129	58,984	153,966	2,905	10,168	356,061	Pahang	23,834	72,733	53,739	153,953	2,357	15,644	322,260
Penang	25,800	64,356	52,802	203,432	1,831	34,646	382,867	Penang	14,387	42,477	57,076	249,462	3,178	46,761	413,340
Perak	53,604	211,438	50,178	235,575	1,644	20,130	572,568	Perak	39,567	141,760	71,733	315,451	2,170	28,179	598,860
Perlis	2,385	25,894	4,532	19,727	450	2,391	55,379	Perlis	1,949	12,895	5,611	30,841	240	3,194	54,730
Sabah	61,341	162,487	77,294	192,290	7,160	25,646	526,217	Sabah	41,195	92,917	96,674	203,040	9,221	31,873	474,920
Sarawak	38,259	174,457	58,264	220,381	4,862	35,976	532,198	Sarawak	28,697	135,226	79,549	285,311	5,474	47,592	581,850
Selangor	65,691	107,909	303,604	595,702	35,979	212,679	1,321,563	Selangor	41,342	42,596	349,589	667,832	47,069	319,581	1,468,009
Terengganu	16,918	74,593	19,847	100,843	2,325	10,820	225,346	Terengganu	8,348	45,548	25,450	132,736	3,302	14,575	229,960
WP KL	24,269	12,207	146,486	113,060	19,037	70,190	385,247	WP KL	7,534	4,668	133,155	141,337	28,170	125,615	440,479
WP Labuan	778	2,331	4,552	7,687	762	1,961	18,070	WP Labuan	1,071	996	4,933	7,730	1,596	2,984	19,310
WP Putrajaya	771	0	22,452	385	6,842	963	31,412	WP Putrajaya	235	0	16,325	610	5,070	2,250	24,490
National Total	487,157	1,470,525	1,043,793	2,767,508	98,340	517,134	6,384,457	National Total	298,433	920,554	1,176,535	3,369,475	122,071	790,051	6,677,119

Figure 1.4: PR1MA Household Income Survey, 2014

¹¹ Amy Soon and Consilz Tan, "An Analysis on Housing Affordability in Malaysian Housing Markets And The Home Buyers' Preference", *International Journal of Housing Markets and Analysis*, vol. 13, no. 3 (2019); Yusfida Ayu Abdullah and et al, "Affordable Housing for the Middle-Income Group in Malaysia", *IOP Conference Series: Earth and Environmental Science*, vol. 685, no. 1 (2021).

A PR1MA survey revealed that the number of middle-income households without homeownership increased from 3.8 million in 2012 to 4.5 million in 2014. This represents a significant rise of approximately 18 percent in just two years, indicating that a growing portion of the M40 group continued to reside in rental accommodation or other forms of non-owner housing, despite the introduction of various housing schemes during that time.

In recent years, the middle-income population has faced increasing difficulties in accessing affordable housing relative to their earnings. The M40 group (commonly referred to as M40, with household incomes roughly ranging from RM4,360 to RM9,619 per month) occupies a socio-economic tier above low-income housing eligibility yet often cannot afford open-market housing prices¹². This “sandwich” group is effectively caught in a housing affordability gap – they earn too much to qualify for social housing subsidies but not enough to purchase homes being supplied by the private market¹³.

The Malaysian government has acknowledged this issue. In 2011, the Ministry of Housing and Local Government (MHLG) introduced the National Housing Policy (NHP) with the explicit objective of providing “adequate and quality housing with comprehensive facilities and a conducive environment” for all citizens, “particularly the middle-income group”¹⁴. The NHP and its associated Action Plan envisaged a multi-faceted role for MHLG – from licensing housing developers and enforcing relevant housing laws (Act 118, Act 171, Act 172, etc.) to planning regulations and pricing guidelines – all geared toward increasing the supply of affordable homes and facilitating access for target groups¹⁵. Under the NHP, programme like Perumahan Rakyat 1Malaysia (PR1MA) and Projek Perumahan Rakyat (PPR) were launched to provide affordable housing for middle-income (M40) and low-income (B40) households, respectively. These initiatives aimed to support first-time homebuyers through public-private partnerships, subsidised prices, and special financing schemes.

¹² S. Baqutaya, A.S Ariffin, and F. Raji, "Affordable Housing Policy: Issues and Challenges among Middle-Income Groups", *International Journal of Social Science and Humanity*, vol. 6, no. 6 (2016): 434–436.

¹³ "Making Housing More Affordable," *The Star Online*, <https://www.thestar.com.my/Business/Business-News/2015/08/29/Making-housing-more-affordable/?style=biz> (accessed 16 August, 2019).

¹⁴ National Housing Department, "National Housing Policy (2012-2017)", Ministry of Housing and Local Government, <http://www.rehdainstitute.com/index.php?option=com_content&view=article&id=71&Itemid=75> (accessed 21 September, 2018).

¹⁵ Ministry of Housing and Local Government, "Pelan Tindakan Dasar Perumahan Negara", National Housing Department, <<http://ehome.kpkt.gov.my/index.php/pages/view/208>>.

Despite well-meaning policies, the issue of housing affordability for the middle class continues to be a pressing concern. By 2015, early indications of this challenge emerged, with government and industry observers noting that housing prices had escalated beyond the reach of many middle-income earners¹⁶. In Malaysia, housing prices significantly increased following 2010; in certain areas, they doubled or even tripled within just a few years, vastly outstripping income growth.

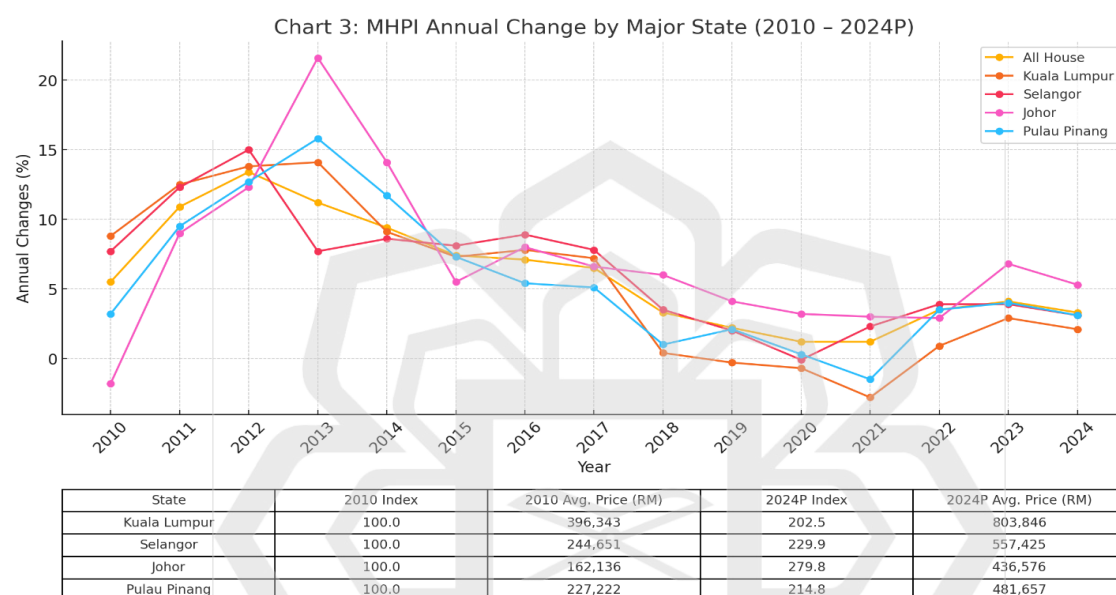


Figure 1.5: Malaysia House Price Index by Major State (2010-2024)

The figure shows annual Malaysian House Price Index (MHPI) changes from 2010 to 2024. Overall, the MHPI indicates consistent growth across major states. Johor leads with significant growth from 100.0 in 2010 to 279.8 in 2024. Despite lower growth rates, Kuala Lumpur remains the most expensive, with an average price of RM803,846 per unit. Selangor and Pulau Pinang also grew, reaching index points of 229.9 and 214.8, with average prices of RM557,425 and RM481,657, respectively. The MHPI reflects ongoing pressure on housing prices, highlighting affordability challenges for middle-income homebuyers.

Numerous research studies have looked into why middle-income families experience housing stress even though they are not classified as poor. This situation is mainly caused by income growth that lags behind the rise in housing prices, significant financial barriers to entry, and a lack of affordable housing options in key urban areas.

¹⁶ Ismail, Jalil, and Muzafar, Making Housing Affordable

The disparity between income growth and housing prices has considerably increased over the past decade. Housing affordability has emerged as a critical issue impacting many regions across the globe. One common method of assessing this issue is the Median Multiple Affordability Index, which is derived by dividing the median house price by the annual median income. This calculation clearly explains how accessible housing is for prospective buyers. The results are then categorised into four distinct classifications of housing affordability:

Table 1.2: Median Multiple Affordability Index

AFFORDABILITY CATEGORY	MEDIAN HOUSE PRICE ÷ ANNUAL MEDIAN INCOME	DESCRIPTION
<i>Affordable</i>	3.0 and under	Housing is within reach for most buyers.
<i>Moderately unaffordable</i>	3.1 – 4.0	Some financial strain, but still manageable.
<i>Seriously unaffordable</i>	4.1 – 5.0	Requires significant financial effort.
<i>Severely unaffordable</i>	5.1 and over	Housing is out of reach for most people without financial hardship.

Table 1.3: Comparison of housing affordability based on annual household median income and median all-house price across states in Malaysia, 2014.

Area	Monthly Median Income (MYR)	Annual Median Income (MYR)	Market Median Price (MYR)	Median All-House Price (MYR)	Median Multiple Affordability	Affordability Category	Accounted Living Quarters by NAPIC (%)
Terengganu	3777	45324	135972	250000	5.5	Severely Unaffordable	22%
Kuala Lumpur	7620	91440	274320	490000	5.4	Severely Unaffordable	88%
P. Pinang	4702	56424	169272	295000	5.2	Severely Unaffordable	74%
Sabah	3745	44940	134820	230000	5.1	Severely Unaffordable	24%
Pahang	3389	40668	122004	200000	4.9	Seriously Unaffordable	58%
Kelantan	2716	32592	97776	157740	4.8	Seriously Unaffordable	16%
Malaysia	4585	55020	165060	242000	4.4	Seriously Unaffordable	60%
Perak	3451	41412	124236	180000	4.3	Seriously Unaffordable	57%

Perlis	3500	42000	126000	181000	4.3	Seriously Unaffordable	34%
Johor	5197	62364	187092	260000	4.2	Seriously Unaffordable	73%
Selangor	6214	74568	223704	300000	4	Moderately Unaffordable	81%
N. Sembilan	4128	49536	148608	188888	3.8	Moderately Unaffordable	74%
Sarawak	3778	45366	136008	164667	3.6	Moderately Unaffordable	32%
Kedah	3451	41412	124236	140000	3.4	Moderately Unaffordable	50%
Melaka	5029	60348	181044	180000	3	Affordable	64%

The table illustrates that most Malaysian states are either “Seriously Unaffordable” or “Severely Unaffordable”, with a national affordability index of 4.4. Major urban areas like Kuala Lumpur, Penang, Sabah, and Terengganu face significant challenges, with indices ranging from 5.1 to 5.5, making it difficult for median-income earners to access the housing market. A key issue is the mismatch between income growth and rising housing prices. In Kuala Lumpur, the median home price is RM 490,000, costing 5.4 times the annual median income of RM 91,440. This trend is similar in Penang. In contrast, Melaka is the only state labelled “Affordable”, with an index of 3.0.

Consequently, homeownership is increasingly unattainable, as households in severely unaffordable regions would need to dedicate over five years of their income to buy a home. With rising living costs, many struggle to save for down payments, leading to higher loans and long-term debt.

Between 2014 and 2020, house prices grew at a compounded annual growth rate of 4.1 percent, substantially surpassing income growth, which was recorded at only 2.1 percent¹⁷. The house price-to-income ratio escalated from 4.1 in 2019 to 4.7 in 2020, reaffirming Malaysian housing’s “seriously unaffordable” category according to the Median Multiple approach¹⁸.

17 Bank Negara Malaysia, "Spotlight: Housing (Un)Affordability," *Financial Stability Review — Second Half 2023* (Kuala Lumpur: Bank Negara Malaysia, 2023)

18 Muhammad Bilal, Ahamed Kameel Mydin Meera, and Dzuljastri Abdul Razak, "Issues and Challenges in Contemporary Affordable Public Housing Schemes in Malaysia: Developing an Alternative Model," *International Journal of Housing Markets and Analysis*, vol. 12, no. 6 (2019): 1004–1027; Vigneswar Rajasurian, "How Bad Is Malaysia’s Unaffordable Housing Crisis?," *Star Property.my*, (2020): 1–6; Zuhairi Abd Hamid, *Rethinking Affordable Housing in Malaysia: Issues and Challenges*, (2019).

Financial barriers, specifically high deposit requirements and stringent mortgage lending criteria, exacerbate the accessibility of affordable homes. Approximately 76 percent of Malaysian households earn below RM8,333 monthly, the minimum income required to afford a home priced at RM300,000¹⁹. The demand for high upfront deposits and tighter lending conditions further restricts middle-class accessibility to mortgages and, subsequently, homeownership.

Furthermore, inadequate supply of affordable homes in economically active urban regions intensifies this challenge. Malaysia's accelerated urbanisation, projected to reach 88 percent by 2050, continues to inflate urban property prices and exacerbate affordability concerns²⁰. This supply-demand mismatch is compounded by the limited effectiveness of affordable housing policies, as private developers often face financial disincentives to construct affordable units, preferring instead to build more profitable high-end properties²¹.

The existing structural inefficiencies further compound these issues. These include prolonged and complicated housing delivery processes, duplicative responsibilities among various agencies, and inadequate strategic planning aligning housing with transportation and economic hubs²². Indeed, while Malaysia's economy has seen consistent income growth, the increase in house prices has outstripped income gains in key urban areas, leading to a widening affordability gap²³. For instance, Ling and Almeida (2017) note that between 2007 and 2016,

19 Ministry of Housing and Local (National Affordable Housing Policy) (Putrajaya: KPKT, 2019). Based on the National Affordable Housing Policy 2019, the maximum price of affordable housing in Malaysia is RM300,000

²⁰ Property Guru, Exploring Urbanisation And Affordable Homes In Malaysia; Institute of Strategic and International Studies (ISIS), *Housing The Nation : Policies, Issues and Prospects*, (Kuala Lumpur: Cagamas Holdings Berhad, *Housing the Nation : Policies, Issues and Prospects*, 2013).

²¹ Kathy B., "Affordable Housing: Issues and Potential Solutions," *New Straits Times*, <https://www.nst.com.my/property/2023/07/927066/affordable-housing-issues-and-potential-solutions> (accessed 13 November, 2023); Bernama, "Affordability Tops Housing Issues in 2018," *New Straits Times*, (2018): 1–6; A. Jalil Hamid, "Housing: (Un)affordability Is Key Issue," *New Straits Times*, <https://www.nst.com.my/opinion/columnists/2017/11/307562/housing-unaffordability-key-issue> (accessed 14 September, 2020); Nor Baizura Jamaluddin, Yusfida Ayu Abdullah, and Hazlina Hamdan, "Encapsulating the Delivery of Affordable Housing: An Overview of Malaysian Practice," *MATEC Web of Conferences*, vol. 66 (2016): 1–8.

²² Mohd Ariff Mohd Daud, Saiful Azhar Rosly, and Zulkarnain Muhamad Sori, "Understanding Issues of Affordable Housing in Malaysia To Attract Investment: an Exploratory Investigation", *Planning Malaysia*, vol. 20, no. 1 (2022): 1–12; Jamaluddin, Abdullah, and Hamdan, Encapsulating the delivery of affordable housing: An overview of Malaysian practice.

²³ Cheah Su Ling, Stefanie Joan Almeida, and Ho Su Wei, "Affordable Housing: Challenges and the Way Forward," in *Bank Negara Malaysia Quarterly Bulletin: Fourth Quarter 2017* (Kuala Lumpur: Bank Negara Malaysia, 2018), 47–56; Jian Liu and Huay Ying Ong, "Can Malaysia's national affordable housing policy guarantee housing affordability of low-income households?", *Sustainability (Switzerland)*, vol. 13, no. 16 (2021); National Property Information Centre, "Property Market Report", Jabatan Penilaian dan Perkhidmatan Harta, <http://napic.jpph.gov.my/portal/web/guest/main-page?p_p_id=ViewHighlights_WAR_ViewHighlightsportlet&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-

Malaysian house prices grew at an average of about 9 percent per year. In contrast, household incomes grew by roughly 8 percent per year, compounding the affordability issue over time. Additionally, socio-demographic changes such as urban migration and smaller household sizes have increased demand for housing in cities, putting upward pressure on prices.²⁴

Research by KRI indicates that the market's failure to provide adequate affordable housing is not solely due to high construction or land costs. Housing affordability depends on both house prices and income, making it a dynamic concept. In their "Making Housing Affordable" report (2015),²⁵ KRI argued that, contrary to popular belief, it is not primarily high land prices and construction costs driving the high cost of housing in Malaysia. Instead, they found that "developers are willing to pay increased land prices as the market price for housing rises", creating a self-reinforcing cycle of escalating prices. Evidence showed that construction costs were either declining or stable in the early 2010s, yet house prices did not decrease correspondingly. This suggests that pricing is influenced more by market dynamics and profit expectations than by fundamental construction costs.

Before 2015, government housing interventions in Malaysia primarily targeted low-income groups, particularly through social housing and subsidies for first-time buyers in the B40 income bracket. However, the middle-income households have seen limited support, leading to what KRI's Managing Director describes as a "middle-income trap" where they are neither eligible for social housing nor able to afford private sector options.

The issues surrounding housing affordability significantly affect many middle-income families. Research indicates that rising property prices, stagnant income growth, and complicated housing programme applications create major barriers. As a result, numerous eligible families within both the B40 and M40 income groups struggle to access available support, often due to a lack of awareness or the overwhelming nature of the application processes. To address these challenges effectively, a comprehensive strategy is needed to improve policy design and implementation, ensuring that those in need can genuinely benefit from assistance programme. Additionally, the inadequate supply of affordable housing has

1&p_p_col_count=2&_ViewHighlights_WAR_ViewHighlightsportlet_action=renderViewHighlightScre> (accessed 12 June, 2018).

²⁴ Yusfida Ayu Abdullah and et al, "Affordable Housing for the Middle-Income Group in Malaysia", *IOP Conference Series: Earth and Environmental Science*, vol. 685, no. 1 (2021); Amy Soon and Consilz Tan, "An analysis on housing affordability in Malaysian housing markets and the home buyers' preference", *International Journal of Housing Markets and Analysis*, (2019).

²⁵ Ismail, Jalil, and Muzafar, Making Housing Affordable

been identified as a critical problem in the country, contributing to the lack of accessibility to affordable housing for the middle-income group²⁶.

1.2.3. Inconsistent Concept of Affordable Housing Schemes

To facilitate homeownership among citizens, both federal and state governments and private developers have implemented a range of initiatives to address the escalating housing prices. These initiatives include programmes such as Perumahan Rakyat 1Malaysia (PR1MA), Programme Perumahan Rakyat (PPR), MyHome Schemes, Rumah SelangorKu, and Rumah Mampu Milik Johor (RMMJ), among others. The concept of affordable housing can be quantitatively assessed through a comparative analysis of policies across various Malaysian states. This includes considerations of targeted income groups, the pricing spectrum for affordable housing units, the dimensions and types of housing offered, as well as the moratoriums associated with these programmes. A detailed table highlighting these aspects follows for further evaluation.

Table 1.4: Comparison Affordable Housing Policies (Several States in Malaysia)²⁷

Affordable Housing Programme	Agency	Targeted Income Group	Affordable Price Offered	House Size/Type	Moratorium Policy
Perumahan Rakyat 1Malaysia	PR1MA Corporation Malaysia	RM2500 until RM15000	RM100,000 - RM400,000	Min. 800 psf	5 years or 10 years
Rumah SelangorKu	Lembaga Hartanah Negeri Selangor	Below RM3,000	RM42,000	Type A - 700 psf	5 years
		Below RM10,000	RM100,000 - RM250,000 (Penetapan harga)	Type B - 750 psf	
				Type C - 800	
				Type C - 900	

²⁶ Kuppusamy Singaravello, Wan Nor Azriyati Wan Abd. Aziz., Noor Rosly Hanif., "A Study on Affordable Housing within the Middle Income Households in the Major Cities and Towns in Malaysia.", (2010): 1–20; Ernawati Mustafa Kamal, Kong Seng Lai, and Nor'Aini Yusof, "The low-middle income housing challenges in Malaysia", *Planning Malaysia*, vol. 18, no. 1 (2020): 102–117.

²⁷ PR1MA Corporation Malaysia, "About PR1MA", PR1MA Corporation Malaysia, <<http://www.pr1ma.my/about.php?lang=en>> (accessed 18 December, 2015); Lembaga dan Perumahan Negeri Selangor, *Dasar Perumahan Mampu Milik Negeri Selangor (Rumah SelangorKu)*, (Lembaga Perumahan Negeri Selangor, 2013); Khoo Suet Leng, Nor Malina Malek, and Suziana Mat Yasin, "Housing Affordability Woes and the State of Developed Underdevelopment in Penang Island", *Malaysian Management Journal*, vol. 21, no. December (2017): 1–16; Rusli Latimaha, Zakaria Bahari, and Nor Asmat Ismail, "Factors Influencing the Basic Needs Budget Among the Middle Income Earners in Selected Major Cities in Malaysia", *Jurnal Ekonomi Malaysia*, vol. 52, no. 3 (2018): 29–40; Diwa Samad and et al, "Malaysian affordability housing policies revisited", *Open House International*, vol. 42, no. 1 (2017): 44–51; Abdul Muhaimin Zamri and Shadiya Mohamed Baqutayan, "Homeownership Gaps Among The Middle Income Group in Malaysia", *Journal of Science, Technology and Innovation Policy*, vol. 6, no. 2 (2020): 34–47.

Affordable Housing Programme	Agency	Targeted Income Group	Affordable Price Offered	House Size/Type	Moratorium Policy
			tertakluk kepada MMKN)	Type C - 18 x 60 psf (landed) Type D - 1000 psf Type D - 20 x 60 psf (landed)	
Penang Affordable Housing	Penang State Government	Below RM2,500	up to RM42,000	Type A	5 years
		Below RM3,500	up to RM72,500	Type B	
		Not exceeding RM6,000	up to RM150,000	Type C1	
		Not exceeding RM8,000	up to RM200,000	Type C2	
		Not exceeding RM10,000	up to RM300,000	Type C3	
		Not exceeding RM12,000	up to RM400,000	Type D	
Perumahan Mampu Milik Negeri Sembilan	Negeri Sembilan State Government	Below RM3,500	RM80,000	Type A - 20 x 60 psf	5 years
		NIL	RM250,000	Type B - 20 x 65 psf	
			Below RM400,000	Type C - 22 x 70 psf	
Rumah Mampu Milik Johor	Johor State Government	Below RM3,000	RM42,000	Type A	N/A
		Below RM5,000	RM80,000	Type B	
		Below RM8,000	RM150,000 to RM220,000	Type C	

The policies implemented by Federal and State governments illustrate a discrepancy in how affordable various agencies define housing²⁸. This inconsistency stems from varying targeted income groups, the range of affordable housing prices, the sizes and types of houses, and the moratoriums in place. For example, the PR1MA Act of 2012 was created specifically to support affordable housing development for the middle-income group. However, the Act does not

²⁸ A. Jalil Hamid, "Housing: (Un)affordability Is Key Issue," *New Straits Times*, <https://www.nst.com.my/opinion/columnists/2017/11/307562/housing-unaffordability-key-issue> (accessed 12 March, 2018); "Population Statistics," *Department of Statistics Malaysia Official Portal*, https://www.dosm.gov.my/v1/index.php?r=column/cthree&menu_id=aWVXaXhrSmpXeFRRN3pMeklXSjhIQ_T09 (accessed 26 August, 2019); Malathi Thevendran, "Malaysia Needs an Affordable and Well-Coordinated Housing Policy," *The Star*, 21 October, 2017, 4–7; Khazanah Research Institute, *Making Housing Affordable*; S. U. M. Tobi, T. H. Jasimin, and W. N. M. W. M. Rani, "Overview of Affordable Housing from Supply and Demand Context in Malaysia," *IOP Conference Series: Earth and Environmental Science*, vol. 409, no. 1 (2020).

clearly define what qualifies as affordable housing. Consequently, this ambiguity leads to confusion among citizens when trying to choose housing options that best meet their needs.

1.2.4. The Need for Policy Related to Affordable Housing

The necessity for a robust legal framework governing affordable housing in Malaysia has become increasingly evident due to persistent housing affordability issues. Despite numerous policy interventions and government initiatives over several decades, housing affordability remains a formidable challenge. Rapid urbanisation, escalating land prices, and construction costs that disproportionately exceed income growth have contributed to a critical situation. The median house price in Malaysia consistently exceeds the affordability threshold—set at three times the median household income—rendering housing unaffordable for a significant portion of the population, particularly within the B40 (bottom 40% income group) and lower M40 segments²⁹.

Current policy frameworks, such as the National Affordable Housing Policy (DRMM) 2019 and various initiatives under the Perbadanan PR1MA Malaysia, while ambitious, fall short in effectively addressing vital issues surrounding housing supply-demand mismatches, insufficient financing mechanisms, and inadequate regulatory oversight³⁰. This has resulted in a paradox where unsold affordable housing units coexist with acute shortages of genuine affordable homes located in strategic urban areas³¹.

The lack of explicit constitutional recognition of housing as a fundamental right further compounds the enforceability of existing housing policies and diminishes accountability regarding providing adequate and affordable housing. Although statutes like the Housing Development (Control and Licensing) Act 1966 provide critical consumer protections, they fail to mitigate pervasive systemic issues, including abandoned housing projects, substandard construction quality, and insufficient maintenance³².

²⁹ Liu, Jian and Ong, Can Malaysia's national affordable housing policy guarantee housing affordability of low-income households?

³⁰ Khazanah Research Institute, *Rethinking Housing: Between State, Market and Society: A Special Report for the Formulation of the National Housing Policy (2018–2025)*, Malaysia (Kuala Lumpur: Khazanah Research Institute, 2019).

³¹ Theebalakshmi Kunasekaran, *Abandoned Housing: An Unfinished Dream* (Kuala Lumpur: Khazanah Research Institute, 2024).

³² Khazanah Research Institute, *Rethinking Housing: Between State, Market and Society: A Special Report for the Formulation of the National Housing Policy (2018–2025)*, Malaysia (Kuala Lumpur: Khazanah Research Institute, 2019).

This context uncovers significant legal voids, including the absence of comprehensive tenancy legislation³³, inadequate provisions for sustainable urban redevelopment³⁴, and ineffective mechanisms for enforcement and coordination among various housing-related agencies³⁵. Addressing these deficiencies requires formulating a coherent, enforceable legal policy that encompasses not only affordability and accessibility but also sustainable urban planning, effective governance, and enhanced protection for vulnerable demographics.

To rectify these policy gaps, it is essential to strengthen statutory provisions, secure clear constitutional recognition for housing rights, and implement effective administrative regulations. These measures will be pivotal in achieving long-term sustainability in affordable housing initiatives and ensuring equitable housing solutions for all Malaysians³⁶.

The Ministry of Housing and Local Government (MHLG) has identified critical challenges in delivering adequate housing, including concerns about construction quality, the prevalence of abandoned projects, and the overarching issues of affordability and accessibility for potential homeowners and renters. There is notably a surged demand for low- and medium-cost housing, exacerbated by the suboptimal strategic placements of existing affordable housing developments and the uneven geographical distribution of these options.

In response, the MHLG introduced the inaugural National Housing Policy (2012-2017) to facilitate access to affordable housing. This policy underscores the importance of ensuring the availability of adequate, high-quality housing that meets comprehensive facility standards and fosters a conducive living environment. Recognising the challenges of unaffordability and supply mismatches, the MHLG has recently announced the new National Housing Policy (2018-2025), emphasising the provision of quality housing accessible to citizens. Following this, the newly introduced sub-policy, *Dasar Perumahan Mampu Milik Negara (DRMM)*, specifically targets low-income demographics, with an affordability threshold set at RM300,000 and below. Given the current market prices, this raises concerns about the potential challenges that middle-income groups may face in accessing affordable housing.

³³ MTCO, "To Act or Not To Act: The Proposed Residential Tenancy Act", MarcoTan & Co, <[https://mtco.my/to-act-or-not-to-act-the-proposed-residential-tenancy-act/#:~:text=Now for years%2C lawyers and,our own Residential Tenancy Act](https://mtco.my/to-act-or-not-to-act-the-proposed-residential-tenancy-act/#:~:text=Now%20for%20years%20lawyers%20and,our%20own%20Residential%20Tenancy%20Act)> (accessed 7 January, 2025).

³⁴ Au Foong Yee, "The REAL Deal: Total Rethink on PR1MA Needed," *The Edge Malaysia*, <https://theedgemalaysia.com/node/682895> (accessed 7 January, 2025).

³⁵ Jian Lu and Huay Ying Ong, "Can Malaysia's National Affordable Housing Policy Guarantee Housing Affordability of Low-Income Households?", *Sustainability* 2021, vol. 13 (2021).

³⁶ Hamid, Z.A., *Rethinking Affordable Housing in Malaysia: Issues and Challenges*; Khazanah Research Institute, *Rethinking Housing: Between State, Market and Society: A Special Report for the Formulation of the National Housing Policy (2018–2025)*, Malaysia (Kuala Lumpur: Khazanah Research Institute, 2019).

1.2.5. Over-Regulations Contributed to the Increase in House Price

Despite various legislative efforts to promote affordable housing, Malaysia faces significant challenges posed by rising housing prices, which hinder homeownership. The intricate regulatory framework, shaped by federal, state, and local requirements, often inflates development costs and is transferred to consumers. The housing market is vital to the national economy, influencing economic growth and stability. The residential sector accounts for 61.8% of the overall property market and 48.4% of its total value, highlighting its critical role in economic development³⁷.

Key legislation imposes substantial compliance burdens, including the National Land Code (Act 828), Housing Development (Control and Licensing) Act 1966, and the Town and Country Planning Act 1976. The development process is governed by over 20 relevant statutes and regulations, varying by region and managed by different governmental and quasi-governmental entities. This complexity not only drives up costs but also highlights the need for streamlined regulations to enhance housing affordability³⁸.

Mandatory fees, including land conversion premiums, development charges, and infrastructure contributions, at both state and local government levels, significantly raise development costs³⁹. Additionally, regulations like affordable housing quotas and Bumiputera quotas, intended to ensure fair distribution, often lead to market distortions. These requirements can create cross-subsidization issues, pushing developers to inflate the prices of market units to compensate for the financial losses incurred from affordable housing projects, thereby perpetuating price increases in the housing sector (Real Estate and Housing Developers' Association⁴⁰.

The fragmented regulatory landscape further complicates matters, leading to inefficiencies, delays, and uncertainties in the approval process for housing projects. Studies have shown that prolonged timelines due to uncoordinated regulations across different government levels significantly increase project financing and holding costs⁴¹. Such delays

³⁷ Min Zhu, "Housing Markets , Financial Stability and the Economy", International Monetary Fund, <<https://www.imf.org/en/News/Articles/2015/09/28/04/53/sp060514>> (accessed 26 June, 2018).

³⁸ Khazanah Research Institute, Making Housing Affordable, 27–29.

³⁹ Samantha Wong, "Mounting Compliance Costs Making Homes Too Costly," *Star Property.my*, <https://www.starproperty.my/news/mounting-compliance-costs-making-homes-too-costly/129772> (accessed 7 January, 2025).

⁴⁰ REHDA Institute, Housing Forward: Understanding Costs and Sustainable Prices (Kelana Jaya: REHDA Institute, 2022).

⁴¹ "Bank Negara's Five-Pronged Approach to Affordable Housing," *The Star*, <https://www.thestar.com.my/business/business-news/2018/02/14/bank-negara-five-pronged-approach-to-affordable-housing/> (accessed 25 October, 2018); Liu, Jian, and Ong, *Can Malaysia's National Affordable Housing Policy Guarantee Housing Affordability of Low-Income Households?* This research analyzes housing affordability

impose additional financial burdens on developers, directly contributing to higher selling prices for residential properties.

Economic analyses of law and assessments of regulatory impacts indicate that the burdens associated with existing regulations do not always provide proportional social or economic benefits, suggesting an imbalance where costs may outweigh advantages. Consequently, the current state of over-regulation in Malaysia's housing sector may exemplify regulatory inefficiency or 'government failure,' obstructing efforts to provide sustainable affordable housing⁴².

According to the Khazanah Research Institute, “unless immediate action is taken, the provision of affordable housing will remain a pressing issue”⁴³. Policymakers need to evaluate and simplify the current regulatory framework to create a more efficient regulatory system. Reducing unnecessary burdens while preserving crucial safeguards is essential to ensuring sustainable and affordable housing and stabilising housing prices in Malaysia⁴⁴. Thus, immediate and effective regulatory reform is essential.

1.2.6. The Governance Structure of Housing in Malaysia

Understanding the legal framework for affordable housing in Malaysia requires an appreciation of the three-tier governance structure within which housing policy operates. Housing is listed under the Concurrent List of the Ninth Schedule to the Federal Constitution, meaning it is a shared responsibility between the federal and state governments. Local governments operate under state authority. This three-tier structure has significant implications for the formulation

issues in Malaysia despite ongoing affordable housing policies. It identifies high compliance costs from regulatory requirements as burdensome for developers, resulting in increased housing prices and reduced affordability for low-income households.

⁴² Azhan Rashid Senawi and et al, "Affecters on Housing Prices: An Initial Review in Malaysia", *Information Management and Business Review*, vol. 16, no. 3 (2024). This research examines Malaysia's housing market, concentrating on macroeconomic factors such as GDP, FDI, and the Corruption Perceptions Index (CPI). Employing Ordinary Least Squares (OLS) regression, the study concludes that FDI and CPI have a positive impact on housing prices, while GDP demonstrates an insignificant correlation. These findings underscore the effect of regulatory inefficiencies on housing costs and indicate a need for further investigation to comprehend the complexities of the housing market.

⁴³ Theebalakshmi Kunasekaran, "Affordable Housing or Affordable Debt ?", *Khazanah Research Institute*, 2024, 1–7.

⁴⁴ Daud, M.A.M., Rosly, and Sori, Understanding Issues of Affordable Housing in Malaysia To Attract Investment: an Exploratory Investigation. This research highlights several issues affecting affordable housing in Malaysia, such as lax policies, poor urban planning, supply-demand imbalances, property overhang, financing challenges, rising development costs, and outdated subsidy programs. The authors advocate for reforming these policies to attract private investment and address the housing shortage. The findings emphasise the need for policymakers to streamline the regulatory framework, reducing burdens while preserving essential safeguards to achieve sustainable affordable housing and stabilize prices in Malaysia.

and implementation of affordable housing programme, as each level of government exercises distinct yet interdependent responsibilities.

Table 1.5 below summarises the constitutional basis, housing responsibilities, and key legislation at each governance level.

Table 1.5: Three-Tier Governance Structure of Housing in Malaysia

Level	Constitutional Basis	Housing Responsibilities	Key Legislation / Agency
Federal Government	Ninth Schedule, Federal List: matters of national policy. Concurrent List: housing as shared responsibility with states.	National housing policy direction (DRN, DRMM). Capital investment and subsidies. Standards-setting and regulatory framework. Federal housing agencies (PRIMA, SPNB, LPPSA).	Federal Constitution, Ninth Schedule PRIMA Act 2012 (Act 739) HDA 1966 (Act 118) DRN 2018–2025 / DRMM 2019
State Government	Ninth Schedule, State List: land matters (Item 2). Concurrent List: shared housing responsibility.	Land allocation for housing development. State-specific affordable housing programme (e.g., Rumah Selangorku, Rumah Mampu Milik Johor). State planning authority and development plan approval.	National Land Code (Act 828) State housing enactments Town and Country Planning Act 1976 (Act 172)
Local Government	Local Government Act 1976 (Act 171). Operates under state authority.	Development plan implementation. Building plan approval and enforcement. Community-level monitoring and service delivery.	Local Government Act 1976 (Act 171) Street, Drainage and Building Act 1974 (Act 133) Uniform Building By-Laws 1984

This three-tier structure creates both opportunities and challenges. The federal government sets national policy direction and provides capital investment, but land—the fundamental resource for housing development—is a state matter. This means that federal affordable housing programme, including PR1MA, must negotiate land allocation with individual state governments, creating the coordination gaps and policy inconsistencies identified as Problem Statements 3 and 4 above. The enhanced legal framework proposed in Chapter 7 is specifically designed to address this governance challenge through a statutory three-tier coordination model

(Pillar 3) that respects the constitutional division of powers while ensuring policy coherence across jurisdictions.

1.3. RESEARCH OBJECTIVES

The study aimed to achieve the following objectives:

1. To analyse the concept of affordable housing in ensuring the accessibility of the programme by the middle-income group.
2. To study the legal framework on affordable housing programme in guaranteeing the housing ownership for the middle-income group.
3. To formulate and recommend improving the legal framework on affordable housing programme towards achieving the sustainability of affordable housing for middle-income groups in Malaysia.

1.4. RESEARCH QUESTIONS

1. What is the concept of affordable housing in Malaysia?
2. What is the existing legal framework on affordable housing programme that available in guaranteeing housing ownership for the middle-income group?
3. How can the existing legal framework be improved to ensure the sustainability of affordable housing programme for the middle-income group?

1.5. THEORETICAL FRAMEWORK

This study is harmonising two theoretical foundations to create a sustainable legal framework for an affordable housing programme. These foundations help us understand and analyse the legal aspects of the issue, providing guidance on shaping policies that make housing more accessible for everyone.

The first foundation is the theory of distributive social justice, principally drawn from John Rawls' conception of justice as fairness. Rawls' two principles of justice—equal basic liberties and the arrangement of social and economic inequalities to benefit the least advantaged—provide the theoretical basis for evaluating whether Malaysia's affordable housing programme distributes housing resources equitably among the middle-income group.

The theory of distributive social justice is applied in this study to assess: (i) whether existing eligibility criteria reflect genuine household need rather than arbitrary income thresholds; (ii) whether the legal framework ensures equitable access across federal and state jurisdictions; and (iii) whether the proposed enhanced framework achieves a more just distribution of housing resources. The comparative analysis of Victoria (Australia) demonstrates the practical application of distributive justice principles through household-need-based housing allocation, providing an empirical benchmark against which Malaysia's income-only approach is evaluated.

The second foundation is the *Maqāṣid al-Sharī'ah* (objectives of Islamic law), which provides the Islamic jurisprudential dimension essential to Malaysia's constitutional character as a nation with Islam as the religion of the Federation. The *Maqāṣid al-Sharī'ah* framework, as articulated by al-Ghazālī and al-Shāṭibī, identifies five essential objectives (*al-ḍarūriyyāt*) that Islamic law seeks to protect: *al-naḥs* (life), *al-naṣl* (progeny), *al-māl* (wealth), *al-ʿaql* (intellect), and *al-dīn* (religion). Applied to affordable housing, these objectives require: safe and secure housing (*al-naḥs*); family-appropriate housing design (*al-naṣl*); affordable pricing that preserves household wealth (*al-māl*); access to educational facilities within housing developments (*al-ʿaql*); and culturally sensitive community design that respects religious practices (*al-dīn*). This framework is further operationalised through the *waqf* institution, which offers a uniquely Islamic mechanism for housing resource mobilisation. The integration of the *Maqāṣid al-Sharī'ah* into the proposed legal framework represents an original contribution of this study, as neither Victoria nor Singapore incorporates Islamic principles into their housing frameworks.

These two theoretical foundations—distributive social justice and the *Maqāṣid al-Sharī'ah*—harmonised in their shared commitment to equitable distribution of resources, protection of human dignity, and the balancing of individual rights with collective welfare. Together, they provide the normative basis against which the existing legal framework is evaluated (Research Objective 2) and upon which the proposed enhanced framework is formulated (Research Objective 3). The detailed analysis of each theoretical foundation is developed in Chapter 2.

1.6. RESEARCH HYPOTHESES

Access to affordable housing for the middle-income group has become problematic due to the inconsistent definitions of affordable housing adopted by governments, a limited supply of

affordable homes, a lack of accessibility, and unreasonable price increases. These factors have created challenges for homeownership among the middle-income group in Malaysia. Therefore, it is essential to develop and recommend improvements to the legal framework governing affordable housing programme. This will help ensure that the middle-income group has adequate access to affordable housing, thereby addressing the challenges associated with homeownership in Malaysia.

1.7. SIGNIFICANCE OF THE STUDY

This study aims to assist decision-makers in improving the development of affordable housing concepts, ensuring the sustainability of the affordable housing programme for the middle-income group in Malaysia.

Additionally, the research highlights the significance of the affordable housing programme for the middle-income class, contributing to the national social objective of increasing housing ownership among Malaysian citizens.

Moreover, this study benefits stakeholders in the affordable housing sector, helping them achieve their goal of delivering affordable housing to the middle-income group and potentially boosting the overall affordable housing economy.

1.8. SCOPE AND LIMITATIONS OF THE STUDY

The research will commence by examining and evaluating the concept of affordable housing as embraced by the Malaysian government. This will include a comprehensive analysis of the current legal framework governing affordable housing initiatives. The target demographic for this research will be the middle-income group⁴⁵, as this population is especially susceptible to the existing government policies that predominantly benefit low-income families. Rising market prices have resulted in a significant lack of affordability, hindering the middle-income group's ability to attain homeownership, a situation underscored by the Khazanah Research Institute⁴⁶.

⁴⁵ Ministry of Housing and Local Government, *Dasar Perumahan Negara (2018–2025)* (Putrajaya: National Housing Department, 2018).

⁴⁶ Ismail, Jalil, and Muzafar, *Making Housing Affordable*

Because of the difference of jurisdictions between East and West Malaysia, this research will concentrate on Peninsular Malaysia, especially the Klang Valley region. As a result, the study will address the constraints brought about by laws, policies, and practices across various states within Peninsular Malaysia, given that issues related to housing development are closely linked to land development, which falls under state control. Nonetheless, this research also recognises the commercial and financial aspects that could open opportunities for future investigations.

Despite careful planning, this study encountered a number of methodological limitations that should be noted:

- i. Response bias: Participants may have highlighted viewpoints favorable to their institutional interests or minimised the difficulties for which they hold some responsibility.
- ii. Sample size constraints: Although the study involved a range of stakeholders, limitations in resources prevented the inclusion of all pertinent actors in the affordable housing ecosystem, particularly the end-users.
- iii. Geographic focus: The study mainly represented the views of stakeholders situated in Peninsular Malaysia, with restricted input from states in East Malaysia (Sabah and Sarawak).
- iv. Language considerations: Conducting interviews in different languages necessitated translation, which may have introduced slight interpretive biases, even with careful attention to linguistic details.
- v. Contextual specificity: The results reflect the Malaysian institutional context during a particular timeframe and may not be entirely applicable to other nations or future policy scenarios.
- vi. COVID-19 constraints: Some interviews and focus group discussions were held virtually due to pandemic restrictions, which might have limited relationship-building and non-verbal communication compared to in-person meetings.

These limitations were addressed through the triangulation of data sources, member checking with key informants, and reflective consideration of positionality throughout the research endeavor.

1.9. LITERATURE REVIEW

Affordable housing in Malaysia has become increasingly critical, particularly for middle-income households, amid rapid urbanisation and socio-economic changes since the 1970s. The middle-class segment has been especially vulnerable as housing prices have surged beyond the pace of income growth⁴⁷. According to Bank Negara Malaysia⁴⁸, the national median house price-to-income ratio rose from 4.1 in 2019 to 4.7 in 2020, categorising Malaysia's housing market as "seriously unaffordable". These trends highlight a widening affordability gap, posing an urgent challenge for policymakers and industry stakeholders⁴⁹.

1.9.1. Government Policies and Initiatives

1.9.1.1. *Evolution of Malaysian Housing Policy Framework*

The Malaysian government has implemented numerous policy interventions to address housing affordability challenges over the past decade. The National Housing Policy (NHP) 2011 represented an initial comprehensive attempt to enhance housing accessibility, with particular emphasis on middle-income households⁵⁰. Despite these early efforts, housing remained "seriously unaffordable" by the mid-2010s, with the median house price reaching approximately 4.4 times the median annual household income in 2014, significantly exceeding the internationally recognised affordability threshold of 3.0, which has remained the same to this date⁵¹.

In response to persistent affordability challenges, the government established multiple affordable housing schemes targeting various income segments. These included federal initiatives such as PR1MA (Perumahan Rakyat 1Malaysia), PPR (Programme Perumahan Rakyat), MyHome, and Residensi Wilayah (Federal Territories Affordable Housing), alongside state-level programmes like Rumah Selangorku in Selangor⁵². However, these programmes operated with inconsistent parameters regarding eligible income thresholds,

⁴⁷ Khazanah Research Institute, *Rethinking Housing: Between State, Market and Society: A Special Report for the Formulation of the National Housing Policy (2018–2025)*, Malaysia (Kuala Lumpur: Khazanah Research Institute, 2019).

⁴⁸ Bank Negara Malaysia, *Housing (UN) Affordability*.

⁴⁹ Daud, M.A.M., Rosly, and Sori, *Understanding Issues of Affordable Housing in Malaysia To Attract Investment: an Exploratory Investigation*; Liu, Jian and Ong, *Can Malaysia's national affordable housing policy guarantee housing affordability of low-income households?*

⁵⁰ Ismail, Jalil, and Muzafar, *Making Housing Affordable*

⁵¹ Kunasekaran, *Affordable Housing or Affordable Debt ?*

⁵² Samad and et al, *Malaysian affordability housing policies revisited*; Bilal, Meera, and Abdul Razak, *Issues and challenges in contemporary affordable public housing schemes in Malaysia: Developing an alternative model*; Abdul Lateef Olanrewaju and Tan Chai Woon, "An exploration of determinants of affordable housing choice", *International Journal of Housing Markets and Analysis*, vol. 10, no. 5 (2017): 703–723.

pricing structures, and housing specifications, leading to policy fragmentation and implementation inefficiencies.

Table 1.6: Affordable Housing Programme⁵³

Affordable Programme	Range of offered house price (RM)	Income range (RM per month)	Type of houses offered			
			Type	price (RM)	area psf	price psf (RM)
RMM Pulau Pinang	72,500 to 400,000	up to 10,000	Low medium cost	72,500	700 - 800	91 - 104
			Medium cost	200,000 - 400,000	800 - 1000	250 - 400
PR1MA	100,000 to 400,000	3,000 to 10,000	Terrace	100,000 - 400,000	850 - 1,850	118 - 216
			Apartment	100,000 - 400,000	600, 1,200	167 - 333
RMM SPNB	50,000 to 300,000	up to 10,000	Low medium cost	50,000 - 79,000	750	67 - 105
			Medium cost	80,000 - 300,000	800	100
RUMAW1P	52,000 to 300,000	up to 10,000	Low cost	52,000 - 63,000	700	74 - 90
			Low medium cost	63,000 - 150,000	650 - 800	97 - 188
			Medium cost	150,000 - 300,000	650 - 800	231 - 375
PPA1M	150,000 to 300,000	up to 8,000	Type 1	150,000 - 220,000	1,000	150 - 220
			Type 2	221,000 - 260,000	1,200	184 - 217
			Type 3	261,000 - 300,000	1,500	174 - 200
Rumah SelangorKu	100,000 to 250,000	up to 8,000	Type B	100,000	750	133
			Type C	150,000 - 200,000	800 - 1,080	185 - 188
			Type D	220,000 - 250,000	1,000 - 1,200	208 - 220
DPR Johor	80,000 to 220,000	up to 6,000	RKJ Package B	80,000	850	94
			RMM Johor	120,000 - 220,000	1,000	120 - 220
MyHome	50,000 to 170,000	3,000 to 6,000	MyHome 1	50,000 - 90,000	800	63 - 113
			MyHome 2	90,000 - 170,000	850	106 - 200
RMM Sarawak	500,000 to 100,000	up to 3,000	Type A	50,400 - 59,200	650 - 700	78 - 85

⁵³ Bilal, Meera, and Abdul Razak, *Issues and challenges in contemporary affordable public housing schemes in Malaysia: Developing an alternative model*.

Affordable Programme	Range of offered house price (RM)	Income range (RM per month)	Type of houses offered			
			Type	price (RM)	area psf	price psf (RM)
			Type B	80,000 - 100,000	850	94 -118

PR1MA, established in 2012 as the dedicated agency for middle-income housing development, targeted households with monthly incomes between RM2,500 and RM15,000, offering properties priced between RM100,000 and RM400,000. As Sufian (2012) notes, PR1MA's operational framework lacked precise definitions of “affordable housing” and “middle-income”, hindering effective targeting and allowing significant discretion in interpreting affordability criteria⁵⁴.

1.9.1.2. Policy Recalibration and Standardisation Efforts

By late 2018, acknowledging the need for policy consolidation, the government introduced the National Housing Policy 2018-2025, followed by the National Affordable Housing Policy in 2019. The DRMM established standardised parameters including pricing ranges correlated with state median incomes and minimum housing specifications to harmonise public and private sector initiatives⁵⁵. This policy defined “affordable” housing as units priced at a maximum of RM300,000, thereby prioritising lower-income (B40) and lower-middle-income (M40 lower tier) households.

This policy shift signalled the government’s strategic reorientation toward housing provision for income segments capable of purchasing homes below RM300,000, while expecting the private sector to address demand from middle-income groups for higher-priced residences. As Cheah et al. observe, this recalibration acknowledged fiscal constraints—direct provision for the entire middle 40% represents a substantial financial burden for the state—while raising concerns about potential policy gaps for households exceeding social housing thresholds but unable to afford market-rate housing⁵⁶.

⁵⁴ Azlinor Sufian, "Housing Development and PR1MA : Myth or Reality?" in *1st Internation Conference on Innovation and Technology for Sustainable Built Environment*, (Perak: IIUM Repository, 2012); Jamaluddin, Abdullah, and Hamdan, Encapsulating the delivery of affordable housing: An overview of Malaysian practice; Abdullah, Y.A. and et al, *Affordable Housing for the Middle-Income Group in Malaysia*.

⁵⁵ Kunasekaran, Affordable Housing or Affordable Debt ?

⁵⁶ Cheah, S. and et al, Affordable Housing: Challenges and the Way Forward.

1.9.1.3. Implementation Outcomes and Challenges

Recent studies have shown mixed results regarding the affordable housing policies in Malaysia. On one hand, the Jabatan Perumahan Negara has made some strides, such as creating a National Housing Data Bank to streamline information and reduce redundant projects. On the other hand, many affordable housing initiatives have not met their goals. For example, after undergoing an organisational restructuring in 2018, PR1MA faced significant challenges with managing its inventory. By the end of 2017, nearly 50% of the completed units—over 25,000 homes—were still unsold, highlighting a disconnect between housing availability and affordability for eligible buyers.⁵⁷

A recent public evaluation of major government housing programme, including PPAM for civil servants and PPR low-cost flats, revealed that while the PPR programme received some positive feedback, many respondents pointed out several areas that need improvement. Issues like pricing, unit sizes, available amenities, and maintenance standards were commonly highlighted.⁵⁸ Despite good intentions, these insights suggest that government programme must continually evolve to better respond to the changing housing market.

The landscape of affordable housing policies in Malaysia has been described as disjointed and poorly enforced. While various initiatives exist, enforcing development requirements, like mandatory low-cost housing quotas, varies significantly. Some developers choose to pay penalties for non-compliance rather than meet the low-cost unit requirements, which raises concerns about the effectiveness of these penalties and monitoring processes.⁵⁹ Local authorities, tasked with ensuring the quality and timely completion of affordable housing projects, often lack sufficient resources, leading to delays and compromise in quality.⁶⁰ Moreover, shortcomings in urban planning have resulted in affordable housing developments lacking vital infrastructure such as schools, public transport, and recreational areas, which undermines their livability and could potentially lead to social challenges.⁶¹

An exploratory study identified seven key issues that are obstructing affordable housing delivery in Malaysia: policy weaknesses, poor urban planning, a mismatch between supply and

⁵⁷ Kunasekaran, Affordable Housing or Affordable Debt ?

⁵⁸ Soon and Tan, An Analysis On Housing Affordability In Malaysian Housing Markets And The Home Buyers' Preference.

⁵⁹ Leng, Nor Malina Malek, and Suziana Mat Yasin, Housing Affordability Woes and the State of Developed Underdevelopment in Penang Island.

⁶⁰ Jamaluddin, Abdullah, and Hamdan, Encapsulating the delivery of affordable housing: An overview of Malaysian practice.

⁶¹ Razali Idris and et al, "Conceptualizing Adaptability in Malaysia Cities: Exploring the Intersection of Climate Change and Urban Policy", *Journal Azbakia Contemporary Journal of Humanities, Social Sciences and Management Issue*, vol. 1, no. June (2024): 1–14.

demand, an oversaturation of properties along with financing difficulties, a lack of innovation and research in construction, rising development costs, and outdated quota and subsidy systems⁶². Addressing these issues will require a focused approach, including updating the long-standing 30% low-cost unit quota and encouraging innovative construction methods to manage costs.

Additionally, an in-depth analysis of Malaysia's housing policies uncovered significant gaps between what is planned and how effectively it is put into action⁶³. Despite having solid policy frameworks, implementation often falters due to bureaucratic red tape, poor coordination among different agencies, and insufficient monitoring. This gap in execution has played a role in the ongoing affordability crisis, especially in urban areas where housing prices relative to incomes are consistently too high⁶⁴.

1.9.1.4. Scholarly Perspectives on Policy Integration

Contemporary academic discourse emphasises the necessity for enhanced policy integration in addressing housing affordability. Adabre and Chan advocate for explicit policy frameworks ensuring programme alignment with household income distributions and regional disparities⁶⁵. Bilal et al. similarly highlights the importance of inter-agency coordination in policy implementation⁶⁶. The revised policy architecture established through the National Housing Policy (2018-2025) and DRMM (2019) has predominantly redirected focus toward lower-middle-income housing, potentially creating policy gaps for middle-income segments previously targeted by PR1MA.

Researchers consistently recommend a more comprehensive and integrated policy approach incorporating explicit affordability metrics, enhanced inter-agency collaboration, and strengthened regulatory mechanisms to address the needs of diverse income segments effectively⁶⁷ (Cheah et al., 2017; Adabre & Chan, 2019). Bilal et al. conclude that effective

⁶² Olanrewaju, A.L. and Woon, An exploration of determinants of affordable housing choice.

⁶³ Samad and et al, Malaysian affordability housing policies revisited.

⁶⁴ Cheah, S. and et al, Affordable Housing: Challenges and the Way Forward.

⁶⁵ Albert P.C. Chan and Michael Atafo Adabre, "Bridging the gap between sustainable housing and affordable housing: The required critical success criteria (CSC)", *Building and Environment*, vol. 151 (2019).

⁶⁶ Muhammad Bilal, Ahamed Kameel Mydin Meera, and Dzuljastri Abdul Razak, "Issues and challenges in contemporary affordable public housing schemes in Malaysia: Developing an alternative model", *International Journal of Housing Markets and Analysis*, vol. 12, no. 6 (2019b): 1004–1027.

⁶⁷ Cheah, S. and et al, Affordable Housing: Challenges and the Way Forward; Michael Atafo Adabre and Albert P.C. Chan, "Critical Success Factors (CSFs) for Sustainable Affordable Housing", *Building and Environment*, vol. 156, no. March (2019): 203–214.

housing policy must balance supply-side interventions with demand-side considerations to create sustainable affordable housing ecosystems.

1.9.2. Housing Development Dynamics in Malaysia

Housing development in Malaysia operates within a federal system that includes multiple governance levels: federal, state, and local authorities. This decentralised structure often leads to fragmented implementation and unclear roles for stakeholders, resulting in delays and inconsistencies in affordable housing projects.⁶⁸ Masran and Misnan identify significant governance gaps, particularly emphasising the overlapping jurisdictional issues between federal housing initiatives and state land authorities, which compromise both efficiency and sustainability.⁶⁹

1.9.2.1. Governance Framework and Jurisdictional Complexity

The constitutional division of powers inherently creates tensions in the execution of housing policy. While land matters are under state jurisdiction as stipulated by the Federal Constitution, the formulation and funding of housing policies primarily originate at the federal level.⁷⁰ This division results in structural inefficiencies: state governments are responsible for land release and development approvals, whereas federal agencies set housing targets and programme. Bakhtyar and Zakiah et.al. observed that this separation of powers leads to coordination challenges that often hinder effective policy implementation.⁷¹

1.9.2.2. Policy Implementation Challenges

The implementation of housing policies within a hierarchical development framework exhibits significant inconsistencies, particularly in the Malaysian context. As observed by Shuid, policies announced at the federal level are not uniformly enacted across various states and

⁶⁸ Anniz Fazli Ibrahim Bajunid and Mazlin Ghazali, "Affordable Mosaic Housing: Rethinking Low-Cost Housing", *Procedia - Social and Behavioral Sciences*, vol. 49 (2012): 245–256; Noraziah Wahi and et al, "Problems and Issues of High Rise Low Cost Housing in Malaysia", *IOP Conference Series: Materials Science and Engineering*, vol. 341, no. 1 (2018): 0–9; Liu, Jian and Ong, Can Malaysia's national affordable housing policy guarantee housing affordability of low-income households?

⁶⁹ Haidaliza Masran and Siti Hajar Misnan, "Evolution of Policy for Affordable Housing", *International Journal of Accounting, Finance and Business (IJAFB)*, vol. 4, no. 17 (2019): 86–98.

⁷⁰ Muhammad Imran Muhammad Ravi and Nur Harena Redzuan, "Development Residential Property for B40", *International Journal of Islamic Business*, vol. 7, no. 2 (2022): 13–43.

⁷¹ Bakhtyar, B., A. Zaharim, K. Sopian, and S. Moghimi. "Housing for poor people: a review on low-cost housing process in Malaysia." *WSEAS transactions on environment and development* 9, no. 2 (2013): 126-136.; Z. Ponrahono, "A Theoretical Study on Malaysia Development Planning Mechanism and Its Institutional Process" (unpublished manuscript, Faculty of Human Ecology, Universiti Putra Malaysia, 2018).

municipalities.⁷² This inconsistency arises chiefly when state agencies formulate their own affordable housing schemes, often accompanied by disparate eligibility criteria. Such variations become particularly pronounced when comparing state-level initiatives, such as Rumah Selangorku, with federal programme like the 1Malaysia People's Housing Programme (PR1MA).

The PR1MA programme seeks to provide affordable housing for middle-income households. However, its implementation is contingent upon the collaboration of state and local governments to identify appropriate land and secure planning permissions. Such interdependencies frequently lead to delays and alterations in projects when local priorities diverge from federal objectives.⁷³ The absence of clearly delineated responsibilities has resulted in scenarios where multiple agencies target the same income demographic with uncoordinated initiatives in some areas, while other regions and population segments remain inadequately served.⁷⁴

Further complicating the implementation process, in 2023, Local Government Development Minister, Nga Kor Ming reported delays in two PR1MA projects in Negeri Sembilan, involving a total of 1,425 units. The ministry had to cooperate with the state government to facilitate the completion of these projects by the end of that year. The PR1MA programme highlights the importance of collaboration between state, local, and federal housing initiatives. By aligning regional priorities with overarching goals, we can reduce the potential for project delays and ensure successful outcomes.

⁷² Syafiee Shuid, "The housing provision system in Malaysia", *Habitat International*, vol. 54 (2016).

⁷³ Bernama, "Minister: Lack of Cooperation from Opposition Hinders Development of PR1MA Homes," *The Malay Mail*, <https://www.malaymail.com/news/malaysia/2018/03/06/minister-lack-of-cooperation-from-opposition-hinders-development-of-pr1ma-h/1591933> (accessed 7 January, 2025).

⁷⁴ Suwen Ong and Dah Toh, "Impact of GE14 on the Property Market in Malaysia", www.runningstream.com, <<https://www.iproperty.com.my/news/impact-of-ge14-on-the-property-market-in-malaysia/>> (accessed 24 October, 2018).

1.9.2.3. *Political Transitions and Policy Continuity*

Political transitions have profoundly influenced Malaysia's housing development framework. Following the governmental shift in 2018, the PR1MA underwent considerable structural reorganisation, with its mandate redefined in alignment with the National Affordable Housing Policy⁷⁵. Many previously planned initiatives were re-evaluated, leading to their integration into other programme or outright cancellation due to shifts in budget allocations⁷⁶. In 2020, the federal government abandoned its original plan to construct one million affordable homes over a decade and instead established a revised goal of 227,100 units. This shift was prompted by the high vacancy rates in low-cost apartments, which highlighted the necessity of reevaluating housing strategies and budget allocations⁷⁷.

This turbulence underscores the vulnerability of housing initiatives to shifting political agendas and emphasises the urgent need for a more stable legislative foundation for affordable housing. Such a foundation is essential to ensure that these initiatives can withstand the test of electoral cycles and remain effective in addressing housing needs. In the absence of an enduring legal framework, key programme risk losing continuity and focus amid governmental transitions—as exemplified by PR1MA's shifted priorities from the M40 income segment to the B40 demographic under the 2018-2025 policy framework⁷⁸.

Scholars such as Liu et al.⁷⁹ and Shuid⁸⁰ argue that this policy instability poses a significant threat to the attainment of long-term housing goals. To foster consistency in affordable housing development, it is crucial to insulate core objectives from the vicissitudes of political cycles, which could be achieved through comprehensive legislation or cross-party agreement.

⁷⁵ CIDB, *Rethinking Affordable Housing in Malaysia - Issues and Challenges*, edited by CIDB Malaysia, Construction Research Institute of Malaysia, Jabatan Pendaftaran Malaysia, and Eleena Jamil Architect, (Construction Industry Development Board Malaysia, *CIDB Malaysia*, 188th edn., 2019). After the 2018 governmental transition in Malaysia, significant changes were made to affordable housing initiatives, particularly through the National Affordable Housing Council (NAHC). Perbadanan PR1MA Malaysia and four related agencies were consolidated under NAHC to address overlaps and improve control over distribution, financing, and pricing. This restructuring reflects the impact of political changes on the affordable housing framework and redefines PR1MA's role within the updated national housing policy.

⁷⁶ Bernama, Minister: Lack of cooperation from Opposition hinders development of PR1MA homes; Liu, Jian and Ong, Can Malaysia's national affordable housing policy guarantee housing affordability of low-income households?

⁷⁷ "Plans for 1M Affordable Homes Scrapped," *The Malaysian Reserve*, <https://themalaysianreserve.com/2020/09/23/plans-for-1m-affordable-homes-scrapped/> (accessed 7 January, 2025).

⁷⁸ Liu, Jian and Ong, Can Malaysia's national affordable housing policy guarantee housing affordability of low-income households?

⁷⁹ Ibid.

⁸⁰ Shuid, The housing provision system in Malaysia.

1.9.2.4. Urbanisation, Demographics, and Housing Market Dynamics in Malaysia

The rapid urbanisation and shifting demographic landscape in Malaysia have exacerbated housing challenges, particularly since the 1970s when significant rural-to-urban migration escalated the demand for urban housing⁸¹. Urban population growth, in conjunction with decreasing average household sizes, has generated a housing demand that consistently exceeds the supply of affordable units in metropolitan areas.

The private sector's focus on developing high-end residential properties, which offer greater profit margins, has led to a notable oversupply of luxury units and a concomitant undersupply of accessible housing for middle and lower-income urban residents. By 2019, this disparity became evident, with over 30,000 newly completed residential units left unsold, a substantial portion categorized as "affordable"⁸².

This situation, the presence of many unsold affordable housing units alongside a strong need for decent housing—shows a serious gap between what developers provide and what buyers actually need or can afford. Research in Greater Kuala Lumpur has found that long approval processes, especially for changing agricultural land to residential land, along with unclear governance, have delayed the building of affordable housing. This has made the shortage of available units even worse⁸³.

1.9.2.5. Recent Policy Responses and Persistent Challenges

The latest National Housing Policy aims to tackle these issues by improving coordination mechanisms. It has proposed an integrated housing data system and the creation of a National Affordable Housing Council to synchronize actions between federal and state levels⁸⁴. Notable advancements include collaborative initiatives in which federal agencies partner with state Islamic councils to develop housing on waqf land and efforts to standardise approval guidelines across states⁸⁵.

⁸¹ Akanbi Olusayo Oyebanji, Champika Liyanage, and Akintola Akintoye, "Critical Success Factors (CSFs) for achieving sustainable social housing (SSH)", *International Journal of Sustainable Built Environment*, vol. 6, no. 1 (2017a); Jamaluddin, Abdullah, and Hamdan, Encapsulating the delivery of affordable housing: An overview of Malaysian practice.

⁸² Samad and et al, Malaysian affordability housing policies revisited; Cheah, S. and et al, Affordable Housing: Challenges and the Way Forward.

⁸³ Su Ling Cheah and Stefanie Joan Almeida, "Demystifying the Affordable Housing Issue in Malaysia", Bank Negara Malaysia.

⁸⁴ Ministry of Housing and Local Government National Housing Department, *National Housing Policy (2018-2025)*, (Kuala Lumpur, 2018).

⁸⁵ Anwar Allah Pitchay and et al, "Proposing Awqaf Alternative Plan (AAP): The Way Forward & Sustainable Higher Education Financial System", *Indonesian Journal of Nursing Practices*, vol. 1, no. 1 (2018).

However, significant challenges remain. The decline in direct federal involvement in middle-cost housing (properties priced between RM300,000 and RM500,000) has resulted in a potential gap that neither public programme nor luxury-focused private developers adequately fulfil for the M40 group. As highlighted in reports from the Khazanah Research Institute (2019), middle-income families often find themselves “neither eligible for social housing nor able to afford houses supplied by the private sector”, effectively trapped in a market grey area.

1.9.3. Conceptualising Housing Affordability in Malaysia

Housing affordability is a crucial social and economic issue in Malaysia. This review compiles existing literature on how affordability is defined, measured, and implemented in Malaysian housing. The research identifies significant challenges in standardising affordability definitions and highlights the disparity between theoretical affordability metrics and the realities of the housing market.

1.9.3.1. Measuring Housing Affordability

The literature delineates three primary methodologies for assessing housing affordability⁸⁶. The Median Multiple approach quantifies affordability by calculating the ratio of median house prices to median annual household income, with a threshold of 3.0 or below being indicative of affordability. The Housing Cost Burden method analyses the proportion of a household's income devoted to housing expenses, traditionally setting the affordability benchmark at 30% of income. The Residual Income approach evaluates whether the income remaining after housing costs is adequate to meet other essential needs.

In Malaysia, housing assessments predominantly utilise the Median Multiple method⁸⁷. Using this metric, it has been observed that many urban centers in Malaysia have reached a state of “serious unaffordability” over the last decade, with median price-to-income ratios consistently ranging between 4.0 and 5.0. Based on the national median household income in 2019, which was approximately MYR 70,476 annually, an affordable housing price would

⁸⁶ Adabre and Chan, Critical Success Factors (CSFs) for Sustainable Affordable Housing; Bilal, Meera, and Abdul Razak, *Issues and challenges in contemporary affordable public housing schemes in Malaysia: Developing an alternative model*.

⁸⁷ Samad and et al, Malaysian affordability housing policies revisited; Khazanah Research Institute, *Making Housing Affordable*.

ideally be around MYR 211,000. However, due to current market dynamics, properties priced as high as MYR 300,000 are being marketed as “affordable”⁸⁸.

1.9.3.2. Definition Challenges in the Malaysian Context

The literature reveals significant inconsistencies in the definition of affordable housing across Malaysia. According to Bank Negara Malaysia (2016), the maximum affordable house price nationwide should be approximately MYR 282,000 based on current income levels⁸⁹. In contrast, the actual median house price was MYR 313,000, highlighting a fundamental affordability gap.

Yap and Ng noted discrepancies between public perceptions of what constitutes an affordable price range and the official thresholds set by authorities⁹⁰. This inconsistency underscores the need to recalibrate the definition of affordability to better align with economic realities. The literature consistently identifies the lack of standardised criteria for affordability as problematic, pointing out that varying definitions among different agencies and developers create confusion and weaken the effectiveness of policies⁹¹.

1.9.3.3. Beyond Price-to-Income Ratios

Scholars advocate for a more comprehensive conceptualization of affordability in Malaysia that extends beyond simple income-to-price ratios. Samad et al. (2017) argue that factors such as unit size, location relative to employment centers, proximity to public transportation, and infrastructure quality must be incorporated into affordability assessments. This multidimensional approach recognises that a nominally affordable housing unit might impose significant hidden costs through poor location or inadequate facilities.

The literature highlights programme inconsistencies in housing initiatives. For instance, PR1MA broadly defined its target demographic with a monthly household income of MYR 2,500–15,000 and offered units priced from MYR 100,000 to 400,000. In contrast, state

⁸⁸ Jeffrey Boon Hui Yap and Xin Hua Ng, "Housing affordability in Malaysia: perception, price range, influencing factors and policies", *International Journal of Housing Markets and Analysis*, vol. 11, no. 3 (2018a): 476–497.

⁸⁹ Cheah, S.L. and Almeida, *Demystifying the Affordable Housing Issue in Malaysia*.

⁹⁰ Jeffrey Boon Hui Yap and Xin Hua Ng, "Housing affordability in Malaysia: perception, price range, influencing factors and policies", *International Journal of Housing Markets and Analysis*, vol. 11, no. 3 (2018b): 476–497.

⁹¹ Bilal, Meera, and Abdul Razak, *Issues and challenges in contemporary affordable public housing schemes in Malaysia: Developing an alternative model*; Chan and Adabre, Bridging the gap between sustainable housing and affordable housing: The required critical success criteria (CSC).

initiatives like Rumah SelangorKu set specific income tiers and price limits, such as Category C housing for households earning below MYR 10,000 priced under MYR 250,000⁹².

1.9.3.4. Strategies for Dynamic Policy Development

Recent literature consistently recommends that Malaysia formalise its conceptualisation of housing affordability. Bank Negara Malaysia suggested establishing clear price and size benchmarks for affordable units across key cities to prevent misrepresentation of “affordable” housing⁹³. Researchers propose that standardisation should include standard assessment methodologies while acknowledging regional economic variations⁹⁴.

The literature suggests that effective affordability definitions should delineate specific criteria for different income segments, particularly the B40 and M40 households. Establishing these definitions in official policy would enable more effective enforcement of affordable housing quotas and ensure appropriate allocation of subsidies and incentives⁹⁵.

1.9.4. Challenges in the Provision of Affordable Housing in Malaysia

Affordable housing is a significant challenge in Malaysia's development. Despite various policy efforts, achieving housing affordability remains challenging due to interconnected issues. This review highlights recent literature on key challenges, including land supply constraints, market failures, financing barriers, policy implementation gaps, and governance issues.

1.9.4.1. Land Supply and Development Constraints

The limited availability and high cost of land, especially in urban areas, pose significant challenges to affordable housing development. Key obstacles include:

- i. Government agencies struggle to acquire well-located land for social housing, while private developers hesitate to invest in affordable units due

⁹² Chee Yin Yip and et al, "Mitigating housing glut: an application to the Malaysian housing market", *International Journal of Housing Markets and Analysis*, (2020).

⁹³ Bank Negara Malaysia, Housing (UN) Affordability.

⁹⁴ Hasniyati Hamzah and Zafirah Alsadat Zyed, "Housing pathways of young starters in urban Malaysia", *Journal of Housing and the Built Environment*, vol. 36, no. 2 (2021): 705–722; Ismail, D.S., Rethinking Housing : Between State, Market and Society; CIDB, Rethinking Affordable Housing in Malaysia - Issues and Challenges.

⁹⁵ Chan and Adabre, Bridging the gap between sustainable housing and affordable housing: The required critical success criteria (CSC).

to lower profit margins⁹⁶. When affordable housing is built on cheaper peripheral land, it often results in social isolation and limited job access.

- ii. The housing approval process is overly complex and lengthy, which contributes to Malaysia's affordable housing shortage⁹⁷. These delays increase developers' costs and discourage investment.
- iii. Infrastructure and regulatory costs (e.g., license fees and low-cost housing quotas) make developing affordable homes financially unattractive, leading to a persistent imbalance between supply and demand⁹⁸.

1.9.4.2. Market Failures and Housing Mismatch

The Malaysian housing market fails to provide cheap houses. Housing prices rose 5.6-fold from 1990 to 2019, while real incomes (GDP per capita) rose just 2.8-fold⁹⁹. Average Malaysian households' housing affordability has declined due to this gap. The national average property price in 2019 was MYR 426,000, far over median-income households' means. This price-to-income discrepancy has driven many middle-income families¹⁰⁰, who could own homes a generation ago, to need "affordable housing".

Developers' focus on luxury residences has worsened this trend¹⁰¹. Malaysia had an excess of luxury condos and units that went unsold in the 2010s, while demand for affordable starter residences grew. By 2019, one-third of unsold newly constructed units were "affordable" (priced below RM300,000), indicating that even nominally affordable units failed to meet buyers' location preferences, specifications, or saturated income segments¹⁰².

Scholars call this a "housing mismatch problem", where housing supply does not match demand¹⁰³. Allocating resources to build units that do not meet affordability or household preferences is a market failure that requires policy intervention.

⁹⁶ Olanrewaju, A.L. and Woon, An exploration of determinants of affordable housing choice.

⁹⁷ Jamaluddin, Abdullah, and Hamdan, Encapsulating the delivery of affordable housing: An overview of Malaysian practice.

⁹⁸ A A Bujang and et al, "Factors Influencing The Housing Affordability Stress Among Bumiputera", *International Journal of Real Estate Studies*, vol. 11, no. 4 (2017).

⁹⁹ Khazanah Research Institute, *Rethinking Housing: Between State, Market and Society: A Special Report for the Formulation of the National Housing Policy (2018–2025)*, Malaysia (Kuala Lumpur: Khazanah Research Institute, 2019).

¹⁰⁰ Yap, J.B.H. and Ng, *Housing affordability in Malaysia: perception, price range, influencing factors and policies*.

¹⁰¹ National Property Information Centre, "Property Market Price & Rental Indices Residential Prices Quarterly / Yearly Update", (2022): 19.

¹⁰² Kunasekaran, *Abandoned Housing : An Unfinished Dream*.

¹⁰³ Abdullateef Olanrewaju and et al, "Market Analysis of Housing Shortages in Malaysia", *Procedia Engineering*, vol. 164, no. June (2016): 315–322.

1.9.4.3. *Financing and Credit Access Barriers*

Access to financing is a significant challenge in the affordable housing sector. Lower-income (B40) households struggle to obtain mortgage loans despite the availability of affordable units, as Malaysian financial institutions exercise cautious lending practices due to perceived credit risks and strict income-to-debt ratios.

Government initiatives like Rent-to-Own (RTO) financing have seen limited adoption, highlighting a need for improvement. Financial barriers significantly hinder homeownership for Malaysian youths, indicating insufficient support for these schemes¹⁰⁴. Developers struggle to secure financing for affordable housing, as lenders view such projects as high-risk due to lower profitability and market uncertainties¹⁰⁵.

Despite the availability of government funding for social housing, fiscal constraints limit construction capacity. Rising construction costs, which increase by 5% to 10% annually, force developers to raise prices or reduce project volume¹⁰⁶. Zuhairi et. al notes that to adopt cost-saving technologies, like Industrialized Building Systems (IBS), have yielded limited success, presenting an opportunity for innovation to lower development costs¹⁰⁷.

1.9.5. *The Need for Legal Framework Improvements*

The fragmentation in Malaysia's governance of affordable housing has garnered substantial attention within academic circles. Numerous scholars have pinpointed the lack of a cohesive legal framework as a pivotal barrier to the effective delivery of affordable housing options¹⁰⁸. This review synthesises key literature on the deficiencies in Malaysia's legal structure regarding affordable housing and suggests potential enhancements.

¹⁰⁴ Anis Syazwani Sukereman and et al, "Determinant Factors Influencing Housing Affordability Among Bumiputera Youths In Klang", *Planning Malaysia Journal of the Malaysia Institute of Planners*, vol. 19, no. 4 (2021): 48–61.

¹⁰⁵ Nor Suzylah Sohaimi, Alias Abdullah, and Syafiee Shuid, "Determining housing affordability for young professionals in klang valley, Malaysia: Residual income approach", *PLANNING MALAYSIA Journal of the Malaysia Institute of Planners*, vol. 16, no. 2 (2018): 89–98.

¹⁰⁶ Sukereman, Rosman, Ismail, Faris, Faisal, and Berahim, Determinant Factors Influencing Housing Affordability Among Bumiputera Youths In Klang.

¹⁰⁷ Zuhairi Abd Hamid, "Using Industrialised Building Systems (IBS) to Develop Divergent Dwelling Design (D3) Concept Homes for Sustainable Living", (2018); Ihfasuziella Ibrahim and et al, "The Divergent Dwelling Design (D3) Concept for Low Income Group Housing in Klang Valley Region" in *CIB World Building Congress 2019*, (Construction Industry Development Board Malaysia, 2019).

¹⁰⁸ Tao Zhang and Ahmad Hariza B Hashim, "Theoretical Framework of Fair Distribution of Affordable Housing in China", *Asian Social Science*, vol. 7, no. 9 (2011): 175–183.

A significant concern highlighted across multiple studies is the definitional ambiguity surrounding affordable housing. Zhang and Hashim contend that law is a crucial instrument to channel affordable housing resources to the most vulnerable populations while ensuring equitable distribution. Their analysis underscores that critical legislation, such as the PR1MA Act 2012, notably omits clear definitions of “affordable housing” and fails to specify target income brackets, complicating effective implementation.

Yap and Ng delve into the coordination challenges between federal and state levels, pointing out that existing collaborative efforts often rely on ad-hoc councils instead of established frameworks¹⁰⁹. They advocate for the development of a comprehensive legal framework that delineates implementation protocols for national housing policies at the state level and establishes formally mandated coordination bodies.

Another area of focus in the literature concerns the enforcement of developer obligations. Alias¹¹⁰ (2018) and Ramli¹¹¹ support the idea of inclusionary housing policies underpinned by statutory authority. Their comparative examination of housing regulatory frameworks indicates that formalised agreements between governmental bodies and developers, bolstered by regulatory mechanisms, can effectively manage housing prices and ensure that subsidies result in true affordability for prospective homeowners.

The legal dimensions of market stabilisation also represent a significant research strand. Ismail¹¹² notes the critical relevance of mitigating housing market bubbles to preserve affordability. Her findings suggest that a robust legal framework could empower regulatory entities to scrutinise speculative price escalations and deploy interventionist strategies when warranted.

Yaacob et. al.¹¹³ tackles accountability in housing policy, asserting that such policies should proactively influence market dynamics to promote social objectives rather than merely responding to market fluctuations. This notion resonates with an increasing consensus on the

¹⁰⁹ Yap, J.B.H. and Ng, *Housing affordability in Malaysia: perception, price range, influencing factors and policies*.

¹¹⁰ Yusuf Mohammed Abdullahi and Anuar Alias, "The Success Factor of Public-Private Partnerships in Malaysia and Nigeria's Housing Sectors", *Journal of Design and Built Environment*, vol. 22, no. 1 (2022): 13–33.

¹¹¹ Fazilah binti Ramli, "Housing Equilibrium Price Framework for Malaysian Middle Class Group in Affordable Housing Market", (University Tun Hussein Onn, 2017).

¹¹² Khazanah Research Institute, *Rethinking Housing: Between State, Market and Society: A Special Report for the Formulation of the National Housing Policy (2018–2025)*, Malaysia (Kuala Lumpur: Khazanah Research Institute, 2019).

¹¹³ Mahazril Áini Yaacob, Nurul Hidayana Mohd Noor, and Shofiqur Rahman Chowdhury, "A Review on Housing Policy and Practices in Malaysia in Providing Access to Housing: Are they adequate?", *Environment-Behaviour Proceedings Journal*, vol. 7, no. 19 (2022): 257–262.

necessity of transparent legal frameworks that enable civil society to hold authorities and developers accountable for fulfilling affordable housing commitments.

Collectively, the literature posits that Malaysia's predominantly policy-driven approach necessitates augmentation via a coherent legal construct. Scholars recommend that such a framework would standardise definitions, enhance intergovernmental coordination, impose mandatory contributions from the private sector, and institutionalize support mechanisms. This would facilitate a systemic—rather than discretionary—approach to affordable housing provision capable of enduring political shifts.

1.9.6. Potential of Waqf for Affordable Housing

Waqf, essentially an Islamic endowment, involves the permanent donation of property or land for charitable and religious purposes. This concept has been around for centuries and has played a pivotal role in meeting community needs, especially in providing housing. The Prophet Muhammad set a powerful example by building the first mosque in Madinah on waqf land, laying the foundation for using waqf as a tool for community development¹¹⁴.

1.9.6.1. Waqf for Affordable Housing

The current issues surrounding housing affordability have renewed interest in the potential of waqf as a mechanism for providing affordable homes. In Malaysia, the availability of waqf land assets, estimated at 11,091 hectares, reveals a concerning underutilisation, with over 90% of this land remaining inactive¹¹⁵. Effective utilisation of waqf lands could significantly alleviate housing affordability challenges, particularly for the middle-income group (M40) who struggle to access low-cost housing and cannot afford market-priced homes¹¹⁶.

Studies highlight the immense potential of waqf properties, with global valuation exceeding USD 1 trillion, and Malaysian waqf assets valued at RM1.14 billion¹¹⁷ (UDA Waqf, 2019). Notably, examples such as Wakaf Seetee Aisah in Penang demonstrate the successful

¹¹⁴ Hayatullah Laluddin and et al, "Revisiting the Concept of Waqf: Its Maintenance, Issues and Challenges", *International Journal of Islamic Thought*, vol. 20 (2021): 56. "The first instance of the waqf in Islamic history is the waqf land in Madinah on which the Quba mosque was built. It was built in the first year of hijrah upon the arrival of the Prophet (p.b.u.h)"

¹¹⁵ Norinah Mohd Ali and et al, "The need of an effective business model for waqf land development in Malaysia" in *20th International Research Conferences on Business, Economics and Social Sciences*, (2015); Mohd Zaidi Daud and Hanira Hanafi, "Literature on Current Development of Waqf Practices in Malaysia", *Journal of Shariah Law Research*, vol. 7, no. 2 (2022): 223–240.

¹¹⁶ Nor Azizan Che Embi and et al, "A proposal for affordable waqf housing projects in malaysia: Public perception of house characteristics", *Planning Malaysia*, vol. 19, no. 3 (2021): 260–269.

¹¹⁷ UDA Waqf Sdn Bhd, *Development of Waqf Land "Wakaf Seetee Aisah"* (Kuala Lumpur: UDA Holdings Berhad, 2019).

application of waqf land for housing development, indicating that well-managed waqf properties can yield significant social and economic benefits.¹¹⁸

1.9.6.2. Challenges in Utilising Waqf for Housing

Despite its potential, using waqf land for housing comes with several challenges. In Malaysia, these issues include a lack of transparency regarding waqf properties, inefficient management by trustees, poorly located properties, and limitations in financial mechanisms.¹¹⁹ The administrative structure, which involves both the State Islamic Religious Councils (SIRCs) and local land offices, adds layers of complexity that often delay the development of waqf land.¹²⁰

To illustrate these challenges, the following table summarizes key obstacles and their supporting references:

Table 1.7: Key Challenges in Utilising Waqf for Housing

Challenges	Supporting Statement	Reference
Lack of Data and Transparency	"The undeveloped land was the usual problem when discussing waqf land..."	Anuar, N. A., Sulaiman, M. A., Mokhtar, N. N. A., Zainol, N. N., Isa, M., & Wan Yusoff, W. Z. (2022). Evaluating the performance of waqf land development: A case study of Waqf Seetee Aisah, Pulau Pinang. <i>ESTEEM Journal of Social Sciences and Humanities</i> , 6(1), 109-121.
	"Many waqf lands are still registered under individual titles, making it difficult to trace ownership."	Daud, M. Z., Hanafi, H., & Abu Hussin, M. F. (2022). Literature on current development of waqf practices in Malaysia. <i>Journal of Shariah Law Research</i> , 7(2), 223-240.
Inefficient Management	"The SIRC management for every state can also impact the waqf land development..."	Anuar et al., 2022

¹¹⁸ Nur Afifah Anuar and et al, "Evaluating the Performance of Waqf Land Development: A Case Study of Waqf Seetee Aisah, Pulau Pinang", *ESTEEM Journal of Social Sciences and Humanities*, vol. 6, no. 1 (2022): 109–121; Sukriah Ismail, Marina Abu Bakar, Che Zuina Ismail, and Noor Asyimah Ramli, "Issues and challenges in wakaf seetee aishah property development, Penang state Islamic religious council (MAINPP)", *Linguistics and Culture Review*, vol. 5, no. S3 (2021): 1111–1123.

¹¹⁹ Sukriah Ismail and et al, Issues and challenges in wakaf seetee aishah property development, Penang state Islamic religious council (MAINPP); Farhana Mohamad Suhaimi and Azman Ab Rahman, "Wakaf Perumahan dalam Pembangunan Ekonomi: Pelaksanaannya Menurut Maqasid Syariah", *Journal of Fatwa Management and Research*, vol. 16, no. 2 (2019): 31–42.

¹²⁰ Nor Asiah Mohamad, Sharifah Zubaidah Syed Abdul Kader, and Zuraidah Ali, "Waqf lands and challenges from the legal perspectives in Malaysia", *IIUM-Toyo University Joint Symposium Sustainable Build Environment: Lessons Learned from Malaysia and Japan*, vol. 1993, no. Act 505 (2012); Sharifah Zubaidah Syed Abdul Kader, "Legal Framework for Management of Waqf Land in Malaysia [2014] 6 MLJ liv", *Malayan Law Journal Articles*, vol. 4, no. Act 388 (2014): 1–23.

Challenges	Supporting Statement	Reference
	"MAINPP faces several challenges in developing waqf properties..."	Ismail, S., Bakar, M. A., Ismail, C. Z., & Ramli, N. A. (2021). Issues and challenges in Wakaf Seetee Aisah property development, Penang State Islamic Religious Council (MAINPP). Linguistics and Culture Review, 5(S3), 1111-1123.
Legal and Institutional Constraints	"Waqf assets are under the exclusive trusteeship of SIRCs, discouraging private sector involvement."	Syed Abdul Kader, S. Z., & Mohamed, N. A. (2014). Legal framework for management of waqf land in Malaysia.
Financing and Investment Challenges	"Banks hesitate to provide financing for waqf projects due to their inalienable nature..."	Ali, N. M., Ahmad, R., & Mahdzan, N. S. (2015). The need of an effective business model for waqf land development in Malaysia.
	"Waqf land cannot easily serve as collateral, making financial support difficult."	Ismail et al., 2021

1.9.6.3. *Enhancing Waqf Management for Affordable Housing*

Addressing waqf management challenges requires clear policy frameworks, enhanced trustee capabilities, and comprehensive inventories of waqf properties. Innovative financing models, such as public-private partnerships and various waqf approaches, can aid in fundraising and developing waqf lands for affordable housing. Effective business models that integrate legal, management, and financial aspects are crucial for maximising the impact and sustainability of waqf institutions. Additionally, strong governance structures and alignment with socio-economic goals are necessary for creating sustainable waqf housing solutions. Various proposed solutions aim to enhance the effectiveness of waqf in affordable housing, as outlined in the table below.

Table 1.8: Enabling Mechanism for Waqf Affordable Housing

ENABLING MECHANISM	SUPPORTING STATEMENT	REFERENCE
Clearer Policy Frameworks	"Malaysia's National Affordable Housing Policy must guarantee housing affordability for low-income groups."	MDPI, 2021. Can Malaysia's National Affordable Housing Policy Guarantee Housing Affordability of Low-Income Households? ¹²¹

¹²¹ Liu, Jian and Ong, Can Malaysia's national affordable housing policy guarantee housing affordability of low-income households?

ENABLING MECHANISM	SUPPORTING STATEMENT	REFERENCE
Enhancement Of Trustee Management	"A proposed waqf model in Malaysia highlights the need for improved governance and trustee efficiency."	ResearchGate, 2020. Proposed Waqf Model for an Affordable Housing Mechanism in Malaysia. ¹²²
Comprehensive Inventory Management	"Public perception studies emphasise the need for detailed data on waqf land usage for housing projects."	Planning Malaysia, 2021. A Proposal for Affordable Waqf Housing Projects in Johor, Malaysia. ¹²³
Innovative Financing Models	"A waqf-based cooperative finance framework offers sustainable funding for housing developments."	IIUM, 2022. Framework of Affordable Cooperative Housing Through an Innovative Waqf-Based Source of Finance in Karachi. ¹²⁴

Waqf presents a promising solution for housing affordability and community welfare in Malaysia. Significant administrative, financial, and legal barriers must be addressed to fully harness its potential. Clear policies, innovative financing, effective management, and public-private collaboration are essential to tapping into the benefits waqf can offer for affordable housing development. With proper frameworks in place, waqf lands could significantly help resolve Malaysia's housing challenges.

1.10. RESEARCH METHODOLOGY

Using both doctrinal and non-doctrinal legal research, this study employs a qualitative research approach to examine the sustainability of affordable housing legal framework for middle-income Malaysia. Legal analysis combined with empirical analysis offers a complete knowledge of the institutional, policy, and stakeholder dynamics affecting the implementation and reform of affordable housing.

¹²² Syukqran Kamal and Rashid Ating, "Proposed Waqf Model for an Affordable Housing Mechanism in", vol. 2, no. 2 (2020): 87–109.

¹²³ Embi and et al, A proposal for affordable waqf housing projects in malaysia: Public perception of house characteristics.

¹²⁴ Muhammad Kashif Khan and et al, "Framework of affordable cooperative housing through an innovative waqf-based source of finance in Karachi", *Journal of Islamic Accounting and Business Research*, vol. 14, no. 3 (2023): 379–397.

1.10.1. Doctrinal Legal Research

Doctrine research is a comprehensive study of primary and secondary legal documents in order to analyse and criticise the present legal system operating affordable housing. Among the primary sources are national and international documents including:

- i. several Malaysian Plans, Vision 2020, Shared Prosperity Vision 2030,
- ii. related policy papers including National Housing Policy,
- iii. Regional treaties addressing housing rights and the universal declaration of human rights
- iv. Laws including related legislation, the Housing Development (Control & Licencing) Act 1966, and the PR1MA Act 2012

Secondary sources include government papers, academic journals, textbooks, media stories, and resources gathered from websites including LexisNexis, CLJLaw, ProQuest, and Google Scholars. To strengthen the legal logic and justify suggested changes, doctrinal analysis also includes socio-legal theories, statistical data, and comparative viewpoints that of Singapore and Australia.

1.10.2. Non-Doctrinal Legal Research

Semi-structured interviews and focus group discussions (FGDs) allowed non-doctrinal (empirical) research to get qualitative data from pertinent parties. This method seeks to expose practical difficulties, implementation flaws, and viewpoints not fully expressed by legal text.

Experts and institutional representatives personally engaged in Malaysia's affordable housing ecosystem were sought via purposive sampling. Among the stakeholders in the sample were those from:

- i. Government agencies: PR1MA Corporation Malaysia, National Housing Department, DBKL
- ii. Private sector: REHDA, selected housing developers, SpeedHome (property technology)
- iii. Financial institutions: Bank representatives, AIBIM
- iv. Civil society: House Buyers Association (HBA)
- v. Think Tanks: Khazanah Research Institute (KRI)
- vi. State governments: Selangor and Johor State Secretariats

- vii. Legal and property experts: Bar Council, Malaysian Institute of Property & Facility Managers (MIPFM), NAPIC
- viii. Religious institutions: Wakaf administrators (PWS)

Designed around the PESTEL framework (Political, Economic, Social, Technological, Environmental, Legal), semi-structured interviews were meant to guarantee thorough examination while allowing participants to bring up newly arising concerns. Based on participant choice, interviews ran 60 to 90 minutes in Bahasa Malaysia or English.

To support multi-stakeholder discussions, three Focus Group Discussions (FGD) from various sectors were carried out. These meetings promoted cross-sectoral cooperation, lively debate of ideas, and identification of common problems.

With permission, all interviews and FGDs were audio recorded; they were transcribed and supported by field notes. A

1.10.3. Methodological Analysis

Transcripts of interviews were kept in their original tongue in order to maintain contextual subtleties and significance. Important quotes were English translations for reporting needs. To guarantee immersion and accuracy before coding, several readings were collected. Themes were arranged using the PESTEL framework, with an eye towards:

- i. Common and different points of view among stakeholders; systematic legal and policy constraints
- ii. Innovative concepts and reforms; implementation gaps; cross-cutting patterns (federal-state coordination, regulatory inconsistencies)
- iii. Beyond classification, this interpretative study offers clarifying explanations for institutional actions and systematic problems.

1.10.4. Justification for Applying the PESTEL Framework

The PESTEL framework¹²⁵ was selected for its:

- i. Policy relevance helps pinpoint opportunities for active reform, comprehensive scope catches both internal and external effects on housing policies.
- ii. Aligning with governance-oriented research, the multidisciplinary approach integrates legal, social, economic, and environmental issues; forward-looking utility supports long-term policy planning.
- iii. The framework was modified to fit Malaysia's particular political environment and cultural setting, therefore guaranteeing analytical rigour and keeping relevance.

1.10.5. Incorporation of Benchmarking (Best Practice) Analysis and Case Study

To explore the useful aspects of project implementation and sustainability, a small case study was conducted at PR1MA Alam Damai. Using doctrines, non-doctrinal, and PESTEL techniques, benchmarking analysis with Singapore and Australia was included to extract best practices. As such, doctrinal and non-doctrinal findings shall be assessed using an exploratory research design, employing analytical and best-practice methods of study. In summary, the method will be adopted based on the purpose to achieve the research objectives and research questions, based on the chapters as described below:

Table 1.9: Summary of Methodology by Chapters

Research Question	Method	Data Source	Chapter	How Method Addresses RQ
RQ1: What is the concept of affordable housing in Malaysia?	Doctrinal legal research Theoretical analysis	Primary: legislation, international instruments, case law Secondary: academic journals, policy papers, government reports	Ch. 2 Ch. 3	Doctrinal analysis establishes the six-element conceptual framework by examining legal definitions, human rights instruments, distributive justice theory, and Maqāṣid al-Sharī'ah principles.

¹²⁵ Further explanation on PESTEL Methodology in Chapter 4.1.

Research Question	Method	Data Source	Chapter	How Method Addresses RQ
RQ2: What is the existing legal framework available in guaranteeing housing ownership for the M40?	Doctrinal legal research PESTEL analysis Semi-structured interviews (3) Focus group discussions (4) Best practice analysis Case study	Primary: legislation across 3 jurisdictions Empirical: 7 stakeholder sessions (see Table 5.1) Case study: PR1MA Alam Damai	Ch. 4 Ch. 5 Ch. 6	PESTEL framework applied consistently across Victoria, Singapore, and Malaysia enables systematic identification of best practices and gaps. Interviews and FGDs provide stakeholder perspectives on practical implementation challenges not visible in legal texts. Case study validates PESTEL findings through empirical assessment of a federal programme.
RQ3: How can the existing legal framework be improved for sustainability?	Synthesis of all methods SWOT analysis Framework formulation ¹²⁶	All preceding chapters PESTEL findings from 3 jurisdictions Stakeholder recommendations	Ch. 7	Synthesis of doctrinal analysis (RQ1), empirical findings (RQ2), and best practice identification produces the seven-pillar enhanced framework with 30 proposed legislative provisions.

¹²⁶ "SWOT Analysis: How To With Table and Example", <<https://www.investopedia.com/terms/s/swot.asp>> (accessed 3 November, 2022). SWOT analysis is a framework used to assess a company's competitive position and to create strategic planning. It stands for strengths, weaknesses, opportunities, and threats. The SWOT analysis evaluates internal and external variables as well as present and anticipated future situations.





CHAPTER TWO

THEORY OF DISTRIBUTIVE SOCIAL JUSTICE IN AFFORDABLE HOUSING CONCEPT

2.1. INTRODUCTION

This chapter explores the concept of distributive social justice from the Sociological and Islamic Schools of Thought, focusing on the social goal of providing affordable housing. It also connects this concept to the Sustainable Development Goals. The analysis will assess the integration of social justice perspectives to evaluate the feasibility and sustainability of affordable housing within Malaysia's legal framework. Additionally, it will compare housing concepts in other states to determine if Malaysia's current interpretation of affordable housing is adequate.

In understanding the concept of affordable housing, the underlying principles of jurisprudence, whether social, economic, or even religious, will be explored, and the connectivity between all these elements will be discovered. The universe of housing involves multidisciplinary studies comprising research in sociology, psychology, economics, anthropology, history, planning, architecture, philosophy, law, and other academic and professional disciplines.

In the English language, "housing" could be referred to as "house", "dwelling" and "home". All the words describe both elements of actions of social actors and the material products of those actions, where the people living and doing activities in their houses and/or apartments.¹²⁷ Jim Kemeny urged for the researchers to study the theoretical concepts and ideas per their own discipline and integrate the ideas into the current debates as to enrich the housing research.¹²⁸ The approach taken by Kemeny in defining the theoretical social concept of housing as an integral part of society, inseparable from social culture, or collectivises social structure. Impliedly, the characteristics of the theory can be proved underneath the International Human Rights Law on the right to standard living. Right to an adequate standard of living was

¹²⁷ Hannu Ruonavaara, "Theory of Housing, From Housing, About Housing", *Housing, Theory and Society*, vol. 35, no. 2 (2018): 178–192.

¹²⁸ Jim Kemeny, *Housing and Social Theory* (London: Routledge, 1991)

recognised as part of International Human Rights Law in the 1948 Universal Declaration of Human Rights and in the 1966 International Covenant on Economic, Social and Cultural Rights. Article 25 (1) of the Universal Declaration on Human Rights provides;

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”¹²⁹

All nations recognised the right to adequate housing, have ratified at least one of the international treaties and are devoted to protecting the rights by executing the relevant declarations and action plans pertaining to adequate housing¹³⁰. The criteria of the right of adequate housing are clarified in the UN Committee on Economic, Social and Cultural Rights (known as ECOSOC Committee) general comments No. 4 (1991) as follows¹³¹:

Table 2.1: Key Criteria for Adequate Housing

Security of Tenure	Housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment, and other threats.
Availability of Services, Materials, Facilities, and Infrastructure	Housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage, or refuse disposal.
Affordability	Housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights.
Habitability	Housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health, and structural hazards.
Accessibility	Housing is not adequate if the specific needs of disadvantaged and marginalized groups are not taken into account.
Location	Housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres, and other social facilities, or if located in polluted or dangerous areas.

¹²⁹ United Nations, Universal Declaration of Human Rights, (United Nations OHCHR, 2015).

¹³⁰ UN-Habitat and OHCHR, *The Right to Adequate Housing*, Fact Sheet No. 21, Rev. 1 (Geneva: United Nations, 2011)

¹³¹ Ibid.

Cultural Adequacy

- Housing is not adequate if it does not respect and take into account the expression of cultural identity.

Remarkably, the dimension of housing in Islamic perspective is almost similar to Kemeny's approach, not only related to the physical construction, but also the lively fondness to home spiritually. In Islam, housing is a centre to nurture family relationships, which subsequently become the nucleus in a country's development. The strength of a family institution signifies the forte of a society and the dignity of its culture¹³². A long history has proven that the Islamic housing concept has been assimilated into house design, development ideas, and even housing financing.

The natural and urban environment is echoed in Islamic principles with the objective to enhance the Islamic social frameworks. In the Quran, a house is referred to as 'al-bayt' and many verses mention its definition and characteristics of Islamic housing, which can relate to the built environment. Allah describes a house in Quranic chapter 16, verse 80 as follows:

"It is Allah who made your homes for rest and quiet for you, out of animals, (tents for) dwellings, which you find so light (and handy) when you travel and when you stop (in your travel): and out of their soft fibers (between wool and hair) and their hair, rich stuff and articles of convenience (to save you for a time)."

Sa'd ibn Abi Waqqas reported that the Prophet Muhammad S.A.W said, "Four things are part of happiness: a righteous spouse, a spacious dwelling, a righteous neighbour, and a comfortable mount. Four things are part of misery: a bad neighbour, a bad spouse, a restrictive dwelling, and a bad mount¹³³. While the renowned Islamic scholars, Dr. Yousuf Al-Qaradawi, expresses the house as "*the place in which an individual protects himself from the climatic impacts and in which he finds freedom from the restrictions and pressures of society. It is a place of rest for the body and relaxation for mind*"¹³⁴. Based on these narrations, the Islamic housing concept covers all the aspects of human living, community and environment which in line with the realism of Islam as a way of life.

¹³² Spahic Omer, "Towards an Islamization of Housing", *Journal of Islam in Asia*, vol. 13, no. 1 (2016).

¹³³ Abu Amina Elias, "Hadith on Living: Four Things Are Part of Happiness and Miserable Living," *Daily Hadith Online*, <https://abuaminaelias.com/dailyhadithonline/2013/12/28/hadith-on-living-four-things-are-part-of-happiness-and-miserable-living/> (accessed 15 March, 2019).

¹³⁴ Akeel Noori Almulla Hwaish, "Concept Of The Islamic House; A Case Study Of The Early Muslims House", *4th IASTEM International Conference*, no. November (2015): 87.

2.2. JUSTICE IN ENSURING AFFORDABLE HOUSING DISTRIBUTED FAIRLY

Housing has become a major issue in Asia, including Malaysia¹³⁵. The urbanisation has forced the demand to rise in urban centres. The migration of the population from the rural to the city due to various reasons such as employment opportunities, public facilities, education, economic and wealth prospects have contributed to the increase of housing demand. The accessibility of affordable housing becomes an issue as the government keep changing policy, resulting in an unfair distribution of affordable housing that only focuses on the B40 segment.

The middle-income group (hereinafter referred to as 'M40 segment') is lacking the accessibility to affordable housing as neither they are entitled to low-cost housing nor can they afford the housing price in the market. Thus, in achieving the social objectives on housing to all citizens, the underlying principle of the social distributive justice as basis of the affordable concept in delivering the affordable housing schemes should be considered by the government as Blackstone quote;

“Justice is not derived from the king as his free gift but he is the steward of the public to dispense it to whom it is due. He is not the spring but the reservoir from whence right and equity are conducted by a thousand channels to every individuals”¹³⁶

2.2.1. Social Justice in Housing

The fundamental legal theories of housing are derived from various concepts of property since they are closely related to ideology and property rights. The housing paradigm involves general classes of real estate embodied in property rights between individuals, society, and the environment. In understanding the concepts of housing, the rights attached to property need to be examined, including ownership, enjoyment, privacy, powers to transfer, and community living, to ensure the justice concept is justified in society.

The theory of social justice was advanced by Roscoe Pound, who was the pioneer of the sociological School of Thought. As claimed by Pound, the social justice according to sociological jurists is equitable to the application of law, where the judge uses legal principles in delivering the just results within the prescribed limits to meet the demands of justice between the parties involved with the general reasoning applying to each. Pound further added, the idea of maximum satisfaction of human expectation needs to be reconciled and controlled using the

¹³⁵ UN Habitat, *The Right to Adequate Housing*.

¹³⁶ V.D Mahajan, "Administration of Justice" in *Jurisprudence & Legal Theory*, (New Delhi: Eastern Book Company, 2006).

law, as far as possible, to secure justice according to the law¹³⁷. However, given the fast-changing technology and modernisation of society, Pound agreed that “*law must be stable, and yet it cannot stand still*” as the judge should deliver the decision with harmonisation of any fixed legal norm and pure pragmatics to avoid conflict in modern society.

John Rawls, the controversial modern scholar in upholding social justice, defined justice as fairness, which is the aim of the political conception for matters regarding political, social, and economic institutions based on the moral conception. It is also referring to a ‘modern constitutional democracy’ where the society is structured under a social co-operation system. Further, Rawls’ conceptual justice should be independent of controversial philosophical and religious doctrines. The principle of toleration to philosophy should be applied to sustain the public perspective of conceptual justice to be political, not metaphysical¹³⁸. The justice conception based on general moral conception is not recognised as a practical political matter in a modern democratic state. Rawls then developed the doctrine of public reason as arguments to justify the decision-making.

This justice conception is an alternative to utilitarianism namely, “*the ethical theory that the best course of action is the one that maximizes utility, commonly construed as well-being or satisfaction of expectations*”. In contrast with classical utilitarianism that focuses on maximizing the total weighted utility, Rawls’ attention is on the society maximizing the average utility. Indirectly, Rawls believes the average utility is to be preferred in allowing a reasonable level of utility that everyone must be permitted to enjoy. The rationale behind the principle of average utility can guarantee decent lives with opportunity for self-expression and growth¹³⁹.

2.2.2. The Relation of Social Distributive Justice And Affordable Housing

Rawls’ view on social justice has spawned the theory on social distributive justice where the ‘equal distribution’ is emphasised in upholding the justice. The ‘just savings principle’ believed by Rawls to be beneficial in promoting the best interest of members of future generations. The outcome of this principle is that ‘justice as fairness’ must function in the current society, as

¹³⁷ V.D Mahajan, "Sociological School" in Jurisprudence & Legal Theory, (New Delhi: Eastern Book Company, 2006).

¹³⁸ John Rawls, "Justice as Fairness: Political Not Metaphysical" in Equality and Liberty, (London: Palgrave Macmillan UK, 1991), 145–173.

¹³⁹ Kevin Wu, "John Rawls’ Theory of Justice and Mixed Conception with a Social Minimum Principle" (senior thesis, Claremont McKenna College, 2016).

well as if successful, to be applied in the future¹⁴⁰. It is also made up of two principles of the following¹⁴¹:

- i. Each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others;
- ii. Social and economic inequalities are to be arranged so that they are both (a) reasonably expected to be everyone's advantage, and (b) attached to positions and offices open to all.

Rawls distinguished the principles according to the social system. The first principle related to all equal rights to basic liberty such as voting, education, property and eligibility to public office. Whereas the second principle related to the distribution of income and wealth, where the distribution does not need to be equal, yet it must be fair to everyone. This second principle also illustrated the role of authority in managing the distribution of authority and command, which is subjected to any restraints, for everyone's benefit, notwithstanding the social and economic inequalities. Generally, these two principles describe the social distributive justice as *"all social values-liberty and opportunity, income and wealth, and the bases of self-respect are to be distributed equally unless an unequal distribution of any, or all, of these values is to everyone's advantage"*¹⁴².

In establishing the principle of distributive justice, the institutional backgrounds play an important role. The government should set up the social and economic process within the environs of suitable political and legal institutions. For example, the government established various departments and agencies in allocating and distributing the state wealth where in this case, Lembaga Hasil Dalam Negeri is the key function in collecting personal and corporate tax, later, become one of the income to the government to be distributed to the people through various purposes such as education, housing scheme, health and others. This background institutions, then, will justify the just in distributive process. For the justice in distributive shares depends on the background institutions and how the allocation of total income, wages and other income is distributed amongst the society.

¹⁴⁰ JG Riddle, "Banging on the table?" in Jurisprudence, (Oxford University Press, 1999).

¹⁴¹ M.D.A Freeman, "Theories of Justice by John Rawls" in LLOYD's Introduction to Jurisprudence, (London: Thomson Reuters, 2008).

¹⁴² Ibid.

In determining the allocation and just distribution of affordable housing schemes in Malaysia, the respective institution should play an active role in delivering the housing to the targeted groups. Ministry of Housing and Local Government has identified agencies responsible for this subject such as Suruhanjaya Perumahan Negara Berhad (SPNB) and PR1MA Corporation Malaysia (PR1MA) at federal and state-backed agencies such as Lembaga Perumahan dan Hartanah Selangor, Perbadanan Kemajuan Negeri Perak, Lembaga Perumahan Malaka and each states' housing departments. These institutional backgrounds should determine the social and economic class of the society and classify it accordingly. The classification should be beneficial for every class, while amongst the classes to be an equal right as to achieve social distributive justice in the system. As the current practice, affordable housing schemes have been classified according to the group income, for example, PR1MA affordable housing scheme is targeted to the M40 segment throughout Malaysia. While, *Rumah Mesra Rakyat* is targeted to the B40 segment. Amongst those segments, the rights to affordable housing only can be accessible to applicants with good financial standing. Thus, the social distributive justice concept is so connected in delivering and achieving the social objective in affordable housing to the targeted groups of income.

2.2.3. The Imperative of Social Justice and Fair Distribution

In Asia, including Malaysia, housing has become a serious concern. The government's constant policy shifts result in an unequal allocation of cheap homes. The middle-income group lacks access to affordable housing because they are neither eligible for low-cost housing nor can they afford market-rate housing. Measuring the eligibility and affordability of the middle-income group is necessary to understand the social objective and justice in distributing the housing programme.

The housing legal system is influenced by property rights and ideology. Roscoe Pound, founder of sociology, promoted social fairness. The controversial social justice thinker John Rawls defined justice as fairness. Then, Rawls constructed public reason to legitimise decision-making. In a modern democratic democracy, general morality-based justice is not a political issue.

On top of that, John Rawls claimed that 'justice as fairness' should work in today's society and, if successful, be implemented in the future as well. All societal values, including freedom and opportunity, money and prosperity, and the foundations of self-respect, are to be spread equitably as a direct result of this principle. For this reason, the concept of social distributive justice is intrinsically linked to the delivery and achievement of social objectives

in the form of affordable housing for the designated income categories. In accordance with standard practice, affordable housing plans have been categorised according to group income; for instance, the PR1MA affordable housing scheme in Malaysia is aimed at the M40 sector.

2.3. THE RISE OF THE CONCEPTUAL FRAMEWORK FOR AFFORDABLE HOUSING

Historically, official urbanisation and migration in the region began in 1970, when urban areas were defined as gazetted areas with populations exceeding 10,000. A significant increase in migration occurred during the “Emergency” period from 1948 to 1960, primarily due to the activities of the Malayan Communist Party (MCP), which targeted rural Chinese communities. This situation prompted many individuals to relocate to urban areas for safety. Additionally, as a consequence of the guerrilla warfare, the government initiated a relocation process for rural Chinese residents to “New Villages”, which affected approximately one million people¹⁴³. Thus, the migration effected the growth of urban population and further aggravated the already existing urban-rural ethnic disparities as illustrated in the table below:

Table 2.2: Urban-rural population distribution by ethnic groups, Peninsular Malaysia¹⁴⁴

Census year	Urban areas			Rural areas		
	1947	1957	1970	1947	1957	1970
Ethnic group	(%)	(%)	(%)	(%)	(%)	(%)
Malays and other indigenous	177 (19.0)	350 (21.0)	699 (27.6)	2,251 (56.6)	2,765 (60.2)	3,987 (63.5)
Chinese	586 (63.1)	1,044 (62.6)	1,479 (58.4)	1,299 (32.7)	1,290 (28.0)	1,643 (26.2)
Indians	137 (14.7)	213 (12.8)	324 (12.7)	394 (9.9)	522 (11.3)	609 (9.7)
Others	30 (3.2)	60 (3.6)	28 (1.3)	35 (0.8)	24 (0.6)	41 (0.6)
Total	930 (100.0)	1,667 (100.0)	2,530 (100.0)	3,978 (100.0)	4,601 (100.0)	6,280 (100.0)

Source: Department of Statistics, Malaysia (1972, tables XIII and XVI, pp. 31 and 33)

¹⁴³ Emiel A. Wegelin, "Malaysia : Historical Perspective" in *Urban Low-Income Housing Development : A Case Study in Peninsular Malaysia*, (Martinus Nijhoff Social Sciences Division, 1978), 11–45

¹⁴⁴ Ibid.

The growth of the urban centres also affected the neighbouring areas, which later developed into new suburban areas and overspread the gazetted boundary. The table below showed the earliest gazetted urban areas and their population:

Table 2.3: Growth of major towns a (ranked by 1970 size), Peninsular Malaysia¹⁴⁵

Name of town	1970 population in gazetted areas (.000)	Proportion of gazetted area population to conurbation to conurbation area population, 1970 ^b	Average annual growth (gazetted area only) (%)
Kuala Lumpur	451.8	0.639	2.8
Georgetown	269.2	0.813	1
Ipoh	248.0	0.963	2.4
Johore Baharu	136.2	0.938	4.6
Kelang	113.6	1.000	3.1
Petaling Jaya	93.4	c	13.3
Malacca	87.2	0.866	1.7
Seremban	80.9	0.887	3.4
Alor Setar	66.3	0.772	1.7
Kota Bahru	33.1	0.789	2.8
Kuala Terengganu	53.3	0.897	4.6
Kuantan	43.3	1.000	4.9
Source: Soon Lye Ying (1976, tables IV, 21 and IV,22, pp. 106-102), based on census data			
^a State capitals plus metropolitan towns (75,000 and above) of Kuala Lumpur and Petaling Jaya			
^b An urban conurbation area is defined as the totality of the gazetted area of the town being discussed and built-up area lying outside the boundary			
^c Included in Kuala Lumpur conurbation			

The trend of urbanisation and migration significantly affects housing issues. Consequently, the government must implement different levels of measures to address housing needs for people in both rural and urban areas. In 1969, following the announcement of general elections, the Alliance government, led by the first Prime Minister, Tuanku Abdul Rahman Putra al-Haj, suffered major losses, with all three political components losing their seats to the opposition. This situation escalated when a clash occurred between the DAP-Gerakan victory celebrations and a counter-procession by UMNO supporters in Kuala Lumpur. The incident

¹⁴⁵ Ibid.

heightened racial tensions due to the unequal distribution of wealth, ultimately leading to the racial riots of May 13, 1969¹⁴⁶.

Subsequently, it became evident that the previous resettlement and communal accommodation efforts were insufficient in preventing racial conflicts in the country. As a result, various national policies were thoroughly reviewed and evaluated by the National Operations Council (NOC). The NOC's findings led the Razak Government to introduce the New Economic Policy (NEP) to stabilise the political, social, and economic landscape for all citizens¹⁴⁷. The formation of Barisan Nasional in 1974 strengthened government control in achieving the NEP, which aimed to eradicate poverty regardless of race and restructure society to eliminate the link between race and economic function, promoting national unity¹⁴⁸. NEP primarily aims to enhance employment opportunities, productivity, and income levels among Malays and other indigenous communities while concurrently addressing inter-ethnic income disparities. To ensure the attainment of the NEP's objectives, the government has implemented a series of strategic plans designed to foster social harmony and cohesion within society. These initiatives reflect a commitment to addressing the socioeconomic inequalities that have historically impacted various ethnic groups in the nation.

NEP has played a vital role in transforming Malaysia's political and economic landscape, significantly reducing poverty and increasing Bumiputera's participation in the economy. This policy has also contributed to the rise of the Malay middle class and business sector. While housing was not explicitly a primary objective of the NEP, government-facilitated Bumiputera migration and urbanisation created significant housing demand. Although some argue that housing was implicitly included in the NEP, the policy's direct effects on the housing sector were limited in its early stages.

Addressing housing needs is critical to prevent the escalation of urban social issues. Recognising this, the government integrated housing considerations into various supportive plans under the NEP. Access to affordable housing has historically aligned with broader objectives to bolster the industrial sector, as urbanisation is closely tied to economic growth.

¹⁴⁶ Khairiah Salwa Mokhtar, Chan Ai Reen, and Paramjit Singh Jamir Singh, "The New Economic Policy (1970-1990) in Malaysia: The Economic and Political Perspectives", *GSTF International Journal on Media & Communications*, vol. 1, no. 1 (2013).

¹⁴⁷ Wegelin, Malaysia : Historical Perspective.

¹⁴⁸ Anas Zubedy, "The NEP – The Good And The Bad", Malaysia Today, <<https://www.malaysia-today.net/2012/06/21/the-nep-the-good-and-the-bad/>> (accessed 16 January, 2019); Wegelin, Malaysia : Historical Perspective.

Continuing government efforts to provide social housing have also highlighted the emerging need for affordable housing schemes.

2.3.1. The Interpretation of The Affordable Housing Concept

Numerous authors have sought to define the term “affordable housing” based on various factors, including pricing, government subsidies, minimum quality standards, and eligibility criteria for low-income individuals. Since 2012, the term “affordable housing” has been widely utilised. Despite the government’s provision of various affordable housing schemes for citizens, a precise definition of the term did not emerge until recently.

The new National Housing Policy (2018-2025) characterises affordable housing as housing aimed at the M40 group, which encompasses individuals earning between RM2,500 and RM7,500 per month. Prices for homes within this group are set to range from RM100,000 to RM300,000 per unit. In May 2019, the government introduced a specific sub-policy that focuses on affordable housing at the national level, known as “Dasar Perumahan Mampu Milik Negara (DRMM)”. Under the DRMM, affordable housing is generally defined as a home that meets basic needs in accordance with the guidelines established by the United Nations Human Settlements Programme.¹⁴⁹ Another section of DRMM defined the meaning of affordable housing as a home that is affordable, residential and secure to meet the needs of the B40 and M40 income groups.¹⁵⁰

To analyse whether the interpretation of the term “affordable housing” defined in the DRMM is precise and comprehensive, the comparative benchmarking with other states will be examined in the following table:

Table 2.4: Affordable Housing Concept in Selected Countries

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
United States	Affordable housing is defined as housing for which a resident pays no more than 30% of income for gross housing expenses with	Historically, the government has been responsible for providing adequate and quality affordable housing. Over the years, it has engaged in mixed development through partnerships with	Challenges faced by the US government regarding affordable housing in San Francisco include reduced federal

¹⁴⁹ Ministry of Housing and Local Government, *Dasar Perumahan Mampu Milik Negara (National Affordable Housing Policy)* (Putrajaya: KPKT, 2019). pg VII

¹⁵⁰ Ibid. pg 17

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
	diversity of eligible person living in affordable housing units. ¹⁵¹	private organizations. Currently, the main approaches used are rental assistance, homeownership assistance, and land use and regulatory incentives.	funding, local land-use restrictions, high maintenance costs, poor management practices, and accumulated deferred maintenance. ¹⁵² The low income growth and high demand for affordable housing have led to overpriced housing and rentals in New York City. ¹⁵³
Australia	The term ‘Affordable Housing’ is typically used to define housing that is “appropriate for the needs of a range of low—and moderate-income households and priced so that households are able to meet other essential basic living costs.” ¹⁵⁴ The definition of affordable housing should include indirect costs like commuting to jobs, utility expenses, and adaptable housing for older adults or those with disabilities.” ¹⁵⁵	In 2011, the government launched the ‘Opening Doors’ shared homeownership scheme to help low-income citizens access homeownership, linked to Keystart’s SharedStart home loan. ¹⁵⁶ The government is known for offering affordable housing rental to Australians through various schemes, including the National Rental Affordability Scheme (NRAS), Bond assistance, and Government Regional Officers Housing funded by Royalties for Regions. ¹⁵⁷	The substantial issues identified such as rising price, labour market and demographic change, reduction of housing supply, lack of acceptance of low-cost housing due to lack of options of house type. ¹⁵⁸
India	“Affordable housing refers to any housing that meets some form	Affordable housing always under purview of the State. Recently, private sector has role	Urbanisation has led to increased demand for affordable housing due

¹⁵¹ Anastasia Kalugina, "Affordable Housing Policies: An Overview", *Cornell Real Estate Review*, vol. 14, no. 1 (2016): 76–83.

¹⁵² Sarah Karlinsky and Tomiquia Moss, "Re - Envisioning the San Francisco Housing Authority", (2013).

¹⁵³ Kalugina, *Affordable Housing Policies: An Overview*.

¹⁵⁴ Australian Institute of Architects, "Affordable Housing Policy", (2009): 1–9.

¹⁵⁵ Canada Mortgage and Housing Corporation, "Housing Affordability: More than Rent and Mortgages", Canada Mortgage and Housing Corporation, <<https://www.cmhc-schl.gc.ca/en/developing-and-renovating/develop-new-affordable-housing/programs-and-information/about-affordable-housing-in-canada>> (accessed 6 July, 2019).

¹⁵⁶ Government of Western Australia, *Affordable Housing Strategy 2010–2020: Opening Doors to Affordable Housing – Progress Report 2012* (Perth: Department of Housing, 2012)

¹⁵⁷ Ibid.

¹⁵⁸ Australian Institute of Architects, *Affordable Housing Policy*.

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
	of affordability criterion, which could be income level of the family, size of the dwelling unit or affordability in terms of EMI size or ratio of house price to annual income” ¹⁵⁹ .	in building houses for the lower-middle and middle-class segments ¹⁶⁰ .	to housing shortages, transit congestion, and the need for public amenities like water and electricity. Additionally, land titling issues are also a factor ¹⁶¹ .
England	“Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are unmet by the market. Eligibility is determined concerning local incomes and local house prices. Affordable housing should include provisions to remain affordable for future eligible households or for the subsidy to be recycled for alternative affordable housing provision” ¹⁶² .	With homeownership becoming increasingly unaffordable in the UK, more people are turning to affordable rental housing. Social housing, which encompasses rental dwellings, affordable homeownership, and shared ownership schemes, is a key focus. Housing associations are crucial for delivering social housing ¹⁶³ .	Demographic trends and shifts in household composition have led to a chronic undersupply of affordable housing, while economic stagnation has caused prices to fall in some areas ¹⁶⁴ . Additionally, homelessness has become a significant issue in providing equal access to affordable housing ¹⁶⁵ .
Canada	“Housing is considered ‘affordable’ if it costs less than 30% of a household’s before-tax income. The term ‘affordable housing’	Most of Canada’s social housing was built between 1946 and 1993. Most of Canada’s social housing was built between 1946 and 1993, with significant federal investment. The federal	Lack of access to affordable and adequate housing to the needy, the government plays as an activist role in stimulating the private market to provide such

¹⁵⁹ Ministry of Housing and Urban Poverty Alleviation, *Report of the High Level Task Force on Affordable Housing for All* (New Delhi: Government of India, 2008).

¹⁶⁰ Kalpana Gopalan and Madalasa Venkataraman, "Affordable housing: Policy and practice in India", *IIMB Management Review*, vol. 27, no. 2 (2015): 129–140.

¹⁶¹ Ibid.

¹⁶² London City Hall, "London Plan Chapter Three: Definition of Affordable Housing", London City Hall, <<https://www.london.gov.uk/what-we-do/planning/london-plan/current-london-plan/london-plan-chapter-3/policy-310-definition>>.

¹⁶³ Darinka Czischke and Gerard van Bortel, "An exploration of concepts and policies on ‘affordable housing’ in England, Italy, Poland and The Netherlands", *Journal of Housing and the Built Environment*, (2018): 1–21.

¹⁶⁴ Steve Wilcox, John Perry, Mark Stephens, Peter Williams, and Jo Richardson, 2018 UK Housing Review (Coventry: Chartered Institute of Housing, 2018).

¹⁶⁵ Ibid.

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
	encompasses more than just government-subsidised rentals. It includes private, public, and non-profit housing across various tenures, such as rental, ownership, co-operative ownership, and both temporary and permanent housing. ¹⁶⁶	government allocates funds to provinces, which manage 80% of agreements with social housing providers, while Canada Mortgage and Housing Corporation oversees the remaining 20%, including First Nation on-reserve projects. Various government schemes are available to provide affordable housing through homeownership and rental programme. ¹⁶⁷	housing. Besides, the supply of affordable housing does not meet the current market supply has led to affordable housing crisis. ¹⁶⁸
Germany	As the result of lack of singular policy definition, there were multiple concepts of affordable housing. The reliance on changing legislative definition of social subsidy and respondent definitions of social has led to difference measures. ¹⁶⁹	The government is promoting affordable housing through various initiatives, including: First-time builders and buyers subsidies (“Eigenheimzulage”); Child-specific subsidies (“Baukindergeld”); Saving contracts (“Bausparverträge”); Funding for “social housing for owner-occupation” for lower-income families. Recently, 5 billion euros have been allocated for constructing over 100,000 new social flats, along with tax incentives for private developers to build more rental units, a housing allowance	Over decades, Germans have enjoyed comparably cheap housing. Due to ultra-low interest rates, foreign investment and migration, lack of supply and access to affordable and social housing, made German unable to keep pace with an influx of people to big cities which contributed in increased house prices and rents in recent years. ¹⁷¹

¹⁶⁶ Corporation, Housing Affordability: More than Rent and Mortgages; Canada Mortgage and Housing Corporation, "About Affordable Housing in Canada", Canada Mortgage and Housing Corporation, <<https://www.cmhc-schl.gc.ca/en/developing-and-renovating/develop-new-affordable-housing/programs-and-information/about-affordable-housing-in-canada>> (accessed 6 July, 2019).

¹⁶⁷ Tom Carter, "Current Practices for Procuring Affordable Housing: The Canadian Context", *Housing Policy Debate*, vol. 8, no. 3 (1997): 593–631.

¹⁶⁸ Kathryn Kyte, "This Is What ‘Affordable’ Looks Like across Canada’s Housing Market," *Vancouver Urbanized*, <https://dailyhive.com/vancouver/canada-housing-market-affordability-2019> (accessed 8 July, 2019); Canadian Press, "Affordable Housing in Canada in Crisis as Rental Rates Climb, Supply Dwindles," *HuffPost Canada*, https://www.huffingtonpost.ca/2018/04/10/affordable-housing-crisis-canada_a_23407878/ (accessed 8 July, 2019).

¹⁶⁹ Maarten Van Brederode, "Affordable Rental Housing in Amsterdam and Berlin: A comparison of Two European Capital cities", (University of Amsterdam, 2018).

¹⁷¹ Organisation for Economic Co-operation and Development, *Germany Policy Brief*, (2018); Notker Oberhäuser, "Germany's Soaring Housing Prices Spark Calls for Reform", Deutsche Welle, <<https://p.dw.com/p/35JXL>>; Ralf Henger, "German cities struggle to curb housing shortage Germany 2019 — The Big Issues : Affordable housing", Deutsche Welle, <<https://www.dw.com/en/german-cities-struggle-to-curb-housing-shortage/a-49705919>> (accessed 8 August, 2019).

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
		for poor households, and streamlined building regulations to expedite construction ¹⁷⁰ .	
Scotland	No specific definition but adopted UK definition on affordable housing ¹⁷² .	The Scottish Government's Affordable Housing Supply Programme (AHSP) funds social rent, affordable rent, and affordable homeownership. It supports new builds and initiatives to increase affordable housing stock through shelf purchases, open market shared equity, rehabilitations, and assistance to homeowners via the Homeownership Support Fund ¹⁷³ .	The demand for affordable housing in Scotland is unevenly distributed, leading to accessibility issues. Rising house prices and market trends are increasing homelessness and highlighting the shortage of affordable housing supplied by the Scottish government ¹⁷⁴ .
New Zealand	"A home that a household could occupy for less than 30 percent of its income whether purchasing or renting" ¹⁷⁵ . Generally, New Zealand has no legislative or regulatory definition of affordable housing. The term refers to low—to moderate-income households that require some form of government	To address the acute housing unaffordability, various policies have been reformed to moderate demand and increase supply, including: Mortgage restrictions on Loan to Value Ratio Changes in immigration and overseas investment policies Delays in capital gains taxation investigations related to the bright line test Amendments to the Resource Management Act and the National Policy Statement on Urban Development Capacity,	There are multiple causes for overall acute unaffordable housing. Amongst the causes, growth population and migration, shortage capacity to deliver supply of affordable housing, wage growth did not keep up with housing price, planning constraint and high cost material have contributed to mismatch between demand and supply in affordable housing market ¹⁷⁸ .

¹⁷⁰ Matthew Bigg, "Germany Sets Out Measures to Tackle Affordable Housing Shortage," *Reuters*, <https://www.reuters.com/article/us-germany-politics-housing/germany-sets-out-measures-to-tackle-affordable-housing-shortage-idUSKCN1M11YA> (accessed 8 August, 2019).

¹⁷² Audit Scotland, "Housing in Scotland - Additional Information for the Public Audit Committee", (2013).

¹⁷³ Scottish Government, "Housing Statistics 2018: Key Trends Summary", Scottish Government, <<https://www.gov.scot/publications/housing-statistics-scotland-2018-key-trends-summary/pages/4/>> (accessed 20 July, 2019).

¹⁷⁴ Ryan Powell, Richard Dunning, Kim McKee, and Ed Ferrari, *Affordable Housing Need in Scotland: Final Report – September 2015* (Edinburgh: Shelter Scotland, CIH Scotland, and SFHA, 2015).

¹⁷⁵ Community and Social Policy Team, *Affordable housing in Auckland - A snapshot report about the need and initiatives to increase low cost housing , assisted rent and assisted home ownership*, (2018).

¹⁷⁸ John Schellekens, Richard Chung, Robert Cameron, Bruce Isles, Carl Blanchard, and Richard Forgan, *New Zealand's Affordable Housing Dilemma* (Auckland: PricewaterhouseCoopers New Zealand, 2018).; Eleanor Ainge Roy, "New Zealand Housing Crisis: Just 47 'Affordable' Homes Built in Six Months," *The Guardian*, <https://www.theguardian.com/world/2019/jan/28/new-zealand-housing-crisis-just-47-affordable-homes-built-in-six-months> (accessed 8 July, 2019).

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
	assistance (a subsidy or intervention) ¹⁷⁶ .	alongside the Auckland Unitary Plan for increased development Actions by the Auckland Mayoral Housing Taskforce focused on infrastructure and construction costs ¹⁷⁷ .	
China	No comprehensive definition adopted by the government ¹⁷⁹ . Commonly known as “economical and comfortable housing,” it is planned to be accessible to middle—to low-income households, including public sector employees, to encourage homeownership ¹⁸⁰ .	Local governments, as mandated by the Central Government, are required to supply affordable housing by providing free land, reducing fees, and controlling developers' profits to lower housing prices for eligible individuals. Additionally, a compulsory Housing Provident Fund requires contributions from both employers and employees to assist with subsidised home loans ¹⁸¹ .	Most major cities in China face a shortage of affordable housing, with uneven supply and inadequate quality. High demand is driven by population influx into these cities. Additionally, both federal and local governments are hesitant to provide affordable housing due to financial burdens and insufficient funding from the central government ¹⁸² .
South Korea	No specific definition. However, some author referred affordable housing as housing poverty which refers to lack of physical ability triggered by loss of assets and deprived human necessity rights to housing ¹⁸³ .	The Korean government addresses housing issues by offering land to public developers, providing a National Housing Fund, regulating new housing production and allocation, giving tax incentives, and subsidizing suppliers and buyers. Priority in housing	Despite South Korea's economic growth, low income rates lead to high housing prices. Although the government implemented a minimum housing standard, many residents still live in

¹⁷⁶ Auckland City Council, "Auckland's Housing", <<https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-by-laws/our-plans-strategies/docs/auckland-plan8to15/ac0807chapter11.pdf>> (accessed 8 August, 2018).

¹⁷⁷ Community and Social Policy Team, Affordable housing in Auckland - A snapshot report about the need and initiatives to increase low cost housing, assisted rent and assisted home ownership.

¹⁷⁹ Xiang Cai, Chin Chang Tsai, and Wei Ning Wu, "Are they neck and neck in the affordable housing policies? A cross case comparison of three metropolitan cities in China", *Sustainability (Switzerland)*, vol. 9, no. 4 (2017).

¹⁸⁰ Joyce Yanyun Man, "Affordable Housing in China", Lincoln Institute, <<https://www.lincolnst.edu/publications/articles/affordable-housing-china>> (accessed 8 July, 2019).

¹⁸¹ Haizhou Huang, "Discussion on China's Housing Market: What we know? What we don't." in *International Symposium on Housing and Financial Stability in China*, (China: International Symposium on Housing and Financial Stability, 2015).

¹⁸² Cai, Tsai, and Wu, Are they neck and neck in the affordable housing policies? A cross case comparison of three metropolitan cities in China.

¹⁸³ Seong-Kyu Ha, "Housing Poverty and the Role of Urban Governance in Korea", *Environment and Urbanization*, vol. 16, no. 1 (2004): 139–153.

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
		distribution is given to first-time buyers in each household ¹⁸⁴ .	substandard conditions ¹⁸⁵ .
Egypt	No specific definition.	The Egyptian government partnered with the World Bank to launch the Affordable Mortgage Finance Programme, aiming to reform ineffective supply-side housing aids for low and middle-income sectors. ¹⁸⁶	Nearly 75% of young families in Egypt struggle to afford housing, facing poor living conditions due to a shortage of affordable options. The unequal distribution of funding for affordable housing across cities reveals a significant bias in public investment managed by the New Urban Community Authority (NUCA) ¹⁸⁷ .
United Arab Emirates (UAE)	No specific definition.	In UAE, the affordable housing sector divided into two types, i.e, Social Housing and Low Cost Housing Market. In 1991, the federal government established Sheikh Zayed Housing Programme (SZHP) to provide interest free loans repayable over a 25-year period to low income citizens. The priority given to orphans, widows, aged people and people with special needs. ¹⁸⁸	Despite the UAE's reputation for luxury, affordable housing remains scarce. An oversupply of deluxe properties contributes to this shortage, while high loan interest rates and limited access to long-term mortgages make homeownership challenging for middle-income earners. Additionally, insufficient funding for developers and speculation on house prices, particularly in Dubai, further exacerbate the issue. ¹⁸⁹ .

¹⁸⁴ Kyung-Hwan Kim and Miseon Park, *Housing Policy in the Republic of Korea*, ADBI Working Paper Series, no. 570 (Tokyo: Asian Development Bank Institute, 2016)

¹⁸⁵ Ibid.

¹⁸⁶ World Bank, "Projects : Affordable Mortgage Finance DPL", World Bank, <<http://projects.worldbank.org/P112346/affordable-mortgage-finance-dpl?lang=en>> (accessed 20 July, 2019).

¹⁸⁷ World Bank, "Affordable Housing Brings Hope for Low Income Egyptians", The World Bank, <<https://www.worldbank.org/en/news/feature/2013/12/06/affordable-housing-brings-hope-for-low-income-egyptians>> (accessed 20 July, 2019); Ahmed K. Abd El-Hameed, Yasser M. Mansour, and Ahmed A. Faggal, "Challenges and Issues for Affordable Housing in Egypt: A Review", *Engineering Research Journal*, vol. Oct, no. October (2017).

¹⁸⁸ *Official Government of UAE*, "Housing Authorities and Programmes", <<https://government.ae/en/information-and-services/housing/housing-authorities-and-programmes>> (accessed 20 July, 2019).

¹⁸⁹ Deepthi Nair, "Affordable Homes in UAE: Not There Yet," *Khaleej Times*, <<https://www.khaleejtimes.com/business/real-estate/affordable-homes-in-uae-not-there-yet->> (accessed 20 July,

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
Singapore	No specific definition as Singapore recognised affordable home for everyone ¹⁹⁰ .	Various schemes introduced by the government in achieving the national public housing agenda to cater on affordable home to every groups of citizens according to their needs such as: Parenthood Priority Scheme (PPS) Parenthood Provisional Housing Scheme (PPHS) Married Child Priority Scheme (MCPS) Multi-Generation Priority Scheme (MGPS) Single Singapore Citizen (SSC) Scheme or the Joint Singles Scheme (JSS), 2-room Flexi Scheme, quota-based Senior Priority Scheme (SPS) The pool funding from Central Provident Fund (a mandatory national savings scheme where most working citizens are required to contribute 20% of their monthly salary) become the basis for the Singaporean in determining the eligibility and readiness to own a house without overburdening their financial¹⁹¹.	The only hurdle faced by the government is the land space. However, the plan and strategy in utilizing the space for example Singapore's housing known as public housing flat, has materialized the vision to provide sustainable affordable homes to every Singaporean ¹⁹² .
Philippines	No definite definition for affordable housing discussed but President Rodrigo Duterte stated that "More than just a roof to keep our people safe from external	In 2017, the government introduced the National Urban Development and Housing Framework aimed at enhancing urban development and housing. This includes principles to improve housing affordability through community-based	The main challenges always lack affordable housing especially for low income earners¹⁹⁵. The inadequate housing supply due to unavailable land

2019); Jumana Abdel Razzaq and Bernd Debusmann, "Room for Everyone? How Dubai Is Embracing the Concept of Affordable Housing," *ArabianBusiness.com*, <https://www.arabianbusiness.com/property/393698-room-for-everyone-how-dubai-is-embracing-the-concept-of-affordable-housing> (accessed 20 July, 2019); Jones Lang LaSalle, "Why Affordable Housing Matters?," no. September (2011).

¹⁹⁰ Housing Development Board, "Public Housing – A Singapore Icon - Housing & Development Board (HDB)", Housing & Development Board, <<https://www.hdb.gov.sg/cs/infoweb/about-us/our-role/public-housing--a-singapore-icon>> (accessed 19 July, 2019).

¹⁹¹ Ibid.

¹⁹² The Economist, "Why 80% of Singaporeans Live in Government-Built Flats", *The Economist*, (2017): 1–6.

¹⁹⁵ Oxford Business Group, "Affordable housing is a Priority in the Philippines", <<https://oxfordbusinessgroup.com/analysis/back-basics-affordable-housing-priority>> (accessed 19 July, 2019).

States	Affordable Housing Definition	Affordable Housing Schemes	Challenges in delivering Affordable Housing Schemes
	threat, a shelter is where values are formed, hopes and dreams are built, and the true meaning of family is defined.” ¹⁹³	programme, like the Community Mortgage Programme. The reforms also focus on better land management, valuation, and rights-based instruments to support the poor housing sector. ¹⁹⁴	provided especially in urban area rising the demand for affordable housing. ¹⁹⁶
Indonesia	No specific definition	The World Bank, as part of its Country Partnership Framework for Indonesia, established the Mortgage-Linked Down Payment Assistance (BP2BT) scheme to support low-income and first-time homeowners. This financing will also fund the Home Improvement Assistance Programme (BSPS) for the bottom 40 percent of Indonesian families. ¹⁹⁷	Affordable housing is now a top priority for the government, addressing the high demand from families in substandard conditions. Factors like demographic areas and land location complicate the distribution of affordable housing, while a larger population drives up the demand even more. ¹⁹⁸

From the above table, the inference can be concluded that the specific definition of affordable housing in any policy, statute or guideline is an important component in determining the direction of the affordable schemes provided by the government, such as the United States, England, Canada, Australia and India. This definition also influences the aim and target income group of the affordable housing schemes, and thus, the government's intention to provide affordable housing to citizens is mirrored in their decision. The non-existence of a specific definition of affordable housing has made the government struggle to achieve its goal of

¹⁹³ "Affordable Housing for Filipinos," *Manila Standard*, <http://www.manilastandard.net/home-design/residential/232061/affordable-housing-for-filipinos.html> (accessed 19 July, 2019).

¹⁹⁴ Housing and Land Use Regulatory Board, "National Urban Development and Housing Framework 2017-2022", (2017): 90.

¹⁹⁶ Lamudi, "Ways the Philippines Can Make Housing More Affordable", Lamudi, <<https://www.lamudi.com.ph/journal/ways-the-philippines-can-make-housing-more-affordable/>> (accessed 19 July, 2019).

¹⁹⁷ *The World Bank*, "World Bank Approves New Financing to Support Affordable Housing in Indonesia", <<https://www.worldbank.org/en/news/press-release/2017/03/20/world-bank-approves-new-financing-to-support-affordable-housing-in-indonesia>> (accessed 20 July, 2019).

¹⁹⁸ Dao Harrison, "Five lessons on affordable housing provision from Indonesia", *The World Bank*, <<https://blogs.worldbank.org/sustainablecities/five-lessons-affordable-housing-provision-indonesia>> (accessed 20 July, 2019); Martin Roestamy, "Providing Affordable Housing for Low-Income People in Indonesia (Development of Model on Housing Law)", *IJASOS- International E-journal of Advances in Social Sciences*, vol. III, no. 9 (2017).

managing public demand for affordable homes, as happened in Scotland and Germany. However, Singapore is unique in the sense that, though there was no specific definition adopted by the government, it successfully supplied affordable homes to all citizens. The Singapore system is different, where they have only a single-tier government as compared to the other countries in the world. For this reason, Singapore managed to achieve its target of delivering affordable housing to its citizens.¹⁹⁹.

The definition of affordable housing is also so much connected with the meaning of affordability, where a person's eligibility will depend on the income level and income expenditure of households such as the United States, Australia, India, England, Canada and New Zealand. Besides that, the housing types (rental, ownership, permanent, or subsidised) are included under the interpretation adopted by India, England, Scotland and Canada. England further expanded their interpretation to include the sustainability of affordable housing schemes to remain 'affordable' for future income groups. Inherently, the term affordability must also be elaborated further in the next section.

2.3.2. The Concept of Housing Affordability

Housing affordability has become a main factor in determining the eligibility of a person to be qualified for affordable housing. Various scholars from different schools of thought and backgrounds discuss the theory of affordability related to affordable housing to access the rights to affordable and adequate housing qualified for the needy. Besides, the housing affordability criteria can also be a factor in determining the type of housing suited to the financial capability of the needy. As such, it is vital to understand the term affordability, in which the concept of housing affordability is closely related to the economic aspect of one's household. The impact and implications of housing affordability need to be assessed economically to better understand the definition of affordable housing.

Generally, the term affordability refers to "the state of being cheap enough for people to be able to buy"²⁰⁰. Most researchers refer to housing affordability as income in which the cost of housing is less than 30 percent of gross income²⁰¹. This means that a person's financial

¹⁹⁹ In Chapter 5 of this thesis, further discussion will be provided regarding Singapore's effectiveness in supplying cheap housing according to the income category of every citizen.

²⁰⁰ *Cambridge Dictionary*, "Affordability", <<https://dictionary.cambridge.org/dictionary/english/affordability>> (accessed 21 July, 2019).

²⁰¹ UN-Habitat, *Affordable Land and Housing in Asia*, vol. 2, *Affordable Land and Housing Analysis* (Nairobi: United Nations Human Settlements Programme, 2011); Peter Abelson, "Affordable Housing: Concepts and Policies", *Economic Papers: A journal of applied economics and policy*, vol. 28, no. 1 (2009): 27–38; Gapor, Malik, and Husin, *Trends, Problems and Needs of Urban Housing in Malaysia*; Leng, Nor Malina Malek, and

situation will fall under the housing stress category if the household has consumed more than 30% of their income on housing. According to Stephen Mark, “*housing is affordable when the housing of an acceptable minimum standard can be obtained and retained leaving sufficient income to meet essential non-housing expenditure*”²⁰². Normally, sufficient income to meet essential non-housing expenditures is often referred to as the minimum income standard. The Minimum Income Standard (MIS) (also known as an acceptable minimum) or adequacy standard²⁰³ is a yardstick to measure people’s adequate income based on the perception of the need for a minimum acceptable living standard²⁰⁴. However, the minimum amount can vary between states, countries, and cities depending on the cost of living.

There are a number of factors affecting housing affordability, such as household income, housing and non-housing expenses, and borrowing ability, which will account for both income and household expenses²⁰⁵. This indicates the extent of affordability, which can also be valued as the ability to pay the monthly instalment to the financial institutions. Property price is one of the factors that determine housing affordability. The affordability issues would not arise if the property remained affordable to all citizens. Other correlated factors such as land cost, demand and supply, changes in the economy, developers’ profit margin, demographics, construction cost, interest rate and government red tape also influenced housing affordability²⁰⁶. These factors also indirectly contributed to the determinant factors for house prices.

There are various methods used in assessing the housing affordability of the household. The common approach of “Median Multiple” used by the banks to evaluate the degree of affordability and considered the house price to annual income ratio of less than 3.0 as the outcome of affordability²⁰⁷. Internationally, most countries use the cap approach, where

Suziana Mat Yasin, Housing Affordability Woes and the State of Developed Underdevelopment in Penang Island; The Eurostat and Sven Bergenstr, "How to define, achieve and measure affordability in rental housing", <https://ec.europa.eu/futurium/en/system/files/ged/background_paper_on_affordability_iut_2018.pdf> (accessed 24 July, 2018).

²⁰² Mark Stephens, "The Meaning and Measurement of Housing Affordability", (2017): 172–176.

²⁰³ John Veit-Wilson, "Setting Adequacy Standards: how governments define minimum incomes", *Journal of Social Policy*, vol. 29 (2000): 513–515.

²⁰⁴ The Eurostat and Bergenstr, How to define, achieve and measure affordability in rental housing.

²⁰⁵ Norazlina Abd. Wahab, Hanissah Hamzah, and Rosylin Mohd Yusof, "Promoting Housing Affordability in Malaysia: Can Islamic Finance Play A Role?", *International Review of Management and Marketing*, vol. 6, no. 8Special Issue (2016): 88–102.

²⁰⁶ Yap, J.B.H. and Ng, *Housing affordability in Malaysia: perception, price range, influencing factors and policies*; Norazmawati Md. Sani @ Abd. Rahim and Muhammad Arkam Che Munaaim, "Indicator of Housing Affordability in Malaysia", *2nd International Conference On Built Environment In Developing Countries*, no. Icbdc (2008): 2075–2085.

²⁰⁷ Ismail, Jalil, and Muzafar, Making Housing Affordable

housing affordability determines where a person spends less than 30% of their income to own a house, such as in Canada²⁰⁸, Scotland²⁰⁹ and United Kingdom²¹⁰.

Housing affordability is determined by three interrelated factors: the price of the property, the household's ability to afford the purchase, and the ability to repay the mortgage. True affordability occurs when all three factors align, ensuring that a home is reasonably priced, the buyer's income supports the purchase, and loan repayments remain sustainable. As illustrated in figure 2.1.

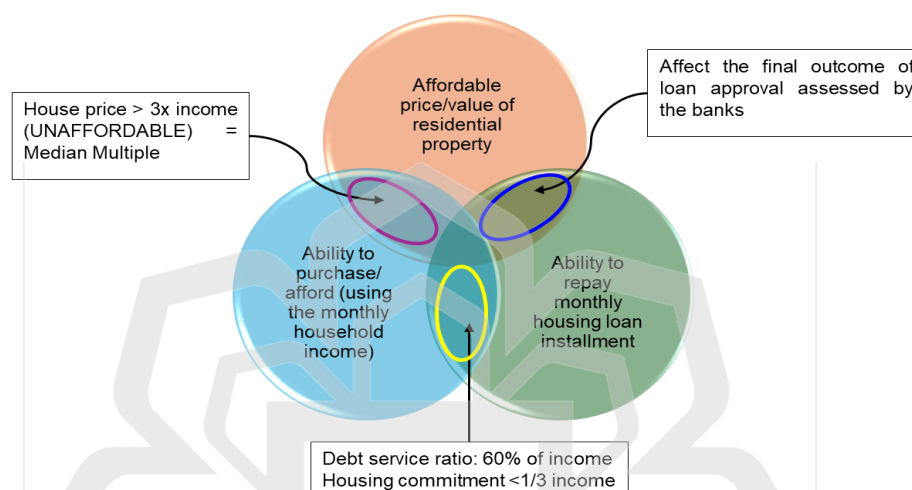


Figure 2.1: Factors Affecting Affordability

(i) Affordable Price and Value

The price-to-income ratio, also known as the median multiple, is a key measure of affordability. A home priced at three times or less of a household's annual income is typically considered affordable²¹¹. If housing prices exceed this ratio, they become unaffordable for the median household, pushing many buyers out of the market.

(ii) Household Income and Purchasing Power

A common affordability benchmark suggests that housing costs should not exceed 30% of gross income²¹². When housing expenses surpass this threshold, households may become cost-burdened, struggling to meet other financial obligations. Affordable housing policies often aim to keep costs within this limit, ensuring housing

(iii) Loan Repayment and Lending Criteria

Banks assess a borrower's debt service ratio (DSR) to determine loan eligibility. A DSR exceeding 60% of total income is generally considered unsustainable (Federal Deposit Insurance Corporation²¹³). Lenders also expect housing-related debt to stay below one-third of income. Strict lending regulations prevent excessive

²⁰⁸ Corporation, Housing Affordability: More than Rent and Mortgages.

²⁰⁹ Scottish Government, Housing Statistics 2018: Key Trends Summary.

²¹⁰ Wilcox and et al, 2018 UK Housing Review.

²¹¹ Wendell Cox, Demographia International Housing Affordability.

²¹² Ruhizal Roosli et al., *Housing for All: A Better Urban Future*, Habitat Magazine, no. 12 (Putrajaya: Ministry of Housing and Local Government, 2020)

²¹³ Bank Negara Malaysia, *Financial Stability Review - First Half 2024*, (2024).

remains accessible to low- and middle-income groups. borrowing, reducing the risk of defaults.

Housing affordability exists when property prices align with incomes and financing remains viable. Governments and financial institutions use affordability metrics, such as the median multiple and DSR, to shape policies supporting sustainable homeownership.

2.3.3. Affordability as A Determinant in Accessing Adequate Housing

Since 2012, affordable housing has been trendy. Despite the government's affordable housing programme, there was no precise definition of cheap housing until recently. The new National Housing Policy (2018-2025) defines affordable housing as RM100,000 to RM75,000 for the M40 group, which earns between RM2,500 and RM7,500 per month. In May 2019, the government established 'Dasar Perumahan Mampu Milik Negara (DRMM)' to address affordable housing nationwide. In alignment with the standards set by the UN Human Settlements Programme, the affordable housing initiatives within the DRMM exemplify a commitment to meeting essential requirements. In a different section of DRMM, affordable housing is defined as residential, affordable, and secure for income levels B40 and M40.

The definition of affordable housing in any policy, statute, or guideline is a key factor in defining the direction of government-provided affordable housing programme, such as those in the United States, England, Canada, Australia, and India, as provided under Table 2.3. The lack of a precise definition of affordable housing has made it difficult for governments to achieve their goal of managing public demand for affordable housing, as occurred in Scotland and Germany. Nevertheless, Singapore is exceptional in that, despite the lack of a formal definition approved by the government, all citizens have access to cheap housing. In countries (like the United States, Australia, India, England, Canada, and New Zealand) where eligibility for affordable housing is determined by a person's income level and the amount of money spent out of that income by the household, the definition of 'affordable housing' is closely connected to the concept of 'affordability'.

Therefore, it is prudent that the definition of affordable housing established under DRMM be broadened to include the income level, income expenditure, types of housing, and the sustainability of the affordable housing programme, and this should be accomplished in accordance with DRMM. Because of this, social distributive justice will be maintained appropriately. However, the DRMM's efforts to provide affordable housing that considers the

intended target income group and falls under the purview of the interpretation should be commended.

2.4. THE CONNECTION BETWEEN MAQĀSID AL-SHARĪ'AH AND ISLAMIC SOCIAL JUSTICE IN AFFORDABLE HOUSING IN ISLAM

In Islam, the protections of Faith or religion (*din*), Life (*nafs*), Lineage (*nasl*), Intellect (*'aql*) and Property (*mal*) are essentials in protecting the relationship between man and Allah, man and man as well as man and other creatures. These five fundamentals are the basis of Maqāsid al-Sharī'ah. Various studies and authors have agreed that understanding Maqāsid al-Sharī'ah is an important tool in determining the principles and governing theoretical basis behind Islamic rulings not only religion, but it has also included in social²¹⁴, economy²¹⁵, environment²¹⁶ and others. This is a proof that Islam is a way of life, and the crux of Maqāsid al-Sharī'ah is to evade evil and uphold public interest.

Like other theories developed by Westerners, Maqāsid al-Sharī'ah was gradually developed by Muslim scholars to address contemporary issues that do not find solutions in the Quran or the Hadith. The modern scholar As-Syatibi is a well-known figure who introduced and developed the systematisation of the Maqāsid al-Sharī'ah. He plays a role in constructing the discipline of *usul-fiqh*²¹⁷. Al-Shatibi stands firmly that jurists are obliged in observing Maqāsid in all aspects of *ijtihād*'s rulings, while 'Allal-al Fasi prioritises Maqāsid as a reference in the historical development of *fiqh*. Ibn Ashur's view that Maqāsid and textual rulings are closely entwined together, which none could operate independently²¹⁸. Hence, in determining the nexus of affordable housing concept in Islam, Maqāsid al-Sharī'ah will be the basis of the justification.

2.4.1. Position of Maqāsid al-Sharī'ah in Homeownership

²¹⁴ Asyraf Wajdi Dusuki and Nurdianawati Irwani Abdullah, "Maqasid al-Shari'ah, Maslahah, and Corporate Social Responsibility", *American Journal of Islamic Social Science*, (2012): 30.

²¹⁵ Nur Kholis Kholis, "Maqasid Syariah Principles for Islamic Finance Development", ResearchGate, <https://www.researchgate.net/publication/326571413_MAQASID_SYARIAH_PRINCIPLES_FOR_ISLAMIC_FINANCE_DEVELOPMENT> (accessed 26 July, 2018).

²¹⁶ Nurdeng Deuraseh, "New Essential Values of Daruriyah (Necessities) of the Objectives of Islamic Law", *Jurnal Hadhari*, vol. 4, no. 2 (2012): 113.

²¹⁷ Kholis, Maqasid Syariah Principles for Islamic Finance Development.

²¹⁸ Ahmad Badri Abdullah, "Reinstating the Roles of Maqasid al-Shari'ah", *Islam and Civilisational Renewal*, vol. 9, no. 1 (2018): 104–107.

Over the years, the rapid growth of the population, homelessness issues, increasing house prices, squatters, abandoned housing projects, and inaccessibility to affordable housing have become reasons for the government to provide adequate housing to society. The government is promoting homeownership among citizens by providing affordable housing schemes accessible to targeted groups. These issues related to the affordable housing concept are so much related to the objectives of Maqāṣid al-Sharī‘ah.

In understanding the position of Maqāṣid al-Sharī‘ah relates to the affordable housing concept, the key dimensions listed according to their hierarchy, namely the essential (*darurriyat*), the complimentary (*hajiyyat*), and the embellishments (*tahsiniyyat*), need to be examined in order to determine the degree of necessities of affordable housing. *Darurriyat* refers to the aims that are to be attained for the religious and material well-being of individuals where their life would be muddled and disparaging in this world as well as the hereafter. *Hajiyyat* aims to eliminate the hardship and severity in life, where such hardship and cruelty are not to the degree of turning one’s life into disordered and damaging. Lastly, *tahsiniyyat* refers to the aims of embellishing and refining the life and behaviour of the people²¹⁹.

Islam recognised the protection of life is the utmost necessity to all humankind. The protection is not only confined to individual life but also extended to the living and well-being of an individual. In fiqh terminology, it relates to the elimination of degrading factors and constraints (*daf al-mafasid*) as well as the attainment and enhancement of benefits (*jalb al-masaleh*) such as follows:

“protection against attack on life (by others or self-inflicted), violent crimes, injury (by others or self-inflicted or due to exogenous factors), loss of dignity and honor, disease, unhealthy living conditions, hunger, poverty, fear and insecurity of life; and from the enhancement aspect it can include health, quality of life, feeling of contentment, moderation in consumption, healthy habits, etc.”²²⁰

The importance of one’s life depends so much on the society's environment, whether good or bad. In Islam, the family is a nucleus of society. To create a good society, families should have proper housing. Housing serves as a center for nurturing and is a primary source

²¹⁹ Mohd Lazim Mohd Yusob et al., "Maqasid al-Shariah as a Parameter for Islamic Countries in Screening International Treaties before Ratification: An Analysis," *Pertanika Journal of Social Sciences and Humanities* 23, no. S11 (2015): 219–226.

²²⁰ Salman Syed Ali and Hamid Hasan, *Towards a Maqasid al-Shariah Based Development Index*, IRTI Working Paper Series, no. 1435-05 (Jeddah: Islamic Research and Training Institute, 2014).

of societal and cultural development, where individuals are protected, raised, and educated alongside other family members.²²¹ As such, housing has become an essential tool in protecting one's life and determining the comfort of one's living environment in society.

Thus, in the context of homeownership amongst the middle-income group, their desire is not only for affordable housing but also for a safe and good living environment that can enhance community healthy living. This illustrates that the homeownership with affordable housing prices is closely related to Maqāsid al-Sharī'ah in protecting the individual's life and maintaining the wellbeing²²². According to Ibn al-Qayyim²²³,

“Verily, the Sharia is founded upon wisdom and welfare for the servants in this life and the afterlife. In its entirety it is justice, mercy, benefit, and wisdom. Every matter which abandons justice for tyranny, mercy for cruelty, benefit for corruption, and wisdom for foolishness is not a part of the Sharia even if it was introduced therein by an interpretation. (Source: I'lām al-Muwaqqi'īn 3/11)”

Based on the above quote, Syariah originated exclusively from wisdom, which aims to protect people's well-being in this life and the hereafter.

Numerous previous studies indicate that wellbeing is an essential component of the affordable housing sector, promoting affordable housing and healthy community living²²⁴. The concept of well-being can be understood as the quality of life (hereafter referred to as “QOL”). QOL has three main features. First, it emphasises individual life circumstances and perceptions rather than focusing on an entire nation. Second, QOL encompasses a wide range of dimensions, which may vary yet coexist with one another. Finally, it provides clear evidence regarding living conditions to illustrate the overall well-being in society²²⁵.

In one housing development, various components such as a school, playground, mosque, kindergarten, and other facilities contribute to a complete and comfortable living environment for the community. This reflects the goal of fostering a well-being living

²²¹ Omer, Towards an Islamization of Housing.

²²² Nor Suzylah Sohaimi and et al, "An overview of masaqid Al-Syariah on homeownership and young graduate's wellbeing through sustainable affordable housing." *School of Social Sciences, Universiti Sains Malaysia* (2015).

²²³ Abu Amina Elias, "Ibn Qayyim on Sharia: Islam Is Based on Justice, Mercy, Wisdom," *Daily Hadith Online*, <https://abuaminaelias.com/dailyhadithonline/2016/01/14/hadith-on-turmoil-muslims-will-be-afflicted-by-worldliness-hatred-and-injustice/> (accessed 27 July, 2019).

²²⁴ Jinhua Liu and et al, "Emotional well-being and social support in social housing neighbourhoods in China." *Journal of International Medical Research* 46, no. 8 (2018): 3209-3218.; Nurdeng Deuraseh, "New Essential Values of al-Daruriyyah (Necessities) of the Objectives of Islamic Law (Maqasid al-Shari'ah): A Recent Contribution to Rozatul Usul," *Arab Law Quarterly* 26, no. 4 (2012): 485-494.

²²⁵ Syafiee Shuid and Muhammad Faiz Mohd Zamin, "Maqāsid al-Sharī'ah & Human Well-being: A Study on Melaka's Public Housing", *Journal of the Malaysian Institute of Planners*, vol. 16, no. 2 (2018): 236-244.

community. Therefore, the concept of a well-being and healthy living community, promoted by the government through the affordable housing scheme, is closely linked to the principles of Maqāṣid al-Sharīʿah, which aim to protect human life.

2.4.2. Islamic Social Justice and the Maqāṣid al-Sharīʿah in the Concept of Affordable Housing

Over the years, the development and discussion of Maqāṣid al-Sharīʿah have increasingly focused on the economy. This shift has occurred due to the harsh realities of capitalist financing, prompting many people to explore alternatives such as Islamic financing. Consequently, numerous studies have been conducted to justify the principles of Maqāṣid al-Sharīʿah in the context of Islamic finance, particularly for the public interest.

Recently, the social sector has become a focal point for the government, aiming to promote a better quality of life, health, and harmony within the nation, especially in the affordable housing sector. Since the protection of life is closely tied to social aspects, it is essential to analyse the principles of justice and wisdom behind this to ensure that the objectives of Maqāṣid al-Sharīʿah are upheld.

The concept of social justice in Islam, much like its Western counterpart, encompasses all aspects of human life, including both spiritual and material dimensions, and is not limited to economic welfare. To achieve social justice in accordance with Islamic principles, scholars agree that the foundation lies in a belief in these principles to uphold justice. A society that embraces belief in Allah can establish true social justice within a community, with social, political, and economic systems rooted in Islamic teachings.

Notable early Muslim scholars who thoroughly discussed the concept of social justice include Ibn Khaldun and Ibn al-Azraq. Ibn Khaldun argued that justice is essential to the social theory of society; achieving social objectives requires the application of Shariah law to human affairs. He warned that failing to enforce this law would lead to the destruction and demoralization of society, stating²²⁶, “*When group feeling is destroyed, the tribe is no longer able to defend or protect itself, let alone assert any claims. It will be swallowed up by other nations*”. Ibn Azraq stressed that the accomplishment of justice in society would rest on rulers who govern the office²²⁷. Social justice entails recognising the inherent rights of every

²²⁶ Syed Farid Alatas, *Applying Ibn Khaldūn : The Recovery of a Lost Tradition in Sociology*, (London: Routledge, 2014).

²²⁷ H A R Asyraf, W A Wan Ibrahim, and A Nooraihan, "Islamic Concept of Social Justice in the Twentieth Century", *Advances in Natural & Applied Sciences*, vol. 6, no. 8 (2012): 1423–1427.

individual, ensuring a fair distribution of wealth within society, and providing basic human needs to uphold dignity and honor. It also focuses on creating equal opportunities for everyone to advance in the social hierarchy²²⁸.

According to modernist al-Afgani²²⁹, only a society deeply rooted in religion can establish and maintain justice. Such societies play a crucial role in monitoring and holding rulers accountable, thus preventing oppression and injustice towards the people. Abdul argued that justice within the judicial system can only be achieved through continuous reforms that adapt to changing circumstances. While Mawdudi²³⁰ emphasises the importance of compassion and understanding in realising social justice. He believes that social justice, within any social and political system, is grounded in God's sovereignty, which should ultimately be reflected in an Islamic state or government.

Similar to Mawdudi, the renowned modernist Sayyid al-Qutb²³¹ believed that true social justice can be achieved through the intellectual and emotional liberation of individuals to worship solely Allah. Qutb described this type of liberation as the 'cornerstones for establishing social justice in Islam'. In understanding the nature and social justice in Islam, Islamic theory of universe, life and humankind need to be examined as Qutb mentioned, "*When we perceive this comprehensiveness in the nature of the Islamic view of the universe, life and humankind, we perceive also the basic outlines of social justice in Islam*"²³². In Islam, justice is distinguished as absolute justice (*al-c adl al-mutlaq*), irrespective of differences in colour, sex, race and belief.

Through Islamic teachings, the understanding, love, unity and support can be achieved only by faith in God. The equality and fairness sought by social justice to all mankind either in governing the law and the wrongdoer's punishment. For each right and duty, all are equal and no one is above as prescribed by the nature of justice and fairness in Islam.

The essence of Islam as a unified religion encompasses all dimensions of life, including belief (*aqidah*), behaviour (*suluk*), spirituality, economics, and social relations. This unity extends beyond worldly matters to include considerations of the hereafter. The ultimate goal is

²²⁸ Riyaz Ahmad Sheikh, "Justice in Islam : A Study of Sayed Qutb Shaheed's Concept of Social Justice", *Universal Review*, vol. 7, no. 1501 (2018): 1501–1507.

²²⁹ Salah Abd al-Fattah al-Khalidi, *Sayyid Qutb: Min al-Milad ila al-Istishhad* [Sayyid Qutb: From Birth to Martyrdom] (Damascus: Dar al-Qalam, 1994)

²³⁰ Ibid.

²³¹ Asyraf, Wan Ibrahim, and Nooraihan, *Islamic Concept of Social Justice in the Twentieth Century*.

²³² Ibid.

to achieve a connection with God, which serves as the foundational principle for thinkers like Mawdudi and Qutb when theorising about social justice.

According to Qutb, three essential principles are necessary for successfully implementing the concept of social justice in society. First is the principle of freedom of conscience. He argued that the implementation of Sharia law is crucial for guiding people to align with God's will, thereby protecting human dignity and ensuring submission to the one God, Allah. Second is the principle of human equality, which states that all Muslims are equal, with no one superior except in terms of their good deeds and piety. This principle encourages individuals to be considerate and compassionate towards one another. Lastly, social solidarity plays a vital role in ensuring that Muslims and non-believers can coexist within a nation. Every member of society is responsible for supporting one another and promoting common welfare²³³.

Qutb underscores the significance of family in promoting social solidarity, which he deems essential for achieving social justice. He condemns actions that undermine this solidarity and advocates for stringent penalties against those who commit such offenses to maintain stability and peace within society²³⁴. The discussions among Muslim scholars regarding the concept of social justice clearly reflect the spirit of Maqāṣid al-Sharī'ah. For instance, Ibn Khaldun noted that adherence to Islamic principles fosters harmony in society, closely linked to the protection of religion and life in fulfilling the objectives of Shariah. Qutb establishes general principles that indicate the necessity of preserving public interest (*maslahah*) in any efforts to build relationships within society. His emphasis on social solidarity serves as a compelling illustration of this preservation. A strong belief in Allah can motivate the pursuit of social justice for the greater good of the community.

The concept of social justice plays a crucial role in helping lawmakers better understand the principles of Maqāṣid al-Sharī'ah. For instance, when implementing affordable housing schemes for specific target groups, the government should precisely identify locations where these housing developments are most needed. This careful planning will help prevent overspending and avoid oversupply, which could ultimately lead to increased government expenditures.

Government agencies responsible for delivering affordable housing schemes should conduct comprehensive market studies. The data obtained from these studies will justify the

²³³ Asyraf Hj Ab Rahman, "The Concept of Social Justice as Found in Sayyid Qutb's Fi-Zilal Al-Quran", (University of Edinburgh, 2000).

²³⁴ Ibid.

government's decisions, ensuring they align with citizens' needs. By doing so, the government can uphold equality and protect society's well-being. Ultimately, the aims of Shariah can be effectively achieved through the lens of Islamic social justice.

2.4.3. Similarities Between the Theory of Distributive Justice and Islamic Social Justice in Interpreting the Concept of Affordable Housing

Affordable housing represents a critical global challenge, particularly in rapidly urbanising regions like Asia, where urban migration has outpaced the availability of adequate housing. Addressing this pressing issue necessitates a robust theoretical framework that champions equitable access to housing resources for all societal segments. Two significant paradigms—the theory of distributive justice and Islamic social justice—provide invaluable insights into the interpretation and implementation of affordable housing policies. While these theories arise from distinct philosophical and theological traditions, they exhibit notable commonalities pertaining to equity, societal well-being, and institutional accountability. This chapter delineates these shared principles and explores their implications for the formulation of an effective affordable housing concept.

2.4.3.1. *Equity and Fair Distribution of Resources*

Fundamental to both distributive justice and Islamic social justice is the prioritisation of equitable resource allocation, which is viewed as a cornerstone of fairness. John Rawls, a prominent advocate for distributive justice, conceptualizes 'justice as fairness', positing that equal access to opportunities and resources is essential for a just society. Rawls's two principles—equal basic liberties and the configuration of social and economic inequalities to benefit the least advantaged—serve as foundational criteria for achieving equitable distribution. Their application to affordable housing contexts underscores the necessity of ensuring accessibility for all income groups, particularly marginalised segments such as the B40 and M40 group.

In a parallel vein, Islamic social justice is anchored in the principles of Maqāṣid al-Sharī'ah, which upholds equity as both a moral and spiritual obligation. The objectives of Maqāṣid al-Sharī'ah aim to protect fundamental human needs—including life, property, and dignity—aligning closely with the tenets of distributive justice. In terms of affordable housing, this paradigm emphasises that every individual, irrespective of socioeconomic standing, ought to have access to safe, secure, and affordable housing. Moreover, Islamic social justice stresses

the exclusion of hardship (*daf al-mafasid*) and the attainment of benefits (*jalb al-masalih*), reinforcing the equalitarian character that underpins the theory of distributive justice.

2.4.3.2. Focus on Societal Well-Being

An important aspect shared by these frameworks is their focus on societal well-being as a key goal of justice. Rawlsian distributive justice promotes the creation of policies that maximise overall utility, ensuring that all individuals achieve a reasonable standard of living. This viewpoint considers housing not merely as a commodity but as a fundamental necessity that plays a crucial role in personal development and societal stability. Initiatives like the PR1MA scheme for the M40 group and Rumah Mesra Rakyat for the B40 group exemplify the commitment of distributive justice to improving the quality of life for various segments of society.

Similarly, Islamic social justice integrates the notion of societal well-being into its foundational principles. The hierarchy established by Maqāṣid al-Sharī'ah—comprising essential (*darurriyat*), complementary (*hajiyyat*), and embellishment (*tahsiniyyat*) needs—offers a comprehensive framework for evaluating housing requirements. The prioritisation of essential needs such as access to adequate shelter is crucial for preventing societal disarray and fostering harmony. Furthermore, incorporating community-centric facilities—such as schools, mosques, and playgrounds—within affordable housing schemes reflects an ongoing commitment to enhancing the quality of life and cultivating a healthy, harmonious living environment.

2.4.3.3. Institutional Accountability

Both distributive justice and Islamic social justice underscore the profound importance of institutional frameworks in achieving equitable housing distribution. Rawls stresses that social and economic policies designed to promote justice must be executed through effective institutional mechanisms. In the Malaysian context, government entities such as the Ministry of Housing and Local Government and its associated organisations—including PR1MA and SPNB—are pivotal in crafting and implementing affordable housing initiatives that cater to diverse income groups. These institutions are responsible for ensuring fairness in resource allocation while addressing the unique challenges encountered by various segments of the community.

Correspondingly, Islamic social justice emphasises institutional responsibility, guided by Shariah principles that prioritise equitable resource distribution to safeguard public interest (*maslahah*). Scholars such as Ibn Khaldun and Sayyid Qutb have long articulated the necessity

of just governance to uphold societal harmony. Within the realm of affordable housing, this translates into prudent planning and resource optimisation to meet the needs of targeted groups while sidestepping inefficiencies, such as oversupply and misallocation. The robust emphasis on accountability engenders alignment between housing policies and both ethical and practical considerations.

2.4.3.4. *Integration of Ethical and Practical Dimensions*

A pivotal similarity between these two schools of thought resides in their unification of ethical and practical dimensions concerning affordable housing. The distributive justice paradigm characterises housing as a social good necessitating fair allocation to sustain societal equilibrium. Comparably, Islamic social justice also regards housing through an ethical lens, advocating for policies that uphold human dignity and address fundamental human rights. Thus, both frameworks converge on the principle that housing is not merely an economic transaction but a fundamental right that ought to be consistently safeguarded and promoted across all societal layers.

As such, the intersections between the theory of distributive justice and Islamic social justice reveal a robust framework for addressing the issue of affordable housing. Both paradigms underscore the importance of equity, societal well-being, and institutional accountability, offering vital insights to inform the development of effective and just housing policies. By synthesizing the ethical and practical dimensions present in these theories, policymakers can advance the goal of providing accessible, affordable housing to all, ultimately contributing to realising a more just and equitable society.

2.5. SUSTAINABLE HOUSING AND URBAN DEVELOPMENT

Sustainable Development Goal 11 (SDG 11) aims to “make cities and human settlements inclusive, safe, resilient, and sustainable.” A fundamental component of this goal is housing, with Target 11.1 explicitly calling for “ensuring access for all to adequate, safe, and affordable housing, as well as basic services, and upgrading slums” by the year 2030.²³⁵ As Malaysia faces rapid urbanisation alongside significant population and economic growth, the pursuit of sustainable affordable housing has emerged as a crucial focus in the nation's development

²³⁵ *Sustainable Development Knowledge Platform*, "Sustainable cities and human settlements under Agenda 11 of Sustainable Development Goals", <<https://sustainabledevelopment.un.org/topics/sustainablecities>> (accessed 18 November, 2020).

strategies. This text examines Malaysia's initiatives in promoting sustainable affordable housing, focusing on the country's efforts to achieve a balance among affordability, environmental sustainability, and social inclusion.

Housing serves as a cornerstone of sustainable urban development, spanning social, economic, and environmental dimensions. It provides families with security and stability, contributes to economic growth through construction and real estate activities, and significantly impacts the environment through land use, energy consumption, and emissions. As emphasised by the United Nations, "without sustainable housing, cities cannot be inclusive or resilient"²³⁶.

2.5.1. Malaysia's Approach to Sustainable Affordable Housing

Malaysia has integrated sustainability principles into its national development framework, including a focus on the housing sector through five-year national development plans. The Malaysian government interprets sustainable development as "meeting the needs of the present without compromising with the ability of future generations to meet their own need"²³⁷.

- i. National Housing Policy (2018-2025)
- ii. The National Housing Policy (NHP) 2018-2025 serves as Malaysia's primary framework for addressing housing challenges. The policy aims to ensure all Malaysians have access to adequate, inclusive, and affordable shelter. It specifically targets low and middle-income groups, recognising that homeownership remains a key objective for many families.²³⁸
- iii. Affordable Housing Programme
- iv. Malaysia has implemented several initiatives to support affordable housing development²³⁹:
 - a. People's Housing Programme (PPR): Provides low-cost housing for low-income earners, particularly targeting the B40 (bottom 40% income) group.

²³⁶ United Nations, "The 17 Goals", The global goals for sustainable development.

²³⁷ United Nation, "The Sustainable Development Agenda - United Nations Sustainable Development", <<https://www.un.org/sustainabledevelopment/development-agenda/>> (accessed 23 May, 2019).

²³⁸ National Housing Department, National Housing Policy (2018-2025).

²³⁹ Haidaliza Masram and Siti Hajar Misnan, "Evolution of Policy For Affordable Housing Programmes in Malaysia", *International Journal of Accounting, Finance and Business*, vol. 4, no. 17 (2019): 86–98.

- b. Rent-to-Own (RTO) Scheme: Allows tenants to transition into homeownership after a rental period, easing the financial burden on first-time homebuyers.
- c. Youth Transit Housing Scheme (MyTransit): Offers affordable studio apartments in urban areas for young workers.
- d. Rumah Mesra Rakyat (RMR): Supports rural homebuyers in constructing affordable homes.

Despite these efforts, housing affordability remains a persistent challenge in Malaysia, especially in major urban centers where property prices rise faster than incomes.

2.5.2. Challenges in Achieving Sustainable Affordable Housing

The housing sector in Malaysia is currently grappling with substantial economic challenges that impede sustainable development. Escalating construction costs, limited land availability, and financial constraints pose significant barriers. According to Syed Jamaludin et al., “various challenges, such as low wages, land banks, financial assistance, and low financial ability, become the hurdle to achieving this goal”²⁴⁰.

The vitality of the property sector is inextricably linked to broader economic growth, with housing transactions accounting for a considerable fraction of household expenditure. Integrating sustainability features into affordable housing presents its own set of environmental and economic dilemmas. While incorporating ecological building materials, energy-efficient designs, and effective waste management systems are crucial for sustainable housing, as noted, “this eco-friendly product is expensive, which later will increase the housing cost and would not achieve the affordable price for low and medium housing projects²⁴¹”. This creates a dual challenge of reconciling environmental sustainability with the imperative of affordability.

Moreover, public awareness and demand for sustainable housing are still restrained in Malaysia. Prospective homeowners often prioritise cost over sustainability considerations, resulting in a low uptake of eco-friendly housing options. Additionally, there are instances where housing units, despite being labelled “affordable,” fail to align with the needs or

²⁴⁰ S. Z.H. Syed Jamaludin, S. A. Mahayuddin, and S. H.A. Hamid, "Challenges of Integrating Affordable and Sustainable Housing in Malaysia", *IOP Conference Series: Earth and Environmental Science*, vol. 140, no. 1 (2018).

²⁴¹ Chan and Adabre, Bridging the gap between sustainable housing and affordable housing: The required critical success criteria (CSC).

preferences of the target demographic, leading to high vacancy rates and exacerbating the issue of housing oversupply²⁴².

2.5.3. Bridging the Gap: Affordability vs. Sustainability

The housing sector in Malaysia faces a significant challenge in balancing affordability with quality and environmental sustainability. A persistent assumption within this domain is that integrating green or sustainable design features inherently leads to higher costs, resulting in a misleading dichotomy between affordability and sustainability. This perspective overlooks the complexities of housing solutions and the potential for innovative approaches that can harmonise these critical elements.

Recent experiences in the housing market indicate that merely providing low-cost housing is not a sufficient response to the pressing needs of various income groups. For housing initiatives to be effective, they must be designed holistically, considering several key factors. First and foremost is economic feasibility. Housing must be genuinely affordable for the intended demographic, particularly low-income households. This necessitates the development of appropriate financing mechanisms, alongside subsidies and tax incentives that can facilitate access to such housing. Without a focus on economic viability, housing projects risk becoming inaccessible to those who need them the most.

Secondly, environmental sustainability plays a crucial role in the design of housing projects. Incorporating green building features, implementing effective waste management strategies, and ensuring accessibility to public transport are vital components that help minimise the environmental footprint of housing developments. Such practices foster a healthier living environment and contribute to the overall sustainability of urban areas.

In addition to economic and environmental considerations, social adequacy must be prioritised in housing projects. Housing developments must provide residents with access to essential services, such as healthcare and education, while fostering safe and inclusive neighborhoods. The social fabric of communities dramatically influences the success of housing initiatives, underscoring the importance of creating environments that support the well-being of residents.

Thus, for sustainable affordable housing in Malaysia to achieve its objectives, it must embody the principles of being socially adequate, economically feasible, environmentally friendly, and technically practical. By embracing a comprehensive and integrative approach,

²⁴² Adabre and Chan, Critical Success Factors (CSFs) for Sustainable Affordable Housing.

policymakers and developers can work together to dispel the misperception that affordability and sustainability are mutually exclusive, ultimately leading to the creation of vibrant and resilient communities.²⁴³.

2.5.4. Malaysia's Vision for Sustainable Affordable Housing

Malaysia's sustainable and affordable housing strategy aligns closely with several Sustainable Development Goals (SDGs), particularly SDG 11 (Sustainable Cities and Communities). It also intersects with SDG 1 (No Poverty) and SDG 13 (Climate Action).²⁴⁴. The country is actively implementing various initiatives to provide sustainable and affordable housing, ensuring all citizens can access safe and comfortable living conditions. These efforts align with the Sustainable Development Goals (SDG) 2030, particularly SDG 11: Sustainable Cities and Communities, which emphasises the importance of affordable housing and access to basic infrastructure.²⁴⁵.

As one of the most urbanised countries in the Asia-Pacific region, with over 78% of the population living in urban areas, Malaysia faces challenges in urban housing affordability, sustainable infrastructure, and equitable urban development.²⁴⁶. The government's approach focuses on enhancing urban planning through the promotion of mixed-use developments, the creation of pedestrian-friendly environments, and the implementation of smart infrastructure.²⁴⁷. Properly designed housing layouts will integrate essential public transport services aimed at minimising reliance on individual transportation, thereby reducing the associated carbon footprint.

Sustainable urban development is increasingly critical for nations aiming to meet global sustainability goals. Malaysia's response to this challenge is the Malaysia SDG Cities Initiative, which integrates Sustainable Development Goals (SDGs) into urban planning, promotes city-level implementation of related policies, and enhances governance for sustainable urbanisation.²⁴⁸. Cities such as Shah Alam and Kuala Lumpur are currently formulating their

²⁴³ Chan and Adabre, Bridging the gap between sustainable housing and affordable housing: The required critical success criteria (CSC).

²⁴⁴ Ministry of Economic Affairs, *Wawasan Kemakmuran Bersama 2030* [Shared Prosperity Vision 2030] (Putrajaya: Ministry of Economic Affairs, 2019).

²⁴⁵ Ruhizal Roosli et al., *Housing for All: A Better Urban Future*, Habitat Magazine, no. 12 (Putrajaya: Ministry of Housing and Local Government, 2020)

²⁴⁶ Azmizam Abdul Rashid, "Malaysia SDG Cities: Challenges and Good Practices in Addressing Multiple Interlinked Crises" (presentation, Urbanise Malaysia, Putrajaya, 2022)

²⁴⁷ Sulzakimin bin Haji Mohamed, *Sustainable Development Agenda : The Role of Local Government in Malaysia*, (2014).

²⁴⁸ Rashid, "Malaysia SDG Cities,".

SDG roadmaps to align housing policies with sustainability objectives. Malaysia's dedication to sustainable urbanisation is reflected in its focus on expanding affordable housing while minimizing environmental impacts. The Malaysia Smart City Framework further illustrates this commitment by fostering the development of smart and green cities, emphasizing innovative solutions to improve urban living.

The Malaysia SDG Cities Roadmap ensures that urban areas are inclusive, resilient, and environmentally sustainable. It incorporates initiatives like green housing, urban micro-mobility solutions, and comprehensive smart city planning, aiming to create urban environments that serve residents' needs while contributing to broader sustainability goals.²⁴⁹

Recognising that the realisation of sustainable affordable housing necessitates a collaborative effort, the Malaysian government emphasises the importance of partnerships involving various stakeholders. Key participants include government entities, private developers, financial institutions, and housing agencies, which must converge to create effective and financially viable sustainable housing schemes.²⁵⁰ These collaborations are grounded in shared principles, values, and objectives that prioritise the welfare of people and the environment.

In furthering its commitment to sustainability, Malaysia has initiated the integration of green building technologies within affordable housing projects. This includes incorporating solar photovoltaic systems, energy-efficient lighting solutions, and water conservation fixtures. However, the uptake of these technologies is hindered by financial constraints, underscoring the urgent need for enhanced incentives and subsidies to facilitate broader implementation.

2.5.5. Waqf as a Mechanism for Sustainability of Affordable Housing Programme

Waqf, in Islamic jurisprudence, is a perpetual endowment of property for charitable purposes. The *waqif* (endower) dedicates property—typically land or buildings—for a specified purpose, after which it is held in trust and its benefits are distributed according to the terms of the *waqf* declaration. The concept has deep roots in Islamic civilisation, serving as a primary mechanism for social welfare provision across Muslim societies for centuries.²⁵¹ In Malaysia, *waqf* administration falls under state jurisdiction through the respective State Islamic Religious

²⁴⁹ Azmizam Abdul Rashid, *Accelerating the Sustainable Urban Agenda 2030*, (2023).

²⁵⁰ "Global Partnerships - United Nations Sustainable Development", <<https://www.un.org/sustainabledevelopment/globalpartnerships/>> (accessed 23 May, 2019).

²⁵¹ Fatin Dayana Rashid et al., "Penelitian Terhadap Wakaf Kediaman dan Pendidikan di Malaysia Menerusi Komperatif Negara Terpilih [Research on Residential and Educational Waqf in Malaysia through a Comparison of Selected Countries]," *Jurnal Islam dan Masyarakat Kontemporari* 23, no. 3 (2022): 40–57.

Councils (*Majlis Agama Islam Negeri*), as provided under Item 1 of the State List in the Ninth Schedule to the Federal Constitution²⁵².

Malaysia possesses significant waqf assets that remain largely underutilised for housing development. According to the Department of Awqaf, Zakat and Hajj (JAWHAR), waqf land in Malaysia covers approximately 30,888.89 hectares across all states, yet a substantial proportion remains idle or underdeveloped²⁵³. Selangor alone manages thousands of waqf lots, many in strategic urban locations. While the Dasar Perumahan Mampu Milik Negara (DRMM) 2019 records that 458 public affordable housing projects have been constructed on waqf land through cooperation between JAWHAR and state Islamic religious councils, these initiatives have operated without a comprehensive legal mechanism for systematic waqf-housing development partnerships.

Three aspects of waqf are particularly relevant to the concept of affordable housing.

- i. Waqf land eliminates or significantly reduces the land cost component of housing development. Land cost is consistently identified as one of the primary contributors to housing unaffordability in Malaysia²⁵⁴. Where government or private land must be purchased at market rates, waqf land is held in perpetuity and can be developed under lease or partnership arrangements that substantially lower end-user costs. Abdullah and Meera proposed an Al-Hikr (long-term lease) financing model for waqf and state lands specifically designed to provide affordable public housing in Malaysia, demonstrating the financial viability of utilising waqf assets for housing²⁵⁵.
- ii. Waqf principle of perpetual benefit (*manfa'ah*) aligns with the concept of programme sustainability. Unlike government programmes that may be discontinued with changes in political leadership, waqf-based housing, by its theological nature, is designed to endure across generations. This

²⁵² The Government of Malaysia, *Federal Constitution 1957 (Reprint 2010)*, (Malaysia: The Commissioner of Law Revision, Malaysia, 2010).

²⁵³ Jabatan Wakaf Zakat dan Haji, *Manual Pengurusan Peletakan Tanah Wakaf*, (2010).

²⁵⁴ Lu and Ong, Can Malaysia's National Affordable Housing Policy Guarantee Housing Affordability of Low-Income Households?

²⁵⁵ Adam Abdullah and Ahamed Kameel Mydin Meera, "Adopting Al-Hikr Long Term Lease Financing for WAQF and State Lands in Malaysia to Provide Affordable Public Housing," *Al-Shajarah: Journal of the International Institute of Islamic Thought and Civilization (ISTAC)*, Special Issue: Islamic Banking and Finance (2018): 1–42.

characteristic of perpetuity is fundamental to the sustainability of affordable housing — a principle that is central to this thesis. Pitchay et al. proposed a cooperative-waqf model to develop idle waqf lands in Malaysia, emphasising this sustainability dimension.²⁵⁶

- iii. *Maslahah* (public benefit) principle underlying waqf permits broad beneficiary eligibility. Waqf-based affordable housing is not inherently restricted to Bumiputera or Muslim beneficiaries, as eligibility depends on the terms of the specific waqf declaration. Rashid et al. confirmed the permissibility of waqf in the provision of affordable housing under Islamic law, noting that the *maslahah* principle supports broader community benefit²⁵⁷. Ali et al. similarly argued that waqf real estate development serves as a social welfare alternative that benefits the wider community.²⁵⁸

Despite this potential, three barriers persist. First, the fragmented administration of waqf across thirteen separate state jurisdictions creates inconsistency in development policies and practices. Second, there is an absence of enabling legislation that specifically authorises and structures waqf-housing development partnerships between Islamic Religious Councils, housing developers, and government authorities.²⁵⁹ Third, limited institutional capacity among some State Islamic Religious Councils constrains their ability to manage complex development projects.²⁶⁰ Kamal and Ating proposed a new collective waqf framework for affordable housing in Malaysia that addresses some of these barriers, demonstrating that such models show “great potential for affordable housing implementation seeing to the earning sustainability, resilient management, social manifestation and economic impacts”²⁶¹.

The waqf mechanism thus presents a significant, yet currently underutilised, resource for sustainable affordable housing in Malaysia. Its alignment with both the theory of distributive social justice (ensuring equitable access to housing resources) and the Maqāṣid al-

²⁵⁶ Allah Pitchay, Najwadi Yusoff Abdul Rahman, Asmy Mohd Thas Thaker, Azhar, Mydin, and I’sa Abd Jalil, *Proposing Awqaf Alternative Plan (AAP): The Way Forward & Sustainable Higher Education Financial System*.

²⁵⁷ Khairuddin Abdul Rashid and et al, "Permissibility of Wakaf in the Provision of Affordable Housing", *Advanced Science Letters*, vol. 24, no. 7 (2018): 4922–4925.

²⁵⁸ Siti Nadiah Mohd Ali et al., "Hungry for Housing: Waqf Real Estate Development – A Social Welfare Alternative," *MATEC Web of Conferences* 66, no. 00021 (2016): 1–6.

²⁵⁹ Nurzafira Zainul Abidin and Noraliza Basrah, "Development Framework for Affordable Housing on Waqf Land" in *Islamic Development Management: Recent Advancements & Issues*, (2019).

²⁶⁰ Muhammad Ikhwan Abd Jalil et al., "Waqf Land Development Approaches and Practices in the State Islamic Religious Councils," *Planning Malaysia* 19, no. 19 (2021): 245–256.

²⁶¹ Rashid Ating and Syukqran Kamal, "Proposed Waqf Model for an Affordable Housing Mechanism in Malaysia", *International Journal of Advanced Research in Economics and Finance*, vol. 2, no. 2 (2020): 87–109.

Sharī'ah (protecting life, progeny, wealth, intellect, and religion through adequate housing) makes it a particularly relevant mechanism within this study's theoretical framework.

2.6. CHAPTER ANALYSIS

The concept of affordable housing presents a complex array of factors that extend beyond mere financial feasibility. A comprehensive framework for the integration of affordable housing requires a nuanced understanding grounded in various academic disciplines, including theories of distributive justice, Islamic principles, sustainability metrics, and international comparative studies. This chapter seeks to critically assess how these theoretical foundations influence the essential components of affordable housing, highlighting key aspects such as equity, governance structures, cultural identity, and integrated economic policies. By examining both theoretical constructs and practical applications, this chapter explores affordable housing through the lenses of social distributive justice and Islamic jurisprudence, analyzing the synergies between social justice frameworks and Islamic principles to promote equitable and sustainable housing solutions.

2.6.1. Theoretical Frameworks

The concept of distributive social justice is critical in shaping the framework for affordable housing policy. Drawing on John Rawls' theory of justice as fairness, this framework advocates for the allocation of resources that prioritise the welfare of the least advantaged members of society. This perspective is further enhanced by Roscoe Pound's sociological jurisprudence, which emphasises the necessity of reconciling established legal norms with the evolving socio-economic landscape. Consequently, affordable housing initiatives must focus on marginalised populations, particularly within the B40 (bottom 40%) and M40 (middle 40%) income groups.

Ensuring equitable access to housing must address the needs of both urban and rural communities, requiring proactive involvement from institutions such as Malaysia's Ministry of Housing to implement targeted policies effectively. Such governance is vital for recontextualising housing as a fundamental right rather than a privilege, thereby fostering a more just society. This discussion also entails a nuanced examination of distributive justice through both sociological and Islamic perspectives, reinforcing Rawls' principles of justice. It underscores the importance of legal frameworks, community cooperation, and ethical considerations in developing effective affordable housing policies.

2.6.2. Islamic Principles and Maqāṣid al-Sharī'ah

The integration of Islamic principles with the framework of Maqāṣid al-Sharī'ah significantly enriches the discourse on affordable housing. This framework highlights fundamental values such as the protection of life, property, and human dignity, thereby prioritising the public interest and societal welfare. Housing transcends mere physical structure; it serves as a crucial element for both spiritual and practical support of familial and communal well-being. Consequently, affordable housing initiatives should embody cultural identity and promote social cohesion, aligning with Islamic teachings that emphasise family-centric living.

Furthermore, incorporating sustainability within this framework is imperative; housing solutions must address immediate needs and ensure long-term societal resilience and environmental health. This discussion articulates the Islamic viewpoint that recognises housing as a foundational aspect of nurturing families and stabilising communities, demonstrating how affordable housing strategies align with the objectives of Maqāṣid al-Sharī'ah by focusing on the preservation of life, property, and overall societal welfare.

2.6.3. Sustainable Affordable Housing

The concept of sustainable development plays a crucial role in the discourse on affordable housing. It necessitates a balanced integration of economic, social, and environmental factors, ensuring that current needs are met without compromising the ability of future generations to meet their own. The alignment of sustainability and affordable housing is clearly illustrated through the adoption of eco-friendly construction methods, resource efficiency, and the creation of healthy living environments.

To achieve these goals, strategies must emphasise sustainable building practices and effective waste management systems while enhancing public transportation networks to reduce environmental impacts. Furthermore, a thorough evaluation of economic parameters is essential to ensure project feasibility, taking into account key factors such as construction costs, land availability, and financial assistance programmes that are critical for maintaining affordability.

This chapter advocates for a comprehensive approach that harmonises affordability with environmental sustainability. Key recommendations include implementing innovative green construction practices, enhancing public transportation connectivity, and developing collaborative partnerships among government agencies, developers, and financial institutions.

2.6.4. International Comparisons and Benchmarking

A comprehensive analysis of global definitions and implementations of affordable housing across various jurisdictions—such as the United States, United Kingdom, Australia, and Singapore—illuminates best practices and effective policy frameworks that can enhance local strategies.

International comparisons and benchmarking provide critical insights into the efficacy of diverse housing policies and structures. By examining the practices of countries like the United States, Canada, and Singapore, invaluable lessons emerge regarding the necessity for clear definitions, tailored policies, and robust stakeholder collaboration in housing delivery. England's experience, for example, underscores the importance of long-term affordability through strategic frameworks designed to ensure housing remains accessible for future generations.

In this context, innovative economic metrics—such as capping housing costs at 30% of household income, a model adopted in the U.S. and New Zealand—can serve as a guiding principle for effective housing policies. Moreover, the formation of multi-stakeholder partnerships, as exemplified by practices in Singapore and Germany, highlights the critical role of integrated governance and institutional support in crafting comprehensive housing solutions.

2.6.5. Social and Cultural Theories in Housing

Building upon established theoretical frameworks, social and cultural theories underscore the vital role of housing in shaping societal norms and enhancing individual well-being. From a sociological perspective, housing extends beyond its physical structure; it serves as a crucial element in fostering communal cohesion and identity. Discussions on cultural adequacy, particularly as framed by UN human rights standards, assert that housing must resonate with local cultural values and identities to promote inclusivity and strengthen community well-being. This highlights the need for localised housing strategies that take into account geographical and demographic considerations, especially in light of ongoing urbanisation and migration trends.

The analysis reveals significant barriers to equitable housing access, particularly concerning income disparities between Malaysia's underserved populations (B40) and middle-income groups (M40). Additionally, it addresses the complexities posed by urbanisation, economic pressures, and the effects of fluctuating governmental policies on housing supply and affordability, which further complicate the issues surrounding housing accessibility.

2.6.6. Defining Affordable Housing: A Multidimensional Approach

Affordable housing is a critical issue that intersects various domains of economics, social equity, sustainability, and governance. The framework for understanding affordable housing requires a thorough examination of several key elements: economic parameters, housing types, sustainability, equity, accessibility, cultural and social considerations, and governance. Each element highlights its theoretical, practical, and comparative significance.

2.6.6.1. *Economic Parameters*

Economic factors are foundational to the concept of affordable housing. Affordability is a primary determinant, particularly emphasising targeting specific income groups, such as the Bottom 40% (B40) and Middle 40% (M40) income brackets in Malaysia. This targeting aligns with international standards, such as the definition employed in the United States, where housing costs are capped at 30% of a household's income. Additionally, Malaysia's National Housing Policy (2018-2025) establishes clear income brackets and corresponding housing price ranges, thereby operationalising the concept of affordability. Nonetheless, it also highlights significant economic constraints such as wage stagnation and the rising cost of living, which create substantial challenges for maintaining housing affordability.

2.6.6.2. *Housing Types*

The examination of various affordable housing schemes presents an important aspect of the analysis. Initiatives such as Malaysia's PR1MA and Rumah Mesra Rakyat are designed to cater to specific income groups, offering both rental and ownership options. In comparison, international practices provide additional context; for example, England includes both social rented and intermediate housing, while Canada offers a range of tenure types, including rental, ownership, and cooperative models. This comparison highlights the need for adaptable housing solutions that can meet the diverse needs of different demographic groups.

2.6.6.3. *Sustainability*

Sustainability is a recurring theme in discussions about affordable housing. Advocates emphasise the importance of integrating eco-friendly technologies and green building practices, highlighting how these approaches can reduce carbon footprints, promote long-term affordability, and foster environmental stewardship. This alignment with the Sustainable Development Goals aligns well with Malaysia's national strategies, ensuring that housing addresses immediate needs and contributes to broader environmental objectives.

2.6.6.4. *Equity and Accessibility*

The principles of equity and accessibility are vital in discussions about affordable housing. Engaging with social justice theories like John Rawls's "justice as fairness" advocates for the fair distribution of housing resources. It highlights challenges faced by the M40 income group, who struggle to find affordable housing while being excluded from the market-rate segment. Additionally, cultural perspectives, particularly from Islamic teachings, emphasise inclusivity and fairness in housing allocation, underscoring the ethical aspects of housing policy.

2.6.6.5. *Cultural and Social Considerations*

Cultural and social factors are vital in examining affordable housing. The Islamic perspective sees housing as essential for family and community well-being, emphasising the integration of cultural and spiritual elements into housing policies. Additionally, the need for community facilities like schools and mosques supports healthy living environments, aligning with the Maqāsid al-Sharī'ah principles aimed at enhancing quality of life.

2.6.6.6. *Governance and Institutional Support*

Effective governance and institutional support play crucial roles in the implementation of affordable housing initiatives. The contributions of various Malaysian government agencies, such as PR1MA Corporation and Lembaga Perumahan dan Hartanah Selangor, in facilitating affordable housing schemes. Comparatively, successful international models, such as Singapore's Central Provident Fund for housing financing and Germany's deployment of tax incentives, illustrate the benefits of a multi-stakeholder approach in promoting affordable housing solutions.

2.6.6.7. *Geographical and Demographic Factors*

Geographical and demographic factors are critical in shaping the landscape of affordable housing. In Malaysia, urbanisation trends are worsening accessibility issues, particularly in urban areas. It is imperative to implement localised solutions that focus on specific regions for affordable housing development in order to avoid oversupply and misallocation of resources.

2.6.6.8. *Summary of the Key Elements in the Concept of Affordable Housing*

Below is a table summarising the relationship between the theoretical concepts discussed in this chapter and the key elements contributing to the affordable housing concept:

Table 2.5: Key Elements in the Affordable Housing Concept

Theoretical Concept	Key Elements Contributed	Explanatory
Distributive Social Justice	- Equity and Accessibility: Targeting marginalized groups (e.g., B40 and M40 income groups). - Governance: Institutional roles in delivering housing to targeted groups.	- John Rawls' principles of justice as fairness emphasise equitable distribution to benefit the disadvantaged. - Roscoe Pound's sociological jurisprudence connects justice with the practical application of laws.
Islamic Principles and Maqāsid al-Sharī'ah	- Cultural and Social Considerations: Promoting cultural identity and family-centric living. - Sustainability: Alignment with spiritual and environmental well-being.	- Islamic teachings frame housing as a necessity for family and societal well-being. - Maqāsid al-Sharī'ah emphasises protecting life, property, and dignity, linking affordable housing with societal stability.
Sustainable Development	- Sustainability: Green building practices, waste management, and public transport integration. - Economic Parameters: Balancing construction costs, land availability, and financial assistance.	- Sustainability combines environmental, economic, and social dimensions to ensure long-term affordability. - Advocates for eco-friendly materials and energy-efficient housing solutions.
Comparative Analysis and Benchmarking	- Economic Parameters: Use of affordability caps (e.g., 30% of income). - Governance and Institutional Support: Multi-stakeholder partnerships for housing solutions.	- Countries like the U.S. and New Zealand use income thresholds for affordability. - Singapore's Central Provident Fund system ensures efficient housing delivery. - England's policies ensure long-term affordability for future generations.
Social and Cultural Theories	- Cultural and Social Considerations: Addressing diverse social needs and fostering inclusivity. - Geographical and Demographic Factors: Localized solutions for urban and rural housing disparities.	- Housing is positioned as a societal asset, shaping norms and promoting community well-being. - UN Human Rights' emphasis on cultural adequacy aligns with local values.
Economic and Legal Foundations	- Economic Parameters: Setting pricing models, income thresholds, and financial aid mechanisms. - Housing Types: Providing rental and ownership options with varying subsidy levels.	- Property rights and economic stability are core to affordable housing. - Legal frameworks are emphasised for fair allocation and institutional oversight of housing schemes.

This table clearly articulates the relationship between theoretical frameworks and practical applications, effectively demonstrating how these concepts align with actionable strategies for providing affordable housing.

2.6.7. Critical Components of Affordable Housing Through Multidisciplinary Lens

The theoretical constructs articulated in this chapter are instrumental in shaping the critical components of affordable housing through a multidisciplinary lens:

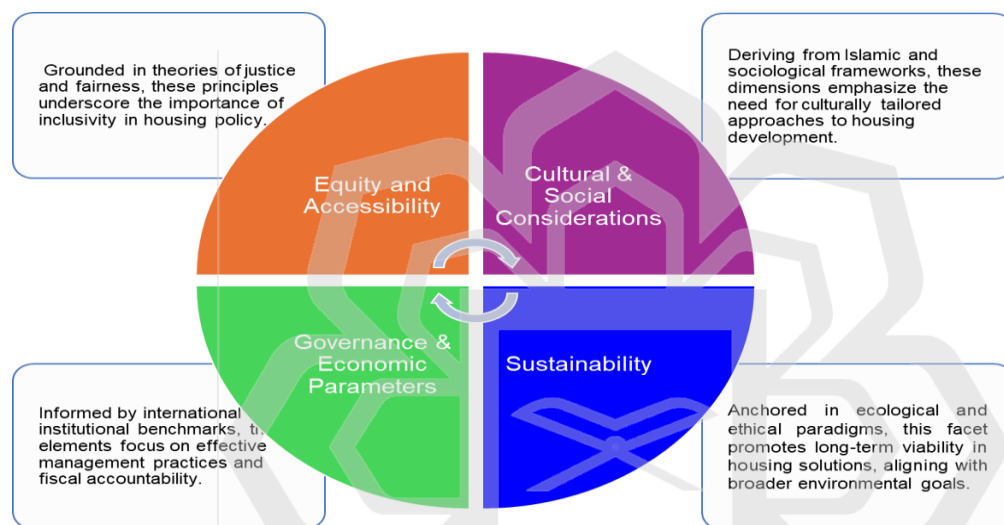


Figure 2.2: Critical Components of Affordable Housing

In a nutshell, this chapter integrates a diverse range of theoretical frameworks to establish a robust foundation for defining and implementing equitable, culturally relevant, and sustainable affordable housing initiatives. Drawing from distributive social justice, Islamic epistemology, sustainability paradigms, comparative methodologies, social theories, and economic principles, it offers a comprehensive perspective on the complex landscape of affordable housing. By framing the discourse around equity, cultural relevance, and ecological sustainability, the chapter advocates for a housing model that is both inclusive and transformative. Addressing affordability as a multi-dimensional challenge requires collaborative efforts across sectors to uphold the fundamental human right to adequate housing for all





CHAPTER THREE

RIGHT TO ACCESS ADEQUATE AND AFFORDABLE HOUSING BY MIDDLE-INCOME GROUP

3.1. INTRODUCTION

The Sustainable Development Goals include ensuring access to adequate, safe, and affordable housing and basic services, as well as upgrading slums.²⁶² This is in line with the goal to make cities and human settlements inclusive, safe, resilient, and sustainable by 2030, as discussed in the previous chapter. As such, this chapter aims to explore the concept and components of the right to adequate and affordable housing under the Universal Declaration of Human Rights and Malaysia's Federal Constitution. It will analyse related rights such as the right to property, right to health, right to adequate housing, and right to affordable housing and examine how these rights contribute to the sustainability of the housing framework. Additionally, the chapter will scrutinize how the consolidation of rights, roles, and responsibilities, along with relevant laws and regulations adhered to by stakeholders, can ensure that adequate and affordable housing schemes are accessible to the middle-income group in Malaysia.

The global demand for adequate, affordable, and safe housing is projected to escalate significantly by 2030. Approximately 2 billion people worldwide will require housing due to a combination of factors: an expected global population increase of 1.18 billion and an existing housing deficit of 800 million people currently living in inadequate urban housing²⁶³. This rapid urbanisation presents a critical challenge for nations worldwide, necessitating diverse housing options to meet societal demands.

The issue of limited access to adequate and affordable housing is prevalent across many Asian countries, including Malaysia. This challenge stems from various factors such as high house prices, low-income wages, an insufficient supply of affordable housing, and limited financing schemes.²⁶⁴ The consequences of this housing crisis are severe, particularly for

²⁶² UN-Habitat, *Make Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable*, Vol. 4, (2018).

²⁶³ United Nations, *Habitat III Policy Papers: Policy Paper 10 Housing Policies*, ([Place]: United Nations, 2016).

²⁶⁴ United Nations Human Settlements Programme, *Affordable Land and Housing in Asia*, vol. 2, *Quick Guides for Policy Makers* (Nairobi: UN-Habitat, 2011).

lower-income groups. As Xavier.²⁶⁵ notes that economically disadvantaged individuals are often compelled to reside in substandard housing, contributing to unhealthy living environments. Even middle-income earners find themselves compromising on essential expenditures like food, education, and health to secure comfortable living arrangements.²⁶⁶ In this situation, Malaysia is not excluded and having the same issues regarding access to adequate and affordable housing²⁶⁷.

Malaysia's population is projected to reach 41.5 million by 2040, according to the National Department of Statistics²⁶⁸. As of the most recent data, the country's population stands at 32,393,000 (including both citizens and non-citizens) spread across a total area of 289,374 km². The working-age population (15 to 64 years old) comprises approximately 70.0 percent of the total population²⁶⁹. The average household size is 4.0 persons, with rural households generally larger than urban ones.²⁷⁰ The Household Income Survey 2022²⁷¹ provides crucial insights into Malaysia's income distribution:

Table 3.1: Income Classification in Malaysia

Income Group	Subcategory	Monthly Income Range (RM)
B40 (Bottom 40%)	B1	Less than 2,499
	B2	2,500 - 3,169
	B3	3,170 - 3,969
	B4	3,970 - 4,849

²⁶⁵ Xavier Bonnefoy, "Inadequate housing and health: An overview", *International Journal of Environment and Pollution*, vol. 30, nos. 3–4 (2007): 411–429.

²⁶⁶ OECD, *Under Pressure: The Squeezed Middle Class*, (Under Pressure: The Squeezed Middle Class, 2019).

²⁶⁷ Wan Nor Azriyati Wan Abd. Aziz., Noor Rosly Hanif., A Study on Affordable Housing within the Middle Income Households in the Major Cities and Towns in Malaysia.; Sohaimi and et al, An Overview of Masaqid Al-Syariah on Homeownership and Young Graduate's Wellbeing through Sustainable Affordable Housing; Baqutaya, Ariffin, and Raji, Affordable Housing Policy: Issues and Challenges among Middle-Income Groups; Bujang and et al, Factors Influencing The Housing Affordability Stress Among Bumiputera; Samad and et al, Malaysian affordability housing policies revisited; Syed Jamaludin, Mahayuddin, and Hamid, Challenges of Integrating Affordable and Sustainable Housing in Malaysia; Yap, J.B.H. and Ng, *Housing affordability in Malaysia: perception, price range, influencing factors and policies*; Latimaha, Bahari, and Ismail, "Factors Influencing the Basic Needs Budget," 25.

²⁶⁸ Department of Statistics Malaysia Official Portal, "Population Projection (Revised), Malaysia, 2010-2040", <https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=118&bul_id=Y3kwU2tSNVFDOWp1YmtZYnhUeVBEdz09&menu_id=L0pheU43NWJwRWVSZklWdzQ4TlhUUT09> (accessed 26 August, 2019).

²⁶⁹ Department of Statistics Malaysia Official Portal, "Current Population Estimates Malaysia 2018 - 2019", <https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=155&bul_id=aWJZRkI4UEdKcUZpT2tVT090Snpydz09&menu_id=L0pheU43NWJwRWVSZklWdzQ4TlhUUT09> (accessed 26 August, 2019).

²⁷⁰ Department of Statistics Malaysia Official Portal, "Selected Demographic Indicators Malaysia 2019", <https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=397&bul_id=bFhLclp4ZnpSMHRla21haFNLR2JqZz09&menu_id=L0pheU43NWJwRWVSZklWdzQ4TlhUUT09> (accessed 26 August, 2019); Jabatan Perangkaan Malaysia, *Laporan Survei Pendapatan Isi Rumah*, (Kuala Lumpur, 2023), 11.

²⁷¹ Malaysia, J.P., *Laporan Survei Pendapatan Isi Rumah*, 26.

M40 (Middle 40%)	M1	4,850 - 5,879
	M2	5,880 - 7,099
	M3	7,110 - 8,699
	M4	8,700 - 10,959
T20 (Top 20%)	T1	10,960 - 15,039
	T2	More than 15,039

Given the demographic and economic trends, the M40 group is expected to experience significant growth in various aspects, including their demand for affordable housing. This necessitates a focused governmental approach to assist this group in accessing adequate and affordable housing, particularly as they predominantly reside in urban areas.²⁷²

Providing comfortable living environments and adequate housing for urban residents, who comprise the M40 group, should be a government priority. However, a major obstacle to this goal is the scarcity of suitable land in many Asian cities.²⁷³, including Malaysia. The provision of comfortable living environments and adequate housing for urban residents, who largely comprise the M40 group, should be a government priority. However, a major obstacle to this goal is the scarcity of suitable land in many Asian cities. The projected global population increase by 2030 and the existing housing deficit underscore the urgency of addressing the right to access adequate and affordable housing, particularly for the middle-income group in Malaysia.

3.2. RIGHTS TO ADEQUATE AND AFFORDABLE HOUSING UNDER UNIVERSAL DECLARATION OF HUMAN RIGHTS

Housing has been recognised as one of the indicators in achieving human development for socio-economic development and poverty reduction²⁷⁴. Currently, most of the world's population living in urban cities and forthcoming 2030, the projected numbers will be increased by 60 percent²⁷⁵. Hence, living in urban cities has been the preferred and targeted location

²⁷² Ibid., 20. Based on recent data, Kuala Lumpur has the highest monthly total household income for intermediaries, amounting to RM10,234. This is followed by W.P. Putrajaya with RM10,056, Selangor with RM9,983, Labuan Federation Territory with RM6,904, Johor with RM6,879, and Pulau Pinang with RM6,879. Notably, Selangor has experienced the highest annual growth rate for intermediate income from 2019 to 2022, which stands at 6.5%, surpassing the national growth rate of 2.5%.

²⁷³ UN-Habitat, *Affordable Land and Housing in Asia*.

²⁷⁴ UN Economic and Social Council, *Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators*, UN Doc. E/CN.3/2016/2/Rev.1 (New York: United Nations, 2016)

²⁷⁵ Taipale Kaarin, *Challenges and Way Forward in the Urban Sector: Sustainable Development in the 21st Century*, (2011).

since it offers various facilities, amenities and job opportunities to society. Yet, the inadequate housing in the city centre will impede the other dimension of urban affluence as revealed by the UN-Habitat City Prosperity Initiative. The key challenges in relation to affordable housing in the 21st century are identified as follows²⁷⁶:

- i. Poor regulation of real estate markets has creating speculative bubbles and lead to financial calamities and further impair deprivation of security tenure and access to affordable housing in many urban cities.
- ii. Segregation large segments of the population from accessing affordable housing due to the tenacity of inadequate housing and land management policies has led to the formation and continued growth of slums, informal settlements and intensifying homelessness in many countries.

Over the last 20 years, the analysis discovered that *‘handing over housing to the market has proved a failure in providing affordable and adequate housing for all’*²⁷⁷, despite increasing demand, yet the housing still unaffordable for the majority population in the world. As such, the New Urban Agenda echoes for insertion housing policies as the focus of national urban policies along with plans to fight poverty, improve health and job opportunities, subsequently housing segment can contribute to national socio-economic development and accomplished the Sustainable Development Goals (SDGs).

Wide-ranging housing policies will enable the rights and ensure sustainability of the affordable housing schemes which is crucial for social development agenda. In ensuring shelter for all class citizens, sustainable development policies inclusive housing and social services should be promoted and become a priority in achieving adequate and affordable housing schemes particularly to low income earner in consideration to create safe and healthy living environment.

3.2.1. Rights to Property

²⁷⁶ World Urban Campaign, "World Habitat Day to address Affordable Homes through Housing Policies", <<http://www.worldurbancampaign.org/world-habitat-day-address-affordable-homes-through-housing-policies>> (accessed 26 August, 2019).

²⁷⁷ United Nations - Sustainable Development Goals, "Affordable housing key for development and social equality", <<https://www.un.org/sustainabledevelopment/blog/2017/10/affordable-housing-key-for-development-and-social-equality-un-says-on-world-habitat-day/>> (accessed 26 August, 2019).

In 1945, the United Nations was founded as a unique international organization in which currently, there are 193 Member States including Malaysia. One of the purposes of the establishment of the United Nation is:

“To achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion;”²⁷⁸

Social segment always been an objective of the states in regulating its affairs. Regardless the race, sex, language and religion, the fundamental freedoms to human right, the priority of achieving this social objective has become a goal for the United Nation in promoting peace to the whole world.

On 10 December 1948, the first history documented in respect of the declaration of fundamental of human rights was proclaimed by the United Nations General Assembly in Paris. This landmark document was recognised by representative of the regions around the world in which outlined the protection of universal fundamental rights to be achieved for all peoples and nations. The Members reiterated the fortitude to promote social growth and to have healthier standard of living. Article 17(1) of Universal Declaration of Human Rights (UDHR) recognised that *“Everyone has the right to own property alone as well as in association with others and that no one shall be arbitrarily deprived of his property”*. Though this right was regarded as a fundamental right in responding to demand for human nature, most states have cited various elements in recognising this right. Such as in United States, Article 23 of the American Declaration of Rights stated that, *“Every person has a right to own such private property as meets the essential needs of decent living and helps to maintain the dignity of the individual and his home.”*²⁷⁹ While Article 14 of the African Charter on Human and Peoples' Rights stated that, *“The right to property shall be guaranteed. It may only be encroached upon in the interest of public need or in the general interest of the community and in accordance with the provisions of appropriate laws”*²⁸⁰.

²⁷⁸ United Nation, "United Nation Charter: Chapter 1", <<https://www.un.org/en/sections/un-charter/chapter-i/index.html>> (accessed 19 September, 2019).

²⁷⁹ Inter-American Commission Human Rights, "American Declaration of The Rights and Duties of Man", <[https://www.cidh.oas.org/Basicos/English/Basic2.american Declaration.htm](https://www.cidh.oas.org/Basicos/English/Basic2.american%20Declaration.htm)> (accessed 10 January, 2020).

²⁸⁰ African States, "African Charter on Human and Peoples' Rights", (1981).

The principle of the rights to enjoy and own a private property has been long recognised under Common Law. In the case of *Entick v Carrington* (1751) 19 State Tr 1029, 1060 mentioned that:

“The great end for which men entered into society was to secure their property. That right is preserved sacred and incommunicable in all instances where it has not been abridged by some public law for the good of the whole”.

The absolute rights enjoyed by every Englishmen in the property, according to Blackstone, should comprise free use, enjoyment and disposal of all his acquisitions in accordance with the laws of the land without violating the community right as a whole.²⁸¹

The impact of this enjoyment right to own property is the protection of using the private property guaranteed by the government, yet there are some limitations. For example, in the case of compulsory acquisition where the court held in the case of *Lithgow v United Kingdom* (1986) 8 EHRR 329 that, compensation for compulsory acquisition given to applicants should be adequate and non-discriminatory to the value of companies. Whereas in the case of *Maggiulli v United Kingdom* (1986) 8 EHRR 329, the court held that any compulsory acquisition by the local authority with the legitimate aims of the improvement of housing did not amount to violation of principle of proportionality. Even though the case related to conversion of freehold to leasehold property such as in *James v United Kingdom* (1986) 8 EHRR 123, the court accepted that for the matter of public interest, there are deprivation of the enjoyment right over property in pursuance of legitimate social, economic or other policies even the community has no use for property enjoyment. In taxation case, the court in the case of *National and Provincial Building Society v United Kingdom* (1997) 25 EHRR accepted the retrospective legislation to secure the payment of taxes as an interference with the enjoyment of property. The court agreed that the existence of legislation intended to contest against avoidance of tax is justified for the matter of public interest. Based on the above illustrated cases, any interference with the enjoyment of the property rights, the court recognised the compensation as a remedy. There are elements need to be considered by the court in assessing the award of compensation, such as nature of interference, level of interference, degree of

²⁸¹ Robert Malcolm Kerr, *The Commentaries on the Laws of England of Sir William Blackstone : Adapted to the Present State of the Law*, edited by John Murray, (4th edn., 1876).

damage caused to the applicants and the issue of deprivation of the enjoyment right to property²⁸².

The nature of property referred in the Declaration has not been identified and has a broad definition. According to Lord Wilberforce in the case of *National Provincial Bank Ltd v Ainsworth* (1965) AC 1175, prior to claiming the right or interest attached to the property, the nature of assumption and degree of perpetuity should be identified and defined. Viscount Simonds in the case of *Belfast Corporation v O D Cars* [1960] AC 490 described the ‘property’, including any tangible and intangible property which constitutes the right of ownership to the property. The importance rights of enjoyment to own property is so much related to the right to standard living. In the light of the case *Selcuk and Asker v Turkey* (1998) 26 EHRR 477, where the applicants’ property was burned and the court’s view that the esteem for the home contains more than integrity as it was the physical security to one’s living property which the action constituted severe and unjustified intrusion to the property’s possession. As such, in the case of *Howard v United Kingdom* (1987) 52 DR 198, the court accepted the “*ability to live freely in the home and enjoy it, not merely as property rights*”. The court highlighted in the case of *Murray v United Kingdom* (1994) 19 EHRR 193 that the definition of a home is wider, but in general, it is a place for a person to settle for a living. Correspondingly, the question of standard living also needs to be scrutinised as part of the right to own and enjoy a property to be a shelter. Further thereto, Article 25 (1) of the UDHR stated the following:

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”²⁸³

The statement under this Article 25 was inspired by the former US President Roosevelt who defended the “right of every family to a decent home”²⁸⁴. This comprehended economic considerations to secure every nation a vigorous, amiable life for its peoples. As such, Article 25 really emphasised the right to a standard of living that should include adequate housing.

²⁸² Richard Clayton and Hugh Tomlinson, "Right to Enjoyment of Possessions" in *The Law of Human Rights*, (Oxford University Press, 2000), 1291–1343. This chapter analysed all related elements of human rights attached to Right to Enjoyment Possession through the existing local laws and decided cases by the human rights courts in various countries.

²⁸³ United, Universal Declaration of Human Rights.

²⁸⁴ Chris Sidoti, *Housing as A Human Right*, (1996).

In the light of both articles, every human living in this universe has the right to own shelter and it's also exemplified the standard of living should include the standard healthy environment, basic necessities and facilities, security of livelihood as well as acceptable housing. However, what amount to 'standard living to adequate housing' should be further elaborated and understood in administering the rights equally according to the class of citizens.

3.2.2. Rights to Adequate Housing

Pursuant to Article 11 (1) of International Covenant on Economic, Social and Cultural Rights (ICESCR) which entered into force in 1976, the members recognised "*the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions*"²⁸⁵. In realising this covenant, appropriate steps need to be taken in order to affect this essential right based on collaboration and free consent from all members. Despite the International Human Rights law upheld every human right to an adequate of standard living, billions of people still living inadequate standard living, where they live in life-threatening condition, congested slums, informal settlements and in worst living condition unacceptable for a living human to live²⁸⁶. United Nations' projection around the world that approximately 100 million people are living without shelter, while another 1 billion people are hopelessly living without any access to basic facilities²⁸⁷. Thus, the question arose is what tantamount to adequate housing in order to upheld the right of standard living that each and every human eligible.

The right to adequate housing has undeniably received legal recognition under ICESCR as a crucial aspect of socio-economic development. Nevertheless, there are several contentious issues regarding the determination of what constitutes an adequate standard of living, which may vary based on the specific conditions of individual states. There is so much debate on the right to adequate housing as originally, the right arises only to adequate standard living, not the right to housing per se. According to the Special Rapporteur, the term 'adequate' associated with 'housing' implies "continuous improvement of living conditions" which means the housing dimension is much beyond shelter and the minimum of four walls and a roof²⁸⁸.

²⁸⁵ OHCHR, "International Covenant on Economic, Social and Cultural Rights", <<https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx>> (accessed 25 January, 2019).

²⁸⁶ UN Habitat, *The Right to Adequate Housing*.

²⁸⁷ Miloon Kothari, *The Human Right to Adequate Housing and Land* (New Delhi: National Human Rights Commission, 2006)

²⁸⁸ Rajinder Sachar, *The Realization of Economic, Social and Cultural Rights: The Right to Adequate Housing*, UN Doc. E/CN.4/Sub.2/1993/15 (Geneva: United Nations, 1993)

In the United Kingdom, after the Grenfell Tower disaster²⁸⁹. There was a move to recognise a right to adequate housing under domestic law, particularly in recognizing the standard safety of homes. However, the parliament dismissed the proposal due to the following²⁹⁰:

- i. There was no underlying basis that could guide the court in defining the term such as ‘adequacy’ attached to the right to housing²⁹¹.
- ii. Though ICESCR given some guidelines the definition still open-textured. Limited guidance and simply embodied legislation for the purpose of socio-economic rights would have not great impact in recognising the right.
- iii. The minimum core standard stated under General Comment 3 of ICESCR²⁹², would avert the courts from encroaching on other sphere of democratic institutions.
- iv. Most underprivileged in society are deprived in accessing adequate housing.

In Australia, although there is no such statement made under Australian Human Rights Act 2004, the provision of recognising adequate rights of housing was embedded in the National Action Plan, which stated that “all Australians should have access to affordable,

²⁸⁹ AFD, "London Fire Service Criticised in Grenfell Tower Tragedy Report," *New Straits Times*, <https://www.nst.com.my/world/world/2019/10/534201/london-fire-service-criticised-grenfell-tower-tragedy-report> (accessed 2 December, 2019). On 14 June 2017, a fire broke out in the 24-storey Grenfell Tower block of flats in North Kensington, West London, causing 72 deaths. More than 70 others were injured and 223 people escaped. It was the deadliest structural fire in the United Kingdom since the 1988 Piper Alpha disaster and the worst UK residential fire since the Second World War. Reports confirm that the blaze started through a faulty fridge in the kitchen of a fourth-floor flat and quickly engulfed the building due to flammable cladding installed on its façade as part of a refurbishment. The report states the combustible aluminium composite material (ACM) cladding with polyethylene cores acted as a “source of fuel” and was the “principal reason” the flames spread at such speed.

²⁹⁰ Douglas Maxwell, "A Human Right to Housing?", Oxford Law Faculty, <<https://www.law.ox.ac.uk/housing-after-grenfell/blog/2019/02/human-right-housing>> (accessed 2 December, 2019).

²⁹¹ Jessie Hohmann, *The Right to Housing: Law, Concepts, Possibilities* (Oxford: Hart Publishing, 2013). Jessie Hohmann concludes: “The failure of courts and monitoring bodies to provide a definition of the right thus impacts directly on those hoping to lay claim to the right in order to struggle against homelessness, inadequate housing, forced resettlement, or other material deprivation and marginalisation. If the right cannot be laid claim to it is a hollow promise and any attempt to invoke it as an instrument in a project of advocacy is fraught with uncertainty”.

²⁹² UN Committee on Economic, Social and Cultural Rights (CESCR), "General Comment No. 3: The Nature of States Parties' Obligations (Art. 2, Para. 1, of the Covenant)," December 14, 1990, Office of the High Commissioner for Human Rights, accessed November 3, 2019, <https://www.ohchr.org/en/resources/instructors/administrative-and-judicial-remedies/general-comment-no-3-nature-states-parties-obligations>. Other measures which may also be considered "appropriate" for the purposes of article 2 (1) include, but are not limited to, administrative, financial, educational and social measures.

adequate and appropriate housing”²⁹³. The Australian government are committed to refining the housing and living environments of its citizens in line with economic efficacy, social equity and environmental sustainability, particularly for homeless children, people with mental illness and Indigenous Australians. However, the government faces challenges in providing adequate living standards. Australian government has strategies for the policy for example homelessness²⁹⁴, by relying on family shelter, creating job opportunities, education, training, and community participation to realise the right to adequate housing.

The South African Constitution, a prime example of modern constitutional draftsmanship, expressly recognises human rights, including the right to access adequate housing. Section 26 of the Constitution states that²⁹⁵:

- i. Everyone has a right to have access to adequate housing.
- ii. The state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right.
- iii. No one may be evicted from their home or have their home demolished without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

In the renowned case of *Government of the Republic of South Africa & Ors v Grootboom & Ors* 2000 (11) BCLR 1169. (CC)²⁹⁶, the court agrees that the right entails a socio-economic right in which the principle of justiciability would not be barred even if it results in financial implications by adhering to a minimum essential requirement. The court also distinguished between the right to access to adequate housing under section 26 of

²⁹³ Sidoti, Housing as A Human Right.

²⁹⁴ Philip Lynch and Jacqueline Cole, "Homelessness and Human Rights: Regarding and Responding to Homelessness as a Human Rights Violation", *Melbourne Journal of International Law*, vol. 4, no. 1 (2003): 139.

²⁹⁵ South African Human Rights Commission, *South Africa: The Right to Adequate Housing Factsheet*, (2011).

²⁹⁶ *ESCR-Net*, "Government of the Republic of South Africa. & Ors v Grootboom & Ors 2000 (11) BCLR 1169. (CC) | *ESCR-Net*", <<https://www.escr-net.org/caselaw/2006/government-republic-south-africa-ors-v-grootboom-ors-2000-11-bclr-1169-cc>> (accessed 3 December, 2019). Well known as Grootboom's case where an action was brought by a community who has been evicted from informal settlement in Wallacedene, by South African Government. The temporary shelter using plastic and other materials. The action was brought against various government level under section 26 (right to access to adequate housing) and section 28 (children's right to basic shelter) of South African Constitution. The High Court, relying on the principles of judicial deference outlined by the Constitutional Court in the *Soobramoney* case, found that the respondents had taken "reasonable measures within available resources to achieve the progressive realisation of the right to have access to adequate housing" – as required by section 26(2) of the Constitution. However, because the right of children to shelter in article 28 was not subject to available resources, the High Court held that the applicants were entitled to be provided with basic shelter. On appeal to the Constitutional Court, the Court found no violation of section 28 but found instead a violation of the right to adequate housing in section 26. The Court ordered that the various governments "devise, fund, implement and supervise measures to provide relief to those in desperate need."

Constitution and the right to adequate housing under Article 25 of UDHR and Article 11 of ICESCR as follows:

“It recognises that housing entails more than bricks and mortar. It requires available land, appropriate services such as the provision of water and the removal of sewage and the financing of all of these, including the building of the house itself. For a person to have access to adequate housing all of these conditions need to be met: there must be land, there must be services, there must be a dwelling. Access to land for the purpose of housing is therefore included in the right of access to adequate housing in section 26. A right of access to adequate housing also suggests that it is not only the state who is responsible for the provision of houses, but that other agents within our society, including individuals themselves, must be enabled by legislative and other measures to provide housing.”

Based on the above, the Court held that section 26 obliges the government to design and implement a coherent, coordinated housing programme and that, in progressively realising the right to housing the government had failed to take reasonable measures to provide for those in most desperate need. As such, this case illustrated that housing can only be adequate if all essential services related to the enjoyment of housing are connected and accessible by the people, specifically underprivileged groups.

According to the report on Human Right to Adequate Housing and Land²⁹⁷, the underneath of the right is the human right to life with dignity. The consequence of failure to provide adequate living with essential services is a defilement of human rights to life, which is a crucial core in realising other fundamental human rights. Without the right to adequate housing, many other basic human rights will be compromised including the right to family life and privacy, the right to freedom of movement, the right to assembly and association, the right to health and the right to development. As such, the right to adequate housing is vital for human being to live with dignity.

Human Rights Fact Sheet No. 21/Rev.1 detailed out on what is the Right of Adequate Housing. Basically, there are several pertinent key features underlined by United Nations Committee on Economic, Social and Cultural Rights in respect of the right of adequate housing. The key features embedded in the right to adequate housing including:

²⁹⁷ Kothari, The Human Right to Adequate Housing and Land.

- i. The freedom of movement where to live, freedom to choose where the shelter located, freedom to enjoy home privacy and protection against forced eviction, obliteration and demolition of one's home.
- ii. The privileges of security of tenure, housing restitution, non-discriminatory access and involvement in housing related decision making either at national or community level.
- iii. The minimum criteria of standard housing not only in accordance to building standard or housing production but toward realising standard comfort living which includes:
 - a. the security of tenure to warrant legal protection against any threats;
 - b. the location of housing should be accessible to various services and facilities such as school, work place, employment availability and others;
 - c. the affordable housing where the cost did not compromise other human rights' enjoyments and suppress the people;
 - d. the protection and safety environment against natural disaster;
 - e. the coverage of protection contains disadvantaged and marginalised groups that need special care; and
 - f. the expression of cultural adequacy should be taken into account in nourishing national identity.

Whether adequate housing is explicitly outlined in a charter or declaration, it serves to reaffirm the commitment of all states to recognising the right to adequate housing. This is crucial for improving housing and living conditions and enhancing the state's economic efficiency, social equity, and environmental sustainability.

3.2.3. Rights to Health

Ensuring living conditions meet standards is crucial as housing plays a vital role in public health. In the 19th century, overpopulation, poor ventilation, and unsanitary conditions posed significant public health concerns. Addressing these issues was necessary to prevent the spread of contagious diseases and injuries caused by fire hazards. Nowadays, public health can be enhanced by implementing housing guidelines and codes, launching "Healthy Homes" campaigns that improve indoor and outdoor environmental quality, assessing housing

conditions, and promoting healthy, affordable housing²⁹⁸. It is crucial to address substandard housing in order to achieve public health.

According to the World Health Organization (WHO), health encompasses more than just the lack of disease or weakness. It is a state of complete physical, mental, and social wellbeing that everyone deserves to have access to.²⁹⁹ Regardless of factors such as ethnicity, gender, political beliefs, or economic and social status, every individual has the right to attain the highest level of health possible.

The Ottawa Charter for Health Promotion, established in 1986, recognised several essential requirements and resources for creating a healthy environment. These include stability, shelter, education, food, income, a healthy ecosystem, sustainable energy, social justice, and equality. A solid foundation in these fundamentals is necessary for improving health and is a vital aspect of social, economic, and personal development, as well as life satisfaction. To promote health equality and close gaps in current health status, it is crucial to have a development policy that enhances community living, ensuring that all residents have equal access to opportunities and services to achieve their full health potential. This involves establishing a stable foundation in a secure community, gaining access to knowledge, developing life skills, and acquiring the necessary resources to make healthier choices. Individuals cannot achieve their optimum fitness potential until they have control over the factors that affect their health.³⁰⁰

Affordable housing options that provide access to community facilities can significantly improve both mental and physical health. This can help alleviate depression and enhance overall well-being. Urban planning policies that prioritise healthy lifestyles can lead to safer communities, with social housing programme playing a crucial role in this effort. Whether it involves revitalizing existing neighbourhoods or constructing new ones, incorporating features such as walkability and access to sports facilities can lead to positive public health outcomes, making them integral parts of numerous affordable housing projects.³⁰¹

²⁹⁸ James Krieger and Donna L Higgins, "Housing and Health : Time Again for Public Health Action", *American Journal of Public Health*, vol. 92, no. 5 (2002): 2–4.

²⁹⁹ World Health Organization, "Constitution of World Health Organisation", <<https://www.who.int/about/who-we-are/constitution#:~:text=Health is a state of,belief%2C economic or social condition.>> (accessed 18 March, 2021).

³⁰⁰ World Health Organization, *Ottawa Charter for Health Promotion, 1986*, (Europe: World Health Organization, World Health Organization, 1986).

³⁰¹ Jeffrey Lubell, Rosalyn Crain, and Rebecca Cohen, *Framing the Issues: The Positive Impacts of Affordable Housing on Health* (Washington, DC: Center for Housing Policy, 2007), 19–20.

3.2.4. Rights to Affordable Housing

The lack of affordable housing is a serious and rising issue, which is driving ever more people into housing poverty and homelessness³⁰². According to the United Nation Report³⁰³, it is a global issue affecting people in both developed and developing countries, regardless of economic, social and cultural backgrounds. To date, the main crisis of housing issues is in establishing adequate affordable living standards for the nation; and failure to achieve this will result in strain on housing provision. The issue of affordable housing is becoming the focus of every researcher, managing the growth of housing prices and reducing the impact of housing is of great potential benefit to every society³⁰⁴.

Through the implementation of the 2030 Agenda for Sustainable Development, Member States have committed to sustainable development for all nations and communities and for all sectors of society. Member States vowed to leave no one behind and try first to hit the farthest. Although substantial progress was made in increasing economic and social growth, this progress was inconsistent. In many cases, inequality has not only continued but worsened, and large numbers of people within countries remain in severe or near poverty and are excluded from full participation in cultural, social and political life. Around 1.6 billion people — more than 20% of the world's population — may lack adequate housing³⁰⁵.

In addressing the lack of affordable housing, Member States were urged to implement various SDGs, in particular SDG Objective 1.3 to introduce nationally relevant social security structures and interventions for all and achieve comprehensive coverage of the poor and vulnerable by 2030, as well as SDG Objective 11.1 to ensure access to sufficient, secure and sustainable housing and basic services for all. The most important outcome of the report is that Member States provide affordable housing and family support programmes to address

³⁰² United Nation, "Affordable Housing, Inclusive Economic Policies Key to Ending Homelessness, Speakers Say as Social Development Commission Begins Annual Session | Meetings Coverage and Press Releases", <<https://www.un.org/press/en/2020/soc4884.doc.htm>> (accessed 23 April, 2020).

³⁰³ Department of Economic and Social Affairs, *Affordable Housing and Social Protection Systems for All to Address Homelessness*, (2019).

³⁰⁴ Baqutaya, Ariffin, and Raji, *Affordable Housing Policy: Issues and Challenges among Middle-Income Groups*. The current research firmly supports the view that the middle-income community is almost the entire group stuck in affordable housing.

³⁰⁵ Affairs, *Affordable Housing and Social Protection Systems for All to Address Homelessness*. In this report, the last time a global survey was attempted by the United Nations in 2005 an estimated 100 million people were homeless worldwide. A follow-up study by UN- Habitat in 2015 showed as many as 1.6 billion lived in inadequate housing conditions. Globally, there are 15 million people being forcefully evicted every year, 1.6 billion people living in inadequate conditions, and 883 million living in slums

homelessness and break the generational homelessness cycle, as well as to expand local government funding for affordable family housing schemes³⁰⁶.

As the UN agency mandated to promote socially and environmentally sustainable towns and cities with the aim of providing adequate shelter for all, since its creation, UN-Habitat has been promoting the right to adequate housing and adopted the 'Housing at the Centre' approach in 2015. In order to address the multiple causes and long-term consequences of homelessness, the housing sector needs strong policies and institutions to maximise its multiplier effect. Emphasising the future of sustainable urbanisation depends on how policymakers place housing as a priority in the public debate on sustainable development. In addition, in developing, formulating and implementing tools, policies and programmes, special attention should be paid to the housing needs of the poorest and most vulnerable, those living on the streets, in temporary shelters and in housing with inadequate conditions, including women, youth and the elderly³⁰⁷.

3.3. RIGHTS TO ADEQUATE AND AFFORDABLE HOUSING UNDER MALAYSIAN LAW

The right to adequate and affordable housing is a fundamental human right recognised globally, including in Malaysia. While Malaysia has not ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR), it is a signatory to the Universal Declaration of Human Rights (UDHR), which sets out fundamental rights and freedoms inherent to all human beings³⁰⁸. This commitment has influenced Malaysia's housing policies, which have adopted the concept of affordable housing as defined by the United Nations Human Settlements

³⁰⁶ Ibid. The report concluded that, Member States are given the following suggestion: 1) Completely accept and actively work towards implementing the promises they have made through the 2030 Agenda, the Universal Declaration of Human Rights, and the Convention on the Rights of the Child among other UN documents; 2) Fix family deprivation in specific policies that address the special needs of women and children through gender-sensitive policies and resource allocation; 3) Implementing "Housing Led" initiatives; 4) Provide affordable housing and family support programs to tackle the pain of homelessness and break the cycle of generational homelessness; 6) Expand local government funding for affordable family housing; 7) Implement policies and programs, especially those that provide access to housing and support services. These policies and programs allow women, children, and family to break the cycle of poverty / reduce inequalities; Press for policy policies that fund, foster, and develop alliances in civil society and the private sector with organizations currently serving the needs of the homeless community.

³⁰⁷ United Nation, "History, mandate & role in the UN system | UN-Habitat", UNHABITAT, <<https://unhabitat.org/history-mandate-role-in-the-un-system>> (accessed 27 December, 2019).

³⁰⁸ UN Habitat, "Fact Sheet No. 21/Rev.1: The Right to Adequate Housing," 2011, 3.

Programme (UN-HABITAT, 2011)³⁰⁹. As a result, the UDHR serves as a crucial point of reference for governments to ensure that they are adhering to internationally recognised human rights standards. When developing and implementing policies or guidelines, it is crucial to consider the obligations and rights outlined in the UDHR to ensure they align with these universal principles. The government may have taken steps to provide housing options for vulnerable individuals without official approval (under ICESCR as outlined in paragraph 3.2.2), but the issue of ensuring affordable housing and addressing its associated challenges remains persistent³¹⁰.

In Malaysia, the right to affordable housing is considered a constitutional aspiration rather than an enforceable right. This distinction has significant implications for the implementation and enforcement of housing policies³¹¹. Despite various government initiatives such as the 1Malaysia Housing Programme (PR1MA), MyHome Scheme, and the Affordable Housing Fund, the challenge of ensuring affordable housing persists³¹².

Income inequality poses a significant challenge to housing affordability in Malaysia. While high-income individuals can easily access housing markets, the M40 and B40 income groups face considerable constraints³¹³. This disparity contributes to a substantial gap between the supply and demand for affordable housing³¹⁴. Meanwhile, speculative activity in the property market has driven prices up, making housing less affordable for genuine homeowners³¹⁵. Additionally, urban land scarcity and rising costs associated with land

³⁰⁹ Ministry of Housing and Local Government, *Dasar Perumahan Mampu Milik Negara (National Affordable Housing Policy)* (Putrajaya: KPKT, 2019). Affordable Housing is defined as a home that meets other basic needs.

³¹⁰ Ministry of Housing and Local Government, *Dasar Perumahan Negara (2018–2025)* (Putrajaya: National Housing Department, 2018). DRN has five (5) focal points. First, assuring that everyone has access to quality housing. Second, enhancing housing accessibility and affordability. Thirdly, assuring a high-quality and cohesive community. Fourthly, increasing housing and transport coordination for a higher quality of life, and finally, strengthening institutional capabilities to deliver the DRN (2018-2025). This focus reflected the requirements laid down under Article 11 of ICESCR.

³¹¹ Shuid, The housing provision system in Malaysia; Yaacob, Mohd Noor, and Chowdhury, A Review on Housing Policy and Practices in Malaysia in *Providing Access to Housing: Are they adequate?* The research emphasised that the non-inclusive nature of current National Housing Policies indicates a lack of comprehensiveness and inclusivity, with a predominant focus on low-income demographics while overlooking the housing needs of younger individuals.

³¹² Baqutaya, Ariffin, and Raji, *Affordable Housing Policy: Issues and Challenges among Middle-Income Groups*; Rohayu Ab Majid and et al, "Modelling Housing Demand Factors for Affordable Units in Malaysia", *International Journal of Sustainable Construction Engineering and Technology*, vol. 14, no. 5 Special Issue (2023): 267–277.

³¹³ Yap, J.B.H. and Ng, *Housing affordability in Malaysia: perception, price range, influencing factors and policies*.

³¹⁴ Khalid bin Abdul Mutalib, "Mismatch Between Demand & Supply of Affordable Housing" (presentation, REHDA Institute, Selangor, September 2018), accessed November 14, 2018.; Zaini Abd Hamid, "Rethinking Affordable Housing in Malaysia: Issues and Challenges" (presentation, CIDB Malaysia/REHDA Institute, Selangor, 2018).

³¹⁵ Yap, J.B.H. and Ng, *Housing affordability in Malaysia: perception, price range, influencing factors and policies*.

acquisition and development contribute to the high cost of housing, particularly in metropolitan areas³¹⁶.

The discrepancy between supply and demand for affordable housing is exacerbated by the allocation inefficiencies resulting from a lack of coordination among authorities and developers³¹⁷. This highlights the need for a more robust and integrated policy framework to align housing demand and supply³¹⁸. A holistic approach involving economic, legal, and socio-cultural considerations is necessary. Collaboration between the public and private sectors is essential for efficient resource allocation, knowledge-sharing, and risk mitigation in providing affordable housing³¹⁹. This partnership model can contribute significantly to meeting the population's housing needs while supporting economic growth. Revamping financing mechanisms can improve affordability by offering more flexible loan packages with lower interest rates for the B40 and M40 groups³²⁰. This approach aligns with Bank Negara's initiatives to enhance access to housing finance. Sustainable urban planning is crucial to ensure economically viable, socially inclusive, and environmentally sustainable housing development, thereby supporting long-term affordability³²¹. This approach can help create more livable and accessible communities.

Overcoming the challenge of providing adequate and affordable housing in Malaysia requires a synergistic effort involving the government, private sector, and non-governmental organisations. While progress has been made through various policies and initiatives, there is still a need for more comprehensive and inclusive approaches to address the housing needs of all segments of society, particularly the younger demographics and middle-income groups³²². By focusing on sustainable urban planning, innovative financing mechanisms, and effective

³¹⁶ R Magesan and Yoganandham Govindharaj, "Urban Land Prices and Their Impact on Housing Development-A Structural Equation Model Analysis", *International Journal of Research in Engineering and Science (IJRES)* ISSN, vol. 10, no. 6 (2022): 8–14.

³¹⁷ Mutalib, Mismatch Between Demand & Supply Of Affordable Housing.

³¹⁸ Ismail, Jalil, and Muzafar, Making Housing Affordable

³¹⁹ Zayyanu Muhammad and Foziah Johar, "Public-private partnership for housing construction projects a comparative analysis of the success factors between Malaysia and Nigeria", *IOP Conference Series: Materials Science and Engineering*, vol. 620, no. 1 (2019). Public-private partnerships are absolutely vital for Malaysia's housing sector. They play a crucial role in efficiently allocating resources, involving the private sector, and ensuring that housing developments meet the needs of the population while contributing significantly to the country's overall economic growth. The success of this model hinges on a stable political environment and a relentless focus on critical success factors that promote accountability and responsiveness to market demands

³²⁰ Online, Bank Negara's Five-pronged Approach to Affordable Housing.

³²¹ Manoranjan Mohanty, "Sustainable Urban Planning and Making Sustainable Cities" in *Sustainable Cities and Communities*, (Springer Nature Switzerland AG, 2020).

³²² Shuid, The housing provision system in Malaysia.

public-private partnerships, Malaysia can work towards fulfilling its constitutional aspiration of providing adequate and affordable housing for all its citizens.

Although the right to affordable housing is not explicitly stated in the Malaysian Federal Constitution, various constitutional provisions, legislative frameworks, and government policies collectively support the notion of housing as a critical socio-economic right. The government's commitment to housing is evident in its policies and programmes to ensure equitable access to affordable housing for all Malaysians. This reflects an understanding that adequate housing is essential for individuals' and communities' overall well-being and development.

3.3.1. Rights to Equality

Article 8 of the Federal Constitution guarantees equality before the law and equal protection under the law. This provision can be interpreted to support equitable access to resources and opportunities, including housing. Although it does not explicitly mention housing, ensuring equality in access to housing can be viewed as part of the broader mandate to prevent discrimination and promote social justice.

Hasliza and others have emphasised that the right to equality in accessing affordable housing in Malaysia is a significant issue. The country's housing market is experiencing a growing divide, with many Malaysians struggling to afford homes due to rising prices and stagnant wages³²³. This situation has led to a lack of accessibility to affordable housing for all, exacerbating social inequalities. Therefore, access to affordable housing is a crucial component of social equity. Ensuring that all segments of the population can access housing is essential for reducing social inequalities and promoting long-term affordability³²⁴.

³²³ Haidaliza Masram and Siti Hajar Misnan, *Evolution of Policy For Affordable Housing Programmes in Malaysia*. This document outlines a framework for evaluating housing affordability using the median multiple approach, which compares median housing prices to median household incomes. It highlights the growing affordability crisis, especially for middle-income households, and stresses the need for targeted policy interventions to address this issue. The paper suggests that future housing policies should prioritise: improving access to affordable housing for various groups, including young adults and newly married couples, and strengthening planning and implementation frameworks to better manage public housing resources.

³²⁴ H. Masram, S. H. Misnan, and A. M. Yassin, "Implementation of affordable housing programmes in Johor, Malaysia for sustainable housing", *IOP Conference Series: Earth and Environmental Science*, vol. 447, no. 1 (2020): 1–11. The article addresses the right to adequate housing by highlighting social equity, government responsibility, and sustainable housing affordability. It emphasises the need for all population segments, especially the middle-income group (M40), to access affordable housing as a fundamental right. Challenges in implementing housing programs, such as inconsistencies between federal and state policies, can hinder equitable access and infringe upon housing rights. The criteria for sustainable affordability also recognize the importance of safe, quality housing located near essential services

3.3.2. Rights to Property

Under Malaysia's Constitution, Article 13 upheld an individual rights to property where it stated that "13 (1) No person shall be deprived of property save in accordance with law; and (2) – No law shall provide for the compulsory use or acquisition of property without adequate".

This constitutional protection ensures that property rights are upheld and that any deprivation of property follows legal procedures and includes fair compensation. The subsequent cases exemplify the involvement of the judiciary in safeguarding the property rights of homebuyers and other stakeholders associated with housing development.

3.3.2.1. *Sale and Purchase Agreement under Housing Development (Control and Licensing) Act 1966*

In the case of *Ang Ming Lee & Ors v Menteri Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan & Anor* [2020] 1 MLJ 28, where this case involved a challenge to Regulation 11(3) of the Housing Development (Control and Licensing) Regulations 1989, which allowed the Controller of Housing to waive or modify provisions in the sale and purchase agreement (SPA) prescribed by the Housing Development (Control and Licensing) Act 1966 (HDA). The Federal Court ruled that Regulation 11(3) was ultra vires (beyond the powers of) the HDA. The court held that the Controller of Housing did not have the authority to waive or modify the statutory provisions of the SPA, as this would undermine the protections afforded to homebuyers under the HDA. The key justifications are as follows:

- i. Ultra vires doctrine: The Federal Court determined that Regulation 11(3) of the Housing Development (Control and Licensing) Regulations 1989 was beyond the authority granted by the Housing Development (Control and Licensing) Act 1966 (HDA). The court emphasised that the Controller of Housing did not have the power to waive or modify the statutory provisions outlined in the SPA, as prescribed by the HDA. This decision was based on the principle that any regulation or administrative action must remain within the limits set by the enabling statute.
- ii. Protection of homebuyers: The court emphasised the necessity of protecting homebuyers' rights by ensuring strict adherence to the statutory safeguards established in the SPA. The justices pointed out that permitting the Controller to alter these provisions would undermine the legal protections

designed to ensure fair treatment and adequate housing for purchasers involved in housing transactions.

This decision reinforced the legal protections for homebuyers, ensuring that developers adhere to the statutory requirements of the Sale and Purchase Agreement (SPA). It highlighted the importance of maintaining the integrity of housing laws to protect the rights of purchasers and ensure fair treatment.

In the case of *Bluedream City Development Sdn Bhd v Kong Thye & 184 Others* [2022] 2 MLJ 241, the court examined the validity of extending the time for a housing developer to deliver vacant possession of properties. The key question was whether the Minister of Housing and Local Government had the authority to grant such extensions under the Housing Development Act (HDA). The Court of Appeal determined that the Minister did not have the power to extend the time for delivering vacant possession beyond what was specified in the Sale and Purchase Agreement (SPA). The court underscored the importance of adhering to statutory timelines to protect the interests of homebuyers. The core justifications presented were compelling and worth considering:

- i. **Statutory timelines:** The Court of Appeal ruled that the Minister of Housing and Local Government could not provide extensions for delivery of vacant possession beyond the timelines agreed upon in the SPA. The court emphasised that these statutory timelines are essential for safeguarding homebuyers' rights and ensuring they receive timely possession of their properties.
- ii. **Fairness and certainty:** The court also stressed the necessity of fairness and legal certainty in housing transactions. It noted that any deviation from the established statutory timelines must be strictly regulated to prevent arbitrary decisions and to ensure that homebuyers are not unfairly disadvantaged.

This ruling highlights the critical intersection between statutory timelines in housing transactions and the fundamental right to property. Ensuring strict adherence to these timelines safeguards homebuyers' rights to prompt possession of their properties, reinforcing the principle that the right to property includes not only ownership but also the timely enjoyment

of that ownership. This protection minimises the risk of undue delays by developers, thereby upholding the integrity of property rights in real estate transactions.

In the case of *Sazean Development Sdn Bhd v Maha Pesona Sdn Bhd* [2023] MLJU 544, the court addressed a dispute arising from a Sale and Purchase Agreement (SPA) between Sazean Development Sdn Bhd (the Developer) and Maha Pesona Sdn Bhd (the Buyer) concerning a property valued at RM500,000. The SPA explicitly stipulated a deadline for the Developer to deliver vacant possession, which was ultimately not met, thereby prompting disagreement regarding the outstanding purchase price and the imposition of Liquidated Ascertained Damages (LAD). The primary legal issues before the court included the determination of the Developer's liability for the delay in delivery and the Buyer's entitlement to offset the unpaid purchase price against the LAD. The court held that the Developer bore responsibility for the delay and affirmed the Buyer's right to apply the unpaid portion of the purchase price as an offset against the LAD. This ruling underscored the importance of contractual adherence in real estate transactions and reinforced the protection of buyers' rights, ensuring equitable recourse in instances of breach by developers. By permitting the offset of unpaid purchase amounts against LAD, the judgment thereby enhances the legal framework surrounding property transactions, providing increased security for buyers against the backdrop of developers' contractual failures.

In the case of *PJD Regency Sdn Bhd v Tribunal Tuntutan Pembeli Rumah & Anor and Other Appeals* [2021] MLRA 506, PJD Regency Sdn Bhd (the Developer) entered into a Sale and Purchase Agreement (SPA) with buyers under the Housing Development (Control and Licensing) Regulations 1989. The Developer failed to deliver vacant possession of the property within the stipulated timeframe, which resulted in disputes over the calculation of Liquidated Ascertained Damages (LAD). A unique issue in this case was whether the calculation of LAD for the late delivery of common facilities should begin from the date the Certificate of Completion and Compliance (CCC) was issued, or from the date the Certificate of Practical Completion (CPC) was issued. The case involved principles related to liquidated damages and the calculation of LAD for delayed delivery of vacant possession. The Housing Development (Control and Licensing) Regulations 1989 specify the statutory form contracts and the calculation of LAD for Schedule G and H type contracts. Additionally, the dispute also revolved around whether the calculation of LAD should start from the date the booking fee was paid or from the date of the Sale and Purchase Agreement, and whether the LAD should be calculated based on the actual price stated in the SPA or a rebated price. The Federal Court ruled that the calculation of LAD should commence from the date the booking fee was paid,

rather than from the date of the Sale and Purchase Agreement. This ruling was significant as it clarified the starting point for calculating LAD, providing essential guidance for both developers and buyers. Moreover, the Federal Court's decision in this case highlighted that the Housing Development (Control and Licensing) Act 1966 (HDA) and its subsidiary legislation, the Housing Development (Control and Licensing) Regulations 1989, are considered social legislation. Social legislation is designed to protect the weaker party in a transaction, such as home buyers, from the stronger party, like developers. The court acknowledged the inherent inequality in bargaining power between these two groups.

The Federal Court's decision in PJD Regency's case represents a crucial clarification in the interpretation of liquidated damages within the context of housing development. The ruling that the calculation of Liquidated Ascertained Damages (LAD) should start from the date the booking fee was paid, rather than the date of the Sale and Purchase Agreement, underscores the importance of protecting the rights of home buyers. From an opinion perspective, the judgment is commendable as it acknowledges the imbalance of power between developers and home buyers, a characteristic of many real estate transactions. By viewing the Housing Development (Control and Licensing) Act 1966 and its regulations as social legislation, the court emphasises its role in safeguarding consumers, particularly those who may not fully understand the complexities of property contracts. This decision provides clarity in the calculation of LAD and reinforces the consumer protection framework in the housing industry. It is a positive step towards ensuring developers are held accountable for delays and buyers receive fair treatment. Overall, the ruling is beneficial, as it promotes transparency and fairness in the housing market, encouraging responsible practices among developers.

Moving forward, it will be essential for developers to adopt clearer communication and understanding of these regulations to foster better relationships with home buyers and minimise disputes. This case sets a precedent that could lead to more equitable transactions in the housing sector.

3.3.2.2. Land Acquisition Laws

The Federal Court's ruling in the case of *Semenyih Jaya Sdn Bhd v Pentadbir Tanah Daerah Hulu Langat & Another Case* [2017] 5 CLJ 526 has had a significant impact on property rights and the interpretation of land acquisition laws. In this landmark case, Semenyih Jaya Sdn Bhd (the Developer) owned a piece of land in Ulu Langat, which was compulsorily acquired by the government for a highway project. The Land Administrator awarded compensation of

RM20,862,281.75 to the Developer. However, the Developer was dissatisfied with this amount and was granted leave to appeal against the decision of the Court of Appeal.

Central to the case was the constitutional validity of Section 40D of the Land Acquisition Act of 1960. This section empowered non-judges (assessors) to make conclusive decisions on compensation in compulsory land acquisition cases. The key issue was whether such a provision was constitutional. The Federal Court ruled that Section 40D was unconstitutional, as it violated Article 121(1) of the Federal Constitution, which asserts that judicial power resides in the judiciary. The court held that only judges appointed under Article 122B could exercise decision-making powers in matters concerning superior courts.

This decision is significant for property rights as it ensures that the determination of compensation for compulsory land acquisition is made by qualified judges. This protection safeguards property owners from potentially biased or uninformed decisions made by non-judicial assessors. Furthermore, the Federal Court took a groundbreaking step by expanding the scope of “market value” to include loss of business, paving the way for a broader interpretation of compensation in land acquisition cases. This ruling aligns with Article 13(1) of the Federal Constitution, which guarantees that no one can have their property taken away without due process and fair compensation.

Overall, the case reinforces the principle that the judiciary, not lay assessors, should have the final say in matters of property rights. It highlights the importance of the right to property, affirming that individuals are entitled to fair compensation when their property is acquired, thus ensuring the protection of property rights under the law³²⁵.

3.3.2.3. *Protection of Financial Institutions in Land Disputes*

In the case of *Malayan Banking Bhd v Mohd Affandi bin Ahmad & Anor* [2024] 6 MLJ 220, the dispute centred on four lots of land originally acquired by the deceased, Ahmad bin Buang, from the original owner and property developer. Although the deceased fulfilled the full purchase price for the lots, they were never registered in his name. Subsequently, the original owner sold and transferred the land to another purchaser (D2), who became the registered owner and subsequently charged the lots to Malayan Banking Berhad (the Bank) to secure a loan. The main legal issues addressed in this case were whether financial institutions, as subsequent purchasers, bear an obligation to investigate the validity or lawfulness of the

³²⁵ Lim Wei Jiet, "Semenyih Jaya Sdn Bhd v Pentadbir Tanah Daerah Hulu Langat & another case - A Landmark in Constitutional and Land Acquisition Laws", *JMCL*, vol. 44, no. 2 (2017): 59–71.

underlying sale and purchase transactions and whether the Bank must demonstrate that it was impossible to ascertain any unlawfulness in the sale and purchase transaction, even after conducting a proper examination of the documents, to qualify as a bona fide purchaser. This case involved principles related to the Torrens system and the concept of indefeasibility of title as encoded in the National Land Code. The Torrens system guarantees the conclusiveness of the title register, which serves as conclusive evidence of ownership unless identifiable vitiating factors are present.

The Federal Court ultimately ruled in favour of the Bank, affirming that it was entitled to rely on the land register, which identified D2 as the registered owner of the lots. The court concluded that the Bank was under no obligation to investigate beyond what was presented in the land register and determined that the Bank qualified as a bona fide purchaser for valuable consideration.

The significance of this case for property rights and buyer protection lies in its clarification of the responsibilities of financial institutions engaged in land transactions. By confirming that banks can rely solely on the information contained in the land register without probing into the underlying transactions, the court reinforces the principle of indefeasibility central to the Torrens system. This decision enhances security for financial institutions, fosters greater confidence in the property market, and ultimately serves buyers' interests by ensuring that loans and charges are secure and enforceable.

3.3.2.4. *Contractual Obligations of the Parties in Property Transaction*

In the case of *Tan Chin Swee & Anor v Sari Ampangan Realty Sdn Bhd* [2005] 1 CLJ 865, the plaintiffs sought specific performance of a Sale and Purchase Agreement (SPA) concerning a property identified as Parcel No: D2-8-3B, which they believed was a corner unit. The SPA, executed on December 21, 1999, stipulated a purchase price of RM63,800. However, subsequent revelations indicated a mutual mistake—specifically, the defendant's intention to convey an end lot unit (Parcel No: D2-1-3B) rather than the corner unit initially understood by the plaintiffs.

The primary legal questions concerned whether the mutual mistake was sufficient to render the SPA void and whether the plaintiffs were entitled to specific performance. The case raised pertinent issues surrounding mutual mistake under the Contracts Act 1950, where a mutual mistake arises when both parties are incorrect regarding a crucial fact, potentially invalidating the contract. Specific performance, as an equitable remedy, is designed to enforce the contract's terms but is contingent on the validity of the agreement.

Ultimately, the High Court concluded that the mutual mistake regarding the property's subject matter rendered the SPA void, precluding the possibility of specific performance being granted to the plaintiffs. Additionally, the court recognised that the corner unit in question had already been sold to a bona fide third-party purchaser, further complicating the plaintiffs' claim.

This case underscores the critical importance of accuracy and clarity in the realm of property transactions. The ruling elucidates that mutual mistakes can serve as a basis for invalidating contracts, thereby protecting buyers from being obligated to accept properties that do not align with their reasonable expectations. Furthermore, it accentuates the imperative for thorough due diligence and robust communication between parties to mitigate the risk of such disputes arising. This decision enhances the legal framework that governs property transactions, thereby reinforcing the protection of buyers' rights and ensuring that they receive the property to which they have contractually agreed.

In a nutshell, the right to adequate housing is a fundamental aspect of human rights, and the Malaysian judiciary has played a crucial role in safeguarding this right through its decisions. By upholding legal protections for homebuyers and ensuring strict compliance with housing laws, the courts contribute to the realisation of adequate housing for all citizens. The cases illustrate the judiciary's commitment to protecting the right to adequate housing by enforcing housing laws and shielding homebuyers from arbitrary decisions and unfair practices. The key aspects include:

- i. **Legal Certainty:** Housing laws must be clear and consistently applied to protect the rights of all parties involved. The judiciary demonstrates its commitment to legal certainty and consumer protection in housing transactions by strictly following statutory provisions. This approach protects homebuyers from arbitrary decisions while guaranteeing they receive fair treatment and timely possession of their properties.
- ii. **Consumer Protection:** The judiciary reinforces legal safeguards for homebuyers, ensuring they receive fair treatment and timely possession of their properties.
- iii. **Adherence to Statutory Requirements:** The decisions highlight the importance of adhering to statutory requirements in housing laws. This compliance ensures that administrative actions or regulatory overreach do not compromise the legal framework designed to protect homebuyers.

These principles collectively illustrate the judiciary's role in safeguarding the right to adequate housing in Malaysia by ensuring that housing laws are applied consistently and fairly.

3.3.3. Rights to Health

Adequate housing contributes significantly to health and well-being. It provides a safe and secure environment, which is essential for physical and mental health. Housing policies that promote homeownership and affordable rental options help to reduce social inequalities and improve the quality of life³²⁶. The foremost objective of any government is to secure social stability and prosperity for its people. To accomplish this, social planning is implemented to shape the housing sector in favour of the community. A uniform and standardised housing programme ought to be executed to ensure the quality of housing products available in the market³²⁷. Affordable and sustainable housing programme are crucial for establishing a secure and thriving community.

Healthcare is a fundamental human right that must be accessible to all individuals, irrespective of their social standing, gender, political views, or age³²⁸. Maintaining good health requires key factors and resources such as peace, shelter, education, food, income, a stable environment, sustainable resources, social justice, and fairness. Among these, peace, shelter, education, and food are absolutely crucial³²⁹. A community cannot achieve balance and wellness without these essentials. It is imperative that all members work towards the common goal of wellness to create opportunities and foster a healthy environment.

3.3.3.1. International Human Rights Commitments

Malaysia is a signatory to multiple international agreements that implicitly recognise housing as a fundamental human right. Among these are:

- i. International Covenant on Economic, Social and Cultural Rights (ICESCR):
This treaty outlines the obligations of states to respect and ensure the rights

³²⁶ Economic Planning Unit, "Strategy Paper 6: Providing Adequate and Quality Affordable House", *The Economic Planning Unit, Prime Minister's Department, Malaysia*, (2015).

³²⁷ Khazanah Research Institute, "Making Housing Affordable" (Kuala Lumpur: Khazanah Research Institute, 2015), XIII.

³²⁸ Tedros Adhanom Ghebreyesus, "Health Is A Fundamental Human Right", World Health Organization, <<https://www.who.int/news-room/commentaries/detail/health-is-a-fundamental-human-right>> (accessed 16 March, 2021). Health is a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity.

³²⁹ Organization, Ottawa Charter for Health Promotion, 1986.

of individuals to adequate housing, which is essential for maintaining health, well-being, and dignity³³⁰.

- ii. Universal Declaration of Human Rights: Adopted by the United Nations General Assembly, this landmark document emphasises the right to an adequate standard of living, which encompasses the right to housing as a critical component³³¹.
- iii. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW): This convention includes provisions that address the necessity of ensuring women's access to housing and related services, highlighting the importance of equitable housing policies³³².

These international instruments collectively provide a comprehensive normative framework that mandates governments to incorporate housing initiatives into broader health strategies. By framing housing as an essential component of health and social welfare, these agreements advocate for developing housing programmes that contribute significantly to public health outcomes, thereby enhancing the overall quality of life and well-being for individuals and communities.

3.3.3.2. Health Consequences of Housing Accessibility

³³⁰ Shanmuga Kanesaligam and et al, *Research on The Compatibility of The International Covenant on Economic, Social and Cultural Rights with Malaysian Law*, (2022). The report highlights that The Covenant prioritises the right to health, emphasizing access to healthcare as essential for human dignity. While Malaysian laws align with ICESCR health rights, there are notable gaps in policy implementation that need to be addressed. The principle of progressive realisation is emphasised, indicating that Malaysia should strive to achieve health rights goals without discrimination, even if full realisation isn't currently possible due to resource limitations.

³³¹ Jason Loh Seong Wei, "Housing As Both A ' Human Right ' And Policy Priority", Astro AWANI, <<https://international.astroawani.com/malaysia-news/housing-both-human-right-and-policy-priority-274243>> (accessed 16 December, 2021). The article explores the connection between housing and sustainable development, emphasizing that adequate housing is crucial for quality of life. It advocates for recognizing housing as a fundamental human right or essential policy priority, particularly for low-income groups in Malaysia. The author argues for a compassionate housing approach, likening its importance to that of healthcare. Internationally, housing falls under the right to an adequate standard of living. While Malaysia supports the Universal Declaration of Human Rights (UDHR), it has not ratified related international covenants.

³³² Women's Aid Organisation and Joint Action Group for Gender Equality, *The Status of Women's Human Rights: 24 Years of CEDAW in Malaysia*, (Women's Aid Organisation (WAO) ISBN:, 2019). The report highlights systemic discrimination against women in housing rights, exacerbated by insufficient legal protections. It points out the absence of comprehensive legislation addressing housing discrimination, particularly during divorce, which jeopardizes women's access to housing. The connection between housing security and economic independence is crucial, especially for single mothers and marginalized groups, as inadequate housing increases the risk of domestic violence. The report recommends that the Malaysian government implement policies for equal housing access, including targeted affordable housing programs and legal protections against gender-based discrimination, while addressing the diverse needs of various groups such as rural residents, migrant workers, and individuals with disabilities.

Access to affordable housing is integral to various health determinants that profoundly affect both physical and mental well-being. Individuals living in stable housing conditions are more likely to experience significant improvements in their physical health. This can be attributed to a reduction in exposure to environmental health hazards, such as pollutants and toxic substances, which are often prevalent in substandard housing. Additionally, stable housing provides better access to essential sanitation facilities and clean water, both vital for preventing illness and maintaining health³³³. Furthermore, secure housing contributes to a lower risk of communicable diseases, as it often enables residents to maintain better hygiene practices and minimise overcrowding, which can facilitate the spread of infections³³⁴.

Mental health is also significantly influenced by housing stability. Those who have a secure place to live generally experience lower levels of stress tied to housing insecurity and related financial concerns. This stability fosters enhanced psychological well-being, enabling individuals to focus on other facets of their lives rather than worrying about their housing situation. Moreover, affordable housing can nurture stronger social connections and community cohesion, as stable environments allow for the development of supportive relationships among neighbours, contributing to a sense of belonging and emotional support³³⁵.

The interplay between housing and health is further influenced by various socioeconomic factors. A stable income is critical for maintaining housing and avoiding the stress of potential eviction or homelessness. Access to quality educational opportunities can help individuals achieve better job prospects and financial stability, which in turn supports their housing situation. Additionally, access to employment is vital, as it ensures steady income for housing costs and associated living expenses. Proximity to healthcare services is another

³³³ Chima Anyanwu and Kirsten M.M. Beyer, "Intersections among housing, environmental conditions, and health equity: A conceptual model for environmental justice policy", *Social Sciences and Humanities Open*, vol. 9, no. February (2024): 100845. This article highlighted that housing is a crucial social determinant of health, impacting stability, quality, affordability, and neighborhood conditions. These factors interact with the environment to influence health outcomes. Stable housing improves access to healthcare, while poor housing quality can lead to increased health issues.

³³⁴ Hakimah Yusop and Sharifa Ezat Wan Puteh, "Housing and Indoor Factor Influencing Spread of COVID-19", *International Journal of Public Health Research*, vol. 13, no. 2 (2023): 1707–1713. The article emphasised that housing significantly impacts public health, with adequate housing conditions being essential for disease prevention. The review advocates for specific standards regarding indoor environmental quality and housing conditions to improve public health outcomes during pandemics.

³³⁵ Son Truong, Tonia Gray, and Kumara Ward, "Enhancing urban nature and place-making in social housing through community gardening", *Urban Forestry and Urban Greening*, vol. 72, no. April (2022): 127586. To optimize the advantages of affordable housing initiatives, it is critical for policymakers to emphasise the integration of green infrastructure and community engagement frameworks. This involves actively involving residents in the design and stewardship of these green spaces to ensure they effectively address the specific needs of the community. Future policy directions should aim to mitigate disparities in access to green amenities, thereby advancing health equity among socioeconomically diverse populations.

critical factor; individuals who live near medical facilities are more likely to seek preventive care, receive timely treatment for health issues, and overall maintain better health outcomes. Together, these elements underscore the necessity of addressing housing affordability not only as a fundamental economic concern but as an essential strategy for enhancing public health outcomes and the overall quality of life in communities.³³⁶

3.3.3.3. Policy Review of Malaysian Affordable Housing Programme

In recent years, Malaysia has increasingly recognised the pivotal role of housing in influencing public health outcomes. This acknowledgment has led to the development and implementation of various legislative and policy initiatives designed to improve housing standards and accessibility. Notable among these initiatives are the Perumahan Rakyat 1Malaysia Programme, the Syarikat Perumahan Negara Berhad (SPNB) initiatives, and the Residensi Wilayah (formerly known as Projek Rumah Mampu Milik Wilayah Persekutuan RUMAW1P) Programme. Each of these programme aims to address the housing needs of different population segments, ultimately contributing to better health and well-being for all Malaysians.

The Perumahan Rakyat Programme focuses on providing affordable housing solutions specifically targeting low-income families. By facilitating access to safe and decent living conditions, this programme seeks to mitigate homelessness and aims to improve overall health outcomes for vulnerable populations. Safe housing is crucial in promoting health, as it reduces exposure to environmental hazards and enhances the quality of life.³³⁷

Similarly, the Syarikat Perumahan Negara Berhad (SPNB) initiatives are designed to promote homeownership while fostering sustainable housing development.³³⁸ This approach emphasises the importance of durable and environmentally friendly housing solutions that align with broader sustainable development goals. By supporting homeownership, the SPNB initiatives also empower individuals and families, contributing to their socioeconomic stability and overall health.

³³⁶ Anyanwu and Beyer, Intersections among housing, environmental conditions, and health equity: A conceptual model for environmental justice policy. Housing instability, especially as a result of eviction or foreclosure, greatly heightens vulnerability to negative health outcomes and environmental risks. Individuals confronting eviction often endure significant psychological stress and anxiety, which can adversely affect both their mental and physical well-being. Likewise, those experiencing homelessness face severe health risks, including increased occurrences of respiratory diseases and mental health disorders. The absence of a stable residence is associated with greater exposure to environmental hazards, thereby exacerbating the difficulties faced by this population.

³³⁷ Abdullah, Y.A. and et al, *Affordable Housing for the Middle-Income Group in Malaysia*.

³³⁸ Jamaluddin, Abdullah, and Hamdan, Encapsulating the delivery of affordable housing: An overview of Malaysian practice.

Another significant initiative is the Residensi Wilayah Programme³³⁹, which is dedicated to increasing the availability of affordable housing within the Federal Territories. This programme addresses the growing demand for housing in urban areas, where many families face housing insecurity. By offering affordable options, RUMAWIP directly impacts the health and well-being of residents, reducing stress associated with housing costs and improving access to essential services.

To evaluate the effectiveness of these initiatives, a comprehensive policy assessment framework is employed. This framework considers several critical dimensions: health outcome metrics, criteria for accessibility, principles of sustainability, and considerations of social equity. By examining health outcome metrics, policymakers can assess the direct impact of housing conditions on public health indicators, such as the prevalence of chronic illnesses or mental health issues.

Furthermore, criteria for accessibility are essential to ensure that the available housing options cater to the diverse needs of the population. This includes considering physical accessibility for individuals with disabilities and financial accessibility for low-income families. Sustainability principles are also evaluated to ensure that housing developments do not compromise environmental integrity and can withstand the test of time, benefiting future generations.

Lastly, addressing social equity is paramount in the policy assessment process. It is crucial to identify and eliminate systemic disparities in housing access and outcomes across different demographic groups. By fostering social equity, Malaysia can ensure that all citizens have access to the health benefits afforded by adequate housing.

In conclusion, its comprehensive legislative frameworks and policy initiatives reflect Malaysia's commitment to treating housing as a health-related intervention. Programme like the Perumahan Rakyat Programme, SPNB initiatives, and the Residensi Wilayah Programme promote public health by addressing housing challenges. By employing a multidimensional assessment approach, Malaysia can continue to refine these initiatives, ensuring that they effectively contribute to improved health outcomes, accessibility, sustainability, and social equity for all.

3.4. THE RELATIONSHIP BETWEEN THE RIGHT TO ADEQUATE HOUSING AND THE RIGHT TO HEALTH

³³⁹ Hamid, Z.A., Rethinking Affordable Housing in Malaysia: Issues and Challenges.

The availability of housing at affordable prices in cities has triggered a human rights issue on various occasions. When the Habitat Agenda (1996)³⁴⁰ and New Urban Agenda (2016)³⁴¹ were declared, more than 170 nations reaffirmed their commitment to the promotion and full and progressive realisation of the right to adequate housing³⁴². Governments must create a favourable environment to achieve this ambitious goal. In other words, relevant policy, institutional, financial and regulatory frameworks must be in place to allow adequate and affordable housing for individuals and households³⁴³.

3.4.1. Housing Affordability and Mental Health Impact

The dynamic connection between housing and mental wellbeing is a challenge for the live-in affordable housing initiative, which relies on social housing services to have a significant effect on the community's mental health. Built environment and housing surroundings including advances in employment and education benefits, all have an impact on citizens' mental health. Social housing providers may be well-positioned to alleviate housing-related stress by collaborating with other partners to offer programme that enable tenants to exercise greater autonomy of these areas. Providing decent accommodation and prompt maintenance continues to be a critical environment where social housing providers may have a positive effect on health, in addition to funding for broader determinants of wellness³⁴⁴.

A significant health determinant may be the high prices of accommodation in relation to wages, as well as financial strains more generally. The financial stress has been associated with unfortunate outcomes in wellbeing, including overall death, higher chronic disease incidence and depressive symptoms³⁴⁵. Adequate housing is associated with advance facilities can contribute health benefits, e.g. sport recreational-creating healthy lifestyle. The current upsurge housing price may pose health risks including forcing drawbacks between housing

³⁴⁰ HABITAT, "The Habitat Agenda Goals and Principles , Commitments and the Global Plan of Action", *United Nations Centre For Human Settlements*, (2003): 1–109.

³⁴¹ United Nations Conference on Housing and Sustainable Urban Development (Habitat III), *New Urban Agenda*, A/RES/71/256 (New York: United Nations, 2017).

³⁴² Claudio Acioly, "Why the Provision of Affordable Housing Is Necessary for the Realization of Human Rights in Cities in the 21st Century," *NewCities*, UN-Habitat, accessed September 21, 2020, <https://newcities.org/the-big-picture-why-the-provision-of-affordable-housing-is-necessary-for-the-realization-of-human-rights-in-cities-in-the-21st-century/>.

³⁴³ Shahrul Mizan Ismail, "Adequate Housing Dilemma: To What Extent Is the International Human Rights Standard Reflected in the Malaysian Law?," *The Journal of Contemporary Issues in Business and Government* 27, no. 1 (2021): 2434–2443.

³⁴⁴ Eleanor Holding and et al, "Exploring the relationship between housing concerns, mental health and wellbeing: A qualitative study of social housing tenants", *Journal of Public Health*, (2019): 18.

³⁴⁵ Craig Evan Pollack, Beth Ann Griffin, and Julia Lynch, "Housing affordability and health among homeowners and renters", *American Journal of Preventive Medicine*, vol. 39, no. 6 (2010): 516.

costs and paying for other medications that promote goods and services such as medicines and healthy food); causing high levels of stress and emotional distress which may increase due to people financial constraint³⁴⁶.

Adequate and affordable housing programme will function as a “vaccine” by ensuring affordability and furnishing money for food and healthcare expenses. With acceptable shelter, households face less trade-offs between primary healthcare and housing costs. Numerous findings have shown that families who live in adequate and affordable housing will devote more than double as much of their income to healthcare and insurance and are far less likely to forego necessary medical appointments and prescriptions due to financial constraints³⁴⁷.

3.4.2. Promoting Safety and Wellbeing in Affordable Housing Programme

Safety and health are critical factors of daily life in order to ensure a higher level of security and quality of life in the public housing.³⁴⁸ This situation has a direct effect on the overall standard of affordable housing and living in the community. The unswerving results of poor housing such as structural decay, collapsing building fragments may cause health problems and mental distress³⁴⁹. However, living in public housing, the common situation faced by the residents including pipes leaking, failure of water supply system, cracking in external walls, dampness to concrete walls, faulty door handle has caused dirty and unhealthy environment³⁵⁰. A recent incident was reported in which a resident dropped garbage from the upper floor, killing another resident. This is a fairly common attitude among residents³⁵¹. Some of the residents claimed that this behaviour resulted due to the poor design of public housing where there was

³⁴⁶ A.A Bujang and et al, "Factors Influencing the Housing Affordability Stress Among Bumiputera", *International Journal of Real Estate Studies*, vol. 11, no. 4 (2017): 125.

³⁴⁷ Lubell, Crain, and Cohen, Framing the Issues - the Positive Impacts of Affordable Housing on Health; Pollack, Griffin, and Lynch, Housing affordability and health among homeowners and renters.

³⁴⁸ Mohd Nasir Selamat and et al, "Keselamatan persekitaran perumahan dalam kalangan remaja di kawasan Program Perumahan Rakyat (PPR)", *Malaysian Journal of Society and Space*, vol. 14, no. 4 (2018): 116.

³⁴⁹ A Ramli, Z A Akasah, and M I M Masirin, "Factors Contributing Building Safety and Health Performance of Low Cost Housing in Malaysia", *Journal of Safety Engineering*, vol. 2013, no. 1 (2013): 1.

³⁵⁰ Hamzah Abdul-Rahman and et al, "Defects in affordable housing projects in Klang valley, Malaysia", *Journal of Performance of Constructed Facilities*, (2012): 16–21; Ahmad Ezanee Hashim and et al, "Managing Facilities on Malaysia Low-cost Public Residential for Sustainable Adaptation", *Procedia - Social and Behavioral Sciences*, vol. 168 (2015): 53–55.

³⁵¹ "Common for People in PPR to Toss Things from Upper Levels," *New Straits Times*, <https://www.nst.com.my/news/nation/2018/01/325683/common-people-ppr-toss-things-upper-levels> (accessed 21 January, 2020); "Tenants' Poor Attitude the Cause of Many PPR Problems," *The Star Online*, <https://www.thestar.com.my/news/nation/2018/01/19/tenants-poor-attitude-the-cause-of-many-ppr-problems> (accessed 21 January, 2020); "Bilakah Kisah PPR Akan Berakhir?," *Sinar Harian*, <https://www.sinarharian.com.my/article/42294/Analisis-Sinar/Bilakah-kisah-PPR-akan-berakhir> (accessed 17 January, 2020); Bernama, "Tabiat Buang Sampah PPR Menjangkau Isu Kesedaran Sivik," *Free Malaysia Today*, <https://www.freemalaysiatoday.com/category/leisure/2018/05/16/tabiat-buang-sampah-ppr-menjangkau-isu-kesedaran-sivik/> (accessed 20 September, 2019).

no designated wastage area at every floor unlike other high-end apartment or condominium³⁵². In addressing these issues, the residents have requested frequent enforcement and monitoring from the authorities.³⁵³

Housing and health are intricately connected and interdependent, as the relationships between individuals and their environments form the foundation of a socioecological approach to health. A fundamental guiding principle for our planet, nations, regions, and cultures is the necessity of mutual conservation—prioritizing the well-being of one another, our communities, and the natural world.

Modifications in lifestyle, access to suitable shelter, job availability, and recreational opportunities play significant roles in influencing well-being. Both work and leisure can provide valuable avenues for maintaining fitness. The manner in which communities organize their efforts should foster the development of a resilient and healthy society. Ultimately, promoting health enhances both living and working conditions.

3.4.3. The Importance of Neighbourhood Design in Affordable Housing Initiatives

The complex challenge of affordable housing necessitates a multifaceted and comprehensive conceptual framework that prioritises not only shelter provision but also the overall wellbeing of communities. Central to this framework is the principle of holistic neighbourhood design³⁵⁴, which advocates for multi-functional urban planning that integrates diverse amenities—such as recreational facilities, educational resources, and social interaction spaces—within close proximity. This integration enhances social cohesion and fosters a sense of community, which is crucial for psychological wellbeing. Furthermore, an emphasis on health and wellbeing in housing design is imperative; by incorporating features that promote physical activity³⁵⁵,

³⁵² "Why Poor Flat Dwellers Simply Throw Trash," *Malay Mail*, January 22, 2018, accessed October 21, 2019, <https://www.malaymail.com/news/malaysia/2018/01/22/why-poor-flat-dwellers-simply-throw-trash/1559305>.

³⁵³ Common for people in PPR to toss things from upper levels | New Straits Times | Malaysia General Business Sports and Lifestyle News.

³⁵⁴ UK Green Building Council, *Health and Wellbeing in Homes* (London: UKGBC, 2016). The report underscores the importance of physical exercise in promoting both mental health and social connection. By facilitating access to community infrastructure, such as sports and recreational facilities, and thoughtfully integrating these amenities into neighbourhood design, we can positively influence the overall well-being of the community.

³⁵⁵ Ministry of Health Malaysia, Academy of Medicine Malaysia, and National Heart Association of Malaysia, *Clinical Practice Guidelines: Primary & Secondary Prevention of Cardiovascular Disease 2017* (Putrajaya: Ministry of Health, 2017). This source outlines the medical necessity of quality housing conditions. It highlights the importance of engaging in at least 150 minutes of moderate exercise each week, which suggests that housing should be located in walkable areas with accessible green spaces. Additionally, it emphasizes the need for a diet rich in fruits, vegetables, and whole grains, while recommending a reduction in trans fats. The report also acknowledges that those in lower income brackets face greater challenges in adopting these healthy lifestyle changes. This connects to the findings of Lubell et al. (2007), which argue that affordable housing is crucial for

provide access to nutritious food, and support mental health, we can mitigate prevalent health risks.³⁵⁶, particularly among lower-income populations.



Figure 3.1. The 17 urban and social functions that should be accomplished within neighbourhood.

The above figure 3.1 depicts the future Melbourne Plan, which places a premium on suburban density and suggests setting the bar for higher-density housing requirements. The Plan encompasses the central business district, as well as the inner and outer suburbs. Additionally, it identifies the opportunities for infill and densification through renewal initiatives in suburban neighbourhoods, activity centres, jobs and innovation hubs, and train stations connected to the primary public transportation network. Finally, the Plan encourages the advancement of a wide range of uses on the local level, including retail, education, leisure, sport recreation and social events.³⁵⁷

Dasar Perumah Mampu Milik outlines some criteria for the development of an affordable housing programme³⁵⁸ as illustrated below:

providing families with the extra income needed to access healthy food options and recreational facilities as recommended by health authorities.

³⁵⁶ Annie Freeda Cruetz, "Heart at work", Malaysianheart.org, <<https://www.malaysianheart.org/print.php?p=highlights&a=457>> (accessed 25 March, 2021). The article emphasised that insufficient physical exercise and poor diet are the primary causes of increased risk for heart failure, heart attacks, and mortality.

³⁵⁷ Georgia Pozoukidou and Zoi Chatziyiannaki, "15-Minute City: Decomposing the New Urban Planning Eutopia", *Sustainability (Switzerland)*, vol. 13, no. 2 (2021).

³⁵⁸ Government, *Dasar Perumahan Mampu Milik Negara*.

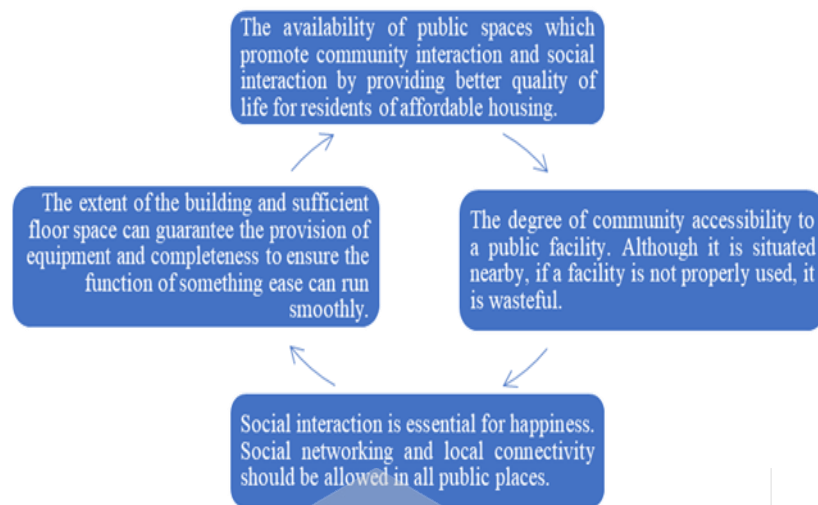


Figure 3.2: Criteria For Affordable Housing Development As Dictated By The *Dasar Rumah Mampu Milik*

Figure 3.2 delineates the criteria for affordable housing development as dictated by the *Dasar Rumah Mampu Milik* (Affordable Home Policy), reveals critical dimensions that must be addressed for effective implementation. Primarily, the structural aspects underscore the necessity for robust structural integrity and safety in housing designs, aiming to cultivate sustainable and livable environments that ultimately enhance the overall quality of life while remaining economically accessible. Essential components such as technical requirements, design quality, environmental considerations, cost-effectiveness, and social integration form the backbone of any affordable housing initiative.

Several recommendations collectively advocate for a comprehensive approach to housing development to realise these objectives. Firstly, implementing stringent technical and structural recommendations is imperative; these include adhering to rigorous building standards, ensuring durability, and adopting cost-effective construction methodologies. Housing projects can achieve safety and longevity by utilising innovative and sustainable materials and prioritising resilience against natural disasters. Furthermore, enhancing design quality through adaptable living spaces and flexible interior layouts will accommodate diverse family structures, including multi-generational living scenarios. Universal design principles are critical to ensure accessibility, while adequate natural lighting and ventilation contribute to healthier living environments.

Environmental considerations also play a pivotal role; thus, integrating green building technologies, promoting energy efficiency, and implementing water conservation systems are paramount. Such measures not only address the immediate ecological impact but are crucial for long-term sustainability and climate adaptation, thereby reducing the carbon footprint associated with construction and operational processes.

Cost management strategies, including the development of standardised modular designs and optimization of construction processes, further underline the importance of economic feasibility. Exploring innovative public-private partnerships and financing mechanisms will help make affordable housing a tangible reality.

Social and community integration cannot be overlooked in affordable housing development. The design of inclusive community spaces and shared recreational areas fosters social cohesion and cultivates an engaging community atmosphere while ensuring accessibility for differently-abled individuals, which promotes equity.

Moreover, integrating technology emerges as a vital consideration; by incorporating smart home technologies and designing for future upgrades, housing can be more adaptive to contemporary society's needs. This progressive approach enhances remote work capabilities, making affordable housing even more appealing and accessible to those seeking flexibility in their living arrangements. Finally, a focus on health and wellness is essential. Designing spaces that promote physical activity, mental well-being, and community interaction, alongside ensuring proper ventilation and air quality, creates environments that significantly contribute to the inhabitants' quality of life.

According to Khazanah Research Institute Report, the ability to differentiate between poverty challenges and business problems in the housing market is critical for developing the appropriate policies and strategies.³⁵⁹ The former advocates for more government intervention in directly meeting the housing needs of the appropriate target populations, while the latter allows the government to resolve business vulnerabilities to ensure that the housing market operates efficiently. The critical aspect of policy development would be to maintain a clear line of demarcation between business and social provisions.

In conclusion, the principles of affordability, sustainability, quality, inclusivity, adaptability, and a community-centric approach encapsulate the foundational aspects of a transformative affordable housing development strategy. By addressing various technical, social, environmental, and economic dimensions, these recommendations pave the way for

³⁵⁹ Ismail, D.S., *Rethinking Housing : Between State, Market and Society*, viii.

innovative housing solutions that are not only equitable but also sustainable and resilient to future challenges.

3.5. THE RELATIONSHIP BETWEEN RIGHT TO ACCESS OF ADEQUATE AND AFFORDABLE HOUSING

Access to adequate and affordable housing promotes poverty reduction, integration of labour and social exclusion reduction³⁶⁰. Affordability is one of the seven elements of the right to adequate housing recognised by the United Nations³⁶¹. This means that in principle, everyone has the right to live in peace and dignity and have access to adequate privacy, space, tenure security, materials such as lighting and heating, work and basic facilities infrastructure and location, and other elements, all at reasonable and affordable prices³⁶².

3.5.1. Affordable Housing for Urban Well-being and Social Equity

The international community underlined the availability of housing at affordable prices in cities as a human rights issue on various occasions. When the Habitat Agenda (1996)³⁶³ and New Urban Agenda (2016)³⁶⁴ were declared, more than 170 nations reaffirmed their commitment to the promotion and full and progressive realisation of the right to adequate housing.³⁶⁵ Governments must create a favourable environment to achieve this ambitious goal. In other words, relevant policy, institutional, financial and regulatory frameworks must be in place to allow adequate and affordable housing for individuals and households.³⁶⁶

According to the Millennium Development Goals Report 2015, the lack of affordable housing has created a poverty trap for over 880 million people, forcing them to remain poor, socially and spatially separated, and in horrendous urban slum environments³⁶⁷. This has significant repercussions on the quality of people's lives, let alone cities' sustainability. These

³⁶⁰ Adabre and Chan, Critical Success Factors (CSFs) for Sustainable Affordable Housing. This article considered the debate between supply-side and demand-side policies, supply-side policies are commendable and favored over demand-side policies as successful strategies for maintaining economic sustainability (i.e. market affordability) due to their efficiency in reducing inflationary housing prices.

³⁶¹ United Nations, "CESCR General Comment No. 4: The Right to Adequate Housing (Art. 11 (1) of the Covenant)", vol. 11, no. 4 (1991): 7. Seven components are legal security of tenure; availability of services, materials, facilities, and infrastructure; affordability; habitability; accessibility; location; and cultural adequacy.

³⁶² UN Habitat, "The Right to Adequate Housing", *UN-HABITAT*, (2011b): 3–4.

³⁶³ HABITAT, *The Habitat Agenda Goals and Principles, Commitments and the Global Plan of Action*.

³⁶⁴ United Nations (Habitat III), *New Urban Agenda*.

³⁶⁵ Acioly, "Why the Provision of Affordable Housing Is Necessary."

³⁶⁶ Shahrul Mizan Ismail, *Adequate housing dilemma in Malaysia : A human rights perspective*.

³⁶⁷ United Nations, *The Millennium Development Goals Report 2015* (New York: United Nations, 2015), 60

figures will continue to rise if relevant stakeholders, including governments at all levels, do not pursue rigorous and systematic action.

The current crisis in housing availability highlights the shortcomings of policymakers in ensuring the provision of accessible, adequate, and affordable housing options that address the complexities of scale, location, form, quality, and cost. The pronounced demand for affordable housing underscores its critical impact on the well-being of homeowners and their families. Research conducted by Habitat for Humanity reveals a strong correlation between housing quality and adverse emotional and behavioural outcomes in children and adolescents, as well as diminished academic performance in older students associated with substandard living conditions. Moreover, the challenges associated with residing in inadequate housing or undergoing frequent relocations significantly elevate the prevalence of depression and anxiety among parents.³⁶⁸

This scenario suggests a hypothesis linking the provision of quality, affordable housing to the dynamics of informal urbanisation. It suggests that a diverse range of socio-economic groups can achieve their right to adequate housing through such connections. Affordability emerges as a critical component of the HABITAT agenda, which aims to uphold standards for quality living.

3.5.2. Exploring the Socio-Economic Implications of Housing Accessibility and Urban Well-being

The rights to equality and property, as enshrined in the Federal Constitution of Malaysia, serve as crucial pillars in the framework for accessing adequate housing. The right to equality, articulated in Article 8, fosters social justice and inclusion within the housing sector. Although it does not reference housing explicitly, this constitutional provision promotes equitable access to resources, thereby addressing the systemic inequalities that have emerged within Malaysia's housing market. The escalating property prices and stagnant wages have created substantial barriers to housing access; thus, the right to equality is indispensable in mitigating these social disparities. It ensures that all individuals, irrespective of their socioeconomic background, are afforded equal protection under the law, thereby reinforcing the principle of accessibility to housing for all segments of the population.

³⁶⁸ MacArthur Foundation, "Poor Quality Housing Is Tied to Children's Emotional and Behavioral Problems," *How Housing Matters* (Grantee Publications, Housing Policy Research), August 29, 2013, <https://www.macfound.org/press/press-releases/poor-quality-housing-is-tied-to-childrens-emotional-and-behavioral-problems/>.

Simultaneously, the right to property, as outlined in Article 13, provides legal safeguards that are essential for the realization of adequate housing. This article prohibits arbitrary deprivation of property and mandates the adherence to legal procedures for any acquisition, ensuring that those affected by compulsory purchase receive fair compensation. Judicial interpretations further amplify these protections, as seen in landmark cases such as *Semenyih Jaya* and *PJD Regency*, where the courts expanded the scope of compensation to encompass broader implications, including economic losses. Such rulings highlight the judiciary's recognition of housing development laws as “social legislation”, aimed at safeguarding the rights of the weaker party—homebuyers—in property transactions.

The interplay between equality and property rights significantly enhances housing access by addressing power imbalances within the real estate sector. Judicial interventions have consistently sought to protect homebuyers from arbitrary actions by developers, thus ensuring equitable treatment in housing transactions and facilitating legal recourse when necessary. This comprehensive consumer protection is further reinforced by the judiciary's interpretation of these rights, which mandates statutory timelines for property delivery, the calculation of fair liquidated damages, and the prohibition of unilateral modifications to sale and purchase agreements.

Moreover, the promotion of transparency in housing transactions is vital for fostering trust within the market. Court decisions have emphasised clear communication and strict compliance with housing development regulations, holding developers accountable for their obligations. The intersection of equality and property rights, therefore, not only seeks to diminish social inequalities in housing access but also establishes robust legal mechanisms for the protection of vulnerable homebuyers. It reinforces the notion that housing should be regarded as a fundamental aspect of social equity rather than a mere commodity.

In conclusion, the rights to equality and property are not merely abstract legal concepts; they are practical instruments wielded by the Malaysian judiciary to uphold the interests of homebuyers and to promote equitable access to housing. Through dynamic interpretations of these constitutional rights, the judiciary plays a pivotal role in addressing real-world challenges, mitigating power imbalances in real estate transactions, and progressively realizing the right to adequate housing for all citizens. Thus, these constitutional protections are essential in fostering a just and inclusive society where housing is accessible to all.

3.6. STATES' ROLES AND RESPONSIBILITIES IN PROVIDING ACCESS TO ADEQUATE AND AFFORDABLE HOUSING IN MALAYSIA

The analysis of housing rights in the preceding sections (Sections 3.2–3.5) has examined the legal framework at a general level. This section now distinguishes between federal and state responsibilities in housing provision, a distinction that is critical to understanding both the strengths and weaknesses of Malaysia's current framework.

At the federal level, housing policy operates through national legislation (the Housing Development (Control and Licensing) Act 1966, the Perumahan Rakyat 1Malaysia Act 2012), national policies (DRN 2018–2025, DRMM 2019), and federal agencies (PR1MA, SPNB, JPN). The federal government's primary functions are policy direction, capital investment, standards-setting, and the administration of federal housing programmes. Among the federal programmes, PR1MA represents the most comprehensive model for M40 affordable housing, as it integrates not merely housing delivery but also social needs, neighbourhood planning, facilities, and community programmes—a model validated through the case study in Chapter 6.

At the state level, housing provision is shaped by the constitutional position of land as a state matter (Ninth Schedule, State List, Item 2). State governments are responsible for land allocation, state-specific affordable housing programmes, and the implementation of development plans through local authorities. Notable state-level programmes include Rumah Selangorku (Selangor Affordable Homes) in Selangor, Rumah Mampu Milik Johor in Johor, and the Penang Affordable Housing Programme. Each state operates its own eligibility criteria, pricing thresholds, and administrative procedures, which creates the policy inconsistency identified as Problem Statement 3 in Chapter 1.

This federal-state division of responsibility creates a fundamental governance challenge: the federal government sets national housing policy and provides capital investment, but the primary resource for housing development, as land, is controlled by state governments. As discussed under items 3.2, 3.3 and 3.5, access to adequate and affordable housing is a fundamental right acknowledged worldwide, including in Malaysia. This right extends beyond mere shelter; it encompasses the ability to live in security, peace, and dignity. In Malaysia, the state bears multifaceted responsibilities in ensuring the provision of such housing, which involves legislative frameworks, policy implementation, and proactive measures to guarantee that every citizen has access to decent housing.

3.6.1. Legislative Framework

The Malaysian legal framework regarding housing is anchored in several key pieces of legislation. The Federal Constitution, under Article 8, guarantees equality before the law and prohibits discrimination, indirectly supporting the right to housing under Article 13. Furthermore, the Housing Development (Control and Licensing) Act 1966, along with the Strata Titles Act 1985, regulates the development and ownership of housing properties, ensuring that housing projects meet certain standards and are accessible to the population.

In Malaysia, the main legislation that regulates housing development is the Housing Development (Control and Licensing) Act 1966 (hereinafter referred to as HDA). The principal objectives of the Parliament passed this Act mainly to oversee the infant housing industry then, regulate housing developers' activities and provide certain protection to house buyers.³⁶⁹ Suffian LP said in the case of *SEA Housing Corporation Sdn Bhd v Lee Poh Choo* [1982] 2 MLJ 31 that the main objective of the HDA was to protect the interests of the buyers. VC George J has a similar sentiment in *Khau Daw Yau v Kim Nam Realty Development Sdn Bhd* [1982] 2 MLJ 31 that the outlines of HDA and the Rules of 1970 are to provide a measure of protection to purchasers of housing accommodation in housing development against unscrupulous developer.

3.6.1.1. Definition of Housing Development

HDA provides a statutory definition of housing development under Section 3 as follows:

“housing development” means to develop or construct or cause to be constructed in any manner whatsoever more than four units of housing accommodation and includes the collection of moneys or the carrying on of any building operations for the purpose of erecting housing accommodation in, on, over or under any land; or the sale of more than four lots of land or building lots with the view of constructing more than four units of housing accommodation...”

Referring to the above definition, housing development is connected to housing accommodation, which later becomes the basic component of housing development. Section 3 also defines, “*housing accommodation*” includes any building, tenement or messuage which is wholly or principally constructed, adapted or intended for human habitation or partly for human habitation and partly for business premises and such other type of accommodation as may be prescribed by the Minister from time to time to be a housing accommodation pursuant

³⁶⁹ Salleh Buang, *Malaysian Law on Housing Development*, (Selangor: Sweet & Maxwell Asia, Fourth Edit edn.).

to section 3A”. The Minister has the discretion to prescribe the type of accommodation to be a housing accommodation, and if it falls within the ambit of this Act, the Minister’s decision shall be final and shall not be questioned in any court, as clearly mentioned in Section 3A of the HDA.

SY Kok also argued that the term “housing developer” must be first examined in order to understand the term housing development³⁷⁰. Section 3 of HDA provides that “*housing developer*” means any person, body of persons, company, firm or society (by whatever name described), who or which engages in or carries on or undertakes or causes to be undertaken a housing development, and in a case where the housing developer is under liquidation, includes a person or body appointed by a court of competent jurisdiction to be the provisional liquidator or liquidator for the housing developer” and “*licensed housing developer*” means any housing developer licensed under section 5 to engage in or carry on or undertake a housing development and includes the holder of any power of attorney of such housing developer duly created under the Powers of Attorney Act 1949 [Act 424]. Section 5 of HDA further prohibits any activities related to housing development without the housing developer possessing a valid license required under Section 5(3) of the Act. In *Tan & Tan Development Sdn Bhd v Public Prosecutor* [1993] MLJU 496, the court established that in order to determine the term housing development, the most important is to establish that the constructed parcel is a housing accommodation intended for human habitation. The definition of the term housing development was further analysed by the court in the case of *Energoprojek (M) Holdings V Public Prosecutor* [1998] 5 MLJ 401, where the court laid down three elements. Firstly, it should relate to the act of building in the sense of erecting a building for housing accommodation. Secondly, the build or erection of housing accommodation must be at least four units, and thirdly, it must relate to the sale of the housing accommodation units.

The next detrimental issue to determine is the term “developer”. In the case of *Lim Sze On & Ors v Syarikat Gunung Sejahtera Sdn Bhd* [2009] MLJU 434, the Federal Court upheld the decision by the Court of Appeal on the ground that the defendant was not a developer within the ambit of Section 3 and Section 5 of the HDA. The reasons given by the Court were firstly, the agreement entered between the defendant and plaintiff was not a contract of sale as the facts showed that the plaintiff owned the land and secondly, although the defendant declared themselves as ‘developer’ in the advertisement, the court found that it has no bearing upon the

³⁷⁰ SY Kok, *Law Governing the Housing Industry*, (Kuala Lumpur: Malayan Law Journal Sdn Bhd, First edn., 1998).

declaration sought for as illustrated in the case of *Eckhardt Marine GMBH v. Sheriff Mahkamah Tinggi Malaya & Ors. r [2001] 3 CLJ 864*, Gopal Sri Ram in delivering the judgment of the Court of Appeal summarised the matter of advertisements as follows:

"... as a general rule, an advertisement is considered by courts to be not an offer but a mere invitation to treat, that is to say, an offer to make offers."

The court further ruled that the court is not empowered to grant a declaration that the defendant is a housing developer as sought by the plaintiffs, where by granting such declaration would be tantamount to the court usurping the powers of the Controller of Housing under the Act³⁷¹. It should be further noted that the HDA is only applicable to West Malaysia and not applicable to commercial development as the court ruled out in the case of *Eu Kim Kee & Ors v Berjaya Times Square Sdn Bhd & Anor [2002] 7 CLJ 213* where the court found out that the sale of commercial parcels did not fall any domain of any Acts.

As such, the conceptual framework for affordable housing necessitates a comprehensive approach that transcends conventional legal definitions and anticipates the evolving needs of diverse communities. Firstly, it is imperative to expand the legal definition of housing accommodation beyond mere physical structures. This broader definition should incorporate multifunctional spaces catering to residential needs and supporting small businesses, thereby reflecting the multifaceted nature of modern living. Additionally, flexible living arrangements that accommodate various socio-economic backgrounds, as well as mixed-use developments that integrate housing with economic opportunities, must be prioritised.

The Housing Development Act (HDA) currently stipulates a minimum unit threshold of four units for a development to be classified as housing, which stifles mid-scale projects that can effectively address community-specific needs. Therefore, policy frameworks should stimulate larger-scale developments while simultaneously creating regulatory mechanisms to support mid-scale projects, ideally ranging from 5 to 50 units. Such an approach would provide essential financial and regulatory backing for developers committed to affordable housing segments, fostering a more inclusive and accessible housing market.

3.6.1.2. Definition of Planning

³⁷¹ Malayan Law Journal Unreported, *Lim Sze On & Ors v Syarikat Gunung Sejahtera Sdn Bhd*, (2009).

Davidoff and Reiner defined planning as a process for determining appropriate future action through sequences of choices³⁷². The author emphasises that any choices made in the planning process will be the responsibility of the planner to achieve the desired goal. On the other hand, Alexander defined planning as a process for determining future appropriate actions to achieve a goal or a series of goals through a sequence of actions³⁷³. Lewis explained planning as the art and science of ordering the use of land and the character and siting of building and communication routes to secure the maximum practicable degree of economy, convenience and beauty³⁷⁴.

Planning covers all aspects of the developments, including industrial, commercial, agricultural, recreational activities as well as residential, which will be the focus of this research. According to Ainul Jaria, the town and country planning system is designed to regulate the development and use of land for the public interest³⁷⁵. Thus, in order to plan and control the development of land, the Government established the Town and Country Planning Act 1976 as the tool of land use planning.

According to Abdul Aziz, Zakaria and Hamzah, the overview of a typical planning process in Malaysia involves the legislature in the planning process, the development plan and its general implementation. The authors highlighted that the imperative instrument to manage land development is the planning control referred to in Part IV of the Town and Country Planning Act 1976 (TCPA) and planning guidelines³⁷⁶. R. Ibrahim and H. Norris Kweku added that planning permission also play a vital role in regulating and controlling property developments³⁷⁷. Although under TCPA, there was no clear statutory definition on planning however, according to Ainul Jaria, TCPA has evolved from a planning concept based on the Blueprint Concept to planning based on Development Plans, Structure Plan and Local Plan and currently, the concept is more visionary toward universal planning and development policy

³⁷² Paul Davidoff and Thomas A. Reiner, "A Choice Theory of Planning", *Journal of the American Institute of Planners*, vol. 28, no. 2 (1962).

³⁷³ Ernest R. Alexander, *Approaches to Planning : Introduction Current Planning Theories, Concepts and Issues*, (New York: Gordon and Breach Science Publishers, 1986).

³⁷⁴ Lewis Keeble, *Principles and Practice of Town and Country Planning*, 4th ed. (London: Estates Gazette Ltd, 1972).

³⁷⁵ Ainul Jaria Maidin, "Concepts, Theory and Ideology Influencing Land Use Planning and Development Control" in *Malaysian Town and Country Planning - Law And Procedure*, edited by Baizura Abd Razak (Kuala Lumpur: Malaysian Current Law Journal, 2012).

³⁷⁶ Abdul Aziz Abdullah, Hamzah Abdul Rahman, and Zakaria Harun, "Planning Process of Development Project in the Malaysian Context : A Crucial Brief Overview", *Journal of Applied Science and Technology*, vol. 1, no. 2 (2011): 74–81.

³⁷⁷ R. Ibrahim and H. Norris Kweku, "Streamlining the Planning Approval Process for a Sustainable Urban Development - A Case Study for Unwinding Manmade Complexities", *Student Architecture Urban Environment Science Journal*, vol. 1, no. 1 (2018): 64.

considering the relationship between Man and His Creator, between Man and Man and between Man and the Environment³⁷⁸.

Section 2 (1) of TCPA provides the definition of the term “development” means the carrying out of any building, engineering, mining, industrial, or other similar operation in, on, over, or under land, the making of any material change in the use of any land or building or any part thereof, or the subdivision or amalgamation of lands; and “develop” shall be construed accordingly”. The same section also interpreted the term “development plan”, in relation to an area, means: (a) the local plan for the area; or (b) if there is no local plan for the area, the structure plan for the area, and, in relation to any land or building, means the development plan, as so defined, for the area in which the land or building is situated”

The term “local plan” being referred in the above section defined under Section 2(1) of TCPA as “in relation to an area, means the local plan for the area, and any alteration of the plan, for the time being having effect in the area by virtue of subsection 15(1); and, in relation to any land or building, means the local plan, as so defined, for the area in which the land or building is situated; and “draft local plan” shall be construed as the context requires”. The term “plan” includes reports, drawings, maps and models” and “planning permission” means permission granted, with or without condition, to carry out development which was also defined under the same section.

Alias argued that by virtue of section 18(1) of TCPA which provides that “*no person shall use or be permitted to use any land or building, otherwise than in conformity with the local plan*”, any development including housing should be consistent with related local plan³⁷⁹. Asmah stated that the efficiency and systematic housing development plan become a necessity in line with the growth of population in Malaysia where the Government roles to distribute

³⁷⁸ Ainul Jaria Maidin, "Evolution of Town and Country Planning System in Malaysia" in *Malaysian Town and Country Planning - Law And Procedure*, edited by Baizura Abd Razak (Kuala Lumpur: Malaysian Current Law Journal, 2012).

³⁷⁹ Alias Rameli, "Land Use Planning System and Housing Development Process in Malaysia" (tesis PhD, Universiti Teknologi Malaysia, 2009); Muhammad Faris Abdullah, Nurul Syala Abdul Latip, and Zakiah Ponrahono, "The Statutory Weight of Local Plans in Development Control: A Review of Judicial Interpretations in Malaysia," *Planning Malaysia* 21, no. 3 (2023): 45–58. The 2023 research updates Alias's 2009 thesis by asserting that Section 18(1) is a strict requirement, meaning any significant change in land use must align with the Local Plan unless formally amended. It reviews recent court decisions, including the Taman Rimba Kiara case, which affirm that local authorities cannot disregard the Local Plan, reinforcing that any housing development must adhere to its zoning. Additionally, while deviations from the Local Plan are allowed, they require a strict process that includes paying development charges and holding public hearings, underlining that the Local Plan is the primary authority for local land use.

housing as part of social service with the view enhancing welfare protection to the peoples.³⁸⁰ This instance supported the argument by many authors that the TCPA become a tool to plan, control and monitor the land use planning in Malaysia including the housing development.³⁸¹

3.6.1.3. *PLANMalaysia Planning Guidelines for Affordable Housing*

In addition to the primary legislation governing housing development and planning, Jabatan Perancangan Bandar dan Desa (PLANMalaysia), the Federal Department of Town and Country Planning, has issued planning guidelines that set specific standards for affordable housing development and community facilities.³⁸² These guidelines, issued under the authority of the Town and Country Planning Act 1976 (Act 172), set the planning parameters for the design and approval of affordable housing developments at the local authority level.

The Planning Guidelines on Housing establishes comprehensive planning standards for residential development in Malaysia. For affordable housing, the guidelines specify density parameters, unit configurations, and infrastructure requirements. In major cities (Selangor, Penang, Johor, Kuala Lumpur), the guidelines recommend densities of approximately 120 units per acre for standard affordable housing developments, increasing to 150 units per acre for transit-oriented developments within a 400-metre radius of public transport stations.³⁸³ The guidelines also specify minimum built-up areas and typologies for different household sizes, contributing to the physical planning framework for affordable housing delivery.

The Planning Guidelines on Community Facilities sets standards for community facilities that must accompany residential developments.³⁸⁴ These include educational institutions, healthcare facilities, places of worship, recreational areas, and public amenities. The provision of community facilities is particularly relevant to the argument advanced in this thesis: that affordable housing must extend beyond mere shelter to encompass community infrastructure that supports residents' well-being and social development. As Azmi and Bujang observed, the gap between housing affordability as defined by policy and affordable housing

³⁸⁰ Asmah Che Wan, "Legal Issues on Housing Development within the Context of Land Law in Malaysia", In Slide Share, <<https://www.slideshare.net/ASMAHCHEWAN/legal-issues-on-housing-development-within-the-context-of-land-law-in-malaysia>> (accessed 27 November, 2018).

³⁸¹ Abdullah, A.A., Abdul Rahman, and Harun, Planning Process of Development Project in the Malaysian Context : A Crucial Brief Overview; Ibrahim, R. and Kweku, Streamlining the Planning Approval Process for a Sustainable Urban Development - A Case Study for Unwinding Manmade Complexities; Ainul Jaria Maidin, Evolution of Town and Country Planning System in Malaysia.

³⁸² Jabatan Perancangan Bandar dan Desa (JPBD), "Garis Panduan Perancangan (GPP) Perumahan", (2016): 89.

³⁸³ Ministry of Housing and Local Government, *Dasar Perumahan Mampu Milik Negara (National Affordable Housing Policy)* (Putrajaya: KPKT, 2019).

³⁸⁴ Jabatan Perancangan Bandar dan Desa (JPBD), "Garis Panduan Perancangan Kemudahan Masyarakat", (2022).

as experienced by residents is significantly influenced by the availability of community facilities and social infrastructure³⁸⁵.

While these PLANMalaysia guidelines provide valuable planning standards, it is important to note their legal status. The guidelines operate as administrative instruments issued under the authority of PLANMalaysia to guide local planning authorities. They do not carry the force of primary legislation and their enforcement depends on the degree to which state and local authorities incorporate them into their development plan requirements. This distinction between planning guidelines and statutory requirements is significant in the context of this thesis' analysis of the legal framework, as it highlights the difference between administrative guidance and enforceable legal obligations in housing provision.

3.6.2. Malaysia's Government System in Housing Development Planning

Malaysia's approach to housing development planning is a structured and multifaceted system designed to address the housing needs of its growing population. The government, through various ministries, agencies, and policy initiatives, plays a pivotal role in ensuring the availability of adequate, affordable, and sustainable housing. This section explores the key components of Malaysia's government system in housing development planning, highlighting the roles of different governmental bodies, key policies, and the challenges faced.

Malaysia is a federation consisting of thirteen States, including the States of Johor, Kedah, Kelantan, Melaka, Negeri Sembilan, Pahang, Perak, Perlis, Pulau Pinang, Sabah, Sarawak, Selangor, Terengganu and three Federal Territories are Kuala Lumpur, Labuan and Putrajaya. According to Azila and Muhammad Faris, Malaysia adopted the concept of federalism where "the establishment of a single political system, within which, general and regional governments are assigned to coordinate authority such that neither level of government is legally or politically subordinate to the other"³⁸⁶.

Malaysia's government adopted the three-tier system which consists of three authorities, i.e., federal, state and local governments³⁸⁷. This system clearly reflected in the utmost law of federation in Malaysia specifically in Part VI and Ninth Schedule of Federal Constitutions. Part VI of the Federal Constitutions outlined the relationship between the

³⁸⁵ Najihah Azmi and Ahmad Ariffian Bujang, "The gap between housing affordability and affordable house: A challenge for policy makers", *Planning Malaysia*, vol. 19, no. 3 (2021): 387–399.

³⁸⁶ Azila Ahmad Sarkawi and Muhammad Faris Abdullah, "Historical Influences to Present Legal Setting of planning law in Malaysia", *Planning Malaysia*, vol. 12, no. July (2014): 67–80.

³⁸⁷ Ponrahono et al., "Malaysian Development Plan System," 12

Federal and State Governments in making law, division of power and responsibility for respective States that further listed their respective power in the Ninth Schedule of the Federal Constitutions. Article 79 (1) of the Federal Constitution provides that both Federal and State may exercise concurrent legislative power, which was specified in the Concurrent List under the Ninth Schedule of the Constitution.

3.6.2.1. Governmental Bodies and Their Roles

Syafiee argued that while the responsibilities to provide education, health, and security are within Federal government jurisdiction, in terms of housing, the matter is complicated as the State Government has absolute jurisdiction over the land³⁸⁸. Chapter Five of Part VI stated the role of the National Land Council, which consists of a Minister as chairman, one representative from each of the States, who shall be appointed by the Ruler or Yang di-Pertua Negeri, and such number of representatives of the Federal Government. The duty of the National Land Council under Article 91 (5) of the Federal Constitution provided that:

“it shall be the duty of the National Land Council to formulate from time to time in consultation with the Federal Government, the State Governments and the national Finance Council a national policy for the promotion and control of the utilization of land throughout the Federation for mining, agriculture, forestry or any other purpose, and for the administration of any laws relating thereto; and the Federal and State Governments shall follow the policy so formulated”.

Article 95A (5) of the Federal Constitution provides for the establishment of a National Council for Local Government. This council is tasked with formulating a national policy that promotes, develops, and regulates local government throughout the federation, while also overseeing the implementation of related laws in collaboration with both Federal and State Governments. The principles enshrined in the Federal Constitution are echoed in the Town and Country Planning Act 1976 (TCPA), which aims to plan, regulate, and control land use planning in Peninsular Malaysia. As previously mentioned, Part II of the TCPA details the provisions concerning policy and administration, requiring the involvement of Federal, State, and Local Governments through the National Physical Planning Council. This council is responsible for making decisions regarding the National Physical Plan. Section 2A (2) outlines the functions of the Council as follows:

³⁸⁸ Syafiee Shuid, "Low Income Housing Provision in Malaysia: The Role of State and Market", *HSA Conference 2009*, (2009): 1–20.

- i. to promote in the country, within the framework of the national policy, town and country planning as an effective and efficient instrument for the improvement of the physical environment and towards the achievement of sustainable development in the country;
- ii. to advise the Federal Government or the Government of any State, on matters relating to the town and country planning required under this Act; and
- iii. to perform any other functions conferred upon the Council under this Act.

In respect of general policy, Section 3 of TCPA mentioned the following:

“Subject to Clauses (5) and (6) of Article 91 of the Constitution, the State Authority shall be responsible for the general policy in respect of the planning of the development and use of all lands and buildings within the area of every local authority in the State; and the State Authority may, in or for the purpose of discharging the responsibility of the State Authority under this section, from time to time give to the Committee or any local planning authority directions of a general character not inconsistent with the provision of this Act, and the Committee or local planning authority shall give effect to such directions.”

Based on the above provisions, the relationship between federal, state and local government could be illustrated as the government’s role to structure policy frameworks in general terms, whereas, at the state level, the policy is translated into more detailed and strategic requirements in which later, the local government level will prepare the plans more exhaustive with specific elaborations. The general duties and responsibilities of the government agencies can be illustrated as the following table:

Table 3.2: Governmental Bodies and Their Roles

NO.	GOVERNMENTAL BODIES	ROLES
1.	Ministry of Housing and Local Government (KPKT)	The Ministry of Housing and Local Government (KPKT) serves as the primary authority for housing development in Malaysia. Its key responsibilities include formulating policies, coordinating housing programme, and enforcing housing laws. The KPKT manages a range of housing schemes designed to cater to various segments of the population, ensuring that housing development aligns with the nation's goals and priorities.

NO.	GOVERNMENTAL BODIES	ROLES
2.	National Housing Department (Jabatan Perumahan Negara)	The department functions under the Ministry of Housing and Local Government (KPKT) and is responsible for executing various housing initiatives, including the People's Housing Programme (Programme Perumahan Rakyat or PPR). Its primary objective is to offer affordable housing solutions for low-income families, catering to both rental and homeownership options.
3.	State Governments and Local Authorities	While the federal government sets essential guidelines and policies for housing, it is important to recognise the vital role that state governments and local authorities play in the effective implementation of these projects. They are entrusted with responsibilities such as land allocation, project approval, and the oversight of compliance with local regulations and standards. This partnership between various levels of government is key to fostering successful housing initiatives that meet the needs of communities.
4.	Perbadanan PR1MA Malaysia (PR1MA)	PR1MA is a government agency established to facilitate the development of affordable housing for middle-income Malaysians. The agency's primary objective is to address the disparity between housing supply and demand by constructing high-quality residences in both urban and suburban areas. In doing so, PR1MA aims to enhance the accessibility of homeownership for this demographic.
5.	Suruhanjaya Perumahan Nasional Berhad	SPNB is responsible for implementing various housing projects aimed at low- and middle-income groups, particularly through initiatives such as the Rumah Mesra Rakyat (RMR) Programme. This programme helps individuals who own land but do not have adequate housing by offering financial support and construction services.

Many scholars have noted that the State possesses a better perspective regarding tenure, regional variations, the presence of distinct housing classes, and the diverse physical characteristics of dwellings. This situation has led to overlapping policies between the Federal and State levels.³⁸⁹ Additionally, many scholars agree that, as a result, most housing policy responsibility lies with the State Government due to its localized nature.³⁹⁰ Consequently, this complexity has hindered the housing provision system in Malaysia, to the extent that the Federal Government has struggled to formulate a comprehensive policy.³⁹¹

³⁸⁹ Wan Nor Azriyati Wan Abd. Aziz., Noor Rosly Hanif., A Study on Affordable Housing within the Middle Income Households in the Major Cities and Towns in Malaysia.

³⁹⁰ Raine & Horne International Zaki + Partners, *Affordable Housing: Market Analysis and Outlook* (Kuala Lumpur: Raine & Horne International, 2018).

³⁹¹ Shuid, *Low Income Housing Provision in Malaysia: The Role of State and Market*; Salleh Buang, "Does It Exist?," *Property Times* (supplement to *New Straits Times*), 24 June, 2004.

3.6.2.2. *Key Policies and Initiatives*

In Malaysia, the National Housing Policy (NHP)³⁹² functions as a strategic framework guiding the government's housing initiatives, focusing on enhancing the quality, accessibility, and affordability of housing. This policy emphasises sustainable development principles and integrated urban planning, while promoting increased homeownership across diverse socioeconomic strata.

Complementing the NHP, the Dasar Perumahan Mampu Milik Negara (DRMM)³⁹³, or National Affordable Housing Policy, has been instituted to specifically address the housing demands of low- and middle-income populations. The DRMM is designed to secure access to affordable, high-quality housing that aligns with the needs and aspirations of Malaysian citizens, ultimately improving their overall quality of life.

The implementation of Affordable Housing Schemes—such as Perumahan Rakyat 1Malaysia (PR1MA) and Projek Perumahan Rakyat (PPR)—alongside initiatives like Rumah Mampu Milik Wilayah Persekutuan (RUMAWIP) and Rumah SelangorKuu, demonstrates a multifaceted approach to housing policy. These schemes are essential for enhancing accessibility to housing for low- and middle-income families, reflecting a commitment to meeting the diverse needs of the Malaysian populace³⁹⁴.

Moreover, the government's financial assistance initiatives, including the My First Home Scheme and the Youth Housing Scheme³⁹⁵, are instrumental in facilitating homeownership among first-time buyers and younger demographics. By offering loan guarantees and financial incentives, these programmes not only mitigate the economic barriers faced by potential homeowners but also catalyse activity within the housing market. The integration of these policies and programmes reaffirms Malaysia's dedication to fostering an inclusive and sustainable housing landscape.

³⁹² National Housing Department, National Housing Policy (2018-2025).

³⁹³ Ministry of Housing and Local Government, *Dasar Perumahan Mampu Milik Negara (National Affordable Housing Policy)* (Putrajaya: KPKT, 2019).

³⁹⁴ S. M. Adzhar and et al, "Overview on built environment planning: Residential overhang factors in Malaysia affordable housing", *IOP Conference Series: Earth and Environmental Science*, vol. 881, no. 1 (2021).

³⁹⁵ Wang Li Wong, Chin Lee, and Seow Shin Koong, "Housing prices in peninsular Malaysia: supported by income, foreign inflow or speculation?", *International Journal of Housing Markets and Analysis*, vol. 12, no. 3 (2019): 424–441.

3.6.3. Addressing Malaysia's Housing Challenges

Malaysia is currently facing substantial challenges in its housing sector, primarily driven by rapid urbanisation that has led to an increased demand for residential properties in urban locales. This surge in demand has inflated property prices, exacerbating housing affordability issues for a significant portion of the population. Moreover, there are stark disparities in housing quality, particularly in rural areas and certain urban pockets, where living conditions often fail to meet acceptable standards.

To tackle these multifaceted challenges effectively, the Malaysian government should implement a comprehensive strategy that emphasises the expansion of affordable housing through strategic public-private partnerships (PPPs). Enhanced urban planning initiatives are essential to facilitate sustainable, inclusive development. Persistent financial assistance mechanisms for homebuyers are also critical, complemented by strict enforcement of housing standards and regulations to ensure the safety and quality of residential units. Deploying these strategies will be vital to mitigating the ongoing housing crisis and improving living conditions nationwide.

Equally important are initiatives that adhere to affordability and accessibility standards, such as the introduction of rent-to-own (RTO) schemes targeting economically vulnerable populations—the B40 and lower M40 income groups. These initiatives must be supported by a robust policy framework that recognises housing as a fundamental human right, clearly delineating social housing from market-driven approaches while ensuring equitable allocation of housing resources. Housing policies should align closely with sustainable development goals, fostering long-term community resilience and promoting environmental sustainability.

Additionally, the integration of technological advancements and infrastructure improvements is crucial in modern housing initiatives. Incorporating smart technologies and establishing robust connectivity will enhance living environments and prepare them for the demands of a digital future. Addressing environmental considerations through the adoption of green building technologies and climate-resilient design is imperative to minimise the ecological footprint of housing developments while enhancing their sustainability.

Malaysia's housing development planning framework is robust, designed to meet the diverse needs of its populace. Through coordinated efforts among various governmental agencies and comprehensive policy implementation, the government seeks to ensure the availability of adequate, affordable, and sustainable housing. While challenges remain, ongoing innovation and strategic initiatives will be pivotal in addressing the evolving housing demands and improving the overall quality of life for all Malaysians.

3.7. CHAPTER ANALYSIS

The comprehensive examination of the affordable housing landscape in Malaysia reveals a complex, multifaceted challenge that transcends traditional housing policy frameworks. This research uncovers significant intersections between economic, social, and human rights considerations, emphasizing the urgent need for a transformative approach to enhancing housing accessibility.

Affordable housing is typically defined as housing options priced for a specific percentage of the population, primarily aimed at individuals within the lower to middle-income brackets. This ensures that residents can sustain a reasonable standard of living without compromising essential needs such as food, healthcare, and education. In accordance with the Universal Declaration of Human Rights and Malaysia's Federal Constitution, the right to adequate housing is recognised as a fundamental human right. This right entails not only the availability of housing but also its accessibility in terms of affordability, quality, and location.

3.7.1. Conceptual Redefinition: Reimagining Affordable Housing

The perspective of affordable housing as merely a real estate transaction desperately needs a transformative redefinition. This shift necessitates a holistic approach that encompasses several critical dimensions: fundamental human rights, social equity, economic sustainability, and quality of life enhancement.

First and foremost, housing should be viewed through the lens of fundamental human rights. It is not merely a commodity but rather a basic human need. Recognising the right to secure and dignified living conditions for every individual must supersede a market-driven paradigm. When we assess housing in the context of human development, it is crucial to consider it as essential as access to healthcare or education. Such a viewpoint underscores housing as a foundational element of societal well-being, emphasizing that everyone deserves a living environment that promotes dignity and security.

In addition to recognizing housing as a human right, addressing social equity is paramount in transforming the affordable housing landscape. Systemic inequalities in housing access must be confronted head-on, fostering opportunities for diverse socio-economic groups. By promoting inclusive urban development, we can work toward reducing economic segregation. This approach not only cultivates a more equitable society but also ensures that all individuals have access to spaces that foster community and cohesion.

Furthermore, economic sustainability plays a crucial role in the redefinition of affordable housing. It is essential to strike a balance between short-term affordability and long-

term financial viability. This can be achieved by developing innovative financing mechanisms that create housing solutions which do not place undue burdens on individuals or government resources. A sustainable approach to affordable housing can also facilitate economic mobility, allowing individuals to improve their circumstances without being shackled by the challenges of inadequate housing.

Lastly, the enhancement of quality of life must be a central component of the affordable housing discussion. Housing is more than just a physical structure; it is intertwined with the overall well-being of individuals and communities. It is vital to consider not only the design of homes but also the broader neighborhood environment. Factors such as community integration, access to essential services, and adequate infrastructure play significant roles in promoting both mental and physical well-being.

In conclusion, the redefinition of affordable housing requires a multifaceted approach that bridges human rights, social equity, economic sustainability, and quality of life enhancement. By adopting this comprehensive perspective, we can ensure that housing is recognised not only as a fundamental necessity but also as a vital component of a thriving, equitable society.

3.7.2. Structural Challenges: Understanding the Complex Ecosystem

The contemporary housing landscape in Malaysia is characterised by a complex interplay of challenges that significantly impact different socio-economic groups, particularly the middle-income (M40) segment of the population. These challenges encompass persistent income inequality, misaligned market dynamics, fragmented policy interventions, and a limited understanding of the specific needs of the middle-income group.

Firstly, the issue of persistent income inequality remains a pressing concern. The widening gap between high-income and middle-income groups has resulted in limited housing options for individuals and families within the M40 segment. This economic stratification is reflected not only in income levels but also in housing accessibility, where the ability to secure affordable and suitable housing becomes increasingly difficult for those in the middle-income bracket.

In addition to income disparities, misaligned market dynamics further exacerbate the housing crisis in Malaysia. The speculative nature of property markets has led to significant price increases, creating a disconnect between the housing supply and the population's actual demographic needs. This situation is compounded by a limited understanding of real housing demand, which hinders the formulation of effective housing policies and strategies.

Moreover, the lack of cohesive national housing strategies reflects fragmented policy interventions at various levels of government. The overlapping jurisdictions between federal and state governments contribute to inconsistencies in the implementation of housing policies, resulting in an ineffective regulatory environment. This fragmentation undermines efforts to address the housing crisis comprehensively.

Lastly, there is a notable deficiency in understanding the specific housing needs of the middle-income group. Insufficient research into the M40 segment's unique requirements leads to a one-size-fits-all approach, which has proven ineffective in addressing their housing challenges. The absence of tailored housing solutions further perpetuates the difficulties faced by this demographic, highlighting the need for more nuanced and targeted strategies.

In conclusion, the housing landscape in Malaysia is marked by a range of interconnected challenges that require urgent attention. Addressing persistent income inequality, aligning market dynamics with actual needs, streamlining policy interventions, and enhancing the understanding of middle-income housing requirements are critical steps towards creating a more inclusive and accessible housing environment for all Malaysians.

3.7.3. Transformative Vision: Strategic Future Directions

Future strategies must embrace a comprehensive and integrated approach to tackle the prevailing housing challenges effectively. This involves developing a holistic policy framework that aligns housing objectives with urban planning initiatives, fostering inter-agency coordination to streamline policy execution across governmental bodies, and implementing flexible mechanisms that can adapt to evolving social and economic conditions. Utilising evidence-based methodologies for policy formulation and assessment is also crucial. Innovative financial instruments should be introduced, such as diverse mortgage products tailored to the specific needs of the housing market and government-backed loan guarantees to enhance access to financing. Sliding-scale financing options can accommodate various income levels, thus supporting affordability, while targeted measures for first-time homeowners can ease market entry.

Sustainable urban development must prioritise environmentally responsible housing projects that minimise ecological footprints. Advocating for mixed-use, high-density urban designs can optimise land use and promote walkability, while green infrastructure components will enhance resilience and environmental performance. Strict energy-efficient building standards should be established to foster sustainability in construction practices. Moreover, promoting comprehensive stakeholder engagement is essential. This includes collaborative

efforts between public and private entities to leverage resources and expertise, ensuring meaningful community involvement in housing design to reflect local needs and values, and adopting transparent decision-making frameworks to build trust and accountability in governance. Establishing continuous feedback loops and adaptation mechanisms will refine policies based on stakeholder input and changing circumstances. Ultimately, envisioning the creation of a housing ecosystem that harmonises economic viability, human dignity, and community well-being is vital for fostering inclusive development.

3.7.4. Affordable Housing Comprehensive Key Elements' Definition Analysis

3.7.4.1. *Multidimensional Affordability Criteria: Creating a Holistic Financial Accessibility Model*

Defining affordable housing necessitates a multifaceted and dynamic approach that transcends traditional real estate perspectives. To establish a comprehensive understanding of affordability, it is essential to consider financial metrics and the broader socio-economic and environmental contexts that shape individuals' living conditions. A holistic financial accessibility model should encompass several core components: income-to-housing cost ratio, comprehensive financial accessibility, long-term economic sustainability, and life stage flexibility.

- i. **Income-to-Housing Cost Ratio:** A fundamental metric for evaluating housing affordability. A recommended threshold of a maximum of 30-35% of household income provides a practical benchmark. However, this ratio should be dynamically calculated, taking into account gross monthly income, family size, and regional economic variations. Additionally, it should consider long-term financial sustainability, ensuring that housing costs do not compromise overall financial health.
- ii. **Comprehensive Financial Accessibility:** extends beyond immediate affordability to include various costs associated with housing. This includes initial purchase costs, ongoing maintenance expenses, utility and infrastructure costs, and potential property appreciation or depreciation. By evaluating these factors, one can gain a clearer picture of the long-term financial implications of housing choices.
- iii. **Long-Term Economic Sustainability:** is critical for understanding the resilience of households in the face of economic fluctuations. A thorough

assessment of residents' financial resilience should address job market stability, potential income growth, and future economic adaptability. Ensuring that individuals can withstand economic shifts will augment the viability of affordable housing.

- iv. **Life Stage Flexibility:** in housing solutions further highlights the importance of adaptability. Housing must cater to the diverse and evolving needs of various demographics, including young professionals, growing families, retirees, and changing familial configurations. By considering the varying housing needs across different life stages, we can foster a more inclusive residential landscape.

3.7.4.2. *Socio-Economic Determinants That Influence Broader Social Landscapes*

Beyond financial metrics, housing affordability must be contextualized within the socio-economic determinants that influence broader social landscapes. Understanding household income distribution through segmentation analysis enables the development of income group-specific housing strategies. It is vital to address inequality through targeted interventions that consider geographic location, employment proximity, and development dynamics. For instance, the distinctions between urban and rural development dynamics can inform accessible pathways to economic opportunities, educational institutions, and healthcare facilities.

Moreover, the legal framework must recognise the significance of regulatory licensing and accountability in ensuring the reliability of housing developers. A tiered licensing system should be introduced, complete with specified quotas or incentives for affordable housing projects. Stricter oversight mechanisms must be implemented to ensure both quality and affordability are maintained, alongside the creation of tax incentives or grants for developers demonstrating a genuine commitment to affordable housing. This regulatory structure would not only enhance accountability but also encourage developers to prioritise affordable options in their portfolios.

Emphasising transparency and consumer protection is critical in navigating the nuanced nature of developer communications, as highlighted in the legal cases. Establishing guidelines for developer communications and robust consumer protection mechanisms will safeguard potential buyers' interests and foster trust in the housing marketplace. Standardised disclosure requirements for housing projects can further enhance transparency, ensuring that consumers are adequately informed about their investments.

3.7.4.3. *Quality And Livability Parameters*

Quality and livability parameters are essential in defining housing beyond its physical structure. Comprehensive evaluation criteria must include structural integrity, essential infrastructure, environmental sustainability, and community integration. Evaluating safety standards, disaster resilience, access to water and sanitation, and digital connectivity is crucial for ensuring long-lasting, safe living environments. Moreover, emphasising energy efficiency and cultural preservation will enhance community cohesion and environmental stewardship.

3.7.4.4. *Accommodating Innovative Housing Solutions*

The dynamic nature of housing development demands contextual and adaptive policies that can respond effectively to the complexities outlined in various legal cases. These policies should be flexible enough to accommodate innovative housing solutions, and mechanisms for periodic review of housing development regulations must be established to ensure ongoing relevance and responsiveness to changing market demands.

In navigating the future of affordable housing, it is essential to embrace technological and design innovations that can future-proof housing solutions. Emerging design principles, such as smart home capabilities, adaptable living spaces, and energy efficiency measures, should be prioritised. By integrating Internet of Things (IoT) technologies and renewable energy resources, housing can become more resilient and responsive to residents' needs, fostering sustainable living environments.

Achieving the crucial goal of providing appropriate and affordable housing for everyone requires respecting human dignity and acknowledging the right to adequate housing. Strong public infrastructure is essential for creating a thriving community of residents. Mere provision of affordable housing without considering the amenities and services offered by the community is insufficient. Quantity over quality prioritisation risks worsening socioeconomic issues that destabilise the community. Community services such as centers, parks, and religious sites can empower residents and create a healthy environment. Inclusion of athletic facilities in an affordable housing programme can significantly improve the national socioeconomic situation. Therefore, decision-makers must consider this option when devising an affordable housing programme.

Additionally, a holistic approach that blurs the binary distinctions between residential and commercial spaces is essential. Integrated development models that combine housing with necessary economic infrastructure should be promoted, supporting developments that offer

opportunities for home-based businesses. Designs that facilitate multi-generational living and foster diverse community interactions will contribute to social cohesion and resilience.

3.7.4.5. *Robust Regulatory and Policy Framework*

Malaysia's affordable housing policy reflects the essence of the right to adequate housing, although the country has not yet ratified the ICESR. However, we can use the ICESR to push the government to take steps towards achieving this right until it is incorporated into Malaysian law. As such, a robust regulatory and policy framework is fundamental in establishing effective governance mechanisms. This includes clear legal definitions surrounding affordability, allocation mechanisms for fair distribution, and governance structures that facilitate inter-agency coordination and accountability. Continuous policy evolution through regular reviews and stakeholder feedback integration will enhance adaptability in addressing the ever-changing housing landscape.

The legal framework should not shy away from technological and social innovations in housing development. Encouraging the exploration of technological solutions while supporting research on affordable, sustainable housing models will help ensure that the housing market evolves to meet future demands. The establishment of regulatory sandboxes for innovative housing solutions can facilitate experimentation and refinement of new ideas, thus propelling the field forward.

The government must implement sustainable national housing policies with specific goals to eradicate homelessness and optimise resources. It must develop monitoring systems and pay attention to the impact of its policies. Investments in social and affordable housing must be increased to eliminate housing costs for marginalised groups. Long-term measures should be taken to prevent price increases, increase the supply of affordable housing, and create employment opportunities.

3.7.4.6. *Innovative Financing Ecosystems*

Furthermore, innovative financing ecosystems play a pivotal role in enhancing financial accessibility. This involves offering flexible financing options, government subsidy mechanisms, risk mitigation strategies, and inclusive loan qualifications. By customising mortgage products and incorporating sliding-scale interest rates alongside supportive documentation, the financial barriers to housing can be significantly reduced.

Particularly, it is imperative to prioritise access to adequate housing for marginalised populations. This can be accomplished through targeted policies that enhance land

accessibility, facilitate affordable housing finance options, and provide strategic subsidies. Additionally, establishing institutional frameworks to support housing payment assistance will further ensure equitable access and sustainability within the housing market.

3.7.4.7. *Holistic Human Rights Perspective*

At the heart of this discourse is a holistic human rights perspective that emphasises the dignity of living. Respect for individual autonomy, social inclusion, and cultural adequacy must guide housing policies. This approach acknowledges the psychological well-being of residents, integrating mental health considerations into housing design and community support mechanisms.

Property rights are foundational to economic stability and growth, serving as a critical determinant of investment behaviour and resource allocation. By granting individuals secure entitlement to their property, these rights incentivise investments across various sectors, including real estate, agriculture, and industry, thereby driving broader economic development. Furthermore, secure property rights are integral to fostering social justice; they provide legal recourse and protection against arbitrary expropriation, ensuring equitable treatment of property owners. This legal framework not only facilitates individual livelihoods but also underpins a robust market economy by enhancing trust in property transactions and promoting wealth accumulation.

The proposed framework advocates for a comprehensive approach to addressing the challenges within the affordable housing sector. By integrating technical, social, environmental, and economic dimensions, we can develop not merely functional housing but also supportive communities that significantly enhance residents' quality of life. The onus falls on policymakers, urban planners, and community leaders to adopt this multidimensional strategy, aiming to reshape affordable housing into a system that effectively meets the diverse needs of all stakeholders.

The future of affordable housing lies in creating adaptive, human-centric ecosystems that support individual growth, community development, and societal progress. By embracing a multidimensional framework that addresses financial, social, and environmental factors, we can cultivate an inclusive approach to housing that meets the needs of diverse populations, ensuring that everyone can experience the dignity of safe and affordable living conditions.

3.7.5. Key Factors for Defining Affordable Housing Concept

Based on the discussion above, affordable housing transcends traditional real estate paradigms. It represents a sophisticated, human-centred approach to residential solutions that simultaneously address economic, social, psychological, and environmental dimensions. This definition challenges us to reimagine housing not as a commodity but as a dynamic, nurturing ecosystem supporting individual and collective human potential.

Table 3.3: Key Factors for Defining the Concept of Affordable Housing

DIMENSION	CORE MEANING	PRACTICAL IMPLEMENTATION	TRANSFORMATIVE POTENTIAL
Economic Accessibility	Creating financial pathways for diverse income groups	• Sliding-scale financing mechanisms • Innovative mortgage products • Government-supported loan guarantees • Personalized financial assessment tools	• Breaking economic barriers • Democratizing housing opportunities
Social Equity	Preventing economic and spatial segregation	• Mixed-income neighborhood designs • Comprehensive community integration programme • Transparent housing allocation mechanisms • Addressing systemic economic disparities	• Reshaping social interactions • Supporting social mobility • Creating inclusive urban environments
Dignified Living Standards	Ensuring holistic quality of life beyond physical shelter	• Human-scale architectural design • Essential infrastructure access • Community support systems • Privacy preservation	• Respecting individual dignity • Supporting psychological well-being • Cultural sensitivity
Adaptive to Societal Needs	Flexible living solutions	• Modular architectural concepts • Multi-generational living configurations • Smart home technology compatibility • Scalable spatial arrangements	• Supporting life stage transitions • Technological integration • Future-proofing housing solutions
Technological and Sustainable Design	Innovative ecological ecosystem	• Green building technologies • IoT enabled home management	• Minimizing environmental footprint • Creating intelligent living spaces

DIMENSION	CORE MEANING	PRACTICAL IMPLEMENTATION	TRANSFORMATIVE POTENTIAL
		• Renewable energy solutions • Climate-resilient design	• Harmonizing human needs with ecological preservation
Long-term Financial and Social Value	Beyond immediate affordability	• Property appreciation potential • Community infrastructure development • Social capital generation • Economic opportunity creation	• Building generational wealth • Supporting community economic development • Creating sustainable investment mechanisms

The proposed definition represents a paradigm shift—from transactional housing models to holistic, adaptive residential solutions that respect human dignity, promote social equity, and create sustainable, resilient communities. The key philosophical underpinnings are:

- i. Housing as a fundamental human right
- ii. Holistic approach to residential solutions
- iii. Interconnection between individual and collective well-being
- iv. Sustainable, resilient community development

The concept of affordable housing encompasses far more than the provision of mere shelter; it serves as a crucial mechanism for social mobility, economic resilience, and the preservation of human dignity. By reimagining housing as an integrated ecosystem rather than a simple commodity, we can cultivate urban environments that are more inclusive and sustainable. This comprehensive perspective encourages the development of housing strategies that not only fulfil the essential need for shelter but also actively support individual and collective well-being. The proposed redefinition marks a significant shift in the discourse surrounding housing, viewing it not solely as a physical structure, but as a dynamic ecosystem that nurtures human potential, promotes social equity, and contributes to sustainable community development. By adopting this broader framework, we can create housing systems that are adaptable, equitable, and conducive to overall societal advancement.



CHAPTER FOUR

THE LEGAL FRAMEWORK OF AFFORDABLE HOUSING IN SELECTED COUNTRIES

4.1. INTRODUCTION

The previous chapter analysed the conceptual framework concerning the rights to access adequate and affordable housing. Every government has recognised its roles and responsibilities in providing adequate and affordable housing to specific target groups in line with human rights. To improve the existing framework for Malaysia's affordable housing programme, examining affordable housing frameworks in selected countries is essential. This discussion will focus on Australia (Victoria) and Singapore.

Victoria's demographics are similar to Malaysia's, as both regions are multiracial. However, the Victorian government has effectively regulated housing construction, provided information on affordable housing, and considered the role of local government in planning and dispute resolution. In contrast, Singapore is world-renowned for successfully providing affordable housing to nearly 91 percent of its citizens. Singapore's Urban Governance Policy has transformed its slums into a vibrant city.

To understand the external influences on developing an affordable housing framework, this chapter will utilise a PESTEL analysis³⁹⁶. PESTEL is an acronym that stands for Political, Economic, Social, Technological, Environmental, and Legal factors, all of which are essential for drafting policies, concepts, models, and frameworks. The analysis will focus on the following aspects:

Table 4.1: PESTEL Methodology

KEY FACTORS	DESCRIPTION
<i>Political</i>	These factors determine the extent to which a government can influence the economy or specific industries. The economic environment of the affordable housing market can be affected by various incentives aimed at achieving affordable housing objectives.

³⁹⁶ Nitank Rastogy and M.K Trivedi, "Pestle Technique – a Tool To Identify External Risks in Construction Projects", *International Research Journal of Engineering and Technology*, vol. 03, no. 01 (2016). PESTLE is a strategic planning tool used to evaluate the impact of political, economic, social, technological, legal and environmental factors might have on a project. It involves an organization considering the external environment before starting a project. It is a good way of ensuring one has captured all potential risks and issues.

	Political variables can also enhance the effectiveness of housing policies in delivering affordable schemes to the public.
<i>Economy</i>	Economic factors are key determinants of a country's performance, directly impacting the housing industry and household affordability. Rising housing prices can affect the ability of target groups to own homes, influence consumer purchasing power, and alter demand/supply dynamics in the housing market.
<i>Social</i>	Sociological factors significantly influence affordable housing, affecting the housing market and community. The government must weigh the benefits and drawbacks for residents in neighborhoods with new housing projects. Key considerations include cultural expectations, population dynamics, health awareness, career attitudes, and global warming, which all shape the social environment.
<i>Technology</i>	This factor relates to technological innovations that can positively or negatively affect the housing industry's operations and market dynamics. Awareness of technological developments—including automation, research, and development—is vital for providing housing solutions. Technological advancements can also influence housing prices within the market.
<i>Environmental</i>	Environmental factors encompass climate, weather, geographic location, global climate change, ecological compensation, land contamination, and nearby water sources, among others. These factors not only influence the surrounding environment but also impact housing market development in a country.
<i>Legal</i>	The legal aspect involves the regulations and frameworks governing housing industry developments, including jurisdiction, zoning, and planning. Various laws can affect the business environment, and stakeholders must adhere to certain policies. Legal analysis considers both external and internal factors, outlining strategies to achieve the national agenda in housing development.

Utilising PESTEL analysis will provide valuable insights into the frameworks of affordable housing models practiced by the selected countries.

4.2. AFFORDABLE HOUSING FRAMEWORK IN VICTORIA, AUSTRALIA

A Focus Group Discussion (FGD) took place in December 2019, involving representatives from the Australian Housing and Environmental Research Institute (AHURI), the Victoria Department of Health and Human Services (DHHS), and Consumer Affairs Victoria (CAV). The discussion focused on the development of the affordable housing sector in Victoria.

Housing affordability has been a key issue in Australian economic and social policy since the Second World War³⁹⁷. After 1966, rising house prices, driven by household growth,

³⁹⁷ Patrick Troy, *Accommodating Australians: Commonwealth Government Involvement in Housing* (Sydney: The Federation Press, 2012). The book discusses how the Commonwealth initiative led states to adopt urban planning processes that, owing to the State's departure from historic approaches to providing urban infrastructure services,

low-interest credit, resource availability, and significant immigration, began to outpace housing development³⁹⁸.

An AHURI representative noted that Australia faces challenges such as declining homeownership rates, increased household debt, and pressure on the private rental sector due to rising prices. Recently, a speculative housing boom has worsened affordability crises in Sydney and Melbourne, converting many prospective homeowners into tenants³⁹⁹. In response, the Commonwealth Government has promoted high-rise apartments to enhance both homeownership and rental options.⁴⁰⁰

4.2.1. Three Tiers of Government

Australia's Federation comprises three tiers of government: federal, state, and local. It includes six states—New South Wales, Queensland, South Australia, Tasmania, Victoria, and Western Australia—and three self-governing territories: the Australian Capital Territory, Jervis Bay Territory, and Northern Territory. The democratic structure operates on principles similar to the parliamentary system, with defined roles for federal and state governments in policy making, funding, service delivery, and regulation.

Table 4.2: Responsibilities and Roles of Commonwealth Government, States and Territories⁴⁰¹

helped fuel a massive rise in housing prices. It explores how the Australian government's response during WWII's worst years when it took stock of the situation facing people's housing and how it developed a post-war housing program to improve their accommodation.

³⁹⁸ Luc Borrowman, Gennadi Kazakevitch, and Lionel Frost, "What Types of Australian Households are in Housing Affordability Stress?", *Economic Papers*, vol. 34 (2015). The research was conducted based on the model measures the link between education and residual income and the outcome implies no value for households or society in post-school, non-university education. In this article, a residual approach is used to measure house affordability stress based on the level of disposable incomes after housing costs were met compared to a budget standard. It urges that further research into the relationship between homeownership, rental, and the different areas and features of households that assess affordability problems will indeed assist governments design appropriate policies.

³⁹⁹ All FGD representatives agreed that Australia's biggest problems and challenges in their jurisdiction are homelessness, specifically in captivity cities. Homelessness is on the increase due to high rental costs and a lack of affordable private rental housing. As such, the Australian government is fixing a rise in affordable rental housing. The statistics reported by AHURI show that an estimated 47% of people are homeless in 2016, compared with 41% in 2011.

⁴⁰⁰ Bob Birrell and David McCloskey, *Sydney and Melbourne's Housing Affordability Crisis Report Two: No End in Sight* (Melbourne: The Australian Population Research Institute, 2016). This report highlights the housing affordability crisis in Sydney and Melbourne, illustrating that current government policies are ineffective. The increase of high-rise apartments fails to meet the demand for family-friendly accommodation, and the expectation that rezoning would resolve the issue has not materialized.

⁴⁰¹ Commonwealth government in Australia means Federal Government, followed by State Government. Local government is Territories. Australian three-tier government ends here. States and Territories regulate and provide services, as seen in the table 4.2. All levels of government shared policy and financing responsibilities.

	States Territories	and Commonwealth Government	
<i>Policy</i>	Shared lead	Shared lead	Overlapping is high
<i>Funding</i>	Shared lead	Shared lead	
<i>Services Delivery</i>	Lead	Secondary	Overlapping is low
<i>Regulation</i>	Lead	Secondary	

In Australia, Queen Elizabeth II serves as the head of state⁴⁰², but her powers are delegated to the Governor-General, who carries out the functions associated with that role. The Queen's sole constitutional responsibility is to appoint the Governor-General based on the advice of the Australian Prime Minister. The structure of the Australian government is rooted in the British Westminster system, which differentiates the ceremonial position of the Head of State from the executive powers held by the Head of Government, the Prime Minister. Although there is overlap between government and parliament, the Constitution clearly defines them as separate entities, with the Executive responsible for policy-setting and law enforcement, while Parliament is tasked with approving revenue and expenditure⁴⁰³.

Victoria's Parliament consists of the Crown, the Legislative Council, and the Legislative Assembly. The Crown signifies the Queen. In Victoria, the Governor represents the Queen. The Governor of Victoria serves the Crown⁴⁰⁴ and is the parliament's third arm. Often, the Legislative Council is referred to as the upper House and the National Assembly as the lower House. The Victorian Parliament is the parliamentary system which draws up legislation for the State of Victoria. The government consists of the largest faction in the

⁴⁰² Parliament of Australia, "Infosheet 20 - The Australian system of government – Parliament of Australia", Parliament of Australia, <<https://www.aph.gov.au/infosheets/20>> (accessed 5 January, 2021). A monarchy is a nation where the head of state is hereditary. A constitutional monarchy limits the monarch's powers through law, often based on elected government advice. Queen Elizabeth serves as the Queen of the UK and other former British Empire countries, with her role as Queen of Australia differing significantly from her UK position.

⁴⁰³ Parliament of Australia, "Infosheet 19 - The House, government and opposition – Parliament of Australia", Parliament of Australia, <<https://www.aph.gov.au/infosheets/19>> (accessed 5 January, 2021). This aspect of state administration is comparable to the situation in Malaysia. The convergence in membership between Parliament and the executive facilitates decision-making at the federal level.

⁴⁰⁴ Parliament of Victoria, "Parliament of Victoria - Governor", Parliament of Victoria, <<https://www.parliament.vic.gov.au/about/people-in-parliament/governor>> (accessed 5 January, 2021). The Governor, appointed by the Queen on the Prime Minister's advice, represents the Queen in Victoria. They perform key functions such as appointing the Prime Minister and Ministers, opening Parliament, granting Royal Assent to Acts, and proclaiming the operative dates for Acts. Additionally, the Governor can dissolve Parliament and call an election following a vote of no confidence.

National Assembly.⁴⁰⁵ The leader of this party becomes Victoria's Premier.⁴⁰⁶ In accordance with the custom of Westminster, the party with the support of the majority of the Lower House members has the right to form a government.⁴⁰⁷ The government would then be accountable to Parliament. This is called a 'responsible government' because the government is accountable to Parliament and must present its policies to parliamentary scrutiny.

The Victorian government recognises the importance of providing healthy and affordable living conditions for all residents. The affordable housing crisis is attributed to several factors, including the declining buying power of families in both the rental and purchasing markets. As rents and house prices have risen sharply, household incomes, particularly for rental households, have not kept pace. An AHURI representative has indicated that more than 142,685 private rental households in Victoria are experiencing significant stress. Moreover, Victoria has the lowest proportion of social housing in Australia and is struggling to keep up with population growth. It is estimated that between 75,000 and 100,000 vulnerable low and middle-income households are lacking suitable housing. The 2016 Infrastructure Victoria Strategy⁴⁰⁸ aims to expand housing options to meet the increasing demand for social and affordable housing for these communities.

The Victorian Government recognised that the increasing housing supply alone won't make housing more affordable or meet demand, especially for low-income households.⁴⁰⁹ To address these challenges, the government has launched the Homes for Victorians initiative⁴¹⁰,

⁴⁰⁵ Parliament of Victoria, "Parliament of Victoria - The Parliamentary System", Parliament of Victoria, <<https://www.parliament.vic.gov.au/about/the-parliamentary-system>> (accessed 5 January, 2021). In Victoria, the Parliament consists of two houses: the Legislative Council (Upper House) and the Legislative Assembly (Lower House). The terms 'House', 'Chamber', and 'legislature' are used interchangeably to refer to either house.

⁴⁰⁶ Parliament of Victoria, "Parliament of Victoria - Premier of Victoria", Parliament of Victoria, <<https://www.parliament.vic.gov.au/about/people-in-parliament/premier-of-victoria>> (accessed 5 January, 2021). Elections normally take place every four years on the last Saturday in November in Victoria.

⁴⁰⁷ Parliament of Victoria, "Parliament of Victoria - Political Parties", Parliament of Victoria, <<https://www.parliament.vic.gov.au/about/the-parliamentary-system/parties-aamp-factions>> (accessed 5 January, 2021). A political party is a group of citizens united by political ideology to support members' election to parliament. In Victoria, parties need a constitution, at least 500 enrolled voters, and registration with the Victorian Electoral Commission, as outlined in the Electoral Act 2002. A legislative party consists of representatives from the same political party.

⁴⁰⁸ Infrastructure Victoria, *Victoria's 30-Year Infrastructure Strategy* (Melbourne: Infrastructure Victoria, 2016).

⁴⁰⁹ Faculty of Architecture, Building and Planning, *Affordable Housing for All: Towards an Integrated Affordable Housing Strategy for Victoria* (Melbourne: University of Melbourne, 2016). The report concluded that cities are growing rapidly, offering significant potential for local economies. Communities need affordable housing, presenting a global challenge. Effective housing markets are essential for business and job growth, requiring collaboration between state, private, and non-profit sectors to address both supply and demand issues.

⁴¹⁰ DHHS's representative emphasised the Homes for Victorians scheme, which offers affordable housing packages to create a sustainable and accessible environment. The government has built thousands of foreclosed houses for low-income residents and expanded housing aid options for municipalities beyond just public housing subsidies. To assist Victorians with rising property prices, various housing initiatives have been introduced.

investing over AUD58 million over the next five years.⁴¹¹ This strategy aims to boost housing availability in line with demand, enhance affordability, and improve social housing through accelerated planning. Additionally, revisions to Plan Melbourne⁴¹² will focus on providing a greater variety of housing in locations connected to employment and amenities.

Several key political factors emerged that can either support or hinder affordable housing development in Victoria are:

- i. **Government System Structure and Coordination**
Australia's federal constitutional monarchy features multiple government tiers—federal, state, and local—that share authority. This complexity, involving various housing agencies, can hinder policy implementation. Therefore, improving intergovernmental and cross-agency collaboration is vital for effective housing strategy delivery.⁴¹³
- ii. **Ideology and Prioritisation of Ruling Political Parties**
Research indicates that the political ideology of governing parties influences the prioritisation of social welfare issues, such as affordable housing.⁴¹⁴ Progressive left parties typically advocate for more ambitious housing policies compared to conservative right parties. Frequent elections in Australia can lead to shifts in housing policy consistency.
- iii. **Power and Stability of Government**
Australia's parliamentary system frequently undergoes shifts in ruling parties, coalition governments, and leadership changes.⁴¹⁵ This instability can impede effective policy follow-through. Sustainable affordable housing

⁴¹¹ Water & Planning Environment, Land, "Housing Strategy Planning Initiatives", Vitoria State Government, <<https://www.planning.vic.gov.au/policy-and-strategy/housing-strategy>> (accessed 5 January, 2021).

⁴¹² Department of Infrastructure, "Melbourne 2030", *Victoria*, (2002). Melbourne 2030 aims for balanced global development, projecting a population increase of up to 1 million over the next 30 years. It seeks to enhance Melbourne's reputation as one of the world's most liveable and prosperous regions for citizens, businesses, and tourists.

⁴¹³ Michael Perusco, "Investing In Public Housing Will Help The Homeless And The Economy", *The Age*, <<https://www.theage.com.au/politics/victoria/investing-in-public-housing-will-help-the-homeless-and-the-economy-20201119-p56g3p.html>> (accessed 5 January, 2021).

⁴¹⁴ Dale Steinhardt, Karen Manley, and Wendy Miller, "Reshaping Housing – The Role of Prefabricated Systems", *Queensland University of Technology*, (2013).

⁴¹⁵ Marian Sawyer, Norman Abjorensen, and Philip Larkin, *Australia: The State of Democracy*, (Annandale, NSW: Federation Press, 1st edn., 2009). Australia, one of the oldest democracies, has been assessed since 2002 through the Democratic Audit of Australia, using international indicators. Findings indicate that Australia struggles with regulating private election funding, controlling partisan use of government resources, and ensuring transparency. The State of Democracy provides crucial insights for political reform in Australia..

initiatives, including zoning reforms and long-term capital investments, require a durable commitment from political leaders.

iv. Intergovernmental Coordination

Housing policy demands strong coordination among federal, state, and local entities to achieve optimal outcomes. It is crucial to establish effective partnerships and mechanisms to tackle issues such as housing development funding and incentives⁴¹⁶.

v. Public Opinion and Social Attitudes

If affordable housing developments lack public/community support due to negative perceptions or NIMBYism⁴¹⁷, it can be difficult for politicians to back these projects. Fostering local public buy-in and educating on housing needs can shift opinion over time.

Achieving affordable housing expansion in Victoria is a multifaceted process that is heavily influenced by political factors. These include the type of government system, political ideologies, stability and power dynamics between parties, intergovernmental coordination, and public opinion. To make meaningful progress, it is crucial to establish a supportive alignment across all of these factors. The complexities of government structure, differences in partisan beliefs, political stability, intergovernmental coordination, and public receptiveness all play a critical role in shaping the policy landscape for affordable housing expansion in Victoria, Australia. However, implementing purposeful reforms that streamline governance, cultivate bureaucratic partnerships, encourage civic engagement, and foster cross-partisan visions can overcome these challenges and create positive change in this important area.

⁴¹⁶ Faculty of Architecture, *Affordable Housing for All: Towards an Integrated Affordable Housing Strategy for Victoria*.

⁴¹⁷ Michael Dear, "Understanding and overcoming the NIMBY syndrome", *Journal of the American Planning Association*, vol. 58, no. 3 (1992): 288–300; Timothy A. Gibson, "NIMBY and the Civic Good", *City & Community*, vol. 4, no. 4 (2005): 381–401; Maarten Wolsink, "Invalid Theory Impedes Our Understanding: A Critique on the Persistence of the Language of NIMBY", *Transactions of the Institute of British Geographers*, vol. 31, no. New Series (2006): 1–5; Lois M. Takahashi, "Controversial Facility Siting In The Urban Environment: Resident and Planner Perceptions in the United States", *Environment and Behavior*, vol. 30, no. 2 (1998): 184–215. NIMBY stands for "Not In My Back Yard" and refers to residents opposing new development projects, like affordable housing, in their area, even if they support them overall. This phenomenon, known as NIMBYism, often leads to locals protecting their interests by pushing such projects into other neighborhoods, creating a barrier to equitable and sustainable community development.

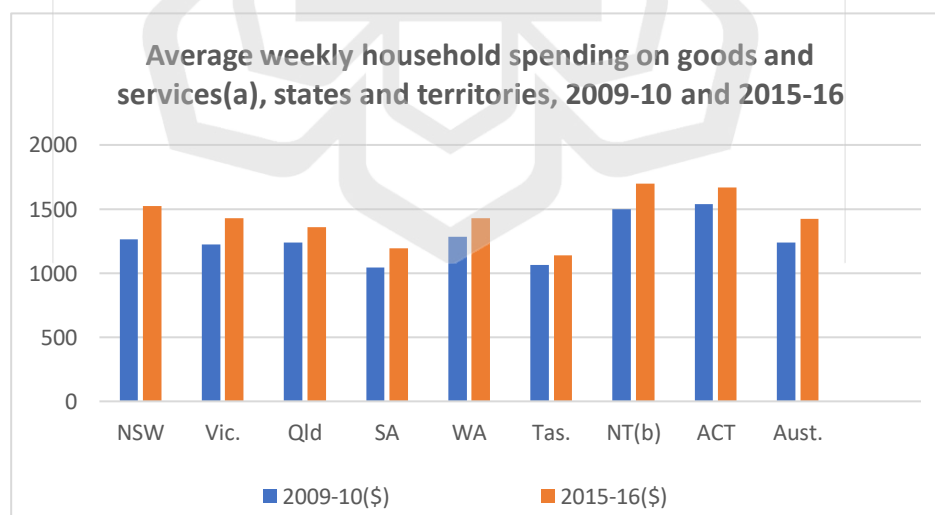
4.2.2. Second Largest Economy Market

In Australia, Victoria is the second largest country, accounting at over 23 percent of the overall market. The proportion of the national economy and Gross State Product (GSP)⁴¹⁸ by state and region is shown in Table 4.3 below:

Table 4.3: National Economy and Gross State Product (GSP)⁴¹⁹

STATE/TERRITORY	SHARE NATIONAL ECONOMY	OF	GSP (MILLION \$)	ANNUAL GROWTH RATE (PERCENTAGE)
NSW	32.97		557,861	2.87
VIC	23.58		399,009	3.33
QLD	18.24		308,009	1.77
WA	13.78		233,152	-2.68
SA	6.02		101,791	2.17
ACT	2.22		37,566	4.65
TAS	1.69		28,577	1.11
NT	1.50		25,427	3.95
Australia	100		1,692,092	1.96

Victoria's actual GSP in 2016-2017 amounted to US\$399 billion, which contributed to an increase of 3.3% more than other states. The following graph illustrated the household income expenditure for states in Australia:



⁴¹⁸ GSP is a general indicator of total economic development of the economy. It represents the monetary value of all finished goods and services produced in the state during the financial year. GSP varies from GDP (Gross Development Product) in calculating the economic output of the state, while GDP includes all economic activity in Australia.

⁴¹⁹ Department of Parliamentary Services, *Victorian Economic Snapshot 2016–2017* (Melbourne: Parliament of Victoria, 2018)

Figure 4.1: Victorian Weekly Household Spending⁴²⁰

Victorian household spending on goods and services increased by 15% between 2009-10 and 2015-16, going from an average of \$1,225 per week to \$1,429. While in terms of housing cost expenditure, relatively percentage change from the year 2009/10 to 2015/16 estimated at 25.1% as illustrated in the graph below:

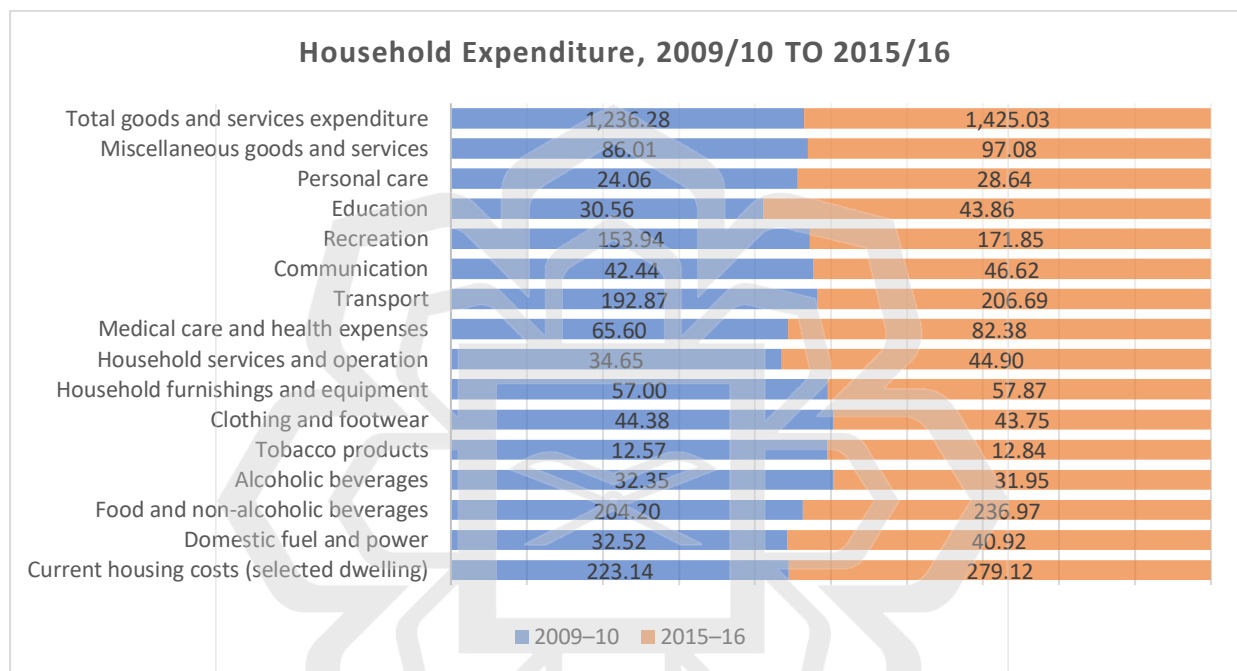


Figure 4.2: Victorian Household Expenditure 2009 - 2016⁴²¹

The government viewed housing as a crucial aspect of household consumption, essential for providing adequate shelter for Victorians. In November 2020, the government proposed a budget of \$5.3 billion to construct over 12,000 homes in Victoria. This plan includes the building of 8,200 new social housing units and the reconstruction of 1,100 existing public

⁴²⁰ Australian Bureau of Statistics, "Household Expenditure Survey, Australia: Summary of Results, 2015-16 Financial Year", Australian Bureau of Statistics, <<https://www.abs.gov.au/statistics/economy/finance/household-expenditure-survey-australia-summary-results/latest-release>> (accessed 7 January, 2021).

⁴²¹ Ibid.

housing units.⁴²² The remaining budget will subsidise affordable housing to create jobs, boost the economy, and improve lives.

In addition, the government has allocated budgets for affordable housing and implemented systems to assist Victorians in homeownership and renting. Since 2012, Melbourne's median house prices have risen over 40%. From 2005 to 2015, median prices in regional Victoria increased by 49%, from \$206,000 to \$307,500, while other regions saw a 32% rise, from \$190,000 to \$251,000.⁴²³ Consequently, homeownership rates in Victoria fell from 76% in 1994 to 69% in 2014. More Victorians are renting than ever due to rising house prices, leading to falling ownership rates. According to AHURI data, rental rates have been escalating over the years.

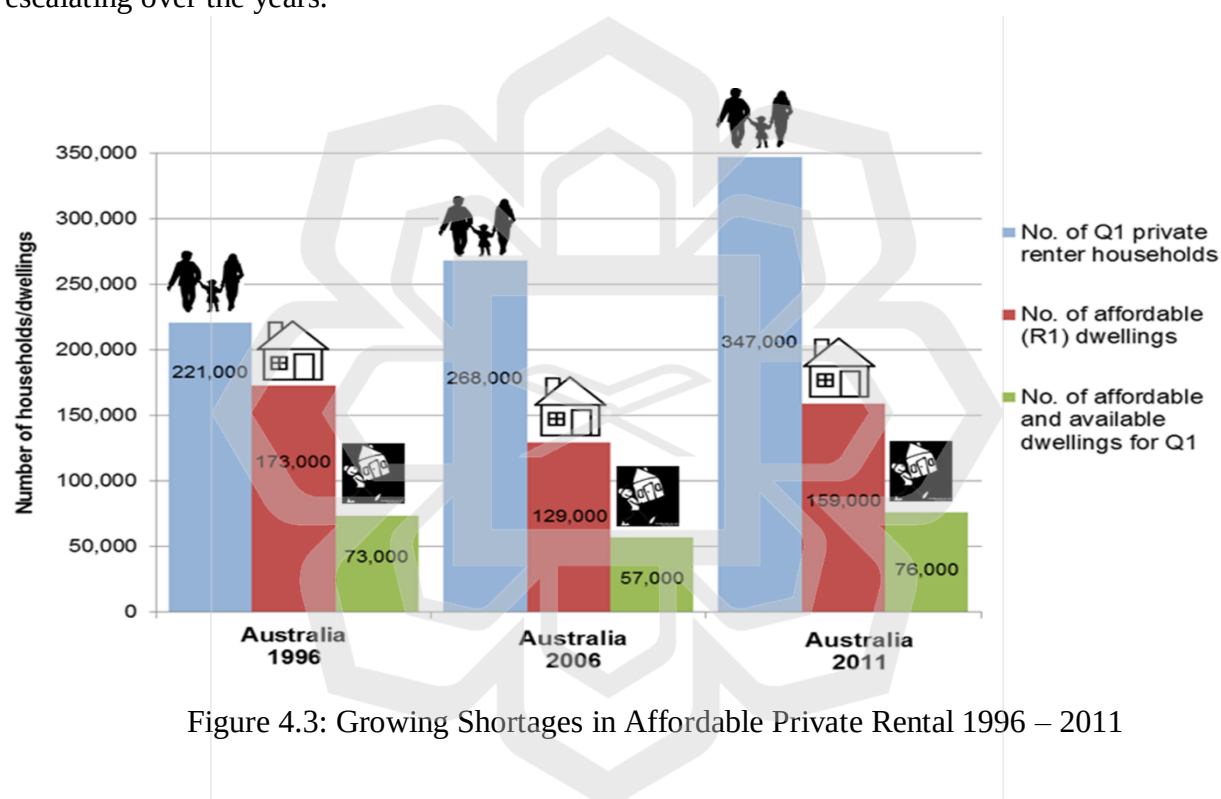


Figure 4.3: Growing Shortages in Affordable Private Rental 1996 – 2011

Renting appeals to some for its flexibility, while others rent as a means of saving for a home deposit.⁴²⁴ For many, however, renting remains their only option. In response, the government has implemented several reforms to assist first-home buyers and tenants seeking

⁴²² Michael Perusco, Investing In Public Housing Will Help The Homeless And The Economy. The DHHS representative noted that the government has invested over \$2.7 billion in social housing and homelessness since the Royal Commission into Family Violence. This includes \$1 billion for a social housing growth fund, \$1.1 billion for sector support, \$152 million for the Family Violence Housing Blitz, and funds for various programs totalling millions. He emphasised the government's responsibility to invest significantly in affordable housing.

⁴²³ Victorian Government, "Our plan to help first home buyers", Victorian Government, <<https://www.vic.gov.au/our-plan-help-first-home-buyers>> (accessed 5 January, 2021).

⁴²⁴ Victorian Government, "Renting in Victoria", Victorian Government.

affordable public-sector housing. Below is a summary of the financial schemes available in Victoria:

Table 4.4: Summary of Applicable Financial Schemes in Victoria

NO.	SCHEMES/INITIATIVES	ELIGIBILITY
a.	For first-home buyers, stamp duty is removed for homes costing \$600,000 or less. For homes priced between \$600,000 and \$750,000, a reduced stamp duty applies.	First Home Buyers
b.	Stamp Duty Concession for Off-The-Plan (OTP) 425 Purchases. When a buyer purchases an OTP, they only pay stamp duty on the land value of the property. The stamp duty is based on the higher of the property's price or market value. If the OTP concession applies, the dutiable value is the contract price minus any building or refurbishment costs incurred after the contract date, which lowers the stamp duty. If the contract price is less than the market value, the concession does not apply, and stamp duty is assessed based on the property's value at contract entry.	First Home Buyers Home Buyers of principal place residence off-the-plan concession purchases or known as PPR OTP.
c.	HomesVic Shared Equity Scheme 426 HomesVic represents a recently initiated shared equity system designed to assist first-time homebuyers who are financially qualified for a mortgage but require support in accumulating a sufficient deposit. This programme offers eligible borrowers a 5 percent deposit through personal funds, thereby facilitating access to a home loan by augmenting the deposit with an additional contribution—up to 25 percent of the property's value—from the government through participating financial institutions. Upon the sale of the property, HomesVic claims a proportional share of any capital gain, which is subsequently	First Home Buyers to buy a home and requires for a home loan with a deposit of 5% or more.

⁴²⁵ State Revenue Office, "Off-the-plan Duty Concession", Government of Victoria, <<https://www.sro.vic.gov.au/offtheplan>> (accessed 5 January, 2021). 'Buying off-the-plan' refers to buying a property before any building's works have started or have finished. It can apply to contracts for land and building packages, lots in vertical developments (such as residential towers), lots in horizontal developments (such as low-rise apartments and unit complexes) and refurbished lots.

⁴²⁶ Victorian Government, "HomesVic Shared Equity Initiative", Victorian Government, <<https://www.vic.gov.au/homesvic-shared-equity-initiative>> (accessed 5 January, 2021). The scheme only available up to 400 households. Until to date, 250 homes have been purchased and others are making strides in achieving their dream of homeownership on the basis of this scheme.

NO.	SCHEMES/INITIATIVES	ELIGIBILITY
	reinvested into the housing sector. The proportional benefit rate, which is the financial obligation of the participant to exit the HomesVic programme, encompasses the programme provider's share, the appraised property value determined by Valuer General Victoria, and any adjustments reflecting enhancements made to the property. Furthermore, it is imperative that participants acquire properties that meet specified criteria in approved locations.	
d.	First Home Owner Grant (FHOG)⁴²⁷ Homeowners may qualify for a First Home Owner Grant (FHOG) when purchasing or building a new home valued up to \$750,000. In metropolitan Victoria, the grant is \$20,000, while it's \$10,000 outside this area. Buyers also benefit from a stamp duty exemption of up to 50% for residential properties valued at \$1 million or less, regardless of their intended use. To apply for the FHOG, the home must be new—not a sub-sale. Eligible properties include (1) a newly built residential property, (2) the first sale of a converted property, or (3) a new self-built home.	First Home Owner and must inhabit the home as their primary residence at minimum 12 months, starting from the date of settlement or construction completed.
e.	Buy Assist Shared Equity Scheme⁴²⁸ Buy Assist is a community initiative that helps low to medium-income individuals and families purchase homes, similar to the HomesVic Scheme. It operates in the private sector through partnerships and is funded by various social impact donors with their own eligibility criteria. Buy Assist offers equity assistance without requiring a deposit. It evaluates buyers' serviceability, connects them with qualified lenders (up to 80% loan margin), and helps them find suitable properties.	Low and Middle-income Earner buying the property as principal place of residence.

⁴²⁷ State Revenue Office, "First Home Owner", Victorian Government, <<https://www.sro.vic.gov.au/first-home-owner#fhog>> (accessed 5 January, 2021); State Revenue Office, "Differences between common duty exemptions and concessions and the first home owner grant", Victorian Government, <<https://www.sro.vic.gov.au/buyer-grants-concessions>> (accessed 5 January, 2021); State Revenue Office, "Applying for the First Home Owner Grant", Victorian Government, <<https://www.sro.vic.gov.au/fhogapply>> (accessed 5 January, 2021).

⁴²⁸ Victorian Government, "Buy Assist Shared Equity Scheme", Victorian Government, <<https://www.vic.gov.au/buy-assist-shared-equity-scheme>> (accessed 6 January, 2021); BuyAssist Australia, "Homebuyers", BuyAssist Australia, <<https://buyassistaustralia.com.au/homebuyers/>> (accessed 6 January, 2021).

NO.	SCHEMES/INITIATIVES	ELIGIBILITY																																	
f.	National Rental Affordability Scheme (NRAS) 429 To enhance affordable rental housing, attract private investment, and lower rents for low-to-moderate income earners, the government launched the National Rental Affordability Scheme (NRAS) in 2008. NRAS, supported by federal and state funding, is governed by the National Rental Affordability Act 2008. This programme facilitates collaboration between federal, state, and local authorities to promote affordable rental housing for eligible individuals. The properties are privately owned and operated by non-governmental organizations.	The eligible income qualified for this scheme as tabled below 430: <table><tr><th>Household Composition</th><th>Initial household income limit (\$)</th><th>Existing tenant income limit (\$)</th></tr><tr><td>One adult</td><td>50,489</td><td>63,112</td></tr><tr><td>Two adults</td><td>69,804</td><td>87,255</td></tr><tr><td>Three adults</td><td>89,119</td><td>111,399</td></tr><tr><td>Four adults</td><td>108,434</td><td>135,543</td></tr><tr><td>Sole parent with one child</td><td>69,852</td><td>87,315</td></tr><tr><td>Sole parent with two children</td><td>86,600</td><td>108,250</td></tr><tr><td>Sole parent with three children</td><td>103,348</td><td>129,185</td></tr><tr><td>Couple with one child</td><td>86,552</td><td>108,109</td></tr><tr><td>Couple with two children</td><td>103,300</td><td>129,125</td></tr><tr><td>Couple with three children</td><td>120,048</td><td>150,060</td></tr></table>	Household Composition	Initial household income limit (\$)	Existing tenant income limit (\$)	One adult	50,489	63,112	Two adults	69,804	87,255	Three adults	89,119	111,399	Four adults	108,434	135,543	Sole parent with one child	69,852	87,315	Sole parent with two children	86,600	108,250	Sole parent with three children	103,348	129,185	Couple with one child	86,552	108,109	Couple with two children	103,300	129,125	Couple with three children	120,048	150,060
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g.	Rent Assistance Bond Loan 431 In Victoria, landlords typically require a bond before renting privately. Interest-free loans for bonds are available only to eligible individuals. As of 1st October 2020, bond loan assistance amounts vary based on the property size. <table><tr><th>PROPERTY'S TYPE</th><th>MAXIMUM BOND ASSISTANCE</th></tr><tr><td>Bedding or 1 dormitory</td><td>\$1,650</td></tr><tr><td>Two bedrooms</td><td>\$2,000</td></tr></table>	PROPERTY'S TYPE	MAXIMUM BOND ASSISTANCE	Bedding or 1 dormitory	\$1,650	Two bedrooms	\$2,000	Applicant's income and assets must be within the income (weekly) and assets limits as follows 432: <table><tr><th>HOUSEHOLD TYPE</th><th>WEEKLY AMOUNT</th></tr><tr><td>Single person</td><td>\$586</td></tr><tr><td>Couple</td><td>\$1,013</td></tr><tr><td>Family (one or two parents) with one dependent child</td><td>\$1,050</td></tr></table>	HOUSEHOLD TYPE	WEEKLY AMOUNT	Single person	\$586	Couple	\$1,013	Family (one or two parents) with one dependent child	\$1,050																			
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⁴²⁹ National Rental Affordability Scheme Victorian, "NRAS Approved Participant | Haven; Home Safe", National Rental Affordability Scheme Victorian, <<https://www.nrasvic.com.au/nras/>> (accessed 6 January, 2021).

⁴³⁰ National Rental Affordability Scheme Victorian, "Tenant Information", (2020). The brochure contains details on qualifying for NRAS program. If the current resident's household income exceeds the threshold (e.g. \$63,112 for one adult), the tenant ceases to be a qualified tenant. The tenancy is therefore inconsistent with the NRAS rules and the tenancy may be revoked.

⁴³¹ Housing.vic.gov.au, "RentAssist Bond Loan", Victorian Government, <<https://www.housing.vic.gov.au/rentassist-bond-loan>> (accessed 6 January, 2021). A bond is a security deposit for potential damage to a property, held by the Residential Tenancies Bond Authority. It is fully returned at the end of tenancy unless the landlord claims for damages or unpaid rent.

⁴³² Housing.vic.gov.au, "RentAssist Bond Loan Income and Asset Limits", Victorian Government, <<https://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits>> (accessed 6 January, 2021).

NO.	SCHEMES/INITIATIVES	ELIGIBILITY
	Three bedrooms \$2200	Family (one or two parents) with two dependent children \$1,087
	Four or more bedrooms \$2,000	Family (one or two parents) with three dependent children \$1,121 + \$37 for each extra child
		The asset limit is up to \$13,378.
h.	Commonwealth Rent Assistance ⁴³³ Financial assistance for eligible individuals receiving a Centrelink allowance who pay rent and are not public renters, added to their pension or income through Centrelink.	Pensioners, accept reimbursement from the Centrelink or receive more than the basic family tax gain rate.

The financial schemes mentioned have enabled Victorians to achieve affordable housing, whether through ownership or renting. Collaboration between private organizations and government programme has enhanced the provision of sufficient shelter. However, housing affordability remains a significant economic and social issue in Victoria, with rising housing costs and stagnant household incomes resulting in declining homeownership rates over the past 25 years.⁴³⁴ This situation has increased housing stress and homelessness, posing a challenge for policymakers. A systematic PESTEL analysis explored the key economic factors influencing Victoria's affordable housing landscape such as follows:

- i. **Housing Prices and Affordability Trends:** Median housing prices in Melbourne have surged over 40 percent in the last decade, markedly outpacing income growth⁴³⁵. This dynamic of significant house price inflation against slower-rising household incomes has severely hampered housing affordability for median-income families and low-income groups. Declining affordability has contributed to Victoria's homeownership rate falling from 76 percent of households in 1994 to 69 percent in 2014.⁴³⁶ Greater pressures in the home buyer market have consequentially increased

⁴³³ Housing.vic.gov.au, "Commonwealth Rent Assistance", Victorian Government, <<https://www.housing.vic.gov.au/commonwealth-rent-assistance>> (accessed 6 January, 2021).

⁴³⁴ Hal Pawson, Cameron Parsell, Edgar Liu, Chris Hartley, and Sian Thompson, *Australian Homelessness Monitor 2020* (Melbourne: Launch Housing, 2020). During the mid-2010s, street homelessness rose significantly, prompting state and territory governments to prioritise the issue. The COVID-19 pandemic led to temporary shelter initiatives, but few individuals accessed permanent housing. Despite their role in the rise of homelessness, Australian governments have downplayed the shortcomings of the housing system and the need for increased action and investment.

⁴³⁵ Victorian Government, Our plan to help first home buyers.

⁴³⁶ Ibid.

demand in the rental sector, evidenced by Victoria's rental affordability ratio rising from 18 percent in 1996 to 28 percent in 2011.⁴³⁷

- ii. Construction Costs: Elevated costs for vital construction inputs including materials and skilled labour can deter private developers from delivering affordable housing aligned to government programme criteria⁴³⁸. With development feasibility hampered by significant construction expense pressures in recent years, containing build costs per affordable dwelling through review of compliance requirements warrants potential policy attention.
- iii. Economic Growth and Employment Conditions: Historically, periods of weaker economic performance and rising unemployment disproportionately increase affordable housing demand among vulnerable Victorian groups.⁴³⁹ The shock of the Covid-19 induced recession from early 2020 for example, generated higher transitional housing needs, particularly among lower-income renters.⁴⁴⁰ While the subsequent strong economic rebound has relieved immediate pressures, maintaining wider housing affordability remains contingent on sustaining income and job growth across Victoria.
- iv. Interest Rates: Lower interest rates have a dual impact on housing affordability. In the short run, reduced interest rates make mortgage repayments more affordable by decreasing the cost of home loans. This can assist more first-home buyers to enter the market as lower repayments enable larger loans to be serviced based on a given income.⁴⁴¹ However, sustained low-interest rates also stimulate housing demand more broadly by making loans cheaper for both owner-occupiers and investors. As interest rates fall, buying a property becomes more appealing relative to renting or other investments. This drives up competition amongst home buyers and triggers steady house price inflation over a number of years.

⁴³⁷ Kate Raynor, Igor Dosen, and Caley Otter, *Housing Affordability in Victoria*, Parliamentary Library Research Service (Melbourne: Parliament of Victoria, 2017)

⁴³⁸ Michael Perusco, Investing In Public Housing Will Help The Homeless And The Economy.

⁴³⁹ Pawson, Parsell, Liu, Hartley, and Thompson, Australian Homelessness Monitor 2020.

⁴⁴⁰ Emma Baker and et al, *The Impact of the Pandemic on the Australian Rental Sector*, (Melbourne: AHURI, 2022).

⁴⁴¹ Nicole Gurrán and et al, *Urban Productivity and Affordable Rental Housing Supply in Australian Cities and Regions*, (Melbourne: AHURI, 2022).

- v. **Government Policy and Funding:** Government policy settings and direct funding commitments have a major impact on affordable housing supply through measures like stamp duty concessions, social housing budgets, rental assistance, land use planning, partnerships with community housing providers, etc.⁴⁴².

In a nutshell, the economic landscape in Victoria is greatly impacted by various dynamics such as the rapid appreciation of property values, high construction costs, and unpredictable macroeconomic conditions. These factors have a significant effect on the availability of affordable housing. As the population continues to grow, the pressure to address affordability concerns will intensify. Therefore, the state government must respond with well-informed policies and increased funding commitments over the long term.

4.2.3. Culturally Mixed Cities

As one of the most culturally mixed cities, Victoria is home to 5.93 million residents⁴⁴³, as well as Australia's most diverse and fastest-growing states. After 2011, the Victoria's population has grown by 10.7 percent compared to 8.8 percent for Australia as a whole. There were 28.4 percent of the population born in more than 200 countries, while at least 49.1 percent of one parent was born abroad. Just 26 percent of the population is non-English spoken. There were 59 percent of the total population who practiced more than one of the 130 separate religions in Victoria. Multicultural society has enticed migrants from other countries to reside in Victoria. This migratory population is also one of the reasons why the government wants to create more affordable housing.

Victorian government realized that many Victorians cannot afford to purchase a new home, with prices increasing significantly for many generations. Most Victorians struggle to enter the housing market or find housing that suits their needs. Seeking the best place to live is more than just the house itself, which is why the Victorian government strives to build houses where the Victorian wanted most and where good facilities like transportation, work and schools still exist. To make homeownership and long-term renting feasible for more Victorians, Victorian government is committed to ensuring more choices are open for people who choose

⁴⁴² Pawson and et al, Australian Homelessness Monitor 2020.

⁴⁴³ Victorian Government, "Discover Victoria's Diverse Population ", Victorian Government, <<https://www.vic.gov.au/discover-victorias-diverse-population#a-snapshot-of-our-diversity>> (accessed 27 January, 2021).

to purchase or rent. The aim is to create sensational communities with varied and sustainable housing, open environments and community services designed to match local needs⁴⁴⁴. The multi-pronged approach taken by the government to respond to social and affordable housing issues. The approach is illustrated in the figure below:

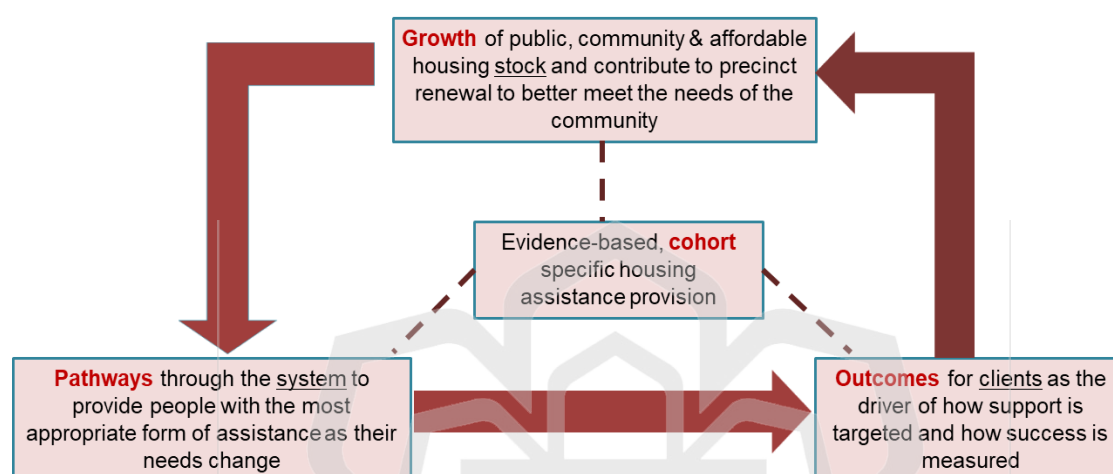


Figure 4.4 : Multi-pronged Action by the Victorian Government⁴⁴⁵

Besides the development initiatives to support community wellbeing, the government also provide assistance to ensure Victorians get the correct information and advice to access affordable housing. The table 4.5 below summarise the efforts by Victorian Government in advising the people relating housing matters:

Table 4.5: Victorian Government's Housing Advisory Initiatives⁴⁴⁶

NO.	AGENCY	FUNCTIONS
a.	Consumer Affairs Victoria	Consumer Affairs Victoria, part of the Justice and Civil Safety Department, serves as the consumer relations authority in Victoria. Its mission is to educate both businesses and consumers about their rights and responsibilities. They regulate laws, provide guidance on consumer and tenant issues,

⁴⁴⁴ Development Victoria, "Creating Affordable Communities", Development Victoria, <<https://www.development.vic.gov.au/about/creating-affordable-communities?page=overview>> (accessed 6 January, 2021).

⁴⁴⁵ A representative from DHHS stated that this method assists the government to respond to any arising housing issues and aid the needy.

⁴⁴⁶ Housing.vic.gov.au, "Get Home Ownership Advice", Department of Health and Human Services, <<https://www.housing.vic.gov.au/get-home-ownership-advice>> (accessed 6 January, 2020).

NO.	AGENCY	FUNCTIONS
		and resolve conflicts between parties. For housing, they offer information on costs, legal obligations, and private sales, along with tools like checklists and videos to aid understanding of the law.
b.	The Victorian Law Foundation's. ⁴⁴⁷	The Victorian Law Foundation is a non-profit organization supported by the Victorian Legal Services Board Public Purpose Fund, promoting legal study and education. Established under the 2009 Victoria Law Foundation Act, its key roles include enhancing justice through research, education, and grants. The foundation believes that continuing education helps the public understand the legal system and supports students and legal professionals. Their website features a section on housing, addressing topics like purchasing, renting, and neighboring disputes.
c.	Victoria Legal Aid ⁴⁴⁸	Victoria Legal Aid is an independent organization that assists financially or socially disadvantaged individuals with legal issues across Australia. It helps Victorians access appropriate legal services, prioritizing those who meet eligibility criteria based on the financial situation and the seriousness of their problems. They offer services like free legal advice, duty lawyers in courts, and legal information in multiple languages, covering areas such as criminal, family, and certain civil laws. In addition to community legal services, Victoria Legal Aid works on strategic disputes to influence policy changes and address broader legal issues.
d.	Victorian Civil and Administrative Tribunal ⁴⁴⁹	The Victorian Civil and Administrative Tribunal (VCAT) offers fair, efficient, and affordable justice to the Victorian community. They handle various cases, including disputes related to building, joint ventures, water, ownership corporations, and land valuations. VCAT staff and members cannot provide legal advice or favor one party, ensuring that everyone is treated fairly based on the facts and the law.
e.	Dispute Settlement Centre of Victoria. ⁴⁵⁰	Founded in 1987, the Dispute Settlement Centre of Victoria (DSCV) is a government programme providing alternative dispute resolution for community and civil disputes. Its goal is to empower the Victorian community to prevent and resolve conflicts, easing pressure on the judicial system. As part of the Victorian Department of Justice & Community Protection, DSCV offers free conflict settlement services, including state-wide group and civil mediation, as well as seminars and training for mediator accreditation to national standards.
f.	Family Relationship Online. ⁴⁵¹	This Australian government initiative helps resolve family disputes through advice and mediation. It offers services to

⁴⁴⁷ Victoria Law Foundation, "For the Community", Victoria Law Foundation, <<https://victorialawfoundation.org.au/>> (accessed 7 January, 2021).

⁴⁴⁸ Victoria Legal Aid, "What we do", Victoria Legal Aid, <<https://www.legalaid.vic.gov.au/about-us/what-we-do>> (accessed 7 January, 2021).

⁴⁴⁹ Victorian Civil & Administrative Tribunal, "What VCAT Does", VCAT, <<https://www.vcat.vic.gov.au/what-vcat-does>> (accessed 7 January, 2021).

⁴⁵⁰ Dispute Settlement Centre of Victoria, "About Us", Dispute Settlement Centre of Victoria, <<https://www.disputes.vic.gov.au/about-us>> (accessed 7 January, 2021).

⁴⁵¹ Family Relationship Online, "Helping Families Build Better Relationship", Family Relationship Online, <<https://www.familyrelationships.gov.au/home>> (accessed 7 January, 2021).

NO.	AGENCY	FUNCTIONS
		assist with arrangements for children after separation, as well as guidance on financial disputes and counseling.

The Victorian government has implemented a support system to enhance safety and inclusivity, focusing on diverse and affordable housing options. With a population of 5.93 million, Victoria is one of Australia's most diverse states, and the government aims to create sustainable communities that meet local needs.

Key agencies involved in this initiative include Consumer Affairs Victoria, the Victorian Law Foundation, Victoria Legal Aid, VCAT, the Dispute Settlement Centre of Victoria (DSCV), and Family Relationship Online. Each agency plays a role in regulating housing laws, promoting justice, offering legal aid, and facilitating dispute resolution, with an emphasis on community support. Several social factors affect affordable housing delivery, including:

- i. Cultural Diversity and Population Growth: 28.4% of residents are born overseas, highlighting the need for varied housing that caters to different cultural backgrounds.
- ii. Migration Trends: The influx of migrants increases housing demand, necessitating affordable options for newcomers.
- iii. Community Needs: Housing is viewed as part of community life, requiring access to essential services and transportation.
- iv. Family Dynamics: Agencies like Family Relationship Online address relationship issues, recognizing how family structures influence housing needs.
- v. Social Equity: Efforts to ensure all groups have access to suitable housing reflect a commitment to equity and inclusion.

In summary, affordable housing provision in Victoria is linked to cultural diversity, community needs, family structures, and a focus on social equity. Through collaboration among various agencies, the goal is to deliver sustainable housing and foster inclusive communities for all Victorians.

4.2.4. Home Improvement Industry

Victoria has experienced rapid changes and developments due to real estate and housing developments over the years. In terms of projects, several characteristics are essential – high-quality, affordable housing, close proximity to green space and sustainability⁴⁵². It was Victoria that was able to take advantage of the latest technologies to become a successful pioneer in the home improvement industry. Governments are also investing in the production of this new technology because it saves time for construction, improves designed buildings, saves costs and reduces design waste⁴⁵³.

Since Victoria is the centre of innovative prefabrication⁴⁵⁴ manufacturers with a proven ability to supply high-quality prefabricated buildings, resulting in rapid technological developments, prefabrication manufacturers are helping to effectively provide affordable and high-quality housing and other constructed structures. Strong emphasis on innovation and streamlining the supply chain generates significant opportunities for prefabricated manufacturers in the wider construction sector, particularly in the areas of design and engineering, project management, construction materials manufacturing and transport and logistics, provided by prefabricated manufacturers⁴⁵⁵. In contrast to traditional house construction methods, the greater use of prefabricated materials has been recognised as having a range of potential advantages in terms of productivity and reduced environmental impacts and understanding the existing influences on its adoption is therefore a significant undertaking⁴⁵⁶. The completion of Little Hero⁴⁵⁷ in 2010, for example, where the assembly

⁴⁵² Victoria, D., *Creating Affordable Communities*.

⁴⁵³ Invest Victoria, "Transport, Defence and Construction Technology", Invest Victoria, <<https://www.invest.vic.gov.au/opportunities/transport-defence-and-construction-technology/construction-technology>> (accessed 7 January, 2021); Studio Victoria, "Technology for Modular Design", Studio Victoria, <<https://www.studiovictorialimited.com/blog/technology-for-prefabrication-and-modular-design/>> (accessed 7 January, 2021).

⁴⁵⁴ Nick Bertram et al., *Modular Construction: From Projects to Products* (New York: McKinsey & Company, 2019). Prefabrication, or modular construction, is gaining significant interest and investment due to technological advancements and economic demands. If embraced, it could greatly enhance efficiency in the industry, address housing challenges, and transform modern construction methods. This approach involves creating homes or key housing components offsite in factories before on-site assembly.

⁴⁵⁵ Regions and Precincts Department of Jobs, "Prefabricated Construction in Victoria", (2019).

⁴⁵⁶ Steinhardt, Manley, and Miller, *Reshaping Housing – The Role of Prefabricated Systems*. The article reviews the literature on the challenges and drivers of prefabricated housing use. It finds that manufacturers face resistance to change due to business risks linked to process adaptations, which are particularly significant for smaller companies with fewer resources. The authors conclude that these risks hinder potential improvements in operating costs, efficiency, and quality from adopting new strategies.

⁴⁵⁷ Prefabmarket, "Melbourne, Australia Steel Container Apartments", Prefabmarket, <<http://www.prefabmarket.com/c/melbourne-australia-steel-container-apartments/>> (accessed 7 January, 2021). Little Hero is a retail and residential development in Melbourne's CBD, designed by Nonda Katsalidis. It features 63 units, including single and two-bedroom apartments and penthouses, situated above seven supermarkets, cafes, and restaurants. The 8-storey building, designed in 4 weeks and completed in 9 months using modular construction

process complied not only with all site requirements, but also decreased the construction period by more than six months compared to a tradition approach⁴⁵⁸.

The Australian Housing and Urban Research Institute (AHURI) highlights that advancements in housing technology and digital innovations present both new opportunities and challenges for the delivery of affordable housing. The report identifies four key areas of technological disruption: matching markets, big data, GIS mapping software, and blockchain. Additionally, it investigates the impact of Airbnb on the housing markets in Sydney and Melbourne, noting that short-term letting platforms may influence the equitable distribution of housing in the private rental sector. Despite concerns regarding private rentals, these matching markets offer significant untapped potential within the housing industry.⁴⁵⁹ The terminology of ‘disruption’ is now widely used to describe circumstances in which technology is driving drastic changes to traditional procedures, whether that of an industry, a market or a regulatory regime⁴⁶⁰. Therefore, it is important to further discuss a realistic viewpoint on how technology has changed housing markets and impacted housing assistance systems for housing policymakers and practitioners, as well as input on potential future innovations.

As such, a comprehensive understanding of these technological transformations is imperative for policymakers and stakeholders in the housing sector to effectively secure affordable housing in Victoria. Key considerations include:

- i. Innovation in Construction Technology: The utilization of prefabrication technology in Victoria underscores the importance of efficiency in housing development, which contributes to cost reduction and improved architectural designs.

with steel containers, cost AUD 27.4 million. This method reduced construction time by over 6 months, saving approximately AUD 4.2 million.

⁴⁵⁸ Satheeskumar Navaratnam and et al, "Performance Review of Prefabricated Building Systems and Future Research in Australia", *Buildings*, vol. 9, no. 2 (2019). The findings show that prefabricated building and construction systems have a high contribute to improving the Australian construction industry's efficiency and quality in a more sustainable sense.

⁴⁵⁹ Australian Housing and Urban Research Institute, *Policy Evidence Summary: How Technology is Reshaping the Housing Market* (Melbourne: AHURI, 2018). This report examined at emerging new disruptive innovations, explored their potential for reshaping housing markets and housing policy. Data are gathered provides information collection that can be used for decision-making in urban planning, utilities, housing market research, housing assistance and so on. The results indicate that short-term letting platform (Airbnb) gives current partakers the ability to further monetize their home resources while establishing new barriers for market entrants. Though not the only reason, Airbnb leads to the unequal existence of accommodation in Australia's largest cities. Similar results demonstrate that there is a need for thoughtful, insightful regulation of matching market platforms which focus on the nature and consequences of the economic activity, not only the technology.

⁴⁶⁰ Ibid.

- ii. Technological Disruption in Housing Markets: The emergence of these technologies necessitates adaptive strategies from stakeholders to address the evolving demands of the housing market.
- iii. Impact of Online Platforms: The prevalence of short-term letting platforms like Airbnb instigates significant changes in the housing market, presenting both challenges and new avenues for exploration.

In summary, technological advancements are positioned to transform the landscape of affordable housing delivery in Victoria. This evolution demands strategic flexibility and innovative policymaking to harness the benefits while addressing the associated challenges.

4.2.5. Sustainable Strategies and Eco-Friendly

Energy consumption is important when planning and building affordable housing strategies. Although emitting the same volume of carbon dioxide and greenhouse gas and generating the same amount of heat, moving from coal to natural gas will theoretically have a broad variety of environmental impacts. As such, the government is dedicated to the long-term reusability of goods that have significantly reduced surplus materials from industrial sources. It has a beneficial impact because it eliminates the waste generated by the traditional demolition of a building. Any construction framework with a successful demolition/decommissioning method will be more important, such that the elements would be reused in some structure or usage. In today's reality, prefabricated modular architecture is a modern and strongly classed technology process. This would serve as a highly sustainable building approach with main characteristics such as speed of construction, low environmental effects, ease of decommissioning and strong reusability⁴⁶¹.

In addition to the above, physical planning, including land supply management and review of building proposals, is of the utmost importance when addressing the development of affordable housing. A variety of housing projects relevant to land recognition and construction constraints on separate types of affordable housing may be reviewed before the end of the

⁴⁶¹ Tharaka Gunawardena and et al, "A Holistic Model for Designing and Optimising Sustainable Prefabricated Modular Buildings" in *International Conference on Sustainable Built Environment 2012*, (Kandy, Sri Lanka, 2012). This paper provides a model of modular architecture and a process for optimising a specific form of modular construction. Since it's fast, simple to install, and can be constructed in a rush, prefabricated modular frameworks are a good way to transform building methods. The holistic paradigm is a starting move to discovering the optimal approach to a given modular system, can be accomplished through use of methods such as backward elimination.

delivery to Victorian.⁴⁶² Integration of housing policy priorities with city councils and zoning is critical for sustainable economic development. Local authorities have a significant influence on the private housing market through their planning and building control decisions and are best situated to encourage a “whole of government” approach to housing outcomes.⁴⁶³

To enhance local involvement, various housing strategies have been developed, incorporating local demand, demographic trends, and planning processes. The Government of Victoria plays a vital role in identifying land and development controls for sustainable housing and providing low-cost housing stock. The housing strategy model effectively addresses local government goals related to low-income housing. However, the lack of specific indicators and targets hinders performance evaluation. Overall, Melbourne's metropolitan approach offers a significant opportunity for local government participation in housing planning.⁴⁶⁴ However, the inadequate funding and specialist oversight for local housing initiatives, community resistance to social housing, and a feeble statutory planning policy framework are amongst the challenges faced by Victoria.⁴⁶⁵

Towards addressing the housing crisis, policymakers have worked together to develop a “national-level” approach. The housing ministry would strengthen its local government aid package by growing the amount of local authority employees. This choice by Victoria is to realise the national housing strategy. In principle, local governments have major potential to influence community growth by their land use planning obligations. Their responsibilities are those of:

- i. Identifying strategic issues related to the growth or advancement of their regions in a meaningful and efficient manner;
- ii. Deciding where the future building projects can be built and oversees the building designs to maintain public protection;

⁴⁶² World Economic Forum, *Making Affordable Housing a Reality in Cities* (Geneva: World Economic Forum, 2019)

⁴⁶³ Nicole Gurran, *Housing Policy and Sustainable Urban Development : Evaluating the Use of Local Housing Strategies in Queensland , New South Wales and Victoria*, (Commonwealth of Australia, Australian Housing and Urban Research Institute (AHURI), 2003).

⁴⁶⁴ Raymond Bunker and Glen Searle, "Theory and Practice in Metropolitan Strategy: Situating Recent Australian Planning", *Urban Policy and Research*, (2009). The paper presented a discussion of theory, paradigm, principles, planning process, methodology, and ends with the form and content of the metropolitan strategy. The present strategies for metropolitan development in Australia have resulted in a hybrid strategy with conceptual and schematic statements about the long term. The Infrastructure Strategy provides the security that is expected to attract investment and makes the yearly revenue easier to execute in Australian cities.

⁴⁶⁵ Gurran, *Housing Policy and Sustainable Urban Development : Evaluating the Use of Local Housing Strategies in Queensland , New South Wales and Victoria*.

- iii. Measuring the effect of suburban construction on physical environment, and to determine the viability of emerging neighbourhoods;
- iv. Stipulating criteria to mitigate the construction effects on the community and neighbourhoods, including developer commitments to utilities, affordable housing;
- v. Ensuring that their strategies are implemented, and if necessary, may intervene to execute initiatives successfully; and
- vi. Ensuring that the housing strategy process complements the management's goals.

Municipal governments are required to prepare a “municipal strategic plan” detailing all their strategic growth, land use and growth priorities. When evaluating a development, officers must evaluate both legitimate and possible concerns and submissions and determine whether the development will have any major environmental impacts. In addition, there is a provision for councils to recognise “any significant social and economic effects of the use or development” and “any strategic plan, policy statement, code or guideline” that a public authority has developed, “if the circumstances appear to so require”.⁴⁶⁶ This rule grants discretionary authority to the councils.

Victoria is conducting reform processes to enable local government to become more proactive with housing. Although the variety of initiatives proposed are quite innovative, and a great deal of political support exists, the magnitude to which these suggestions will be implemented remains unclear as reported by AHURI.⁴⁶⁷ Victoria described the high cost to local authorities of amending planning instruments as a deterrent to the implementation of new homes. The state government is suggested to improve elements of the Victorian planning system and enable a range of approaches. Meanwhile, Local Councils are needed to recognise social implications of construction and developers are required to consider affordable housing preservation or funding.

Summarily, a comprehensive and environmentally responsible approach to housing development is necessary for delivering affordable housing in Victoria. The key environmental factors that influence the delivery of affordable housing in Victoria are:

⁴⁶⁶ Section 60 (b) of Victorian Planning and Environment Act 1987.

⁴⁶⁷ Gurrán, *Housing Policy and Sustainable Urban Development : Evaluating the Use of Local Housing Strategies in Queensland , New South Wales and Victoria*.

- i. **Sustainable Construction Practices**

The focus is on energy-efficient construction methods, such as the shift from coal to natural gas and the use of prefabricated modular architecture. These practices aim to reduce carbon emissions and greenhouse gases, emphasising sustainability. The government prioritises the long-term reusability of construction materials to minimise waste. This approach includes efficient demolition and decommissioning methods that allow materials to be reused, reducing environmental impact.
- ii. **Physical Planning and Land Management**

Effective land supply management and the review of building proposals are crucial for sustainable development. This involves integrating housing policies with local zoning and planning to ensure environmentally responsible growth.
- iii. **National-level Housing Policy Approach**

National policymakers are currently developing a comprehensive housing strategy, with local governments expected to play a crucial role in its implementation. A key component of this strategy is assessing the environmental impact of housing developments to ensure they align with broader strategic goals. Local housing strategies take into account various factors, including housing demand, demographic trends, and land use plans. These strategies are essential for promoting sustainable housing development, but they need to be regularly reviewed and updated to address changing needs. While they are vital for shaping sustainable housing initiatives, these strategies also face challenges, such as inadequate funding and community opposition to social housing projects.
- iv. **Strategic Planning and Environmental Impact Assessment**

Municipal governments must prepare strategic plans focusing on land use and growth, considering both environmental and social impacts. This includes evaluating developments for their potential environmental effects.
- v. **Reform Processes to Enhance Proactivity in Housing**

Victoria is undergoing reforms to enable local governments to be more proactive in housing, addressing challenges such as the high costs of amending planning instruments and the need for improved planning systems.

Developing environmentally responsible and affordable housing requires careful consideration of key factors. The construction process should emphasise sustainable practices, including the use of eco-friendly materials, energy-efficient systems, and waste-reduction strategies. Strategic planning is also crucial, focusing on aspects such as location, transportation options, and access to green spaces. Additionally, local and national governments can play an important role by offering incentives for sustainable development, funding research into green technologies, and enforcing environmental standards for new housing. To create housing solutions that are both ecologically sound and economically feasible, it's essential to focus on critical criteria and community needs. This approach can lead to cost-effective and sustainable affordable housing options.

4.2.6. Control Mechanism of Housing Industry

Victorian governments have recognised the necessity of regulating the housing construction sector to enhance societal outcomes. These initiatives aim to address the information asymmetries experienced by consumers, thereby fostering more equitable results for various community segments. Despite the expansive nature of the Victorian housing market, interventions designed to bolster productivity could yield significant benefits. In essence, without regulatory oversight, a fragmented economic landscape is imposing economic burdens on society.

In 2016, the Housing Act 1983 was modified to allow the development of the Victorian Housing Register.⁴⁶⁸ and the sharing of information through housing services to help people find and maintain housing. The amendment introduces a new division under 'Part VIIIA-Social Housing'. This provision also outlines the establishment and operation of the Victorian Housing Register, providing descriptions of how the organisation and its personnel have access to the Register, as well as the rules for the use of the Register information. The Victorian Housing Register offers a fair and convenient way for households to access a broad variety of social housing choices, ease the process of applying for social housing, either by submitting an

⁴⁶⁸ The representative of DHHS stated that the government had established an effort to launch the Victorian Housing Register (VHR) by amending the Housing Act 1983, including a provision to govern and manage social housing in Victoria. This is an important move by the government in handling the framework for affordable housing. It will promote the exchange of knowledge between the agency, community housing organisations and service agencies for specific purposes. It also provides a legislative authority to assess VHR by prioritising access groups and requirements and evaluating eligibility criteria such as income, assets, residence status, etc.

online application form or to agencies and community housing providers, and enables all participating social housing organisations to partake in the affordable housing programme.

In order to meet the increasing demand of the rental market, the Residential Tenancies Act 1997 was enacted to regulate the rights and responsibilities of landlords and tenants during the tenancy. As a major authority over the management of more than 62,000 rental units in Victoria, the Director for Housing⁴⁶⁹ is responsible for a lot of housing and rental issues. The Director of Housing Officers also plays a role in improving the system in the Community Centre, providing legal advice and advocating for protection from family violence. To improve the well-being of tenants and create sustainable tenancies, the office also manages a safe and well-kept housing supply by proceeding independently to make fair and transparent judgments.

The state legislative structure that relates to housing construction in Victoria consists of legislation that applies only to housing construction activity and legislation that applies through sectors and to other activities. The table shows relevant laws for housing-related construction.

Table 4.6: Relevant Victorian State Housing Construction Legislation⁴⁷⁰

LEGISLATION	GENERAL OBJECTIVES AND FUNCTIONS
<i>Domestic Building Contracts Act 1995</i>	When a person decides to build or renovate a house, a contract is signed between both parties which specifies who bears the responsibilities and their obligations. Section 4 provides for the maintenance of proper standards in domestic building work in a way that is fair to both builders and building owners, preserves the efficiency of disputes involving domestic building work, and grants building owners access to insurance funds in cases where domestic building work is incomplete or defective. Section 124A of the Act incorporates provisions of the Fair Trading Act 1999 (Vic.) to ensure compliance with goods and services law. The Act establishes a method for conciliation and provides for the court to make decisions in cases in dispute.
<i>Building Act 1993</i>	Victoria's building regulatory system is facilitated through building codes, the main purpose of which is to provide building standards. Section 3 of the Act applies to all buildings to be constructed in Victoria. In terms of housing construction (low-rise dwellings, high-rise apartments, etc.), the Act provides the framework for (a) the regulation of the construction of buildings, (b) the setting of building

⁴⁶⁹ DHHS's representative stated that the Housing Director is a landlord with a social responsibility. Housing Services Officers are employed in four operational divisions across Victoria to act as the Director of Housing representative in the management of public housing tenancies.

⁴⁷⁰ Victorian Competition & Efficiency Commission, *Housing Regulation in Victoria: Building Better Outcomes* (Melbourne: VCEC, 2005), 43–57.

LEGISLATION	GENERAL OBJECTIVES AND FUNCTIONS
<i>Building (Interim) Regulations 2005</i>	standards, (c) the maintenance of specific safety features in buildings; and (d) insurance requirements. The Building Regulation provides rules for building construction, including building permits, building inspections, occupancy permits, the maintenance of buildings, and building enforcement. The regulations prescribe how the industry handles and monitors its goods including the standards for constructing and demolishing buildings, area of concern in relation to the use and maintenance of buildings, consists of information on the accreditation of building materials, construction techniques, architecture, components and systems, registration of registration of a building practitioner and prescribing fees.
<i>Building and Construction Industry Security of Payment Act 2002</i>	The Act ensures that those who perform construction work or supply goods and services under a construction contract are entitled to compensation. It treats payments as negotiable, overriding “pay when paid” clauses and providing guidelines for progress payment recovery. The 2013 Amendments to the Building Act 1993 established the Victorian Building Authority (VBA), which regulates the state's building and plumbing industries.

Housing frameworks must be known in depth, specifically for development and planning. In each State, the planning framework contains overarching regulations regulating the preparation and review of municipal plans and development, as well as state and regional laws or plans that typically seek to ensure that local municipalities handle issues of state interest during their planning and development evaluation activities. The above can apply across the nation or geographic areas. Every state in Australia has a metropolitan strategy that lays out the concepts of cultural, social, and economic planning and defines important urban growth criteria for new property, utilities and transport.⁴⁷¹

Section 4 of Victorian Planning and Environment Act 1987 provides for the equal, organised, productive and sustainable usage, and growth of land, conservation of natural and manmade resources, and secure a friendly, effective and healthy working, living and recreational atmosphere for all Victoria's. Any policies ought to be planned under the Act to broaden the aims, includes action strategies, executive documents, standards of conduct, or guidance. In addition, the planning system must contain state-specific and state-derived requirements. Also, it must conform with the state's planning policy framework stated under

⁴⁷¹ Brendan Gleeson, Toni Darbas, Laurel Johnson, and Suzanne Lawson, *What is Metropolitan Planning?*, (Brisbane, 2004).

clause 16 where it provides clear requirements for the arrangements for suburban, metropolitan, and rural life⁴⁷².

In addition to the Planning and Environment Act 1987, Victoria's "ResCode" (Residential Code) mostly concern physical aspects such as local character and environmental quality⁴⁷³. Melbourne's metropolitan plan 2030 works to achieve rising population densities in developed areas while regulating expansion on the periphery through a defined urban development boundary. Policy 6.1 of Melbourne 2030 requires the community to contribute to a fair city, provide more affordable housing, and be committed to distributing social infrastructure more equitably. The government endeavours include the following⁴⁷⁴:

- i. at state and provincial levels, gathering and disseminating suggestions of best practises in the provision of affordable housing;
- ii. to encourage sustainable housing by cooperative projects with the Municipal Land Agency, the Office of Housing, city authorities and non-government organisations; and
- iii. to strengthen the government's strategies for disposing of property and buildings to better usage other than the maximum price achievable and base the strategy on responsible parameters.

The contribution to developing affordable housing is reinforced by the legislation, tactics, and comprehensive proposals for executing these strategies. In order to execute the regional housing strategy, housing problems and requirements would be defined on a regional level. The city council is responsible for the preparation of local housing plans, regulations and controls to achieve the metropolitan strategy's housing goals⁴⁷⁵.

The hierarchical relationship between the Building Code of Australia, Victorian legislation and local laws offers a system to deliver the economic advantages of national consistency while allowing appropriate spatial distribution. Victoria's framework is consistent

⁴⁷² Water and Planning Department of Environment, Land, "The New State Planning Policy Framework", (2010).

⁴⁷³ Water and Planning Department of Environment, Land, "Residential Development (ResCode)", Victorian Government, <<https://www.planning.vic.gov.au/planning-permit-applications/specific-permit-topics/residential-development>> (accessed 8 January, 2021). Victoria regulates residential construction through residential development (ResCode) provisions and processes. ResCode is not a standalone text, they are used in the Victorian Planning Scheme and the Victorian Building Regulations.

⁴⁷⁴ Department of Infrastructure, Melbourne 2030.

⁴⁷⁵ Gurran, Housing Policy and Sustainable Urban Development : Evaluating the Use of Local Housing Strategies in Queensland , New South Wales and Victoria, 27–28.

and everything within it compliments it by implementing minimum building standards for all houses ensures that these houses have safety characteristics to safeguard its residents⁴⁷⁶. Under these regulations, negative impacts of business regulations are limited. While privatisation of inspection has been beneficial to both of parties (building surveyors and building owners), the building permit system adequately supports the regulatory system. Registration systems for builders and plumbers is designed so that it makes them play by the rules. The implementation of a regulatory body to ensure that government objectives are achieved, and that there is greater predictability and accountability in this large and complex industry⁴⁷⁷.

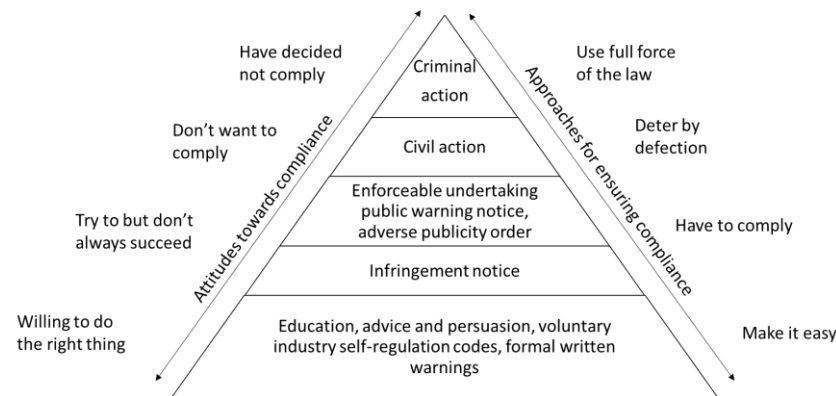
In housing markets, buyers tend to have poorer knowledge than vendors on product, service quality and prices. Many individuals feel that government intervention is required in housing market. Consumers may return to arbitration for resolving disputes surrounding low quality services. In Victoria, the Fair Trading Act 1999 applies consumer rights protections to contractors as these practises are not addressed by Commonwealth Trade Practices Act 1974. The Trade Practices Act ensures that goods and services be fit for purpose. This channel for redress mechanism could be too expensive or difficult for customers (particularly for cases involving small claims). Fair Trading Act provides a streamlined process for settling customer disputes which are worth less than \$10 000. These institutions and initiatives cannot completely solve the intelligence disadvantage facing customers as each service is possibly very costly and may not be affordable for all customers⁴⁷⁸. As a result, many customers are likely to place no trust on the reputations or warranties of vendors in the building industry. However, the mechanism is really a good initiative by the government to combat the disadvantages of misinformation facing by the customers.

⁴⁷⁶ John Doyle, *Victoria's Consumer Protection Framework for Building Construction* (Melbourne: Department of Environment, Land, Water and Planning, 2015)

⁴⁷⁷ Victorian Competition & Efficiency Commission, *Housing Regulation in Victoria : Building Better Outcomes*, 28–29.

⁴⁷⁸ *Ibid.*, 30–35.

Figure 4.5: Compliance Action taken by Consumer Affairs Victoria⁴⁷⁹



The spectrum of options to achieve compliance includes legal actions, but also includes all the activities a regulator uses to encourage compliance. In cases where a developer does not cooperate, or is highly inconsistent, this will be used. The bottom half of the pyramid represents most of the activities. They are less resource intensive and more popular to address risk of non-compliance. It assumes that most businesses will act fairly and comply with the law. Minor law infractions are often caused by ignorance or lack of capacity, and as such, can educate developers to improve their conduct. The peak of the pyramid represents the least activities: criminal and civil court actions. Law enforcement investigations and prosecutions are used for acts of great risk to public health and safety.

In addition to the reform in the law to allow lawsuits only where there is a violation of contract, the Victorian government founded Building Advice and Conciliation Victoria (BACV) as a service to cope with conflicts between homeowners and builders where a contractor is present and ready to rectify the mistake. The Consumer Affairs Victoria, the Victoria Construction Authority and the Victorian Civil and Administrative Tribunal (VCAT) are responsible for the provision of this service⁴⁸⁰. While other housing disputes are managed by the Victorian Civil and Administrative Tribunal (VCAT) through the incorporation of the Victorian Civil and Administrative Tribunals 1998 Act. It has two key fields of participation in the housing system, including a domestic construction registry for conflicts involving

⁴⁷⁹ Consumer Affairs Victoria, "Our compliance policy - Consumer Affairs Victoria", Victorian Government, <<https://www.consumer.vic.gov.au/about-us/regulatory-approach-and-compliance-policy/our-compliance-policy>> (accessed 19 January, 2021).

⁴⁸⁰ Victorian Competition & Efficiency Commission, Housing Regulation in Victoria : Building Better Outcomes, 156. The conciliation service is free and the cost of the service is compensated for by a 0.064 percent tax levied on the amount of both domestic and industrial construction permits.

tenants, designers, subcontractors, architects, engineers and other building practitioners, and hearing appeals from building practitioners for registration and disciplinary decisions.

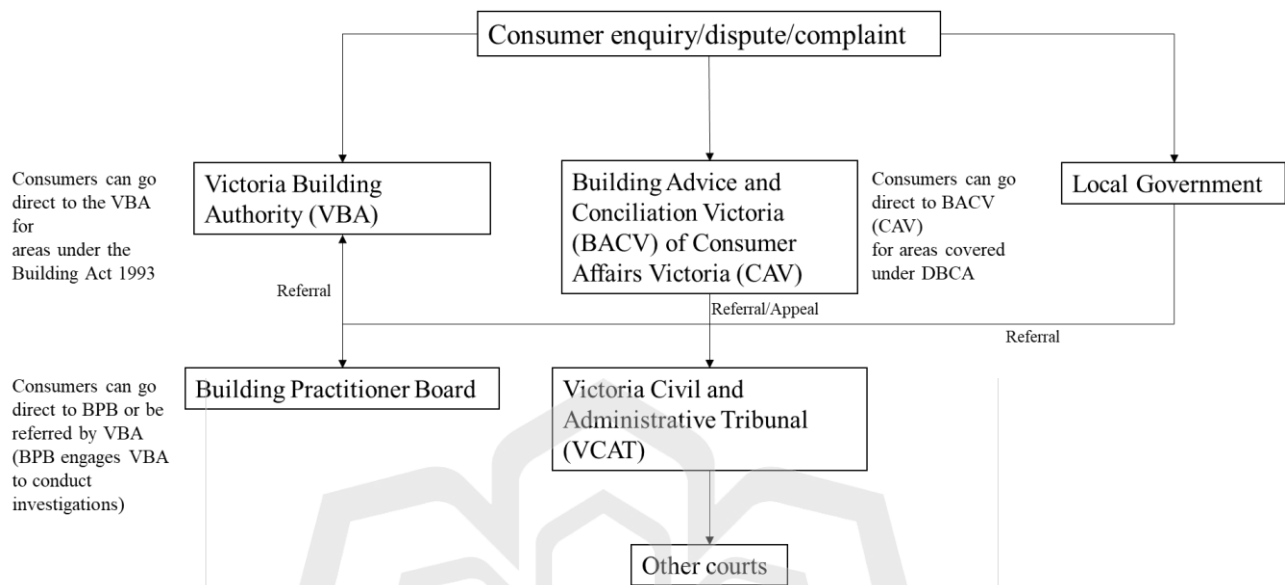


Figure 4.6: Pathways for Domestic Building Disputes in Victoria⁴⁸¹

The above figure is the pathways that citizens find in the building code violation process. In May 2013, the Victorian State Government adopted new building codes. The reform plan to set up VBA as the one-stop-centre for registering professionals, tracking and regulating the market, supplying customer knowledge and avoiding and settling conflicts. Under the reform, VBA will carry over BACV’s management of certain conciliation roles.

The provision of affordable housing is a critical aspect of urban planning and societal welfare. In this context, the legal framework plays a pivotal role in shaping policies and practices that impact housing affordability. This analysis delves into the legal factors influencing affordable housing provision with a particular focus on legislative influences within the state of Victoria, Australia as illustrated in the table below:

Table 4.7: Legal Frameworks and Their Implications

LEGAL FRAMEWORKS	IMPLICATIONS
<i>Housing Act 1983 and its subsequent amendments</i>	A cornerstone of Victoria's affordable housing policy, the Housing Act 1983, along with its amendments, has been instrumental in creating the Victorian Housing Register. This legal provision simplifies the process of

⁴⁸¹ John Doyle, Victoria’s Consumer Protection Framework for Building Construction, 8.

LEGAL FRAMEWORKS IMPLICATIONS

	accessing various social housing options, thereby promoting equitable housing opportunities. The act's amendments demonstrate the dynamic nature of legal responses to evolving housing needs.
<i>Residential Tenancies Act 1997</i>	This act delineates the rights and responsibilities of tenants and landlords, significantly impacting the rental housing market. The Director for Housing's role in addressing housing and rental issues, especially in the context of family violence protection, highlights the legal system's responsiveness to societal challenges.
<i>Domestic Building Contracts Act 1995</i>	The act's emphasis on quality standards in domestic building, along with provisions for dispute resolution, reflects the legal system's commitment to balancing the interests of builders and homeowners. This act is vital in ensuring the quality and affordability of housing, as it mitigates risks associated with construction.
<i>Building Act 1993</i>	By establishing building standards and regulations, this act forms the backbone of housing construction in Victoria. Its comprehensive coverage of construction regulations, safety standards, and insurance requirements underpins the legal infrastructure that shapes the housing market.
<i>Building and Construction Industry Security of Payment Act 2002</i>	This legislation addresses the financial dimensions of the housing construction industry, ensuring compensation for construction work and related services. Its role in the financial structuring of housing projects indirectly influences housing affordability.
<i>Victorian Planning and Environment Act 1987</i>	This act's provision for organized and sustainable land use and development is pivotal in shaping affordable housing policies. The act's guidance on policy formulation underlines the interconnectedness of planning legislation and affordable housing strategies.
<i>Fair Trading Act 1999</i>	By extending consumer protection rights to the housing market, this act ensures a streamlined process for consumer dispute resolution. Such legal provisions are crucial in managing affordable housing issues, particularly in consumer-builder relationships.
<i>Building Code of Australia and Local Laws</i>	The interaction between national building standards and local regulations demonstrates a comprehensive approach to ensuring housing quality and safety. This legal framework has a profound impact on both the affordability and the quality of housing
<i>Reforms and Conciliation Services</i>	The establishment of entities like Building Advice and Conciliation Victoria (BACV) and the Victorian Civil and Administrative Tribunal (VCAT) provides effective legal mechanisms for dispute resolution in the housing industry. These bodies play a critical role in ensuring efficient management of conflicts, particularly in affordable housing projects.

The key legal factors affecting the delivery of affordable housing are:

i. Regulatory Framework for Social Housing Access

Amendments to the Housing Act 1983, particularly the development of the Victorian Housing Register, streamline the process for accessing social housing. This legal change is pivotal in enhancing the delivery of affordable housing by simplifying application processes and broadening access.

ii. Tenant and Landlord Rights and Responsibilities

The Residential Tenancies Act 1997 shapes the rental market by clearly defining the rights and obligations of tenants and landlords. This legal structure is crucial in maintaining a balanced and fair rental market, a key component of the affordable housing sector.

iii. Quality Assurance in Building Construction: Contracts, Standards, Regulations and Financial Security

In the realm of building construction, Quality Assurance is of utmost importance. Contracts, standards, regulations, and financial security all play a role in ensuring that affordable and quality housing is delivered. The Domestic Building Contracts Act 1995 establishes standards for domestic building work and offers mechanisms for dispute resolution, providing a balanced approach that protects both builders and homeowners. Complementing this, the Building Act 1993 sets out essential building standards and regulations for housing construction in Victoria, guaranteeing safety, sustainability, and compliance with quality standards. Additionally, the Building and Construction Industry Security of Payment Act 2002 ensures that fair and timely compensation is provided in the construction sector, promoting economic viability and the delivery of affordable housing. Finally, the interplay between the Building Code of Australia and local laws establishes a comprehensive legal framework for housing standards, ensuring that national and local requirements are both met.

iv. Land Use and Development Planning

The Victorian Planning and Environment Act 1987 guides land use and development, with significant implications for affordable housing. This act influences policy-making and action strategies that directly affect the availability and development of affordable housing.

v. Dispute Resolution and Consumer Protection

The housing sector benefits greatly from the presence of organizations such as Building Advice and Conciliation Victoria (BACV) and the Victorian Civil and Administrative Tribunal (VCAT), which offer efficient legal solutions for resolving disputes. Proper conflict resolution mechanisms are critical in ensuring the successful execution of affordable housing projects. The Fair Trading Act 1999 provides consumer protections for housing market transactions, promoting fairness and transparency. This legal

provision plays a crucial role in protecting the interests of consumers, particularly in transactions related to affordable housing.

The regulatory framework governing the housing building industry in Victoria is intricate and comprehensive, playing a significant role in shaping the provision of affordable housing. It encompasses diverse elements such as planning, construction standards, tenant-landlord relationships, and dispute resolution mechanisms. The legislation is crafted to balance the interests of various stakeholders—including builders, homeowners, tenants, and government agencies—thereby promoting a sustainable and equitable housing market that aligns with regional priorities. This structured legal environment is vital for the effective delivery of affordable housing in Victoria, as it ensures not only availability and quality but also sustainability, while addressing the diverse needs of all participants in the housing sector.

4.2.7. Affordable Housing Governance: Lessons Learned From Victoria

In Australia, the Commonwealth government is the Federal Government that reigns supreme over the State Government. Territories are synonymous with Local Government. This three-tier governance structure is clearly shown in Table 4.2 under paragraph 4.2.1, where it can be seen that states and territories have the primary responsibility for regulating and providing services. All levels of government must share the same responsibilities and duties in terms of policy and funding. It is worth noting that Malaysia's Federal and state governments share policymaking, financing, and planning responsibilities, which is different from Victoria's three-tiered government structure.

The affordable housing crisis among the Victorian population is attributed to many causes, including the loss of buying power. As such various plan and framework launched by the Victorian government to cater the housing problems⁴⁸². The incentives offered by the Victorian government for its vulnerable population resemble those provided by the Malaysian government. The five-year plans and annual budgets of Malaysia clearly depict their

⁴⁸² The government agrees that Victorian Household Expenditure on products and services rose by 15% over the last 5 years and median house prices have risen over 40% in Melbourne alone since 2012. The government plans to invest \$5.3 billion on healthcare plus nearly 8,200 additional affordable housing units, upgrading existing housing units and subsidising public housing. Victorian housing schemes encouraged either in terms of buying or renting. The government introduced various initiative to increase Victorian's financial capabilities involving numerous financial affordable housing programs, stamp duty exemption and subsidisation programs. The interest-free loans are offered to the qualifying individuals whilst the rent assistance scheme is intended to assist poor individuals, particularly those on low income.

commitment to the well-being of every citizen, without any discrimination based on social status.⁴⁸³

The government has identified the need to address the issue of housing affordability and equity in Victoria, given its higher population growth rate of 10.7 percent, which is above the national average of 8.8 percent. A commitment is to prioritise sustainable homes, communities, and green spaces to achieve these goals effectively. Similarly, the Malaysian government has traditionally prioritised providing quality homes to the lower-income segment. To that end, the Malaysian government has developed *Dasar Perumahan Mampu Milik Negara*, which focuses on providing quality affordable housing to the lower and middle-income groups. Historically, Malaysian government initiatives such as *Projek Perumahan Rakyat* (PPR) and *Perumahan Rakyat 1Malaysia* (PR1MA) have long been exhibited in National Housing Policy, resolving housing concerns ranging from slum to good environment housing.⁴⁸⁴

In the real estate industry, Victoria has undergone significant shifts over the years. The new developments in home renovation have driven Victoria's success. Governments' investment in this new technology to speed up construction has proven to have a good track record for the new housing construction method compared to conventional building techniques. The increasing use of prefabricated buildings has been recognised as having a number of potential benefits, including reduced labour requirements and lower environmental impacts. The Malaysian government realised that improvements in construction, procurement, and delivery processes could enhance the housing industry's efficiency and effectiveness. Unfortunately, there haven't been many noteworthy changes or innovations in this sector.⁴⁸⁵

⁴⁸³ Prime Minister's Department, *Twelfth Malaysia Plan 2021–2025: A Prosperous, Inclusive, Sustainable Malaysia* (Putrajaya: Economic Planning Unit, 2021). Security, well-being, and inclusivity will be the plan's second focus. Crime prevention, rehabilitation, and emergency readiness shall be prioritised for national security. Security governance will be emphasised. Healthcare services and disease-fighting readiness will be prioritised to improve public health. Improved access, governance, and inclusive housing development will increase affordable and high-quality housing.

⁴⁸⁴ Ministry of Housing and Local Government, *Dasar Perumahan Mampu Milik Negara (National Affordable Housing Policy)* (Putrajaya: KPKT, 2019) ; Ministry of Housing and Local Government, *Dasar Perumahan Negara (2018–2025)* (Putrajaya: National Housing Department, 2018).

⁴⁸⁵ Jabatan Perumahan Negara, *Dasar Perumahan Negara 2018–2025* (Putrajaya: Kementerian Perumahan dan Kerajaan Tempatan, 2018), 42. In 2012, Malaysia introduced the National Housing Policy Action Plan with the aim of achieving its objectives. The Construction Industry Development Board (CIDB) has developed various programs to enhance construction innovation, quality, productivity, human resource development, technology, and the overall construction business environment. One such program is CREAM training, which trains construction workers. Additionally, public and private construction skills training is organised and provided, along with house construction standards such as CIS and QCLASSICS. Construction workers are also trained through these initiatives.

The government must prioritise housing affordability when planning for housing. City councils must include planning and housing policies to ensure sustainable economic growth. However, the government must also address other pressing issues, such as the lack of resources and expert supervision for local housing projects, collective resistance to affordable housing, and a weak statutory planning policy system. City governments have the power to influence neighbourhood development through their zoning responsibilities, but Victoria has observed that the costs of modifying the city planning system to create new housing are prohibitively high. Therefore, the state government must take responsibility for strengthening Victoria's planning system and providing more affordable housing options.

The regulation of housing is increasingly recognised as essential for national security and environmental sustainability. In Victoria, the interplay of diverse cultures, social groups, and economic policies necessitates a robust legal framework to govern housing development. Municipal authorities, primarily through city councils, are tasked with crafting and enforcing housing policies that align with the broader state strategy for housing provision. A key amendment to the Housing Act of 1983 introduced social housing provisions aimed at effectively managing the social housing register. Furthermore, the enactment of the Residential Tenancies Act addressed the relationship dynamics between landlords and tenants, leading to enhancements in the affordable rental market. This model serves as an exemplary framework that the Malaysian government could consider adopting to facilitate the successful implementation of a rent-to-own scheme, thereby expanding the avenues to homeownership beyond traditional purchasing methods.

In summary, the key elements influencing the availability of affordable housing, analysed through the PESTEL methodology, are critical in shaping the affordable housing landscape in Victoria. The interaction of these factors affects the effectiveness and sustainability of housing policies and initiatives designed to provide affordable housing solutions.

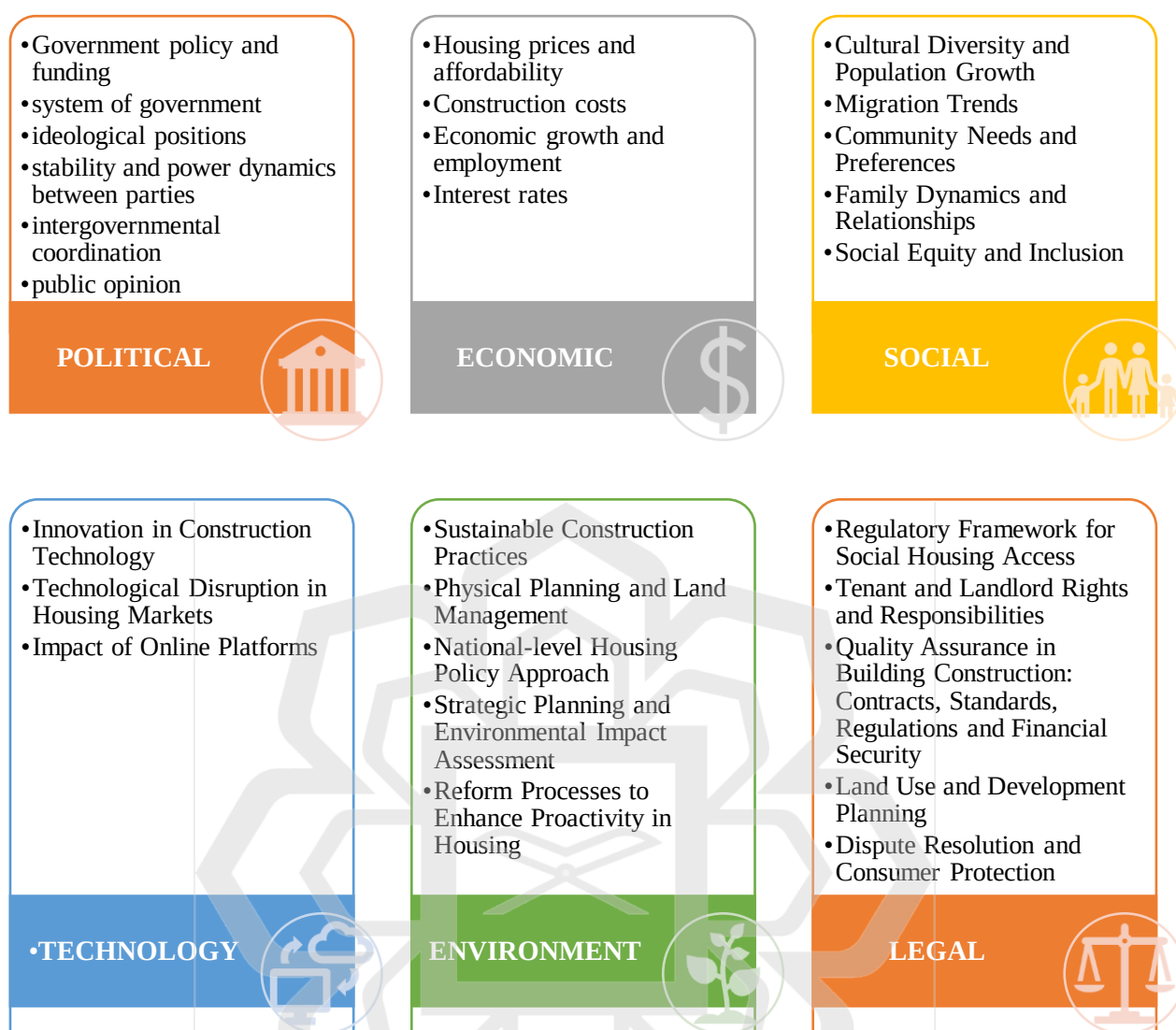


Figure 4.7: Pestel Analysis – Victoria Housing Framework

Table 4.8: Key Lessons from Victoria for the Malaysian Legal Framework

Key Lesson from Victoria	Gap in Malaysia
1. Inter-governmental coordination Structured three-tier coordination between federal, state, and local government with clear accountability lines.	No statutory coordination body. MPMMN is administrative. Federal-state land disputes delay projects.
2. Mandatory reporting by housing bodies Housing associations legally required to report programme outcomes to government.	Reporting by PRIMA and state agencies is voluntary. No statutory accountability for programme outcomes.
3. Household-need-based allocation Housing allocated based on household size, cultural diversity, and population growth — not income alone.	PR1MA and state programmes use income-only eligibility. No household-need dimension.

Key Lesson from Victoria	Gap in Malaysia
4. Green building standards in legislation Environmental sustainability embedded in planning legislation with enforceable requirements.	Green standards mentioned in DRMM but not legislated for affordable housing. No mandatory climate impact assessment.
5. Cyclical policy review Legislative requirement for periodic review of housing policy effectiveness.	No mandatory review cycle. DRN 2018–2025 has an end date but no legislated review mechanism.

4.3. SINGAPORE HOUSING FRAMEWORK

Singapore has excelled in providing affordable housing, with nearly 80 percent⁴⁸⁶ of its citizens benefiting from initiatives managed by the Housing & Development Board (HDB)⁴⁸⁷. The country's housing development strategy is advanced, prioritising livable communities and achieving one of the highest homeownership rates globally, with over 80 percent of the population residing in government-built apartments.⁴⁸⁸

A key element of Singapore's housing sector is waqf, which fosters a vibrant Islamic community. Despite Muslims comprising about 14 percent of the population as of 2018, the waqf system serves as a model for contemporary Islamic practices, promoting the development of a self-sustaining community and integrating various forms of Muslim charitable activities. These religious practices are funded and regulated by the Muslim Law Administration Act (AMLA)⁴⁸⁹.

The administration of waqf is managed by the Islamic Religious Council of Singapore (MUIS)⁴⁹⁰, which established Warees Investments Pte Ltd to oversee waqf projects. Since its

⁴⁸⁶ Abhas Jha, "But What about Singapore?" Lessons from the Best Public Housing Program in the World," *World Bank Blogs*, <https://blogs.worldbank.org/sustainablecities/what-about-singapore-lessons-best-public-housing-program-world> (accessed 22 December, 2020); Misha Ketchell, "A Century of Public Housing: Lessons from Singapore," *The Conversation*, <https://theconversation.com/a-century-of-public-housing-lessons-from-singapore-where-housing-is-a-social-not-financial-asset-121141> (accessed 22 December, 2020); Adam Majendie, "Behind the Design of Singapore's Low-Cost Housing," *Bloomberg CityLab*, <https://www.bloomberg.com/news/articles/2020-07-08/behind-the-design-of-singapore-s-low-cost-housing> (accessed 22 December, 2020).

⁴⁸⁷ HDB is Singapore's public housing authority and a statutory board under the Ministry of National Development. They build public housing for Singaporeans with the aim to provide affordable, high-quality housing and improved living standards. The emphasis on cultivating a healthy family and group spirit is formulated in order to address evolving needs and desires.

⁴⁸⁸ Adam Majendie, Behind the Design of Singapore's Low-Cost Housing - Bloomberg.

⁴⁸⁹ Risa Sari Pertiwi, Muhammad Nafik Hadi Ryandono, and Khofidlotur Rofian Anita, "Regulations and Management of Waqf Institutions in Indonesia and Singapore: A Comparative Study", *Knowledge E Social Sciences*, (2019). The Administration of Muslim Law Act (AMLA) is a regulation on matters concerning Muslims in Singapore. AMLA was promulgated through Law No. 27 of 1966 which became effective starting July 1, 1968. AMLA consists of 10 (ten) chapters and 146 (one hundred and forty six) articles in which there are rules about waqf, zakat, mosques management, halal certification, hajj administration, inheritance and others relevant to Muslims in Singapore.

⁴⁹⁰ MUIS formed a subsidiary or waqf Institution namely WAREES Investment Pte Ltd (Waqaf Real Estate Singapore) to manage waqf assets in Singapore.

founding in 2003, Warees has converted underutilized waqf lands into substantial commercial housing. To support these initiatives, innovative funding mechanisms such as cash waqf schemes and Sukuk Musharakah have been introduced, encouraging participation from Muslims in Singapore and abroad in the development of waqf properties.

4.3.1. Westminster System

In Singapore, governance operates under the Westminster system⁴⁹¹, featuring three branches: Legislative, Executive, and Judicial⁴⁹². The Prime Minister leads the executive branch, while the President acts as the ceremonial Head of State⁴⁹³. The unicameral Parliament consists of elected Members of Parliament (MPs), with the party securing a majority invited to form the government.

Singapore's approach to social policy is distinguished by its extensive housing support, which has significantly increased investment and homeownership, contributing to economic growth and a housing market bubble. Federal policies also strive to address income inequality through targeted measures that sustain employment and savings incentives.

The affordable housing programme in Singapore is notable for its inclusivity, serving both low- and middle-income households. Current initiatives focus on developing 'smart homes of the future' with an emphasis on sustainability. The transition of Singapore from a Crown colony to a first-world city in just four decades is remarkable, with the Housing and Development Board (HDB) playing a crucial role in ensuring adequate housing for its citizens⁴⁹⁴.

The HDB is responsible for the construction of affordable housing in Singapore, with an annual requirement of at least 15,000 new units. Securing land for these developments is facilitated by the Land Acquisition Act and targeted policies for evicting squatters. Funding

⁴⁹¹ Parliament Of Singapore, "System of Government", Parliament Of Singapore, <<https://www.parliament.gov.sg/about-us/structure/system-of-government>> (accessed 22 December, 2020). The Government in Singapore is modelled after the Westminster system, with 3 separate branches: The Legislature (which comprises the President and Parliament) makes the laws of the land, the Executive (which comprises Cabinet Ministers and office-holders, and is led by the Prime Minister) administers the law and the Judiciary interprets the law through the Courts.

⁴⁹² Ibid. The "life" of each Parliament shall be five years from the date of its first sitting or assembly. The general election shall take place within three months of Parliament's dissolution.

⁴⁹³ Sock Yong Phang, "The Singapore Model of Housing and the Welfare State The Singapore Model of Housing and the Welfare State", *Research Collection School Of Economics*, (2007): 15–44.

⁴⁹⁴ Lye Lin-Heng, "Public housing in Singapore: a success story in sustainable development" in *Asia-Pacific Centre for Environmental Law (APCEL) Working Paper*, (Singapore: National University of Singapore, 2020).

comes from the government through low-interest loans and an annual subsidy of 1 percent to 2 percent of primary operating expenditure in the early years.⁴⁹⁵

Singapore's centralised government significantly influences housing policies, with the ruling political party's vision dictating the direction of the HDB's initiatives. Legislative frameworks, such as the Land Acquisition Act, enable land acquisition essential for comprehensive housing policies that ensure quality and affordability. To promote affordability, the government provides support through grants for first-time HDB buyers and allows the use of Central Provident Fund (CPF) savings for housing. Strong political will and an efficient public sector are key to the swift implementation of these housing policies.

Singapore's housing policies function as tools for social engineering, promoting cohesion and racial harmony through ethnic integration in public housing.⁴⁹⁶ The country's international relations and trade affect economic stability, influencing government investment in housing. Singapore also embraces innovative solutions like mixed-use public housing and the integration of green spaces and community facilities.

In summary, the key elements of the political structure in providing affordable housing in Singapore, which is renowned for its effective public housing model, include:

- i. Centralised Planning and Implementation

HDB is Singapore's main agency for public housing, enabling effective planning and management of housing projects. Due to the country's limited land, innovative designs like high-rise apartments optimise space. The Ethnic Integration Policy (EIP) promotes a balanced ethnic mix in public housing, fostering racial harmony. The government also enforces high building standards to ensure that public housing is safe, durable, and comfortable.

- ii. Government Subsidies, Grants, and Financial Assistance

⁴⁹⁵ Ibid., 3.

⁴⁹⁶ Beatrice Weder, "Building a cohesive society: The case of Singapore's housing policies", *Centre for International Governance Innovation*, no. 128 (2018): 1–12. Singapore's housing policies have been crucial in fostering social cohesion and improving living standards. The Ethnic Integration Policy (EIP), introduced in 1989, promotes a diverse mix within housing estates, facilitating interactions between ethnic groups. The Housing and Development Board (HDB) provides affordable public housing for over 80% of the population, achieving a homeownership rate of around 90%. These initiatives enhance living conditions and contribute to economic stability as public housing serves as a retirement asset. The government's efforts to rejuvenate infrastructure and address disadvantaged neighbourhoods promote long-term equality. While the ethnic quota system affects property prices, its gradual implementation minimizes disruption, showcasing the potential of integrating social policy with urban planning.

The government offers subsidies and grants to make housing affordable for first-time buyers and low-income families, reducing their cost burden. Singaporeans can also use their CPF savings to finance home purchases, facilitating homeownership.

iii. Public-Private Partnerships (PPPs)

The cooperative efforts between the government and private developers in initiatives like Executive Condominiums (ECs) effectively support the needs of the ‘sandwich’ class—individuals who exceed the income limits for public housing yet find private property financially challenging.

iv. Comprehensive Community Development

HDB estates are designed to focus on community living, integrating amenities like schools, parks, clinics, and shopping centres to create self-sufficient communities. The government regularly upgrades and renews older housing estates, ensuring that public housing remains modern, safe, and comfortable.

v. Responsive Policy Adaptation

The government’s housing policies are dynamic, adapting to changing socio-economic conditions to keep housing affordable and accessible. Singapore’s stable political landscape, marked by efficient administration, comprehensive legal frameworks, and innovative policy-making, is crucial for managing affordable housing. This environment has led to a unique public housing scheme that effectively addresses affordability and living standards.

Together, these elements contribute to the success of Singapore’s model, which is highly regarded globally for its effectiveness in providing affordable, high-quality housing.

4.3.2. High-Income Country

As of 2019, Singapore is a high-income country with a gross national income of \$507 billion per capita⁴⁹⁷. It offers one of the most market-friendly regulatory frameworks globally and ranks among the most competitive markets. According to the World Bank, Singapore

⁴⁹⁷ Singapore Department of Statistics, "Statistics Singapore - Singapore Economy", Singapore Department of Statistics, <<https://www.singstat.gov.sg/modules/infographics/economy>> (accessed 22 December, 2020).

transitioned from a low-income nation to a high-income country, with an average GDP growth of 7.7 percent since independence and 9.2 percent during the first 25 years.⁴⁹⁸

In any segment of the Index⁴⁹⁹, Singapore is the only country in the world that is considered economically free. Although continuing limitations on civil liberties do not have a direct effect on the country's ranking, they may have an indirect impact on economic freedom and remain a problem. However, the government finances are recognised as generous in providing the subsidy schemes for housing, travel, and health care and controls other prices through legislation and state-linked companies⁵⁰⁰.

According to the Singapore Department of Statistics, in 2019, the ownership and dwelling segment accounted for 3.8% of nominal GDP growth, while accommodation and food services contributed 2.1%. This underscores the housing industry's pivotal role in driving the Singaporean economy⁵⁰¹. Post-1994, the government has implemented a series of initiatives aimed at enhancing the housing market, including the introduction of service and rental rebates, capital injections into the Central Provident Fund (CPF)⁵⁰², issuance of New Singapore Bonds, Economic Restructuring Shares, and financial support mechanisms such as grants, scholarships, and bursaries through the Edusave Scheme tailored for students.

To facilitate housing acquisition, the CPF framework permits full withdrawal from the Ordinary Account for the purchase of both new and resale properties. Specifically, CPF members can utilise their Ordinary Account balances to acquire Housing and Development Board (HDB) flats or to purchase or construct private residential properties within Singapore. These withdrawals can also be allocated for various costs associated with property transactions, including stamp duties, legal fees, down payments, and loans for funding private residential developments or land acquisitions for personal homes. The CPF's housing financing scheme for HDB flats operates as follows:

⁴⁹⁸ World Bank, "Singapore Overview", World Bank, <<https://www.worldbank.org/en/country/singapore/overview>> (accessed 22 December, 2020).

⁴⁹⁹ Heritage, "Singapore Economy: Population, GDP, Inflation, Business, Trade, FDI, Corruption", Heritage.Org, <<https://www.heritage.org/index/country/singapore>> (accessed 22 December, 2020). The Index refers to 4 categories including rule of law, government size, regulatory efficiency and open market. Singapore ranks 1st among 42 Asia-Pacific nations, and its total ranking is far above regional and global levels.

⁵⁰⁰ Ibid.

⁵⁰¹ Central Provident Fund Board, "Central Provident Fund Schemes", Singapore Government Agency, <<https://www.cpf.gov.sg/Members/Schemes>> (accessed 19 February, 2021). The Central Provident Fund (CPF) is an extensive scheme for social insurance that allows Singapore's workers to spend money on retirement. It also covers healthcare, homeownership, security of the family and improving assets.

⁵⁰² Central Provident Fund Board, "Housing Scheme", Singapore Government Agency, <<https://www.cpf.gov.sg/Members/Schemes/schemes/housing/housing-scheme>> (accessed 18 February, 2021).

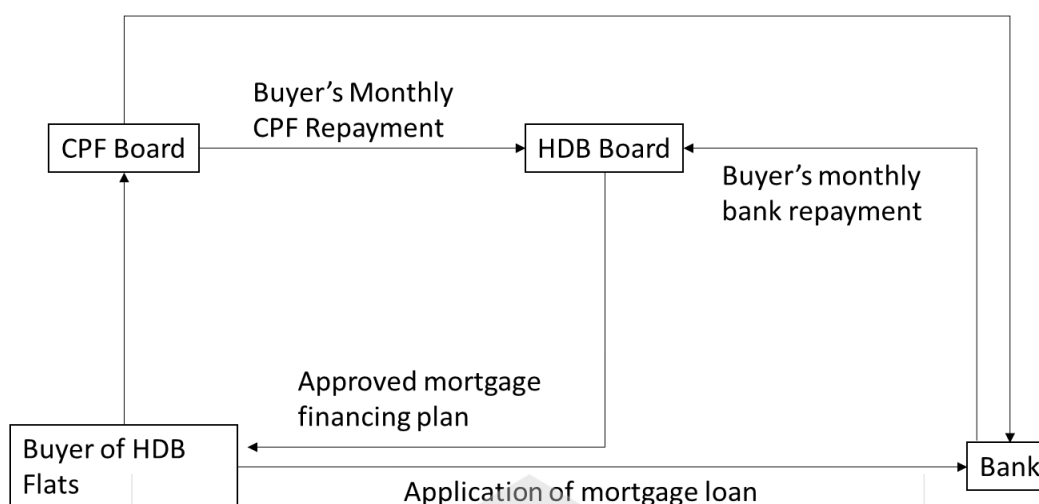


Figure 4.8: Financing Model CPF Housing Scheme for Purchasing HDB's Flats.⁵⁰³

Eligibility for purchasing or renting HDB flats is strictly restricted to Singaporeans with a monthly gross income of up to \$12,000 for direct buyers, or a monthly income of \$1,500 for those renting a flat⁵⁰⁴. Households with a monthly income of \$14,000 are eligible for the Executive Condominium Scheme. Overall, access to the public housing scheme is determined by factors such as nationality, marital status, and the monthly household income of prospective purchasers or renters. To assist disadvantaged Singaporeans, including the unemployed, various financial aid schemes are offered by both government and non-governmental organisations, aimed at providing short-term support and upskilling opportunities without fostering a system of dependency.⁵⁰⁵

In terms of Waqf land development, the concept of *Istibdāl*⁵⁰⁶ is designed for waqf projects in Singapore. It plays as an investment opportunity for the growth of the Waqf lands is commonly used by MUIS. MUIS brilliantly used the *Istibdāl* idea to cultivate waqf land. For

⁵⁰³ Anthony Yeong, "Affordable & Sustainable Housing Policy – Singapore Perspective", no. May (2013).

⁵⁰⁴ Housing & Development Board, "Types of Flats - Housing & Development Board (HDB)", Singaporean Government Agency, <<https://www.hdb.gov.sg/cs/infoweb/residential/buying-a-flat/new/types-of-flats>> (accessed 17 February, 2021). Executive Condominium is a scheme offered to high income Singapore. This hybrid partnership between HDB and private developer where the design equipped with high-end facilities offered by a private condominium.

⁵⁰⁵ Phang, The Singapore Model of Housing and the Welfare State The Singapore Model of Housing and the Welfare State.

⁵⁰⁶ The Singapore Fatwa Committee allowed *Istibdāl* to be used under conditions: First, waqf properties are harmed. Second, waqf properties vulnerability acquisition. Third, waqf properties are in places not appropriate as chaotic regions. Fourth, by relocating and restoring, waqf funds will yield greater income. The *Istibdāl* concept has been practiced in several countries such as Malaysia, Singapore and Indonesia.

instance, through Fatwa, MUIS has traded 20 low-value waqf lands, resulting in a bit of a high-value waqf land with several outcomes. The *Istibdāl* wakaf project initiated by Warees by issuing \$25 million via musharakah-sukuk to buy a building on 11 Beach Road to replace the 20 waqf lands situated in non-potential areas outside the primary development zone. This sukuk is the first sukuk in Singapore to purchase a 6-story building for \$31.5 million or \$919 per meter *Istibdāl* waqf in Singapore⁵⁰⁷.

Singapore's robust economic framework enables significant government investment in public housing, facilitating subsidies and financial assistance that promote affordability. The country's market-friendly regulatory environment fosters collaboration between public and private sectors, exemplified by public-private partnerships (PPPs) such as Executive Condominiums that cater to the 'sandwich' class—those unable to qualify for public housing yet cannot afford private properties. Furthermore, the Central Provident Fund (CPF) plays a crucial role in housing finance, allowing residents to leverage their savings for home purchases, thereby alleviating financial burdens.

The effectiveness of Singapore's public housing system is also bolstered by strategic policies, including regulated income ceilings and pricing structures that ensure accessibility for the majority. Investment in infrastructure and community amenities enhances the quality of life in public housing areas, while innovative funding sources, such as waqf funds, diversify the financing landscape. Ultimately, Singapore's approach to affordable housing is intricately linked to its economic policies, with the government's strong fiscal position and strategic planning driving both housing affordability and overall economic stability.

4.3.3. Housing Welfare System

In response to the critical demand for affordable housing, Singapore has implemented a comprehensive framework that prioritises both equity and sustainability, aligning with its overarching social welfare objectives. A key component of this initiative is the commitment to facilitating access to affordable housing for diverse social demographics, thereby reinforcing principles of social equity. This approach is characterised by the strategic integration of essential services—including educational institutions, healthcare facilities, and recreational

⁵⁰⁷ Fahrurroji and Jaenal Arifin, "Pengembangan Harta Wakaf di Singapura", *Equilibrium*, vol. 3, no. 1 (2015): 105. The study critically discussed the *Istibdāl* model practiced in Singapore. In both jurisprudence and the constitution, *Istibdāl* waqf is a remedy for the benefit of mawquf'alayh (the beneficiaries) to protect the advantages of endowments. The selling of one waqf property and the acquisition of other assets for the same reason and the sale of waqf assets used to purchase new properties with a higher valuation are one type of *Istibdāl*, which may produce ample revenue to fund waqf projects.

spaces—within housing developments, which collectively embody a holistic vision of social welfare and community support.

Despite being a land-constrained city with nearly 6 million residents, Singapore boasts an impressive homeownership rate of 91 percent⁵⁰⁸. The government’s prioritisation of sustainable and equitable housing within its socio-political agenda has led to the formulation of targeted policies and structures designed to achieve these goals more effectively.

As described in the previous section under 4.3, the character of the Singapore Housing Model reflected the welfare system. The housing market in Singapore is a very unusual combination of public-private components that served for the city-state⁵⁰⁹. The government took the challenge of creating a housing community, confronted with a massive immigrant population, extreme housing constraints and inadequate funding from the private sector and the capacity to find a suitable solution. That a broad public housing scheme, for the majority in a comparatively prosperous area, will provide appropriate housing appears to development efficiency and reaction to changes in the Singapore government.

To address the diverse housing needs of urban residents, a variety of 99-year leasehold flats has been developed to cater to households of varying sizes and income levels. In an effort to expand housing options for prospective homebuyers, the HDB has established a public-private partnership with a private developer, resulting in the introduction of executive condominiums. These units are designed to offer amenities and architectural styles akin to those found in private condominiums while maintaining a 99-year lease structure.

The Singaporean government has implemented several initiatives aimed at bolstering social welfare through its public housing strategy. Notable programmes include:

Table 4.9: Singapore’s Public Housing Social Welfare Initiatives

PROGRAMME		DETAILS
Homeownership (1964) ⁵¹⁰	Scheme	This flagship initiative encourages citizens to own their homes rather than rent. By offering subsidies and affordable financing, the scheme has raised homeownership rates to over 90% of the population

⁵⁰⁸ Sock-Yong Phang, "Singapore’s Approach to Housing Policy," *East Asia Forum*, <https://www.eastasiaforum.org/2019/03/15/singapores-mechanism-design-approach-to-housing-policy/> (accessed 22 December, 2020).

⁵⁰⁹ Phang, *The Singapore Model of Housing and the Welfare State* The Singapore Model of Housing and the Welfare State. page 32

⁵¹⁰ Housing and Development Board Singapore, *It all begins with a Home: 60 Years of Home Ownership Scheme*, (2024).

PROGRAMME	DETAILS
Ethnic Integration Policy (EIP) (1989) ⁵¹¹	The EIP mandates a proportional representation of ethnic groups in public housing estates. This policy fosters social cohesion and prevents the formation of ethnic enclaves.
Grants and Subsidies ⁵¹²	Targeted grants, such as the Additional CPF Housing Grant (AHG) and Special CPF Housing Grant (SHG), assist low- and middle-income families in purchasing homes.
Renewal and Upgrading Programme (Lease Buyback Programme) ⁵¹³	The HDB regularly undertakes estate renewal programme such as the Neighbourhood Renewal Programme (NRP) and Home Improvement Programme (HIP) to maintain housing quality and enhance living environments.
Green Initiatives ⁵¹⁴	Sustainable housing developments emphasise energy efficiency, green spaces, and eco-friendly construction materials, aligning with Singapore's vision of a sustainable urban future.

Singapore's public housing initiatives have greatly improved social welfare by addressing community needs. The high homeownership rate, linked to CPF savings, supports economic stability and retirement planning. The Ethnic Integration Policy promotes diversity and fosters social harmony. Targeted subsidies help low-income families, reducing socioeconomic disparities. Renewal programme maintain living standards with modern amenities. For the aging population, the Lease Buyback Programme allows elderly residents to monetise their homes while remaining in them. Collectively, these efforts promote an equitable and resilient society.

Risa and others cited that Singapore was recognised by INCEIF, Worldbank, and ISRA in 2018 for the use of a modern management approach by involving qualified resources and introducing accountability in the management of its waqf funds. To redevelop the Red House Project, the practice of *musharakah-sukuk* to fund the redevelopment of the Bencoolen waqf property, the purchasing of the construction of Beach Lane, and some donations were recognised as the best solution.⁵¹⁵ The construction of a mixed-use property was funded with a *musharakah-sukuk*. The Waqf land was provided by Syed Omar Ali Aljunied, while Baitulmal funded the project and Warees managed the project.⁵¹⁶ This waqf project consisted of an air-conditioned mosque, a commercial building of three stories and 107 apartments. The redevelopment project helps the mosque to expand its number of congregants, as well as to

⁵¹¹ Weder, Building a cohesive society : The case of Singapore's housing policies.

⁵¹² Sock-Yong Phang, Singapore's approach to housing policy | East Asia Forum.

⁵¹³ Lin-Heng, Public housing in Singapore: a success story in sustainable development.

⁵¹⁴ Housing and Development Board Singapore, It all begins with a Home: 60 Years of Home Ownership Scheme.

⁵¹⁵ Risa Sari Pertiwi, Muhammad Nafik Hadi Ryandono, and Khofidlotur Rofian Anita, Regulations and Management of Waqf Institutions in Indonesia and Singapore: A Comparative Study.

⁵¹⁶ Warees Investments Pte Ltd, "Transforming 51 Bencoolen Street", WAREES, 2019.

include additional facilities, such as classrooms and a meeting centre, for the running of community programme and activities. Thus, the waqf project offers a sustainable income for the MUIS to return the benefits to the society.

Singapore's affordable housing strategy merges social welfare, innovative financing, and community development, fostering inclusivity. Key elements include:

- i. Socio-Political Prioritization: Housing is viewed as a fundamental social right, guiding effective policies and structures.
- ii. Demographic Responsiveness: The government addresses population changes, including immigration, through broad public housing schemes that promote social integration.
- iii. Variety of Options: A range of 99-year lease flats caters to different household sizes and budgets, enhancing social inclusion.
- iv. Innovative Financing: Modern approaches like *musharakah* sukuk for waqf property redevelopment illustrate social innovation in housing finance.
- v. Community Development: Housing projects feature communal facilities, fostering community building and social welfare.
- vi. Sustainable Income: Redevelopment projects generate income for social programme, linking housing with broader welfare goals.
- vii. Affordability for All: Policies ensure access to affordable housing for various social groups, showing a commitment to equity.
- viii. Integrated Amenities: The inclusion of schools, healthcare, and recreational facilities within housing estates reflects a holistic approach to social welfare.

In summary, Singapore's affordable housing framework aligns with its social welfare goals, emphasizing equitable, sustainable, and community-focused solutions.

4.3.4. Community-Centric Housing Through Technological Innovation

In 2009, HDB founded the Centre for Building Science (CBR) as HDB's Master Laboratory, continuing its efforts to provide its residents with accessible and sufficient housing. It is overseeing research and development (R&D) activities in the area of architecture and environmental conservation, while at the same time encouraging emerging technology for future affordable housing generations. The CBR focuses its R&D initiatives on five areas that are consistent with the Roadmap to Better Living of Singapore for the development of

‘Sustainable Cities’ consisting of energy, urban greenery, living environment, waste and water, and building technology⁵¹⁷.

4.3.4.1. Innovative Building Technologies and Legal Implications

Among the significant advancements in Singapore’s affordable housing landscape is the adoption of Innovative Building Technologies, particularly the Prefabricated Prefinished Volumetric Construction (PPVC) method⁵¹⁸. This innovative approach has transformed the design and construction of HDB homes by utilizing pre-built modules that are transported to construction sites for assembly. The PPVC technique has yielded remarkable efficiencies, reducing construction timelines by as much as 40 percent and lowering labour costs by around 20 percent. However, the evolution of such construction methods has necessitated comprehensive legal and regulatory adaptations to ensure adherence to safety, quality, and productivity standards.

To promote the use of PPVC, Singapore updated its Building Control (Buildability and Productivity) Regulations to mandate the integration of productive construction technologies in large-scale projects⁵¹⁹. These regulations dictate specific project types that must implement modular construction techniques, thereby enforcing compliance through rigorous approval processes. Additionally, the introduction of PPVC has required revisions to fire safety regulations and calculations concerning load-bearing capacities. PPVC Acceptance Framework⁵²⁰ has been established to govern the testing and certification of prefabricated components, ensuring that they meet building codes prior to installation, with amendments to

⁵¹⁷ Housing & Development Board, "Centre of Building Research", Singapore Housing & Development Board (HDB), <<https://www.hdb.gov.sg/cs/infoweb/about-us/research-and-innovation/centre-of-building-research-page>> (accessed 22 December, 2020).

⁵¹⁸ BCA, "Prefabricated Prefinished Volumetric Construction", Building and Construction Authority, <<https://www1.bca.gov.sg/buildsg/productivity/design-for-manufacturing-and-assembly-dfma/prefabricated-prefinished-volumetric-construction-ppvc>> (accessed 30 September, 2024). Prefabricated Prefinished Volumetric Construction (PPVC) is a construction method whereby free-standing 3-dimensional modules are completed with internal finishes, fixtures and fittings in an off-site fabrication facility before it is delivered and installed on-site.

⁵¹⁹ BCA, "Building Control (Buildability and Productivity) Regulations", Building and Construction Authority, <<https://www1.bca.gov.sg/buildsg/productivity/buildability-buildable-design-and-constructability/building-control-regulations>> (accessed 30 September, 2024). The Buildability legislation was introduced in 2001 to enhance productivity in the built environment sector and decrease its dependence on construction labor. Any projects with a Gross Floor Area (GFA) of 5,000 m² or more must comply with a minimum Buildable Design Score.

⁵²⁰ BCA, "PPVC Acceptance Framework", Building and Construction Authority, <<https://www1.bca.gov.sg/buildsg/productivity/design-for-manufacturing-and-assembly-dfma/ppvc-acceptance-framework>> (accessed 30 September, 2024). To ensure compliance and quality in the production of Prefabricated Prefinished Volumetric Construction (PPVC) systems, it is essential that the manufacturing facilities obtain accreditation through the following schemes: (1) Precaster's Accreditation Scheme, specifically for the production of PPVC shells; and (2) PPVC Manufacturer Accreditation Scheme which applicable to the fitting-out processes associated with PPVC systems.

the Fire Safety Act providing clear guidelines on fire compartmentalization in modular structures.

Moreover, the implementation of PPVC has resulted in novel contractual and legal liability frameworks that clarify stakeholder responsibilities in modular construction processes. Unlike traditional construction projects, the involvement of multiple parties—including off-site manufacturers, logistics providers, and on-site assemblers—necessitates complex contractual agreements. This legal structure includes explicit clauses addressing liability for defects in prefabricated components, transportation damage, and potential errors in on-site assembly. Concurrently, regulatory agencies have instituted a certification process to hold off-site manufacturers accountable for compliance with Singapore’s building standards. The Design for Manufacturing and Assembly (DfMA) Guidelines provided by the BCA offer a legal basis for ensuring compliance throughout the construction process.⁵²¹

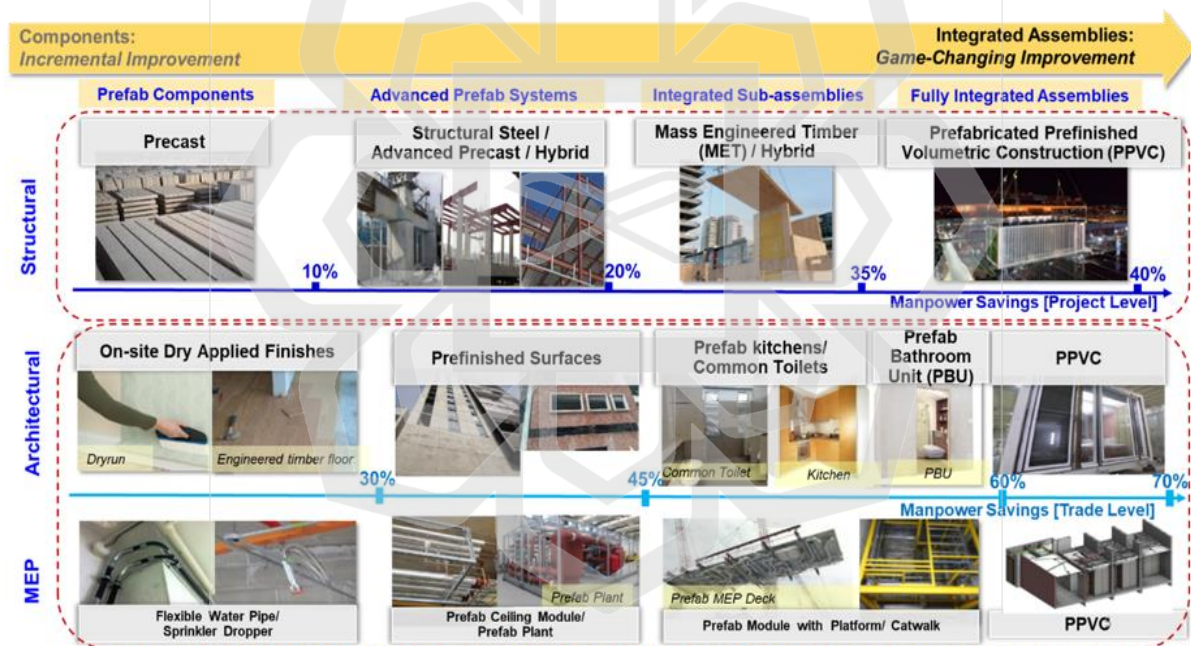


Figure 4.9: Types of DfMA Technology

⁵²¹ BCA, "Design for Manufacturing and Assembly (DfMA)", Building and Construction Authority, <<https://www1.bca.gov.sg/buildsg/productivity/design-for-manufacturing-and-assembly-dfma>> (accessed 30 September, 2024). Design for Manufacturing and Assembly (DfMA) is a crucial aspect of Singapore’s Construction Industry Transformation Map (ITM), emphasizing off-site manufacturing of construction components for on-site assembly. This approach provides numerous benefits, such as reduced construction timelines due to less on-site work, improved workmanship through stringent quality control in prefabrication, and minimized community disruption resulting from decreased construction activities.

The efficiency gains of PPVC have also substantially influenced land use policies, as the reduction of on-site construction time diminishes residential disruptions related to noise and dust. Consequently, the Urban Redevelopment Authority (URA) has revised its guidelines to expedite approvals for housing projects employing sustainable construction technologies. Legal provisions now enable certain HDB projects utilizing prefabricated methods to secure fast-tracked approvals under the Land Use Planning and Development Act, contingent upon meeting established sustainability criteria.⁵²² Ultimately, the benefits of PPVC extend to sustainability and waste reduction, highlighting its significance in the evolution of Singapore's affordable housing framework.

The introduction of prefabrication methods also resulted in updates to licensing and workforce regulations. Since Prefabricated Prefinished Volumetric Construction (PPVC) requires specialised skills for both off-site manufacturing and on-site assembly, legal provisions under the Employment of Foreign Manpower Act were revised to regulate the hiring of skilled labour from abroad. Additionally, training programme and certification schemes were established for workers involved in modular construction to ensure safety and competency.⁵²³

Although prefabrication offers several advantages, it has also sparked worries regarding legal conflicts tied to quality management, project delays, and unexpected expenses. Modifications to the law have been implemented to incorporate arbitration provisions and alternative dispute resolution (ADR) strategies in construction contracts, facilitating more effective conflict resolution.⁵²⁴ This initiative aligns with Singapore's broader goal of fostering a strong and equitable legal framework that promotes innovation in the housing industry.

⁵²² Fun Siew Ling, "From Plans to Reality: Singapore Urban Design Guidebook", (2024). URA coordinates the development of land by other public sector agencies, such as HDB for public housing and JTC for industrial uses, by similarly preparing the development conditions for every site.

⁵²³ S K Ting and H F Jin, "Prefabrication in the Singapore Construction Industry Human Resource Problem in the Singapore Construction", *2000 Proceedings of the 17th ISARC, Taipei, Taiwan*, (2000). The article emphasises that Singapore construction industry is experiencing significant labour shortages, with foreign workers constituting 81.2% of the workforce, leading to low productivity and a negative image. Prefabrication can help reduce on-site labour by 40-60%, improving construction speed and quality control. Government initiatives like the Buildable Design Appraisal System (BDAS) have promoted its use, achieving 8% in the public sector by 1998. However, the private sector faces challenges such as high costs, unfamiliarity, and coordination issues. .

⁵²⁴ Amila NKK Gamage and Suresh Kumar, "Study on adjudication Challenges in Singapore's Construction Industry: An In-depth Analysis of Payment Disputes and Judicial Review", *World Journal of Advanced Research and Reviews*, vol. 21, no. 3 (2024): 2257–2268. Adjudication under Singapore's Security of Payment (SOP) Act is a crucial ADR method for swiftly resolving payment disputes in the construction industry. Established in 2005, it allows parties to claim progress payments, promoting cash flow and reducing delays. Unlike litigation or arbitration, adjudication prioritises speed, requiring adjudicators to issue binding decisions within strict timelines. While it effectively addresses disputes over payments and contract breaches, dissatisfied parties can challenge decisions in court, often based on jurisdictional errors. Despite these challenges, adjudication is essential for upholding contractual compliance and industry stability while minimizing legal burdens.

4.3.4.2. *Transportation Infrastructure and Zoning Laws*

The advancement of transportation infrastructure in Singapore has greatly improved connectivity, particularly through its five Mass Rapid Transit (MRT) lines, three Light Rail Transit (LRT) lines, and extensive bus system. This network enhances accessibility, making suburban living more appealing and positively impacting property values near transit hubs. In line with transit-oriented development (TOD) principles, zoning regulations have been adapted to allow for higher-density developments in strategically located areas, supporting the government's vision of interconnected, livable communities.⁵²⁵

Land use planning under TOD aims to balance development and mitigate overcrowding, with zoning laws designating “activity corridors” that foster vibrant residential and commercial interactions. The Jurong Lake District is emerging as Singapore's second Central Business District, focusing on high-density living integrated with transport infrastructure. Height restrictions and floor area ratios help manage urban growth and maintain livability.⁵²⁶

Transportation expansion often requires land acquisition, governed by the Land Acquisition Act, ensuring fair compensation for property owners. Recent legislative updates have streamlined this process and introduced zoning laws to support underground transit systems, prioritizing safety and compliance. As zoning changes promote TOD and infrastructure growth, their environmental and social implications are critical. HDB (HDB) and URA are addressing this through green corridors and open spaces, fostering community engagement and ecological sustainability.⁵²⁷

4.3.4.3. *Energy Efficiency and Smart Home Technologies*

The integration of energy efficiency systems and smart home technologies has decisively transformed the legal landscape surrounding affordable housing in Singapore, reflecting the nation's unwavering commitment to sustainability and innovation. HDB has boldly embraced these advancements to develop smart, eco-friendly, and economically viable housing solutions

⁵²⁵ Khoo Teng Chye, *Transport: Overcoming Constraints, Sustaining Mobility*, Urban Systems Studies (Singapore: Centre for Liveable Cities, 2013). The report emphasised that the MRT network and planned transport corridors aim to connect high traffic zones, supporting the principles of Transit-Oriented Development (TOD). This approach encourages public transit use and decreases reliance on private vehicles, highlighting the importance of integrating transport and land use planning for sustainable urban development.

⁵²⁶ URA, "A Connected & Inclusive City: Singapore Urban Design Guidebook", (2024).

⁵²⁷ Jeffrey Boon Hui Yap and Chia Yee Chua, "Towards Sustainable Mobility with Transit-Oriented Development (TOD): Understanding Greater Kuala Lumpur", *Planning Practice and Research*, vol. 36, no. 3 (2021): 1–23.

that significantly enhance residents' quality of life while effectively mitigating environmental impacts⁵²⁸. However, the implementation of these innovations demands robust legal modifications to address pressing concerns related to privacy, regulatory compliance, and the development of necessary infrastructure.

A standout initiative in this framework is the aggressive deployment of renewable energy systems, mainly through the SolarNova Programme⁵²⁹, which compels the installation of solar panels on HDB rooftops. This programme is explicitly designed to harness solar energy to power communal amenities across residential estates, including lifts and corridor lighting. Key players in delivering smart energy efficiency are illustrated below:

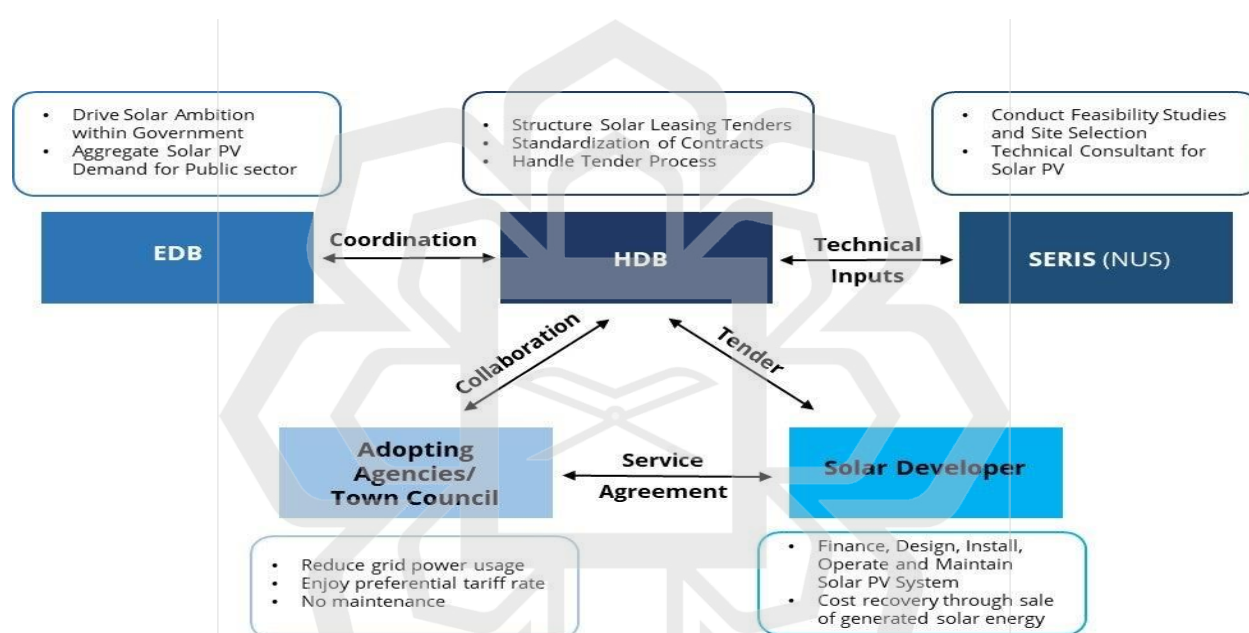


Figure 4.10: Smart Energy Key Players

The illustration highlights that the Singapore government successfully led an integrated initiative uniting various agencies to promote the use of public rooftops for solar electricity generation, setting a precedent for private sector involvement. Governments can replicate this

⁵²⁸ Michelle Ng, "Designing smart , sustainable HDB homes for the future", The Straits Times, <<https://www.straitstimes.com/singapore/housing/designing-smart-sustainable-hdb-homes-for-the-future> 1/9> (accessed 23 February, 2021). In 2012, the HDB Greenprint project in Yuhua tested a pneumatic waste conveyance system that automatically collects household garbage through underground pipes. Residents initially complained about foul-smelling chutes due to clogs from bulky waste. The HDB addressed the issue and improved the system based on feedback, making it part of sustainable features for future housing projects.

⁵²⁹ WordBank, "SolarNova Rooftop Solar Program , Singapore Project Summary":, World Bank, <<https://ppp.worldbank.org/public-private-partnership/energy-and-power/solarnova-rooftop-solar-program-singapore>> (accessed 23 November, 2024).

model for middle-income and emerging economies through standardised procurement processes, asset suitability assessments, and support for procurement execution.

In direct response to this paradigm shift, legal frameworks under the Energy Market Authority Act and the Electricity Act have been decisively modified to regulate solar energy production, storage, and distribution within public housing contexts. Essential legal provisions that have emerged include strict enforcement of safety standards for solar panel installation and maintenance, mandatory licensing for contractors involved in renewable energy system installations, and comprehensive updates to the Energy Conservation Act that uphold the integration of renewable energy into the national grid. Furthermore, legislative measures have been instituted to facilitate the return of surplus solar energy to the grid, generating community-wide benefits and substantially reducing energy costs for residents.⁵³⁰

The prolific adoption of smart home technologies—ranging from energy management systems to automation devices—within HDB flats necessitates a more assertive legal framework, particularly concerning data privacy and cybersecurity. While these technologies empower residents to monitor energy consumption and automate household functions via mobile applications, they concurrently heighten significant concerns regarding the privacy and security of personal data collected. The Personal Data Protection Act (PDPA) plays a pivotal role in this scenario, enforcing compliance among smart home service providers and government entities with stringent data privacy regulations. Key measures enforced under this act demand explicit informed consent before the collection and processing of personal data, impose severe penalties for any unauthorised access or misuse and require adherence to cybersecurity standards as set out in the Cybersecurity Act. To counter the heightened risks associated with smart home technologies—especially the threat of cyberattacks—regulations mandate regular security updates for devices and comprehensive cybersecurity audits by service providers.⁵³¹

Additionally, the strategic introduction of smart energy meters in select HDB estates underscores the seriousness of energy-saving initiatives and equips residents with real-time data about their energy consumption. This innovation empowers individuals to make informed

⁵³⁰ Abhishek Bhati, Michael Hansen, and Ching Man Chan, "Energy Conservation Through Smart Homes In A Smart City: A Lesson For Singapore Households", *Energy Policy*, vol. 104, no. February (2017): 230–239. This article examines the integration of energy efficiency into legal frameworks for affordable housing. It emphasises the growing incorporation of mandates for smart appliances, incentives for energy-efficient designs, and regulations on smart technology. Effective implementation requires financial support for vulnerable populations alongside regulatory safeguards to ensure privacy and security in smart environments.

⁵³¹ SCS, "Impacts and Benefits of Living in a Smart Home in Singapore - Singapore Computer Society", Singapore Computer Society, <<https://www.scs.org.sg/articles/smart-home-singapore>> (accessed 31 October, 2024).

decisions and substantially reduce their energy costs. However, robust legal adjustments to consumer protection legislation were necessary to proactively address potential disputes arising from inaccuracies in meter readings, overcharges, or technical malfunctions. Specifically, the Consumer Protection (Fair Trading) Act has been decisively revised to encompass smart meter regulations, establishing clear guidelines that ensure fair trading practices and unequivocally safeguard consumer interests amid the rapid evolution of smart home technology. This comprehensive approach starkly highlights the critical interplay between technological advancement and legal frameworks in driving sustainable urban living while staunchly addressing the complexities of privacy and consumer protection within Singapore's dynamic housing landscape.

The Singapore government has recognised the evolving needs of each generation, leading the HDB to adapt its homes to be more community-centric and sustainable⁵³². Since the establishment of the Centre for Building Research in 2009, HDB has focused on sustainable architecture and environmental conservation. Recent upgrades in transportation have improved access to housing, while HDB homes have transitioned to intelligent and eco-friendly designs. Key technological factors enhancing affordable housing delivery include:

- i. Innovative Building Technologies: Advanced methods like prefabrication decrease construction time and costs.
- ii. Sustainable Design and Materials: Eco-friendly designs reduce environmental impact and maintenance costs.
- iii. Energy Efficiency: Using renewable energy lowers energy expenses for residents.
- iv. Smart Home Technologies: Automated systems improve living quality and energy savings.
- v. Digital Tools: Software aids urban planning and management, improving efficiency and reducing costs.
- vi. Waste Management Technologies: Innovative solutions enhance sanitation in housing complexes.
- vii. Transportation: Improved mass transit connects affordable housing to jobs and amenities.

⁵³² Erik S. Mustonen, "From Slums to Sky Gardens — Singapore's Public Housing Success," *The Field*, <https://thefield.asla.org/2018/09/06/from-slums-to-sky-gardens-singapores-public-housing-success/> (accessed 22 December, 2020).

Together, these technologies ensure affordable housing is efficient and sustainable and enhances residents' quality of life.

4.3.5. Resilient Eco-System

A lack of water was a frequent phenomenon during the 1960s. A typical activity was implemented during water rationing due to the worst drought in 1963. Water-borne illnesses have been common because of inadequate sanitary conditions. Frequent floods of low-lying areas and contamination in certain rivers have also occurred. As a consequence, the government diversified the availability of water, named the 'Four National Taps' and effectively introduced water conservation and management policies. At the moment, 100 percent access to adequate sanitation and clean, piped drinking water is accessible.⁵³³ The government also ensured that with a full irrigation system and consequently flood-prone areas, two-thirds of the water catchment area for the entire island was significantly decreased. Singapore has also been recorded as a 'City in the Garden'.⁵³⁴ The green area occupies nearly 50 percent of the overall area of Singapore, as in 2011. In the greening campaign, both the government and the private sector are actively engaged.

Singapore's land scarcity poses major environmental constraints for developing affordable housing to meet the needs of its population. With only 720 square kilometres of land available, Singapore must balance housing supply with environmental impact. An expanding population and rising property prices further drive the need for more affordable homes.⁵³⁵

One of the principal advantages of Singapore's urban development strategy is its emphasis on vertical expansion as opposed to horizontal urban sprawl, thereby optimising land utilisation. The construction of high-rise HDB flats effectively addresses the challenge of accommodating a large population in an environmentally sustainable manner by minimising land encroachment.⁵³⁶ Nevertheless, the high-density nature of such developments can result in the urban heat island effect, whereby heat is retained between buildings, subsequently increasing the demand for air conditioning. Although the implementation of sustainable

⁵³³ Centre for Liveable Cities and Civil Service College, *Liveable & Sustainable Cities : A Framework*, edited by Khoo Teng Chye, (Singapore: National Library Board, Singapore, 2014).

⁵³⁴ Ibid.

⁵³⁵ Ministry of Foreign Affairs, *Towards a Sustainable and Resilient Singapore: Voluntary National Review Report 2018* (Singapore: Ministry of Foreign Affairs, 2018).

⁵³⁶ Erik S. Mustonen, "From Slums to Sky Gardens – Singapore's Public Housing Success," *The Field* (ASLA), May 16, 2019, <https://thefield.asla.org/2019/05/16/from-slums-to-sky-gardens-singapores-public-housing-success/>

construction standards has been shown to enhance energy efficiency, the introduction of the Building and Construction Authority (BCA) Green Mark Scheme in 2005 represents a significant policy shift aimed at promoting environmental sustainability. This initiative established legal frameworks and incentives for adherence to green building standards, highlighting Singapore's commitment to sustainable infrastructure. Additionally, regulatory measures requiring the incorporation of eco-friendly technologies, such as vertical urbanism and rooftop gardens, further reinforce compliance with established sustainability objectives.

Singapore's commitment to eco-resilience is significantly bolstered by its robust legal frameworks governing waste management, particularly the Environmental Public Health Act. This legislation underpins the regulatory mechanisms that oversee waste disposal while actively promoting recycling initiatives. The establishment of incineration plants alongside the Semakau Landfill exemplifies the country's strategy to integrate energy recovery with environmental sustainability. Furthermore, the mandate for dual chute recycling systems in new residential developments is a clear indication of legislative efforts designed to optimise household recycling practices. These regulatory measures reflect a comprehensive approach to enhancing waste management efficiency and fostering a culture of sustainability within the community.

After analysing the environmental impact of providing affordable housing in Singapore using the PESTEL method, the following key elements need to be considered:

- i. **Water Resource Management**
The government's initiative to diversify water availability through the 'Four National Taps' strategy significantly impacts the environmental aspect of housing. Effective water conservation and management policies ensure a sustainable supply of clean water, which is crucial for residential developments.
- ii. **Sanitation and Health**
The achievement of 100% access to adequate sanitation and clean, piped drinking water directly benefits affordable housing. It not only improves living conditions but also reduces water-borne illnesses, contributing to a healthier population.
- iii. **Flood Management**
Implementing a full irrigation system and managing two-thirds of the island as water catchment areas have significantly reduced flood-prone areas. This

is critical for the sustainable development of housing, as it minimises the risk of flood-related damages and disruptions.

iv. Urban Greening and Biodiversity

Singapore's distinction as a 'City in the Garden,' with green areas occupying nearly 50% of the overall area, reflects a commitment to environmental sustainability. This initiative directly impacts the livability and attractiveness of affordable housing, promoting a healthy and aesthetically pleasing living environment.

v. Public-Private Collaboration in Greening

The active involvement of both the government and private sector in the greening campaign shows a collaborative approach to environmental stewardship. This partnership is essential for integrating green spaces into affordable housing projects, and enhancing ecological balance.

vi. Climate Change Resilience

The focus on environmental management in housing also prepares Singapore to be more resilient to climate change effects. This includes designing housing that can withstand environmental stresses, ensuring long-term sustainability.

vii. Energy Efficiency

The integration of energy-efficient practices in housing contributes to a reduced environmental footprint. This includes using sustainable materials and incorporating renewable energy sources, which is beneficial for both the environment and long-term affordability.

In summary, the environmental impact on affordable housing in Singapore, as per the PESTEL analysis, is significantly positive. The government's initiatives in water resource management, sanitation, flood control, urban greening, and collaboration with the private sector contribute to creating sustainable, healthy, and resilient housing environments. This holistic approach not only addresses the immediate needs of residents but also ensures the long-term sustainability of housing projects in the face of environmental challenges.

4.3.6. Urban Governance Strategy

Subscribing to a diverse urban governance strategy helped to maintain the conditions needed for a liveable, healthy society among residents of the government. In addition to being well-

known for proximity to affordable housing, Singapore is also well-known as the stringent country to enforce the laws⁵³⁷. After secession from Malaysia and independence in 1965, all the provisions of the Malay constitution were followed by the Singapore House with one exception: the right to a fair settlement for the purchase of compulsory land. Shortly thereafter, Parliament passed the Land Acquisition Act that gives the state and its institutions the freedom to acquire land at legislative prices. Presently, 90% of the land is owned by the government and 81% of the population lives in HDB apartments that make up 73% of existing residences⁵³⁸.

4.3.6.1. *Housing Regulations*

The government introduced an integrated housing approach—from planning, architecture, land assembly and building, to management and maintenance⁵³⁹. The Housing & Development Act 1960, which is the apex housing body, gave the housing and development board the leading role in the value chain. The legal centralisation and architectural construction of building management are of considerable significance.

To help regulate residential developers involved in public housing, the government introduced a merit star system to reward contractors with consistent high performance. In 1982, a ‘Core Contractor Scheme’ was implemented, which guarantees an annual workload for contractors who have a minimum paid-up capital of \$500,000 and have achieved at least five stars in the merit star system⁵⁴⁰.

4.3.6.2. *Land Acquisition and Use Laws*

The Land Acquisition Act of 1966 established a framework that empowered the government to acquire private land for various public purposes, including the development of public housing, infrastructure projects, and urban renewal initiatives. This legislation allowed for land acquisition at below-market compensation rates, prioritising national development over individual property rights. Subsequent amendments to the act have sought to enhance fairness and equity in compensation. The 1987 amendment linked compensation to statutory land values, improving fairness but imposing measures to prevent speculative price surges. The

⁵³⁷ Noah Plaue, "Absurd laws of Singapore", Business Insider, <<https://www.businessinsider.com/absurd-laws-of-singapore-2012-6>> (accessed 10 January, 2021).

⁵³⁸ Sock-Yong Phang, Singapore's approach to housing policy | East Asia Forum.

⁵³⁹ Abhas Jha, "But what about Singapore?" Lessons from the Best Public Housing Program in the World.

⁵⁴⁰ Ibid. For every merit star earned, the contractor would enjoy a 0.5% bidding preference when tenders were evaluated

2007 amendment further refined valuation methodologies, aiming to provide more equitable compensation while balancing public needs with individual rights, thereby reducing conflicts.

Singapore's approach exemplifies how a global city can achieve sustainable housing through comprehensive and multifaceted strategies tailored to its unique conditions. The implementation of a robust legislative framework is crucial for the effective management and development of public housing. The Singaporean government has demonstrated significant capability in land acquisition, enacting stringent construction policies, and establishing a legal framework that supports a comprehensive housing strategy. These efforts have been instrumental in the success of the country's affordable housing initiative.

4.3.6.3. *Policies Supporting Sustainable Land Use*

The Concept Plan of 1971, along with subsequent Land Use Master Plans, established a comprehensive framework for sustainable urban development in Singapore, emphasising the necessity of a strategic approach to urban growth over the long term. These frameworks advocate for the creation of satellite towns to alleviate congestion in the city centre, promote the decentralisation of commercial centres to enhance accessibility and efficiency, and integrate green spaces to optimise the utilisation of limited land resources. The Land Use Plan 2030 further elaborates on these principles by proposing innovative housing solutions, fostering mixed-use developments, and establishing green corridors that enhance connectivity and promote ecological sustainability. Additionally, Singapore's land reclamation policies have significantly contributed to an increase in land area from 580 km² in 1965 to 721 km² today. This expansion is guided by stringent regulations, including the Coastal Protection Act, ensuring that reclamation activities are executed with a commitment to environmental stewardship while minimising ecological disruption and preserving the integrity of coastal ecosystems.

4.3.6.4. *Regulations to Prevent Overdevelopment*

The Development Control Guidelines establish regulations regarding building heights, land density, and zoning to mitigate the risks of overdevelopment and safeguard urban ecosystems. The Parks and Trees Act of 2005 further reinforces this commitment by mandating the preservation of greenery within urban development projects. The Urban Redevelopment Authority (URA) plays a pivotal role in this framework, as it is tasked with overseeing land use planning and the enforcement of sustainable development practices. The URA is responsible for formulating policies that promote mixed-use developments, enhance public

spaces, and improve connectivity, thereby fostering a balanced and environmentally conscious urban landscape.

4.3.6.5. *Balancing Property Rights and Public Needs*

Concerns regarding property rights arising from below-market compensation were addressed through several key measures. Firstly, the government engaged in public communication efforts to justify land acquisitions by framing them as essential for national development. This approach aimed to align public perception with governmental objectives. Additionally, displaced landowners were frequently offered alternative housing solutions or cash compensation, which helped to alleviate concerns and reduce overall public dissatisfaction with the acquisition process. These strategies collectively contributed to mitigating the impact of property rights concerns associated with compensation practices.

4.3.6.6. *Dispute Settlement*

Legal disputes that arose during Singapore's journey toward sustainability, particularly around land acquisition, property rights and waste management practices. The land acquisition and property rights have been of significant concern, particularly following the enactment of the Land Acquisition Act in 1966. This legislation allowed the government to acquire private land at rates below market value, leading to widespread dissatisfaction among landowners. By the 1980s, the implications of this act were evident, as the government emerged as the largest landowner in the region. To address the ensuing unrest, the government emphasised the importance of long-term urban planning and effective public communication. By justifying land acquisition initiatives as essential for national development, the authorities aimed to mitigate perceptions of unfairness. Furthermore, to alleviate grievances, the government committed to providing public housing compensation and improving access to modern amenities, thereby reducing the likelihood of protracted legal disputes.

Another pressing issue is environmental and transboundary pollution, particularly highlighted by the recurrent air quality crises in Singapore stemming from forest fires in Indonesia. In response to these challenges, the Transboundary Haze Pollution Act of 2014 was introduced, which empowers Singapore to take legal action against entities responsible for pollution, regardless of their location. This groundbreaking legislation not only addresses the immediate concerns of air quality but also sets a legal precedent for holding foreign corporations accountable for their environmental impacts. Despite the complexities involved

in enforcement, the Act serves a dual purpose: it provides a framework for accountability and acts as a deterrent against transnational environmental degradation.

In the realm of waste management and environmental compliance, Singapore has faced significant challenges, including low recycling rates, illegal dumping, and public resistance to waste segregation initiatives. To tackle these issues, the government has adopted an incentive-based regulatory approach. Initiatives such as the Green Mark Scheme and stringent waste disposal regulations have been implemented. Rather than relying solely on punitive measures, the authorities have opted for enhanced enforcement mechanisms coupled with comprehensive public education campaigns. This strategy aims to foster greater compliance and encourage responsible waste management practices among residents.

Additionally, public transportation policies, particularly the Electronic Road Pricing (ERP) system, have sparked considerable debate. Concerns about privacy violations and perceived inequities related to ERP charges and travel data collection have contributed to public dissatisfaction. While the documentation of these issues does not indicate formal litigation, it suggests that the government's approach has emphasised policy flexibility and regular updates. The introduction of a satellite-based ERP system represents a proactive measure aimed at addressing public concerns and minimising the risk of legal challenges.

The challenges of land acquisition, pollution, waste management, and transportation highlight the complexities of governance in a rapidly urbanising society. The government aims to address these issues through innovative approaches to enhance public trust and promote sustainable development.

4.3.6.7. *Legal Basis of Singapore Affordable Housing Programme*

Singapore's affordable housing programme serves as a compelling model for urban housing strategies, significantly shaped by its robust legal framework. This framework ensures that housing remains accessible and meets the diverse needs of the population. The interplay between governance and law is evident in several key elements that underpin the success of Singapore's housing initiatives.

One crucial element is the Land Acquisition Act, which allows the government to acquire land at predetermined legislative prices. This Act has had a profound impact on urban development, especially considering that approximately 90% of the land in Singapore is owned by the state. By facilitating the acquisition of land, this law enhances the government's ability to provide for extensive public housing projects, thus ensuring a consistent availability of land for housing development.

Further underpinning this framework is the Housing and Development Act of 1960, which established the HDB as the central authority governing housing development. The legal empowerment of the HDB has been instrumental in streamlining the management and execution of public housing projects, contributing to the effective implementation of housing policies. This centralised approach allows for coordinated planning and development, essential in addressing the housing needs of a rapidly growing urban population.

The legal framework for urban governance in Singapore also plays a critical role in maintaining livable and healthy conditions within public housing. The strong legal underpinnings of urban governance facilitate not only the regulation of quality and uniformity in housing development but also support the sustainability of community environments. Through clear regulatory guidelines, the government ensures that development aligns with the broader social and environmental goals of the city.

Enforcement of building and construction standards is another vital aspect of the legal framework that ensures high-quality construction in public housing. The stringent legal requirements surrounding building codes and management practices contribute significantly to the durability and safety of HDB apartments. This rigorous enforcement not only protects residents but also enhances the overall integrity of the housing programme.

Since its introduction in 1982, the Core Contractor Scheme has established a legal obligation for contractors to uphold minimum construction standards, evaluated through a star rating system. This mechanism incentivises contractors to maintain high levels of competence and reliability, thereby securing consistent workloads and contributing to the overall success of public housing projects. The scheme effectively filters out less capable contractors, ensuring that only those who can meet strict performance criteria are engaged in the development process.

Additionally, the legal framework supports an integrated housing approach, encompassing various aspects such as planning, architecture, land assembly, construction, management, and maintenance. This holistic legal backing has been fundamental in delivering affordable housing efficiently and sustainably. The integration of these elements fosters collaboration among various stakeholders, enhancing the overall effectiveness of housing delivery.

In conclusion, Singapore's housing policy serves as a model for other developed nations, effectively addressing local needs. Key legal principles can inspire global discussions on affordable housing, highlighting the role of law in fostering sustainable urban living.

4.3.7. Integrated Legal Frameworks For Affordable Housing: Lessons From Singapore

Singapore boasts a unique welfare system that, while not traditionally considered a welfare state, provides substantial housing welfare. The integrated housing scheme has played a crucial role in increasing investment and homeownership rates, resulting in overall growth and a housing bubble boost. Rather than fixating on income disparities, federal policy has aimed to distribute the benefits of prosperity through various measures that do not restrict individuals' opportunities to work and save.

It's impressive to see how Singapore's public housing meets the needs of not only low-income households but the middle-income class as well. The emphasis today is on 'intelligent homes of the future', and attempts are also made to make them environmentally friendly. The HDB has been entrusted with constructing a large number of low-cost housing projects equipped with modern sanitation and services. Policies have been implemented to acquire land and evict squatters, which has been discussed in paragraph 4.3.6. The HDB also obtains operating funds from the government in the form of low-interest loans and a sizable annual subsidy of 1% to 2% of the government's primary operating expenditure in the early years.

It is important to note that Singapore stands as the sole economically free nation globally. The government offers substantial subsidies for housing, travel, and healthcare, significantly impacting the economy. Moreover, the housing sector plays a crucial role in boosting the economy, and the government has implemented various measures to enhance it, such as grants and scholarships. Additionally, CPF enables individuals to withdraw funds to purchase or construct residential property, making it a crucial aspect of the housing market⁵⁴¹. PR1MA has introduced a flexible scheme similar to Singapore's model to encourage middle-income earners to own their own homes. The Special PR1MA End Financing Scheme (SPEF) offers those who earn between RM2,000 and RM15,000 the opportunity to become homeowners. The cornerstone of SPEF is the step-up financing and step-up financing with EPF Account 2 withdrawal options. Only the interest needs to be paid for the first five years of the loan. After that period, the principal amount will kick in until the loan is paid off⁵⁴². This is a fair and helpful way for people to achieve homeownership similar to Singapore initiatives.

⁵⁴¹ CPF that adopted by Singapore is similar to Malaysia Employee Provident Funds (EPF). The Malaysian EPF is a compulsory pension scheme for all Malaysians. The EPF receives and manages retirement savings, encompassing compulsory contributions by all Malaysian citizens and permanent residents who are working in Malaysia.

⁵⁴² Bernama, "PR1MA Introduces 'Step-Up' Financing," *MalaysiaKini*, <https://www.malaysiakini.com/news/372332> (accessed 15 December, 2022).

Established in 2009 by HDB, the Centre for Building Science (CBR) conducts research and development on sustainable housing. The CBR's focus encompasses energy, urban greenery, living environment, waste and water, and building technology. Satellite cities and housing properties are now better-connected thanks to improved transportation infrastructure. HDB has shifted its focus towards providing smart and sustainable homes that cater to the evolving needs of the next generation. The HDB Greenprint project rigorously tested a vacuum-type underground waste conveyance system, which is now one of many sustainable features in future housing projects. HDB homes embody community-centric cities with a primary emphasis on sustainability, thanks to cutting-edge technological advancements.⁵⁴³

In 2019, Singapore's gross national income reached \$507,568 million per capita, classifying it as a high-income economy and the only economically free country globally. While there are financial aid programmes for underprivileged Singaporeans, these are provided by various governmental and non-governmental organisations. MUIS, for example, employs Istibdāl for waqf ventures, enhancing land development opportunities. This approach helps safeguard endowment privileges in both jurisprudence and the constitution. The success of Singapore's economic development and housing policies is reflected in the improved urban environment and housing conditions. The Malaysian government is taking measures to provide its citizens with affordable housing. To achieve this goal, they plan to use land owned by the Federal Government, state governments, and public utility companies, as well as waqf land to develop affordable housing. The focus will be on urban and peripheral areas where appropriate land can be found. It is crucial for governments to prioritise affordable housing programmes to ensure that everyone has access to secure and safe housing.⁵⁴⁴

The PESTEL methodology analyses key factors influencing affordable housing in Singapore, shaping the housing landscape and determining the effectiveness of related policies and initiatives. Please refer to the figure below, which outlines the critical factors from the PESTEL analysis:

⁵⁴³ Malaysia's government is devising a public-private partnership model to reconstruct public housing to provide top-notch, affordable housing in conveniently located areas with access to transportation. The reconstruction plan incorporates the provision for cost-effective accommodation in newly developed towns as stated in Twelfth Malaysian Plan 2021 – 2025.

⁵⁴⁴ Economic Planning Unit, Strategy Paper 6: Providing Adequate and Quality Affordable House; Khazanah Research Institute, Rethinking Housing: Between State, Market and Society: A Special Report for the Formulation of the National Housing Policy (2018–2025), Malaysia (Kuala Lumpur: Khazanah Research Institute, 2019).



Figure 4.11: PESTEL Analysis of the Singapore's Housing Framework

4.4. CHAPTER ANALYSIS

The vital lesson learned from Victoria and Singapore is to strengthen the legal framework in delivering good and quality standards of affordable housing programme. The political stability

will ensure the continuous efforts in providing adequate housing. Regardless of the government of the day, adequate housing will ensure and uphold the social objective. Besides, the financial standing of a country is pertinent in supporting the construction financing of the affordable housing project. Through technological convergence, various modern developed technologies to reduce the financing cost and deliver good quality affordable housing should be the central focus and the government support is commendable. This also includes the protection of the environment by developing technology that can benefit the residents, as Singapore portrays. Social programmes, such as various social, educational, recreational and sports activities embedded to assist the affordable housing community, shall be conducted and supported by the government and the community itself.

Paras 4.2.7 and 4.3.7 of the PESTEL study identify the relevant components to consider when developing the legislative framework for affordable housing.

Table 4.10: Key Elements of PESTEL Analysis Victoria and Singapore Housing Framework

KEY ELEMENTS OF THE LEGAL FRAMEWORK OF AFFORDABLE HOUSING	
Political • Government policy and funding • System of government • Ideological positions • Stability and power dynamics between parties • Intergovernmental coordination • Public opinion • Centralised planning and implementation • Government subsidies, grants, and financial assistance • Public-private partnerships (PPPs) • Comprehensive community development • Responsive policy adaptation	Economic • Housing prices and affordability • Construction costs • Economic growth and employment • Interest rates • Economic growth and stability • Public-private partnerships (PPPs) • Central provident fund (CPF) usage for housing • Income and pricing policies • Investment in infrastructure and amenities • Global economic factors and trade policies • Innovative financing models
Social • Cultural diversity and population growth • Migration trends • Community needs and preferences • Family dynamics and relationships • Social equity and inclusion • Socio-political prioritization of housing • Response to demographic changes • Variety of housing options • Innovative financing models • Community development in housing projects	Technology • Innovation in construction technology • Technological disruption in housing markets • Impact of online platforms • Innovative building technologies • Sustainable design and materials • Energy efficiency and renewable energy integration • Smart home technologies • Digital tools for planning and management • Waste management technologies

KEY ELEMENTS OF THE LEGAL FRAMEWORK OF AFFORDABLE HOUSING

- Sustainable income for social programme
- Affordable housing for diverse social groups
- - Integration of social amenities

- Transportation and accessibility
- Building information modeling (BIM)

Environment

- Sustainable construction practices
- Physical planning and land management
- National-level housing policy approach
- Strategic planning and environmental impact assessment
- Reform processes to enhance proactivity in housing
- Water resource management
- Sanitation and health
- Flood management
- Urban greening and biodiversity
- Public-private collaboration in greening
- Climate change resilience
- Energy efficiency

Legal

- Regulatory framework for social housing access
- Tenant and landlord rights and responsibilities
- Quality assurance in building construction: contracts, standards, regulations and financial security
- Land use and development planning
- Dispute resolution and consumer protection
- Land acquisition act and government land ownership
- Housing & development act (1960)
- Legal framework for urban governance
- Enforcement of building and construction standards
- Core contractor scheme
- Legal support for integrated housing approach

Based on the PESTEL analysis outlined in the chapter, the following recommendations and suggestions can be proposed for developing an effective affordable housing framework in Malaysia:

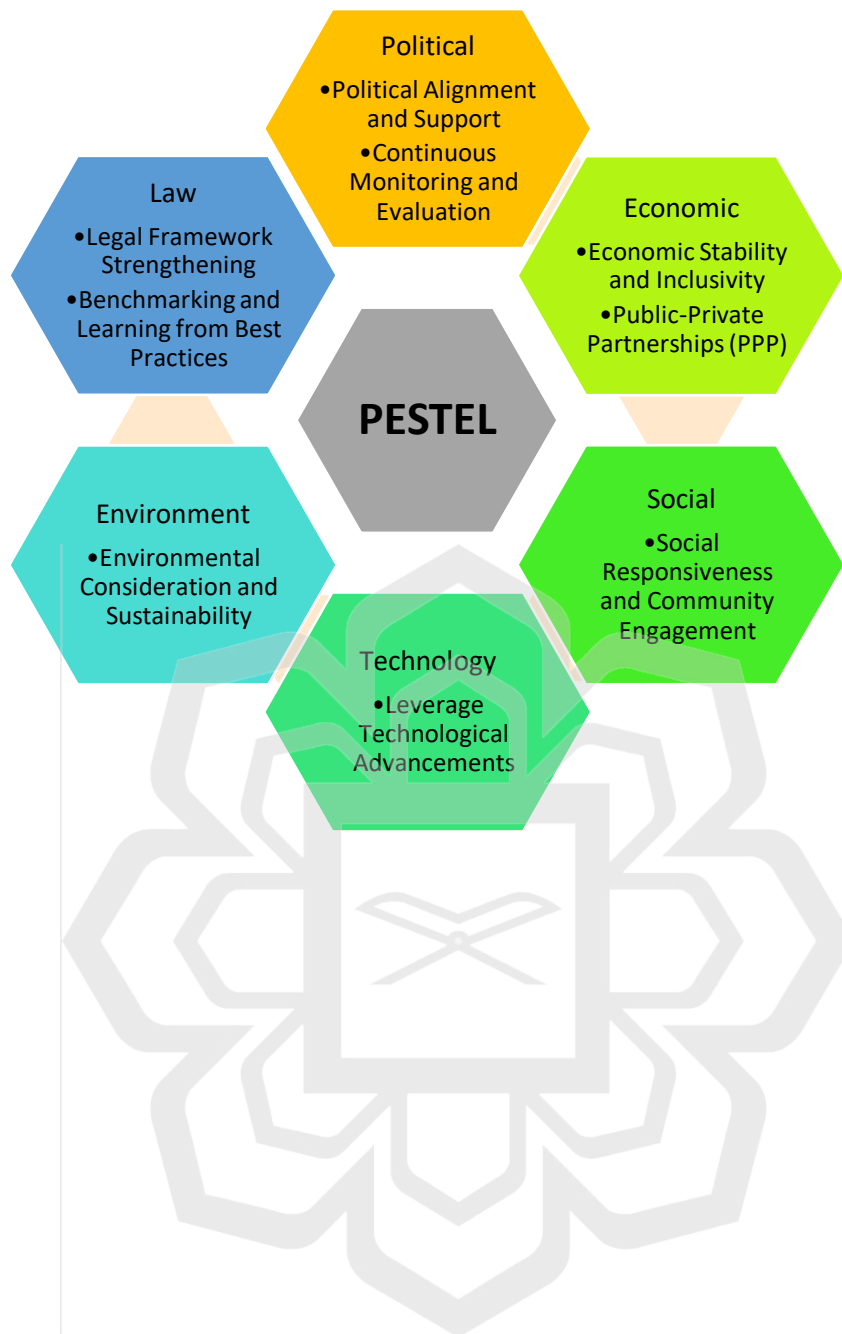
Table 4.11: Proposed Outline Framework for Affordable Housing Development

CATEGORY	DESCRIPTION
Political Alignment and Support	Ensure strong political commitment and support for affordable housing initiatives. This could involve creating favourable policies, offering subsidies or incentives, and ensuring that housing schemes align with broader economic goals.
Economic Stability and Inclusivity	Address economic factors by stabilising housing markets and making them more inclusive. Implement measures to control housing prices, provide financial assistance to target groups, and encourage investments in affordable housing.
Social Responsiveness and Community Engagement	Develop socially responsive housing policies. Engage with communities to understand their needs and preferences, integrate cultural and societal values into housing projects, and promote community-based housing solutions.
Leverage Technological Advancements	Embrace and integrate technological advancements in the housing sector. This includes using modern construction methods, adopting sustainable and energy-efficient building practices, and utilising digital platforms for housing applications and information dissemination.

CATEGORY		DESCRIPTION
Environmental Consideration and Sustainability		Prioritise environmental sustainability in housing projects. Focus on eco-friendly building materials, energy-efficient designs, and developments that minimise environmental impact. Address issues like land contamination and ensure compliance with environmental regulations.
Legal Framework Strengthening		Strengthen the legal framework surrounding affordable housing. This involves clear zoning and planning laws, transparent processes for housing development approvals, and legal protections for both consumers and developers.
Benchmarking and Learning from Best Practices		Look at successful models from countries like Singapore and Victoria, Australia. Adapt their best practices to the Malaysian context, considering local demographics, economic conditions, and cultural nuances.
Public-Private Partnerships (PPP)		Encourage PPPs to leverage the strengths and resources of both sectors. This can help in expanding the reach and efficiency of affordable housing programme.
Continuous Monitoring and Evaluation	and	Establish a robust monitoring and evaluation mechanism to assess the impact of housing policies and programmes continuously. Use this data to make informed adjustments and improvements.
Inclusive and Diverse Housing Options		Offer a range of housing options to cater to different income levels, family sizes, and demographic groups. This inclusivity ensures that the housing needs of a broader section of the population are met.

These recommendations aim to create a balanced, sustainable, and effective affordable housing framework in Malaysia, taking into account the various factors highlighted by the PESTEL analysis as illustrated below:

Figure 4.12: Integrated Framework for Sustainable Affordable Housing in Malaysia





CHAPTER FIVE

THE EXISTING FRAMEWORK OF AFFORDABLE HOUSING IN MALAYSIA

5.1. INTRODUCTION

The previous chapter examined affordable housing structures in Australia and Singapore, which provided insight into criteria that need to be included in the legal framework for affordable housing, as concluded in paragraph 4.4. This chapter aimed to provide insights into the various factors that contribute to the sustainability of the legal framework for affordable housing for the middle-income group in Malaysia. As such, this chapter will focus on both doctrinal and non-doctrinal study designs to determine Malaysia's legislative framework for affordable housing.

This chapter will outline the perspectives of various stakeholders in the housing sector, including housing policy analysts, legal experts, urban planners, and economists. Their insights are crucial for the development of an effective legal framework. Semi-structured interviews were conducted with government agencies and private individuals to gather pertinent information. These interviews aim to explore Malaysia's practices regarding affordable housing programme, analyse the conceptual framework underpinning affordable housing, identify significant flaws in the current legislation, and propose improvements. A series of semi-structured interviews⁵⁴⁵ have taken place, employing both one-on-one sessions and focus group discussions (FGDs)⁵⁴⁶. Detailed information on the stakeholders interviewed is provided as follows:

⁵⁴⁵ The semi-structured interviews were conducted in a combination of in-person and online sessions during the COVID-19 pandemic in 2020.

⁵⁴⁶ The Focus Group Discussion (FGD) extract will be included in the Appendix. The FGD was conducted as part of the consultancy project titled “*Kajian dan Penggubalan Akta Sewaan Kediaman 2020*” and the “Fundamental Research Grant Scheme for Research Acculturation of Early Career Researchers (RACER/1/2019/SSI10/UIAM//3).”

Table 5.1: Stakeholder Interview Overview

No.	Stakeholder(s)	Category	Method	Date	Duration / Mode	PESTEL Themes Explored
a.	House Buyers Association, REHDA, Khazanah Research Institute, Jabatan Perumahan Negara, and others (refer Appendix I)	Government, Private Sector, Civil Society, Think Tanks	FGD 1	10 Dec 2020	90 min Online (COVID-19)	Political: government policy delivery Economic: financing challenges Legal: regulatory gaps
b.	PR1MA Corporation Malaysia	Government Agency (Federal)	Interview 1	2 Apr 2021	60 min In-person	Political: programme mandate Economic: PPP and financing Social: community principles Legal: PRIMA Act limitations
c.	Dewan Bandaraya Kuala Lumpur (DBKL)	Local Government	Interview 2	31 Mar 2021	60 min In-person	Political: federal-local coordination Environmental: urban planning Legal: development approvals
d.	Majlis Perbandaran Petaling Jaya (MPPJ)	Local Government	FGD 2	25 Sep 2020	90 min Online (COVID-19)	Political: state-local dynamics Social: community needs Environmental: land use
e.	Perbadanan Wakaf Selangor (PWS)	Religious Institution	Interview 3	27 Apr 2022	60 min In-person	Economic: waqf resources Legal: waqf governance Social: community benefit
f.	MKH Berhad, TH Properties Sdn Bhd	Private Developers	FGD 3	1 Apr 2021	90 min In-person	Economic: construction costs Technological: IBS/BIM adoption Legal: licensing and compliance
g.	SpeedHome	PropTech (Private Sector)	FGD 4	19 Aug 2020	60 min Online (COVID-19)	Technological: digital platforms Economic: rental market

No.	Stakeholder(s)	Category	Method	Date	Duration / Mode	PESTEL Explored	Themes
						Legal: framework	tenancy
TOTAL	7 sessions: 3 semi-structured interviews + 4 focus group discussions						

A total of seven empirical data collection sessions were conducted between August 2020 and April 2022, comprising three semi-structured interviews and four focus group discussions. Three sessions were conducted online during the COVID-19 pandemic (August–December 2020), while the remaining four were conducted in-person following the relaxation of movement restrictions (March 2021–April 2022). All sessions were audio-recorded with participant consent, transcribed in their original language (Bahasa Malaysia or English), and analysed using the PESTEL framework to ensure systematic thematic coding.

Purposive sampling was used to select stakeholders directly engaged in Malaysia's affordable housing ecosystem. The sample encompassed all six PESTEL dimensions: government agencies provided insights on political and legal factors; private developers and financial institutions addressed economic and technological dimensions; community organisations and local authorities contributed social and environmental perspectives; and religious institutions (Perbadanan Wakaf Selangor) provided data on the waqf-housing potential. The interview guide was structured around six core PESTEL questions (as outlined in the diagram below), with flexibility for participants to raise emerging concerns. Interviews lasted 60 to 90 minutes depending on the format.

The themes for the semi-structured interviews and focus group discussions will be derived from the PESTEL framework as outlined in Chapter 4. The overarching concepts associated with these themes are as follows:

Political	•How the institution assists the government policy in delivering affordable housing?
Economy	•How the institution secures the resources to develop affordable housing program and provide financing assistance to the targeted group?
Social	•How the institution plans to accommodate the community in affordable housing programs in terms of managing the social problems?
Technology	•What are the strategies designed by the institution to develop the affordable housing program?
Environment	•How the institution prepares to protect the environment in affordable housing programs?
Law	•How the institutions govern the development of housing programs and solving the issues that may arises during the development and among residents in affordable housing program?

5.2. GOVERNMENT ROLES IN PROVIDING AFFORDABLE HOUSING PROGRAMME

The involvement of governments at multiple levels is essential to effective governance. The federal government establishes broad policies that guide the nation, focusing on key issues requiring a unified approach. In contrast, state governments are responsible for translating these policies into actionable local initiatives that address their communities' specific needs and circumstances. This collaborative framework ensures that both national and local perspectives are considered in the decision-making process⁵⁴⁷. This issue is highlighted under Chapter 3.3 earlier.

5.2.1. Land Allocation for Affordable Housing Projects

In Malaysia, land and housing governance is a delineated responsibility between the federal and state governments, each with distinct yet interdependent roles in the development and allocation of affordable housing projects. The federal government formulates overarching policies and frameworks and provides both financial and technical support, while state governments are tasked with site identification and the execution of these housing

⁵⁴⁷ Tobi, Jasimin, and Rani, Overview of Affordable Housing from Supply and Demand Context in Malaysia.

initiatives.⁵⁴⁸ Central to the federal government's role is the establishment of policies such as the National Affordable Housing Policy (*Dasar Perumahan Mampu Milik Negara or DPMMN*). This policy articulates strategic objectives aimed at enhancing the supply of affordable housing, maintaining affordability levels, and improving overall housing quality.⁵⁴⁹

To achieve these objectives, the federal government engages with various stakeholders, including private developers and financial institutions, offering a mixture of incentives, regulatory reforms, and financial assistance programme.⁵⁵⁰ Notably, the Programme Perumahan Rakyat 1Malaysia is a flagship initiative designed to cater to middle-income families, providing grants, loans, and technical expertise to support project development. Moreover, collaboration with state governments ensures that these projects are executed effectively, aligning with established standards.

At the state level, governments are responsible for selecting sites for affordable housing developments. Given that land management falls under state jurisdiction State List in the 9th Schedule of the Federal Constitution, state authorities allocate land for these projects while working within the framework set by the federal government.⁵⁵¹ The collaboration is guided by the provisions under the Concurrent List in the 9th Schedule of the Federal Constitution to ensure that land designated for affordable housing meets demographic and socio-economic needs.⁵⁵²

Several stakeholders emphasised that land matters fall under state jurisdiction, leading to inconsistencies in the implementation of housing policies. This tension complicates the role of federal bodies such as PR1MA, which are expected to coordinate nationwide housing programme.

"Dalam Perlembagaan Persekutuan, tanah adalah bidang kuasa kerajaan negeri, yang menyebabkan ketidakseragaman dalam pelaksanaan polisi

⁵⁴⁸ Bernama, "Federal Govt to Launch 23 New Affordable Housing Projects Nationwide under 12th MP," *The Sun Daily*, <https://thesun.my/malaysia-news/federal-govt-to-launch-23-new-affordable-housing-projects-nationwide-under-12th-mp-JD13011778> (accessed 1 October, 2024).

⁵⁴⁹ Yaacob, Mohd Noor, and Chowdhury, A Review on Housing Policy and Practices in Malaysia in Providing Access to Housing: Are they adequate?; Samad and et al, Malaysian affordability housing policies revisited.

⁵⁵⁰ Syed Jamaludin, Mahayuddin, and Hamid, Challenges of Integrating Affordable and Sustainable Housing in Malaysia.

⁵⁵¹ Malaysia, *Federal Constitution* (as at 1 November 2010) (Kuala Lumpur: The Commissioner of Law Revision, 2010), [Article 74]. Article 74 of the Federal Constitution delineates the powers of the Federal and State governments and references Schedule 9. Within this framework, matters concerning land and forests fall under the "State List," which grants the State government jurisdiction over these areas. As such, the State government holds the authority to enact laws and develop land and forest management policies.

⁵⁵² Ibid. List III—Concurrent List (9C), housing and provisions for housing accommodation; improvement trusts.

*perumahan. Setiap negeri mempunyai dasar tersendiri yang kadangkala bercanggah dengan dasar perumahan persekutuan."*⁵⁵³

*"Because dia orang based on Federal constitution land belongs to Land under state matters..."*⁵⁵⁴

Moreover, state governments play a pivotal role in project implementation. They coordinate with local authorities, private sector stakeholders, and non-governmental organisations to ensure timely completion within budgetary constraints. Their responsibilities encompass overseeing construction to meet required standards and providing necessary support services for residents⁵⁵⁵.

In summary, the collaborative structure between federal and state governments in Malaysia facilitates a cohesive approach to affordable housing. The federal government's role in policy creation and provision of resources complements the state governments' responsibilities in land allocation and project oversight, ultimately working towards enhancing access to affordable housing for low-income families and fostering broader socio-economic development in the country.

5.2.2. State-Specific Housing Initiatives

In Malaysia, state-specific housing initiatives are essential in addressing the distinct housing needs of various regions. These initiatives are designed to align with each state's socio-economic conditions, population density, and geographical characteristics, thereby ensuring that affordable housing remains accessible to all citizens. The study examines the diverse state-specific housing initiatives implemented in Malaysia, emphasizing their objectives, strategies for implementation, and impact on local communities.

The Perumahan Rakyat 1Malaysia (PR1MA) Programme stands as a significant initiative designed to tackle the growing need for affordable housing among Malaysia's middle-income population⁵⁵⁶. This programme exemplifies a collaborative effort between federal and state governments and PR1MA to plan and implement housing projects that prioritise both

⁵⁵³ Norlaili Mat Isa, "Appendix IV_Extract of Focus Group Discussion (FGD3)", (2021).

⁵⁵⁴ Norlaili Mat Isa, "Appendix V_Semi-Structured Interview 1", (2021).

⁵⁵⁵ Nur Farhayu Ariffin and et al, "Prioritizing Solutions to Mitigate Abandoned Housing Projects: Insights from AHP Analysis in Malaysia", *The Open Civil Engineering Journal*, vol. 18, no. 1 (2024): 1–11; Yaacob, Mohd Noor, and Chowdhury, A Review on Housing Policy and Practices in Malaysia in Providing Access to Housing: Are they adequate? The study clearly asserts that the state government's role encompasses a blend of regulatory, facilitative, and administrative functions. It is crucial to recognize that their involvement varies significantly across different states, resulting in distinct impacts.

⁵⁵⁶ Abdullah, Y.A. and et al, *Affordable Housing for the Middle-Income Group in Malaysia*.

affordability and high-quality living standards. PR1MA's reach extends across various regions in Malaysia, ensuring affordable housing options are accessible to a diverse demographic⁵⁵⁷. The programme provides a comprehensive array of financial incentives for prospective homebuyers, including appealing subsidies and flexible financing solutions, all aimed at making homeownership more attainable for many families⁵⁵⁸. Through its practical execution, the PR1MA programme has made considerable progress in addressing the housing needs of the middle-income group.

Rumah SelangorKu Programme in Selangor, aimed at providing affordable housing to low- and middle-income families through subsidies and financial assistance⁵⁵⁹. The state government collaborates with private developers to construct housing units that are both energy-efficient and environmentally sustainable. The *Rumah SelangorKu* Programme has effectively facilitated the provision of thousands of affordable homes, significantly enhancing the living conditions of numerous families within Selangor⁵⁶⁰.

In Kuala Lumpur, the *Residensi Wilayah* (formerly known as RUMAWIP) Programme emphasises urban redevelopment and the creation of affordable housing in the state capital, Kuala Lumpur⁵⁶¹. This programme is specifically designed for middle-income families, granting them the opportunity to acquire homes in prime locations. The state government works in conjunction with developers to ensure that the housing units meet established standards and are accessible to the target demographic. The *Residensi Wilayah* programme has played a significant role in revitalizing Kuala Lumpur, rendering it a more vibrant and livable urban environment⁵⁶². DBKL representatives noted that they operate under directives from the Ministry of Federal Territories, which change with political leadership. PR1MA officials also echoed this lack of policy continuity.

*"Kesemua negeri termasuk kementerian yang berkenaan semua nak buat. Termasuklah wilayah di mana kemudian dia buat RUMAHW1P. Sebelum PR1MA wujud, RUMAHW1P tak wujud pun."*⁵⁶³

⁵⁵⁷ Jamaluddin, Abdullah, and Hamdan, Encapsulating the delivery of affordable housing: An overview of Malaysian practice.

⁵⁵⁸ BERNAMA, PR1MA Introduces "Step-Up" Financing.

⁵⁵⁹ Selangor, Dasar Perumahan Mampu Milik Negeri Selangor (*Rumah SelangorKu*).

⁵⁶⁰ Hamid, Z.A., Rethinking Affordable Housing in Malaysia: Issues and Challenges.

⁵⁶¹ Ministry of Housing and Local Government, *Dasar Perumahan Mampu Milik Negara (National Affordable Housing Policy)* (Putrajaya: KPKT, 2019).

⁵⁶² Dzul Ashrai Abu Bakar and Hamzah Jusoh, "Kesejahteraan Komuniti Dalam Skop Perumahan Mampu Milik Mampan", *Malaysian Journal of Society and Space*, vol. 13, no. 2 (2017): 97–114.

⁵⁶³ Isa, Appendix V_Semi-Structured Interview 1.

*"DBKL melaporkan kepada Menteri Wilayah. Dulu, pada zaman PH, terdapat Residensi Wilayah. Sekarang, pada zaman TN, terdapat Residensi Prihatin."*⁵⁶⁴

Similarly, the *Perumahan Penjawat Awam Malaysia* (PPAM) Programme addresses the housing needs of civil servants and their families.⁵⁶⁵ The state government allocates land and resources to develop housing projects that cater to this specific group. The PPAM programme guarantees that civil servants have access to affordable and high-quality housing, thereby promoting their well-being and job satisfaction. This initiative has received positive feedback from civil servants, who value the state government's commitment to meeting their housing needs.⁵⁶⁶

In Johor, the *Rumah Mampu Milik Johor* (RMMJ) programme focuses on providing affordable housing options for the middle-income group.⁵⁶⁷ The state government initiated the plan to develop affordable and high-quality housing projects. This state-level initiative mandates developers to allocate a percentage of housing units for affordable housing within their projects, specifically targeting Johorians. The price range for these units is set between approximately RM42,000 to RM150,000.⁵⁶⁸ The RMMJ initiative aims to bridge the gap between low-cost housing and higher-end market offerings, thereby increasing access to affordable housing for those who struggle to find suitable options.

The state-specific housing initiatives in Malaysia demonstrate a robust commitment to addressing the varying housing demands across different regions. By leveraging partnerships with private developers and offering financial incentives, state governments have effectively facilitated constructing thousands of affordable housing units, thereby enhancing the living standards for numerous families. These initiatives play a pivotal role in the nation's broader socio-economic development framework, promoting economic resilience and elevating the quality of life for all Malaysians. Furthermore, these efforts tackle immediate housing challenges and contribute to sustained economic stability and growth within the region,

⁵⁶⁴ Norlaili Mat Isa, "Appendix VI_Semi-Structured Interview 2", (2021).

⁵⁶⁵ Ministry of Housing and Local Government, *Dasar Perumahan Negara (2018–2025)* (Putrajaya: National Housing Department, 2018).

⁵⁶⁶ Masram, H., Misnan, and Yassin, *Implementation of affordable housing programmes in Johor, Malaysia for sustainable housing*.

⁵⁶⁷ State Government of Johor, *Dasar Perumahan Rakyat Johor*, (Malaysia: Government State of Johor, 2014).

⁵⁶⁸ Masram, H., Misnan, and Yassin, *Implementation of affordable housing programmes in Johor, Malaysia for sustainable housing*.

fostering community development and improving overall living conditions for a significant segment of the population.

5.2.3. Public-Private Partnerships (PPPS)

Public-private partnerships (PPPs) are integral to Malaysia's housing construction and urban development, particularly in addressing the dual challenges of rapid urbanisation and the growing demand for affordable housing. These partnerships support the Malaysian government capitalize on private sector expertise, innovation, and financial capacity, which are pivotal for catering to the housing demands of an expanding population⁵⁶⁹. This synergistic approach enables more judicious deployment of public funds, ultimately enhancing efficiency in resource utilisation.

Since the implementation of the PPP model, the private sector has been responsible for over 90% of housing provision in Malaysia⁵⁷⁰. This robust engagement has led to the development of diverse housing solutions, particularly aimed at low-income demographics, thereby effectively mitigating housing shortages. The stable political climate in Malaysia, maintained since its independence, has also created a favourable landscape for PPPs. This political stability reassures private investors regarding policy continuity and the security of their investments, enhancing participation in housing initiatives⁵⁷¹. The efficacy of PPPs in Malaysia can be attributed to several essential factors. Strong accountability mechanisms are in place to ensure that developers fulfil their contractual obligations, which helps maintain integrity in project delivery⁵⁷².

The PPP framework has been a catalyst for Malaysia's economic evolution, transforming the nation from an agriculturally driven economy to an upper middle-income status⁵⁷³. The expansion of the housing sector has significantly contributed to urbanisation and infrastructure advancement, further propelling economic growth. Additionally, the Malaysian government has integrated social accountability provisions into PPP contracts, mandating that

⁵⁶⁹ Muhammad and Johar, Public-private partnership for housing construction projects a comparative analysis of the success factors between Malaysia and Nigeria.

⁵⁷⁰ Abdullahi and Alias, The Success Factor of Public-Private Partnerships in Malaysia and Nigeria's Housing Sectors.

⁵⁷¹ Haidaliza Masram and Siti Hajar Misnan, Evolution of Policy For Affordable Housing Programmes in Malaysia.

⁵⁷² Zin Zawawi, "Malaysian Experience with Public Private Partnerships (PPP) – Managing Unsolicited Proposals", *Built Enviroment Project and Asset Management*, vol. 6, no. 5 (2016): 508–520.

⁵⁷³ Muhammad and Johar, Public-private partnership for housing construction projects a comparative analysis of the success factors between Malaysia and Nigeria.

developers address community needs, including the provision of low-cost housing for marginalized populations.

In summary, PPPs play a crucial role in shaping Malaysia's housing landscape by maximizing resource allocation, fostering private sector engagement, and ensuring developments cater to the populace's needs while contributing to the country's broader economic growth. The model's effectiveness is reinforced by a conducive political atmosphere and a focus on critical success factors that promote accountability and responsiveness to market dynamics. Ultimately, the success of PPPs in housing projects in Malaysia is influenced by several critical success factors. Prompt action against non-compliant developers is essential for safeguarding project integrity and maintaining stakeholder trust in the PPP model. Regular performance tracking is necessary to ensure adherence to agreements and sustain project quality. Proactively addressing house buyers' demands is vital for aligning housing developments with market requirements, while the engagement of reputable developers with proven competencies is critical for successful project execution. Furthermore, well-articulated contracts that clearly delineate roles, responsibilities, and risk-sharing arrangements between public and private entities are fundamental in minimising misunderstandings and disputes throughout the project lifecycle.

5.2.4. Challenges in the Government's Role

The research emphasises the unwavering commitment of the Malaysian state government to housing provision, particularly in the area of the affordable housing programme. These initiatives are frequently executed in partnership with private developers, highlighting a collective responsibility for the welfare of citizens. State governments in Malaysia assume a crucial role in the housing sector, especially regarding the approval of planning permissions. This regulatory function encompasses both public and private housing developments, ensuring that all projects comply with established standards and guidelines.⁵⁷⁴ State representatives emphasised the need to respect different housing procedures across Malaysian states:

⁵⁷⁴ Norlaili Mat Isa, "Appendix II_Extract of Focus Group Discussion (FGD1)", (2020); Norlaili Mat Isa, "Appendix III_Extract of Focus Group Discussion (FGD2)", (2020); Isa, Appendix V_Semi-Structured Interview 1. The representatives demanded that the government implement standardized policies for public-private partnerships.

"Sekiranya RTA ingin diletakkan di bawah KPKT, KPKT harus berbincang dengan setiap negeri kerana setiap negeri mempunyai prosedur perumahan yang berbeza." (En. Mohammad Haziq al-Amir Mohd, SUK Johor)⁵⁷⁵

State governments go beyond their regulatory responsibilities by actively facilitating the housing process. They assist in selecting homebuyers, provide land at nominal prices, and develop essential infrastructure such as roads and water supply, highlighting their commitment to comprehensive housing solutions. The document also mentions that housing quota policies, particularly for Bumiputera housing, vary across states. Some states implement different percentages for these quotas, leading to disparities in housing distribution⁵⁷⁶.

To address these challenges, the state government has strategically distributed regulatory responsibilities among various local authorities to create comprehensive guidelines. For example, *"The state government has decided to assign responsibilities to several Local Authorities (PBT). MPPJ is responsible for developing guidelines for STRA (temporary accommodation), Subang Jaya for postnatal care centres, and Shah Alam for worker dormitories."*⁵⁷⁷

Some stakeholders have suggested that improved coordination through organisations like the National Housing Council is crucial for harmonising policy implementation across jurisdictions.

The findings highlighted the potential benefits of these partnerships while emphasising that meticulous planning and clearly defined objectives are imperative for successful outcomes. Thus, consistent monitoring through robust oversight mechanisms ensures compliance with established agreements and upholds quality standards for housing projects. Moreover, prioritising understanding and responding to house buyers' needs guarantees that the housing stock aligns with market demand, further enhancing the success of these initiatives. Collaboration between federal agencies and private developers is pivotal, underpinned by incentive structures for private developers to engage in affordable housing projects. These incentives can include tax benefits, expedited approval processes, and density bonuses.

⁵⁷⁵ Isa, Appendix II_Extract of Focus Group Discussion (FGD1).

⁵⁷⁶ Isa, Appendix V_Semi-Structured Interview 1; Norlaili Mat Isa, "Appendix VII_Semi-structured Interview 3", (2022). The representative emphasised that the federal government should begin regulating at the federal level and implement it at the state level, aiming to control the housing process.

⁵⁷⁷ Isa, Appendix III_Extract of Focus Group Discussion (FGD2).

Additionally, strategic joint ventures between governmental bodies and private stakeholders further enhance the effectiveness of PPPs in addressing housing needs.

The role of state government encompasses a complex interplay of regulatory, facilitative, and administrative functions, demonstrating significant variability in engagement levels across different jurisdictions. One key aspect is navigating the equilibrium between market dynamics and societal necessities, ensuring that both economic growth and community needs are addressed. Additionally, state governments play a critical role in facilitating synergies between federal and state programmes, allowing for a more cohesive approach to governance. Promoting the long-term viability of affordable housing initiatives is another essential function, as it directly impacts the welfare of residents. Finally, overseeing standards of quality and maintenance in state-sponsored projects is crucial to ensure that these initiatives meet the expectations and needs of the community. Together, these responsibilities illustrate the multifaceted nature of state governance.

5.2.5. Government Policies on Affordable Housing

As discussed in Chapter 1.2 and revisited in Chapter 1.9, Malaysia is grappling with a significant affordable housing crisis. This ongoing issue has impacted the availability, demand for, and access to affordable homes since the country gained independence. Despite various efforts from both federal and state governments to tackle the problem, many citizens still face hurdles in owning or renting suitable housing. Additionally, the surge in housing prices has led property developers to focus primarily on quick profits in Malaysia's evolving market. The government plays a crucial role in improving access to affordable housing, as its policies and initiatives largely shape the housing options available to Malaysians.

In recent years, Malaysia has placed significant emphasis on affordable housing, ensuring that citizens have access to safe and secure living environments.⁵⁷⁸ This focus aligns with the nation's broader socio-economic development goals, aimed at providing shelter that enhances quality of life and fosters economic stability. The Government of Malaysia (GoM) recognises that suitable accommodation is essential for every member of the population and is a vital component of the economic framework.⁵⁷⁹

⁵⁷⁸ Ha Chin Yee, "Secure and Affordable Stratified Housing Criteria Modal in Malaysia", (2023).

⁵⁷⁹ Ministry of Housing and Local Government, *Dasar Perumahan Negara (2018–2025)* (Putrajaya: National Housing Department, 2018).

To address this need, the GoM has established policies and services designed to help deserving Malaysians secure the housing necessary to meet their fundamental needs⁵⁸⁰. The government underscores the critical importance of providing adequate housing and managing municipalities. While the strategies may differ between states, the public sector's role in providing affordable housing remains crucial⁵⁸¹.

5.2.5.1. National Housing Policy (2018-2025)

The National Housing Policy (*Dasar Perumahan Negara - DRN*) 2018-2025⁵⁸² has been established to provide systematic, efficient, and sustainable housing solutions for the Malaysian population. This policy is crucial for addressing the housing needs of diverse income groups, particularly low- and middle-income households. The DRN seeks to create a more equitable and sustainable urban environment for all Malaysians by outlining specific objectives and strategies.

One of the primary objectives of the National Housing Policy is to ensure that accessible, quality and affordable housing is available for all income groups. This aspect is especially important for those from low- and middle-income backgrounds who often face significant barriers in securing adequate housing. The policy also emphasises the importance of promoting sustainable and inclusive urban living. To achieve this, it advocates for incorporating public amenities, green spaces, and the development of cohesive neighbourhoods, thereby fostering a sense of community among residents.

To support these objectives, the policy identifies several focus areas. First and foremost, it sets standards for quality housing and mandates regular assessments to ensure these standards are met. Affordability is another vital focus; the policy addresses this issue through initiatives such as subsidies, financing schemes, and public-private partnerships to improve access to housing for all. Furthermore, the DRN recognises the importance of community well-being, advocating for creating vibrant, interconnected communities that promote integrated development alongside necessary amenities and efficient transportation links.

⁵⁸⁰ Yaacob, Mohd Noor, and Chowdhury, A Review on Housing Policy and Practices in Malaysia in Providing Access to Housing: Are they adequate? The study concludes that while Malaysia has established housing policies, they are insufficient in addressing the housing needs of young people, necessitating a reevaluation and restructuring of these policies to ensure equitable access to housing for all.

⁵⁸¹ Akanbi Olusayo Oyeibanji, Champika Liyanage, and Akintola Akintoye, "Critical Success Factors (CSFs) for achieving sustainable social housing (SSH)", *International Journal of Sustainable Built Environment*, vol. 6, no. 1 (2017b): 216–227.

⁵⁸² Ministry of Housing and Local Government, *Dasar Perumahan Negara (2018–2025)* (Putrajaya: National Housing Department, 2018).

Environmental sustainability is also a significant consideration within the policy. It encourages using environmentally friendly construction practices and adopting advanced construction technologies, which can reduce the carbon footprint of housing developments. Additionally, the policy underscores the importance of enhancing institutional capacity. By strengthening the abilities of various institutions involved in housing development, the DRN aims to ensure effective implementation, monitoring, and evaluation of housing initiatives.

The implementation and monitoring of the National Housing Policy are structured through specific action plans and timelines associated with each strategy. Progress is tracked via a centralised data and reporting system, allowing for timely adjustments as needed to ensure that objectives are being met effectively.

In conclusion, DRN represents a comprehensive strategy by the Malaysian government to tackle housing demands while managing urban growth sustainably. The DRN aims to create a better future for all Malaysians by focusing on equitable access to housing, quality standards, community well-being, and environmental sustainability.

5.2.5.2. Affordable Housing Policy

The National Affordable Housing Policy (*Dasar Perumahan Mampu Milik Negara or DPMMN*) emerges as a pivotal framework for steering the development of affordable housing across Malaysia. It delineates strategic objectives to augment the supply of affordable residences, ensure housing affordability, and enhance overall housing quality. The government partners with diverse stakeholders, including private developers, to operationalise these objectives through an array of incentives, regulatory reforms, and financial assistance mechanisms.

The DPMMN is instrumental in addressing the critical challenges of affordable housing. Its primary goal is to make secure and sustainable housing accessible to the B40 and M40 income groups, representing the bottom 40% and middle 40% of earners, respectively. This policy aspires to fulfil the vision of “Perumahan Untuk Semua” (Housing for All) by ensuring homeownership is within reach for lower- and middle-income families. Key issues such as inflated housing prices, supply-demand mismatches, and limited financial accessibility are pivotal focal points of this initiative.⁵⁸³

⁵⁸³ Ministry of Housing and Local Government, *Dasar Perumahan Mampu Milik Negara (National Affordable Housing Policy)* (Putrajaya: KPKT, 2019)..

A noteworthy aspect of the DPMMN is its commitment to standardised affordable housing development. The policy specifies guidelines for pricing, quality benchmarks, and development processes. By endorsing consistency across federal, state, and private housing projects, it aims to achieve a balance between affordability and quality, thereby enhancing livability while maintaining cost efficiency. The economic and social implications of the DPMMN are substantial. Through optimised budget allocations for housing, reduced development costs, and enhanced access to quality homes, the government aims to alleviate national financial strains. This strategy not only contributes to economic expansion by nurturing a stable housing market but also plays a role in mitigating urban congestion.

Additionally, the policy emphasises inclusive urban planning, mandating that accessible housing projects incorporate essential community amenities, including public transportation, healthcare facilities, and educational institutions. This approach fosters the creation of sustainable and organised urban ecosystems, ultimately improving the overall quality of life for residents.

In summary, the DRMM serves as a strategic framework designed to enhance both the affordability and accessibility of housing in Malaysia, delivering enduring societal and economic advantages.

5.2.5.3. *National Community Policy*

The National Community Policy in Malaysia represents a comprehensive initiative aimed at addressing the diverse challenges faced by residents in low-cost housing areas⁵⁸⁴. Designed to enhance the quality of life within social housing communities, the policy focuses on community empowerment, economic development, and welfare improvement. As urbanisation continues to rise, the Malaysian government recognises the importance of creating sustainable, inclusive, and cohesive living environments, particularly within the People's Housing Programme (PPR). To achieve these objectives, the policy encompasses multiple strategic clusters that target various issues impacting living conditions in these communities.

A significant aspect of the National Community Policy is the empowerment of residents, encouraging them to take ownership of the management and maintenance of common facilities. This initiative promotes community pride and responsibility by motivating residents to engage in the upkeep of public properties. Residents receive training on managing shared

⁵⁸⁴ KPKT, "National Community Policy", *Ministry of Housing and Local Government Malaysia*, vol. 53, no. 9 (2013): 1689–1699.

spaces such as playgrounds, elevators, and communal halls, which not only enhances the living environment but also fosters a cooperative spirit among residents. The Community Consensus Office (CCO) plays a crucial role in implementing this element by establishing platforms for residents to voice concerns, suggest improvements, and report issues directly to local authorities. Through regular meetings involving resident representatives, local authorities, and other stakeholders, the CCO ensures that residents' voices are heard and actively incorporated into the decision-making process, effectively addressing pressing maintenance issues.

The policy emphasises empowerment and social cohesion as crucial for community resilience in urban areas with diverse populations. It recognises that affordable housing often accommodates lower-income individuals, making strong community support networks essential. To bridge social gaps, the policy promotes inclusivity for vulnerable groups, including children, the elderly, individuals with disabilities, women, and single mothers.

The programme encourages residents to assist these groups, fostering a culture of care and social responsibility. The Cluster on Care for Vulnerable Groups motivates participation in a tailored community development programme. Collaborations with NGOs, the private sector, and government agencies provide critical resources and services, improving the quality of life for marginalised groups and strengthening the community's social fabric.

Furthermore, health, safety, and environmental awareness are central themes of the National Community Policy. The Cleanliness, Environment, and Health Cluster aims to cultivate awareness and skills in environmental management, enabling residents to maintain a clean and disease-free community. Health initiatives promote preventive practices, such as proper waste management and personal hygiene. This cluster also emphasises the importance of healthcare education, encouraging families to adopt proactive measures to prevent diseases associated with unsanitary living conditions.

Safety represents another focal point of the policy, particularly as social housing often grapples with issues related to crime, vandalism, and insecurity. This includes strategies designed to ensure a secure living environment through community-based security measures and partnerships with local law enforcement. By educating residents about safety protocols and promoting the neighbourhood watch programme, the policy aims to reduce crime rates and foster a sense of security within communities. Strengthening social bonds and enhancing residents' understanding of safety practices can substantially mitigate risks associated with accidents, theft, and vandalism, ensuring a feeling of protection among residents in high-density housing complexes.

Lastly, one of the primary goals of the National Community Policy is to achieve economic empowerment among residents, enabling them to attain financial independence. Through the Entrepreneurship Cluster, the policy provides opportunities for residents to enhance their economic status by promoting skill development and entrepreneurial initiatives. This approach contributes to individual economic growth and strengthens the overall community, allowing residents to invest back into their neighbourhoods.

The National Community Policy of Malaysia offers several key lessons that can be adopted into affordable housing programmes elsewhere. These lessons underscore the importance of community engagement, sustainable practices, economic empowerment, and intersectoral partnerships. By incorporating these insights, affordable housing programmes can become more effective, resilient, and supportive of residents' well-being. Here are the primary lessons that could be integrated into other affordable housing initiatives:

Table 5.2: Key Focus for Effective Affordable Housing Initiatives

KEY FOCUS	LESSON	IMPLEMENTATION	BENEFIT
Fostering a Sense of Community Ownership and Responsibility	Empowering residents to take ownership of their living environment enhances maintenance, cleanliness, and communal spaces.	Encourage residents to be active in managing shared spaces such as playgrounds, elevators, and waste disposal areas. Provide training to instill pride, accountability, and cohesion.	Reduces maintenance costs, builds community pride, and improves the quality of shared spaces.
Promoting Social Cohesion and Inclusivity	Affordable housing communities benefit from fostering inclusivity, especially for vulnerable groups.	Introduce programme for vulnerable residents, including accessible events, healthcare check-ups, and support services. Partner with NGOs and social service providers.	Creates caring, cohesive, and resilient communities where residents support each other.
Integrating Health and Environmental Awareness	Health and cleanliness initiatives are crucial for safe, sanitary high-density housing.	Conduct educational campaigns and workshops on waste management, recycling, hygiene, and disease prevention. Engage local healthcare providers for education and preparedness.	Reduces disease risk, improves living conditions, and empowers residents to maintain health standards.
Enhancing Safety and Security Measures	A focus on safety builds trust and ensures a secure living environment.	Collaborate with law enforcement for community watch programme, safety workshops, regular patrols, and improved lighting.	Reduces crime and vandalism, fosters a sense of security, and enhances community support.
Promoting Economic	Economic opportunities can lift	Offer entrepreneurship programme, financial literacy	Encourages financial

KEY FOCUS	LESSON	IMPLEMENTATION	BENEFIT
Empowerment and Skill Development	families out of poverty and reduce government dependency.	courses, and vocational training. Collaborate with businesses for internships and job placements.	independence, reduces poverty cycles, and fosters self-sufficiency.
Building Partnerships for Sustainable Development	Collaboration between public, private sectors, and NGOs enhances community support.	Form partnerships with organizations providing resources for job training, healthcare, childcare, and environmental initiatives.	Strengthens community sustainability and improves residents' quality of life.
Implementing Community-Based Governance Structures	Structured governance improves communication between residents and housing authorities.	Establish community councils or resident committees to oversee property management and address concerns. Provide a formal channel for resident engagement.	Enhances transparency, fosters empowerment, and ensures issues are addressed effectively.
Focusing on Long-Term Educational Outcomes	Education and skills development promote socioeconomic mobility.	Provide tutoring, early education, and employability workshops. Partner with schools to reduce dropout rates and encourage higher education.	Breaks poverty cycles, increases future earning potential, and cultivates lifelong learning.
Encouraging Volunteerism and Community Service	Volunteer programme strengthen community bonds and promote belonging.	Organize volunteer initiatives such as clean-ups, mentoring, and social service projects. Encourage residents to contribute time and skills.	Fosters community pride, mutual respect, and reduces social isolation.

The insights gained from Malaysia's National Community Policy provide a strategic roadmap for creating resilient, inclusive, and sustainable affordable housing communities. These insights reveal that affordable housing programmes thrive when they promote community engagement, foster economic opportunities, and build strong partnerships. By establishing a foundation centered on ownership, inclusivity, health, security, and economic empowerment, affordable housing can transcend its role of merely providing shelter, evolving into vibrant communities that enhance the long-term well-being of their residents.

5.2.5.4. Policy Evolution and Adaptation

The adequacy of Malaysia's current housing policies and practices, particularly concerning housing opportunities for middle-income, presents several challenges. The key findings from the study are as follows:

- i. Inadequate Housing Opportunities for the Middle-Income Group⁵⁸⁵: The research indicates that existing housing policies primarily target low-income groups, leaving middle-income groups, who often fall into the low-income bracket, with insufficient housing options.
- ii. Non-Inclusive Policies⁵⁸⁶: Current housing policies have been criticised for lacking comprehensiveness and inclusivity. Middle-income groups feel that their needs are not adequately addressed, as they are frequently overlooked in favour of initiatives aimed at low-income households.
- iii. Pro-Homeownership Focus⁵⁸⁷: A representative from House Buyers Association highlighted that the Malaysian housing system emphasises homeownership, which may not align with the immediate preferences of middle-income (young people/single) who may seek rental options or are unable to purchase homes. This emphasis can create economic pressure, as young individuals may feel compelled to own property despite their financial constraints.
- iv. Lack of Uniformity and Coordination⁵⁸⁸: Significant disparities in housing distribution and policies exist across different states in Malaysia. This lack of uniformity, combined with inadequate coordination among housing agencies, leads to unequal access to housing and contributes to discrimination in housing allocation.
- v. Need for Comprehensive Rental Systems⁵⁸⁹: The study suggests that the government should establish a more robust rental system, akin to those in Western countries, to provide middle-income (young people/single) with viable housing alternatives that do not require ownership.
- vi. Recommendations for Policy Improvement: The authors advocate for the government to acknowledge the importance of providing adequate shelter beyond homeownership, enhance collaboration among housing agencies, and develop more inclusive housing policies that address the diverse needs

⁵⁸⁵ Isa, Appendix II_Extract of Focus Group Discussion (FGD1).

⁵⁸⁶ Ibid.

⁵⁸⁷ Ibid.

⁵⁸⁸ Ibid.; Isa, Appendix IV_Extract of Focus Group Discussion (FGD3).

⁵⁸⁹ Isa, Appendix II_Extract of Focus Group Discussion (FGD1); Isa, Appendix VI_Semi-Structured Interview 2; Norlaili Mat Isa, "Appendix VIII_Extract of Focus Group Discussion (FGD4)", (2020); Isa, Appendix VII_Semi-structured Interview 3.

of the population, particularly middle-income groups. There's a noticeable shift in the government's role from being a direct provider to more of an enabler, focusing on creating conditions for affordable housing development.

5.3. AFFORDABLE HOUSING FINANCING SCHEMES

The affordable housing crisis in Malaysia is a significant challenge, intensified by high urbanisation rates and a limited supply of affordable homes. As housing costs continue to rise, the Malaysian government, along with financial institutions, has implemented various financing schemes aimed at improving housing accessibility for middle-income households. These initiatives focus on providing financial assistance, low-interest loans, and supportive policies to ensure that housing remains affordable in the market. Economic concerns have dominated discussions, particularly regarding project financing and long-term sustainability issues.

Representatives from PR1MA and DBKL highlighted the inadequacy of government funding and the need for public-private partnerships (PPPs) to develop affordable housing, *"Kami tidak mendapat pembiayaan sepenuhnya... terdapat kelewatan... diskaun perlu ditawarkan"*⁵⁹⁰ stated a representative from PR1MA. Meanwhile, DBKL emphasised the challenge of maintaining existing housing stock, noting that rental income is insufficient to cover maintenance costs. *"Sewa bagi unit PPR hanya RM124 sebulan, tetapi kos penyelenggaraan keseluruhan boleh mencecah RM70 juta setahun"* remarked a DBKL representative. To address these constraints, DBKL utilises PPP models and provides incentives to developers: *"Jika pemaju membina seluruhnya rumah mampu milik... mungkin caj pembangunan akan dikecualikan atau dikurangkan."*, said a DBKL representative. *"Apa yang kita lakukan sekarang adalah melalui kaedah Perkongsian Projek Swasta (PPP). Kita mencadangkan kepada pihak syarikat atau kita melakukan tender terbuka"*, they added⁵⁹¹.

5.3.1. My First Home Scheme

⁵⁹⁰ Isa, Appendix V_Semi-Structured Interview 1.

⁵⁹¹ Isa, Appendix VI_Semi-Structured Interview 2.

One of the prominent schemes is the *Skim Rumah Pertamaku* (My First Home Scheme), introduced in 2011.⁵⁹² The primary goal of this initiative is to assist first-time homebuyers from lower-income backgrounds in purchasing their homes. Eligible buyers can secure up to 100% financing for properties valued up to RM 500,000, effectively eliminating the need for a down payment. This programme targets Malaysian citizens aged 35 years or younger, making it particularly beneficial for young professionals and potential first-time homeowners.

The effectiveness of the My First Home Scheme lies in its ability to lower the financial barriers for individuals seeking to enter the property market. By providing access to financing without a significant upfront cost, it encourages first-time homeownership among a segment of the population that may struggle to save for a deposit. However, the scheme is not without its challenges. Stringent eligibility requirements can exclude informal workers or those with unstable incomes. Additionally, there is a risk of financial strain on individuals, as the repayment amounts can be high relative to income levels, particularly in economically volatile periods.

5.3.2. PR1MA Housing Scheme

Another important initiative is the PR1MA Housing Scheme.⁵⁹³ Established under the PR1MA Act of 2012, this programme was designed to develop, build, and provide affordable, high-quality housing for middle-income Malaysians. PR1MA homes are priced between RM 100,000 and RM 400,000 and are strategically located in key urban areas. The government collaborates with banks to offer favourable financing options for these homes, which aids in reducing interest rates and making loan repayments more manageable.

While the PR1MA scheme promotes housing development in urban areas where demand is high, it has encountered issues such as oversupply and slow property sales due to mismatches in location and buyer preferences. Moreover, service charges and other fees associated with PR1MA properties can add to the financial burden faced by homeowners.

To further address the issue of high upfront costs, the Rent-to-Own (RTO) Scheme was introduced, allowing tenants to rent a property with the option to purchase it later. Under this scheme, a portion of the monthly rental payment is allocated toward the eventual purchase,

⁵⁹² Noralviana Azhee Wahab, Norhafizah Mohamad Hassan, and Mazlyda Zainuddin Muhammad, "Promoting Housing Affordability in Malaysia: Can Islamic Finance Play a Role?" *International Review of Management and Marketing* 6, no. S8 (2016): 89.; Zulkarnain, Siti Hafsah, Abdol Samad Nawi, Miguel Angel Esquivias, and Anuar Husin. "Determinants of Housing Prices: Evidence from East Coast Malaysia." *International Journal of Housing Markets and Analysis* 18, no. 3 (2024): 573–92.

⁵⁹³ Abdullah, Y.A. and et al, *Affordable Housing for the Middle-Income Group in Malaysia*.

enabling tenants to build equity in the home over time. RTO schemes are particularly advantageous for households that may lack adequate savings for a down payment yet can afford monthly rent. This approach paves the way to homeownership without significant upfront investment, thereby assisting families in achieving long-term stability.

Banking representatives expressed support for this innovative financing models:

"Bersetuju untuk memasukkan Rent-To-Own di dalam akta (RTA). Terdapat banyak pihak-pihak bank yang akan mengadakan programme-programme Rent-To-Own." (Pn. Mazura Bt Mohamed Jamil, AIBIM)⁵⁹⁴

However, RTO schemes come with their own set of challenges. The total cost of homeownership under these arrangements may exceed that of traditional mortgages due to additional fees and potential fluctuations in property values. Additionally, strict qualification requirements may limit access for low-income households, which could undermine the scheme's intended purpose.

5.3.3. Housing Credit Guarantee Scheme

The Housing Credit Guarantee Scheme (*Skim Jaminan Kredit Perumahan* or SJKP) specifically targets informal sector workers and those with inconsistent income⁵⁹⁵. By offering a credit guarantee for housing loans, this scheme enables individuals without fixed incomes, such as freelancers or small business owners, to access housing loans from participating financial institutions. This expansion of access to financing mitigates the risk faced by lenders, encouraging them to cater to a broader demographic and promoting inclusivity in the housing market.

Nonetheless, the SJKP often results in higher interest rates for approved loans to offset the lender's risk. This can create a considerable financial strain on borrowers, especially during economic downturns or periods of income instability. Moreover, individuals with very low or fluctuating incomes may find it particularly challenging to manage repayments, limiting the scheme's effectiveness for the most vulnerable segments of society.

5.3.4. Policy Implications on the Economy Factor

⁵⁹⁴ Isa, Appendix II_Extract of Focus Group Discussion (FGD1).

⁵⁹⁵ Yap, J.B.H. and Ng, *Housing affordability in Malaysia: perception, price range, influencing factors and policies*.

The issue of affordable housing delivery in Malaysia is significantly influenced by a multitude of economic factors, necessitating a range of actionable policy implications. Drawing from recent research, several strategies emerge that can effectively address the challenges faced in this crucial sector. Several stakeholders identified high compliance costs as a barrier to affordable housing implementation:

"Apabila perumahan mampu milik dikendalikan sebagai projek pembangunan hartanah biasa, ia membawa kepada peningkatan kos pematuhan yang tinggi bagi pemaju."⁵⁹⁶

One vital area for intervention is the development of income-based housing policies. A tiered approach targeting different income groups, specifically the B40, M40, and T20 segments, can help bridge the gap between income levels and prevailing housing prices. Implementing income-specific housing schemes, graduated subsidies based on income levels, and promoting mixed-income housing developments can ensure that various demographics have better access to affordable housing⁵⁹⁷.

Another pressing concern is the supply-demand imbalance in the property market. Stricter regulations on property development and speculation are essential to correct market disparities and mitigate the oversupply of high-end properties. Potential measures include establishing a quota system for affordable housing in new developments, imposing higher taxes on property speculation and vacant lands, and offering incentives to developers who focus on affordable housing segments.

Innovative financing solutions are also critical. Expanding and diversifying financing options for affordable housing can enhance both effectiveness and accessibility in housing finance. Potential measures include broadening rent-to-own schemes, developing long-term, fixed-rate mortgage products, and promoting community-based financing models to help individuals secure housing.

Moreover, aligning housing policies with broader macroeconomic strategies is essential. This coordination is pivotal in considering the impacts of GDP growth, interest rates,

⁵⁹⁶ Isa, Appendix IV_Extract of Focus Group Discussion (FGD3).

⁵⁹⁷ Isa, Appendix V_Semi-Structured Interview 1; Isa, Appendix VI_Semi-Structured Interview 2; Isa, Appendix II_Extract of Focus Group Discussion (FGD1); Isa, Appendix IV_Extract of Focus Group Discussion (FGD3). Representatives emphasise the importance of the policy in delivering housing financial assistance. They also suggested that Bank Negara should endorse special housing financial assistance for the affordable housing program. Additionally, the government has been urged to develop a mechanism to trace and track the developers participating in the affordable housing program.

and inflation on housing affordability. Regular reviews of housing policies in relation to economic indicators, coordination between housing agencies and the central bank on interest rates, and the creation of counter-cyclical housing market interventions form part of a comprehensive approach.

Support for the construction industry is another crucial element. By implementing policies that focus on reducing costs and improving efficiency can directly address the rising construction expenses and labour challenges faced by the industry. This might include offering incentives for the adoption of cost-effective construction technologies, investing in skills training for the workforce, and promoting the use of sustainable and low-cost building materials.

Targeted economic interventions are also necessary to refine existing programmes and increase their effectiveness in promoting affordable housing. Enhancing the impact of tax incentives and subsidies through performance-based incentives for developers, time-limited and targeted subsidies for first-time homebuyers, and regular evaluation of housing market interventions will help ensure that these policies are responsive to changing needs.

Regional economic development strategies should also align with affordable housing goals to tackle disparities across various regions. Implementing region-specific housing targets, coordinating affordable housing policies with industrial development plans, and promoting housing in emerging economic corridors can collectively address regional inequalities.

Furthermore, the importance of data-driven policy-making cannot be understated. Enhancing data collection and analysis will lead to more informed decisions regarding housing policies. Establishing a national housing database, conducting regular housing market assessments, and collaborating with academic institutions to conduct research are critical steps toward achieving this goal⁵⁹⁸.

In conclusion, the aforementioned policy implications collectively address the complex economic factors affecting affordable housing delivery in Malaysia. By adopting a targeted, multi-faceted approach, it is possible to create a more equitable housing landscape that meets the diverse needs of the population. Each of these strategies holds the potential to significantly enhance access to affordable housing, ultimately improving the quality of life for many Malaysian citizens.

5.3.5. Waqf Housing Schemes

⁵⁹⁸ Isa, Appendix II_Extract of Focus Group Discussion (FGD1).

Housing affordability remains a pressing issue in Malaysia, with escalating property prices leaving many individuals struggling to secure accessible housing. In light of this challenge, a variety of strategies have been implemented, including the incorporation of Islamic finance instruments like Waqf⁵⁹⁹. Waqf refers to an endowment made by a Muslim for religious, educational, or charitable purposes, presenting a distinctive opportunity to provide affordable housing sustainably⁶⁰⁰. It is essential to highlight the role of Waqf affordable housing within the new legal framework for affordable housing in Malaysia. Consequently, the Waqaf Seetee Aisyah housing model will be explored as a key government initiative to enhance the development of Waqf in the country. These innovative models, such as Waqf financing and resident cooperatives, were also discussed as a means to reduce development costs and enhance sustainability.

*"Kalau selama ini satu rumah tu RM120,000, boleh tak kita kurangkan jadi RM80,000?"*⁶⁰¹

*"Kalau area, let's say satu area rumah tu, alam damai tu, dari 2007-2004 ni, let's say, perusahaan penduduk tu form a security company, sambil jaga, belongs to the korporasi penduduk... So korporasi tu ada duit, boleh bayar dividend."*⁶⁰²

*"Contohnya wakaf surau katalah. So dia boleh reduce cost development cost untuk surau. So surau kita wakafkan for that community."*⁶⁰³

This will strongly justify the creation of endowment assets for charitable causes under existing needs.

Since Waqf is a latent Muslim economic resource that needs to be completely developed, which, if properly handled, can produce economic income that benefits both parties⁶⁰⁴. In conjunction with A. Hassan, waqf is a humanitarian tool that is a non-profit-

⁵⁹⁹ Mohamad Suhaimi and Ab Rahman, Wakaf Perumahan dalam Pembangunan Ekonomi: Pelaksanaannya Menurut Maqasid Syariah.

⁶⁰⁰ S Kamal and R Ating, "Proposed Waqf Model for an Affordable Housing Mechanism in Malaysia", ... of *Advanced Research in Economics and ...*, vol. 2, no. 2 (2020): 87–109. The proposed waqf model for affordable housing in Malaysia encompasses several key elements designed to tackle challenges related to housing affordability and the underutilization of waqf lands. This model seeks to harness the strengths of waqf institutions, Islamic banks, and zakat organizations to generate socio-economic benefits for low- and middle-income communities. The main objectives of the model include; (1) Providing affordable housing options for low- and middle-income earners, (2) Alleviating financial burdens through reduced repayment options and (3) Improving the socio-economic status of zakat recipients and the wider community by addressing issues such as poverty and income disparity.

⁶⁰¹ Isa, Appendix VII_Semi-structured Interview 3.

⁶⁰² Isa, Appendix V_Semi-Structured Interview 1.

⁶⁰³ Isa, Appendix IV_Extract of Focus Group Discussion (FGD3).

⁶⁰⁴ Ali and et al., *Hungry for housing: Waqf real estate development - A social welfare alternative*. 3

oriented tool. The public sector should partner with the private sector to improve the socio-economic status of the population⁶⁰⁵.

The concept of waqf, an Islamic endowment, is emerging as a promising solution to Malaysia's affordable housing crisis, specifically targeting the middle-income (M40) group⁶⁰⁶. Several Islamic Religious Councils (IRCs) across the country have successfully implemented waqf housing projects, showcasing this approach's viability while also underscoring the challenges and potential solutions inherent in the development process⁶⁰⁷. Waqf housing has arisen as a viable option that could address low- to medium-income housing woes. This is not about real estate investment or succession; rather, the current situation of many people living in deplorable circumstances due to inadequate income demands unconventional solutions. Therefore, the position of waqf housing property must be optimised to boost homeownership among Malaysia's low- and medium-income groups⁶⁰⁸.

Waqf housing projects would be cheaper in price than traditional housing construction of similar form in the local housing sector. This approach ensures that the affordability of the target groups is met. This approach ensures that the target groups' affordability is accomplished. The housing services did not encourage target audiences to afford 'affordable housing' ownership. Real estate price spikes have long been a pain for Malaysian homeowners to the degree that buying a house now means a greater depletion of resources relative to the past scenario. Because of this ever-increasing housing problem, the authors viewed that 'waqf housing schemes' will be able to fill the vacuum of offering inexpensive, secure and convenient housing for target groups in accordance with Waqf's objective as a platform for solving neighbourhood financial woes.

Despite these successes, several significant challenges persist in waqf housing development. One of the primary obstacles is land utilisation. Identifying suitable waqf land for housing, conducting comprehensive feasibility studies, navigating the process of changing land use categories, and managing existing tenants during redevelopment are all critical concerns that need addressing.

⁶⁰⁵ A. Hassan, "Management And Development Of Waqf," in Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi 2010, 2010, pp. 309–328.

⁶⁰⁶ Zamir Iqbal and Friedemann Roy, "Innovative Islamic Social Finance for Housing Microfinance", *Islamic Economic Studies*, vol. 26, no. 1 (2018).

⁶⁰⁷ Nor Azizan Che Embi and et al, "Waqf and Affordable Houses for the Middle-Income Group (M40) in Malaysia: Identification of Issues and Possible Recommendations", *Issues*, no. 2 (2019): 2672–7471.

⁶⁰⁸ Ali and et al., *Hungry for housing: Waqf real estate development - A social welfare alternative*.

Additionally, regulatory and administrative hurdles present significant challenges. Obtaining approvals from multiple authorities, securing Fatwa Committee rulings, preparing complex legal documents, and coordinating between various stakeholders can complicate the development process. Financial challenges further complicate matters, including the necessity for development financing, securing end-financing solutions for buyers, and managing project costs while ensuring affordability.⁶⁰⁹ Technical and legal issues also arise, such as dealing with land surrender requirements imposed by local authorities, managing the infrastructure needs for utilities, and addressing ownership and transfer restrictions inherent in waqf properties.

To navigate these challenges, a range of innovative solutions has been identified. The IRC Pulau Pinang, for instance, successfully addressed various issues through specific fatwa rulings that allowed for 99-year lease arrangements for waqf properties. These rulings also protect waqf land from being sold, pledged, or surrendered, enable lease extensions after expiry, and maintain IRC ownership as the trustee.

Innovations in local authority cooperation have led to the development of special arrangements regarding road allocation, infrastructure management without property transfer, and the ongoing maintenance of green areas and public facilities under IRC control. Financial solutions emerged through pioneering partnerships with Islamic banks, beginning with Al Rajhi Bank, the development of specialised Islamic financing products, and the integration of these initiatives with government housing finance schemes (LPPSA).⁶¹⁰

Furthermore, creative approaches to property rights have led to the clear delineation of usufruct rights versus ownership, the establishment of long-term lease agreements, and solutions addressing sub-sale and second-generation ownership issues.

In conclusion, waqf serves as a potential solution to Malaysia's affordable housing crisis, particularly affecting the M40 group. Although challenges persist, successful projects, particularly in Pulau Pinang, offer a framework for other states to consider. Success in this area appears to depend on comprehensive planning, effective stakeholder coordination, and innovative approaches that align with waqf principles and modern development needs.

5.3.5.1. Successful Waqf Housing Model: Wakaf Setee Aisah

Among the noteworthy waqf housing developments in Malaysia are the Waqf Seetee Aisah projects in Pulau Pinang, the Waqf Teluk Chengai project in Kedah, and various proposed

⁶⁰⁹ Kamal, Syukqran and Ating, Proposed Waqf Model for an Affordable Housing Mechanism in.

⁶¹⁰ Muhammad Rawi Ravi and Redzuan, Development Residential Property for B40.

initiatives in Selangor. These projects illustrate how waqf can be effectively leveraged for affordable housing, with the IRC of Pulau Pinang serving as a particularly successful model for other states to emulate.

The Waqf Setee Aisyah model⁶¹¹ marks a pivotal advancement in the development of Islamic endowment properties in Malaysia, particularly under the guidance of the Penang Islamic Religious Council (MAINPP). This innovative approach illustrates the effective transformation of traditional agricultural waqf land into a commercially viable development while remaining faithful to Islamic principles and the intentions of the original waqf benefactor.

Historically, the Waqf Setee Aisyah property was endowed by Seetee Aisah bt. Haji Mahmood, who established a Deed of Trust registered on September 30, 1901. The initial endowment consisted of 9.274 acres of agricultural land intended for public benefit, classified as a General Waqf. The successful evolution of this property from traditional agricultural use to modern commercial development showcases a significant shift in waqf management practices.

At the core of the development model is a robust structural framework characterized by a joint venture partnership between MAINPP and UDA Land North Sdn. Bhd. MAINPP contributes the waqf land while retaining ownership, while UDA provides the necessary technical expertise and manages the development costs. This partnership emphasises risk-sharing, with both parties agreeing on predetermined ratios for development risks and returns.

The development itself encompasses 76 units of 2-storey terrace houses and 9 units of 3-storey office shops, boasting a total development value of RM35 million, completed between 2008 and 2012. The financial structure of the project is designed to ensure mutual benefit; MAINPP receives 9 units of the office shops, a 30% profit share from residential sales, and monthly rental income of RM56,050 from the shop units. Furthermore, the partnership generated a musyarakah profit, underlining a successful financial collaboration.

Innovative features of the Waqf Setee Aisyah model include the application of a 99-year lease concept (ijarah) that mandates exclusive ownership for Muslims while allowing MAINPP to retain land ownership. The pricing strategy focuses on affordability, with unit prices ranging from RM281,800 to RM439,600. This strategy targets middle-income Muslim buyers and aims to ensure accessibility through below-market pricing.

⁶¹¹ Ismail, S. and et al, Issues and challenges in wakaf seetee aishah property development, Penang state Islamic religious council (MAINPP).

Within the governance framework, the project strictly adheres to the original conditions of waqf, complies with Islamic law, and is managed professionally through a subsidiary of MAINPP. The transparent mechanisms for profit-sharing further enhance trust and accountability among stakeholders. The impact of the Waqf Setee Aisyah model extends beyond financial success. Economically, it has generated sustainable revenue, increased asset value, provided opportunities for Muslim commercial property ownership, and strengthened the waqf property portfolio. Socially, it has facilitated affordable housing for Muslims, developed commercial opportunities, improved community facilities, and preserved the principles of Islamic endowments.

The replicability of this model is evident in its scalable development structure, adaptable financing arrangements, and transferable management framework, which collectively ensure sustainable revenue generation. Critical success factors include a strategic location with access to major highways, well-defined roles within the partnership, and a solid commitment to regulatory compliance and transparent governance.

In conclusion, the Waqf Setee Aisyah model emerges as a pioneering framework for waqf property development in Malaysia. Its achievements have created a blueprint for future waqf projects, illustrating how traditional waqf properties can be transformed into economically viable ventures while upholding Islamic principles and social objectives. The model's sustainable and replicable nature serves as a valuable reference for other Islamic religious councils and waqf institutions aiming to enhance their endowment properties.

5.3.5.2. *Analysis of Lessons Learned from the Waqf Affordable Housing Model*

The analysis of successful waqf housing projects has illuminated several valuable lessons and best practices. A clear framework is essential to guide these initiatives, emphasising the need for comprehensive fatwa rulings, standardised documentation, and established procedures for development. Effective stakeholder collaboration is a vital component, requiring close coordination among Islamic Religious Councils (IRCs), local authorities, and financial institutions. This collaboration must foster transparent communication regarding the restrictions on waqf properties. Additionally, early engagement with all relevant parties is critical to ensuring smooth project execution.

Innovation in structural approaches is equally important. Successful projects have demonstrated the efficacy of implementing long-term lease agreements and employing creative solutions to meet infrastructure requirements. These strategies balance the principles of waqf with contemporary development needs. Looking toward the future, several areas for potential

development have been identified. Standardising procedures for waqf housing projects, creating template documentation, and establishing best practices guidelines are crucial steps that would enhance the efficiency of project implementation. Moreover, financial innovation, particularly in developing specialised financing products and expanding banking partnerships, is essential. Integrating these efforts with government housing initiatives will further streamline the financing process. Lastly, capacity building—e.g., training IRC staff in property development and enhancing collaboration between state IRCs—will significantly improve future waqf housing projects.

The Waqf Setee Aisyah Development Model illustrates a significant opportunity for holistic community development through the strategic deployment of waqf properties. To harness this potential effectively and sustainably, it is important to address several key areas. This research outlines strategic recommendations across seven pivotal domains: legislative and regulatory enhancement, financial innovation, institutional capacity building, marketing and public awareness, operational excellence, sustainability and future planning, and strategic partnerships:

i. Legislative and Regulatory Framework Enhancement

To manage waqf properties effectively, establishing a robust legislative and regulatory framework is imperative. This begins with the development of specialised waqf property development legislation that is distinct from conventional property laws. Such legislation should provide clear and comprehensive guidelines that are sensitive to the unique characteristics of waqf properties. Additionally, the incorporation of dedicated waqf development guidelines within the Ministry of Housing and Local Government will equip local authorities to handle waqf initiatives more effectively.

Administrative processes should also be streamlined through fast-track approval systems for waqf development projects. This involves reducing development charges and establishing specialised units within local authorities focused on managing waqf applications. Clear guidelines specific to land status conversion related to waqf properties will eliminate bureaucratic hurdles and lead to a more efficient development process.

ii. Financial Innovation

Financial strategies are critical to the success of waqf property development. The creation of specialised Islamic financing products tailored for waqf purchases can act as catalysts for growth. Additionally, broadening financing options for civil servants through institutions such as LPPSA will enhance accessibility to waqf properties. A consortium model among Islamic banks can facilitate cooperative financing arrangements, while waqf-specific mortgage products will address the distinct needs of potential investors.

Establishing dedicated waqf development funds and sukuk programme focused on waqf initiatives will provide a solid financial foundation for various projects. Exploring crowdfunding platforms could attract community investments, supported by tax incentives aimed at fostering a culture of financial support for charitable ventures.

iii. Institutional Capacity Building

The capacity of human resources focused on waqf properties is essential for sustainable development. Establishing a specialised training programme for waqf property managers, along with a certification programme for waqf professionals, would strengthen expertise within this field. Comprehensive training that encompasses various aspects of waqf management will ensure that personnel are well-equipped to navigate their responsibilities effectively. Furthermore, creating dedicated project management units within organisations will foster operational efficiency. Encouraging in-house expertise in technical fields relevant to waqf properties will enhance institutional resilience. Integrating modern management systems and technologies will further improve overall productivity and effectiveness.

iv. Marketing and Public Awareness

Engaging the community and raising awareness about the benefits of waqf is essential for its success. To achieve this, a comprehensive public education programme must be tailored to inform the community about waqf properties. These initiatives can stimulate greater philanthropic engagement and support for waqf projects by fostering a deeper understanding of the concept and its implications.

In conclusion, the path forward for waqf housing projects necessitates a multidimensional approach, addressing legislative, financial, institutional, marketing, operational, and partnership aspects. By implementing these strategic recommendations, stakeholders can ensure the effectiveness and sustainability of waqf housing initiatives, ultimately transforming them into powerful community development agents.

5.4. SOCIAL FACTORS IMPACTING AFFORDABLE HOUSING PROGRAMME

The social factors influencing affordable housing in Malaysia are crucial for understanding the housing landscape, especially concerning demographic trends, urbanisation, cultural preferences, and social stigma⁶¹².

5.4.1. Demographic Trends Impacting Housing Demand

Malaysia's population dynamics significantly shape the housing market. A key trend is the rapid population growth, which drives an increasing demand for housing. With projections indicating that the population will rise to 45 million by 2050, primarily fueled by a young and expanding workforce, there is an urgent need to boost housing stock to accommodate new households formed by young adults entering the job market⁶¹³.

Furthermore, Malaysia faces a noteworthy demographic shift towards an aging population. The proportion of senior citizens (aged 65 and above) is expected to climb from 6.7% in 2020 to 14.5% by 2040. This shift necessitates diverse housing options, including retirement homes and assisted living facilities, to support the needs of an older demographic⁶¹⁴.

5.4.2. Urbanisation's Influence on Housing Demand

Urbanisation is a critical element affecting housing demand in Malaysia. Over recent decades, urbanisation has surged, with the urban population increasing from 26.8% in 1970 to 71% in 2010. By 2050, nearly 88% of Malaysians are expected to inhabit urban areas, placing immense pressure on housing markets and resulting in soaring prices⁶¹⁵.

⁶¹² S. Z. Mirrahimi et al., "Developing Conducive Sustainable Outdoor Learning: The Impact of Natural Environment on Learning, Social and Emotional Intelligence," *Procedia Engineering* 20 (2011): 389

⁶¹³ National Property Information Centre, Property Market Report.

⁶¹⁴ Population Projection (Revised), Malaysia, 2010-2040.

⁶¹⁵ Current Population Estimates Malaysia 2018 - 2019.

The challenges that accompany urbanisation, such as high living costs, environmental degradation, and rising unemployment rates, underline the urgent need for affordable housing solutions. These initiatives must cater to all urban residents, including low-income families, ensuring access to decent living conditions. Strategically located affordable housing in urban centers can enhance access to jobs and essential services.⁶¹⁶

5.4.3. Cultural Preferences Shaping Housing Choices

Cultural preferences significantly influence housing demand and the types of development initiatives undertaken. In Malaysia, there is a pronounced shift towards urban living, driven by the surplus of amenities that cities offer.⁶¹⁷ However, this increasing demand has led to market saturation in urban areas, thereby complicating access to affordable housing options.

Moreover, cultural influences strongly shape the architectural design of residential units. Traditional Malaysian housing models, which emphasise communal living and family cohesion, continue to retain their popularity. It is essential for developers to align their projects with these cultural paradigms to satisfy the expectations of prospective residents in the affordable housing sector.

Additionally, the concept of social sustainability has been evaluated with regard to community integration and the targeted identification of housing beneficiaries. Various stakeholders have raised concerns regarding the potential misuse of affordable housing, particularly through practices such as subletting and the use of units for commercial short-term rental purposes (STRAs). Addressing these issues will be crucial for ensuring the integrity and effectiveness of affordable housing initiatives. Clear restrictions were identified for using subsidised housing for commercial purposes:

*"Untuk kategori ini, kita tidak membenarkannya. Unit premis bagi kategori kos rendah, Projek Perumahan Rakyat (PPR), Perumahan Penjawat Awam 1Malaysia (PR1MA), Rumah Selangorku atau mana-mana kediaman di bawah skim perumahan rakyat tidak termasuk dalam kelayakan ini."*⁶¹⁸

Focus group participants also stressed the importance of ongoing community support post-occupancy. However, PR1MA admitted limited capacity for continuous community

⁶¹⁶ Malathi Thevendran, Malaysia needs an affordable and well-coordinated housing policy - Business News | The Star Online.

⁶¹⁷ Junaidi Awang Besar and et al, "Impak Sosioekonomi dan Politik Program Perumahan Rakyat Lembah Subang, Selangor", *Akademika*, vol. 88, no. 1 (2018): 181–192.

⁶¹⁸ Isa, Appendix III_Extract of Focus Group Discussion (FGD2).

development initiatives. *"Kami tidak membuat programme komuniti yang aktif secara berterusan... mereka akan menjaga diri mereka sendiri"*⁶¹⁹.

5.4.4. Addressing Social Stigma in Affordable Housing

Unfortunately, affordable housing in Malaysia often carries a social stigma, with perceptions labelling such projects low-quality or associated with lower social standing. This stigma can adversely affect the mental health of residents, leading to feelings of inferiority and social exclusion⁶²⁰. To make affordable housing initiatives successful, we need to address the negative perceptions that often surround them. It's important to create affordable housing options that are not only well-built but also integrated into the community. By improving how people view affordable housing and promoting a sense of belonging and inclusion, we can encourage more individuals to choose these living spaces.

Stakeholders highlighted the importance of affordable housing incorporating social support systems for vulnerable groups⁶²¹. The discussions highlighted significant social challenges in housing management:

*"Terdapat penyewa yang menjalankan aktiviti yang bertentangan dengan undang-undang jenayah am." (Ms. Adriana Abu, HBA). "Isu sublet bukan berlaku pada pemilik kediaman dan penyewa sahaja... mereka sublet sehingga RM800." (En. Mohammad Haziq al-Amir Mohd, SUK Johor)*⁶²²

Short-term rental accommodations (STRAs) have created community tensions:

*"Airbnb dan konsep penginapan sementara telah menimbulkan pelbagai isu seperti gangguan ketenteraman awam, keselamatan, dan konflik antara jiran."*⁶²³

Meanwhile, SpeedHome's approach to shared responsibility in tenancy contracts was highlighted as a potential model for more accountable rental arrangements, *"We're addressing that now by adding the names of all tenants to the agreement... It ensures shared responsibility"*⁶²⁴. Furthermore, as highlighted in Chapter 3.3.2.1, a recent court case involving PJD's Regency emphasised the importance of social legislation that protect disadvantaged

⁶¹⁹ Isa, Appendix V_Semi-Structured Interview 1.

⁶²⁰ Wan Syahidah Wan Sumayyah et al., "Demystifying the Low Cost Housing Issues in Malaysia," *International Journal of Academic Research in Business and Social Sciences* 8, no. 12 (2018): 67–72

⁶²¹ Isa, Appendix IV_Extract of Focus Group Discussion (FGD3).

⁶²² Isa, Appendix II_Extract of Focus Group Discussion (FGD1).

⁶²³ Isa, Appendix III_Extract of Focus Group Discussion (FGD2).

⁶²⁴ Isa, Appendix VIII_Extract of Focus Group Discussion (FGD4).

groups, such as home buyers, from those in more powerful positions, like developers. The court acknowledged that there is often an imbalance in negotiations between these two parties.

In summary, social factors such as demographic trends, urbanisation, cultural preferences, and social stigma significantly impact the demand for and development of affordable housing in Malaysia. Careful planning and policy-making that consider these factors will be crucial in creating a more equitable and sustainable housing market for everyone.

5.4.5. Social Impact on Affordable Housing Programme

Affordable housing has become a pressing issue in Malaysia, where various social factors significantly influence demand and development. Understanding these factors is essential for policymakers striving to create effective and sustainable housing policies that cater to the population's diverse needs.

Several policy recommendations can be implemented to address these interconnected social factors. First and foremost, data-driven policymaking is essential. Conducting regular housing needs assessments will help identify the specific requirements of various population groups, allowing policymakers to make informed decisions regarding affordable housing development. Such data can also guide targeted interventions in areas experiencing the highest demand.

Inclusive urban planning should also be prioritised. By promoting transit-oriented development (TOD), cities can reduce reliance on personal vehicles, enhance accessibility to public transport, and foster mixed-use developments that encourage community interaction. Designating affordable housing zones within urban areas can create dedicated spaces for affordable living, while sustainable development practices should always be a priority, focusing on green building standards and energy-efficient housing.

Cultural sensitivity in housing design is vital to meet the diverse needs of the population. Offering a range of housing options catering to diverse cultural preferences and family structures can better accommodate different community needs. Engaging communities in the planning and design processes ensures that their cultural values are respected and integrated into housing projects.

To combat social stigma, positive branding initiatives are critical. Public awareness campaigns can help reshape perceptions of affordable housing, showcasing success stories and emphasising the benefits of community living. Furthermore, developing mixed-income housing projects can reduce stigma by fostering diversity and inclusivity within residential

areas. Community-building initiatives are also essential, as they promote social cohesion and work to diminish discrimination.

Lastly, flexible housing finance options can make a significant difference in improving access to affordable housing. Providing diverse mortgage options, including shared equity and rent-to-own schemes, can help low-income families achieve homeownership. Additionally, offering rental subsidies can alleviate financial burdens for struggling households, making housing more attainable.

By addressing the myriad social factors that influence housing demand and development, Malaysia can take meaningful steps toward creating a more equitable and inclusive housing market. Policymakers must implement effective strategies that not only recognise but actively incorporate the needs and preferences of all citizens, fostering an environment where affordable housing is accessible to everyone.

5.5. THE ROLE OF TECHNOLOGY IN AFFORDABLE HOUSING

Technology has played a crucial role in the development of the affordable housing programme. From construction techniques to smart technology, it's revolutionising how we approach housing affordability.

One significant technology factor is the use of prefabrication and modular construction. Construction becomes faster, more efficient, and cost-effective by manufacturing building components in a controlled factory environment and then assembling them on-site. This method reduces waste and labour costs, ultimately making housing more affordable.

Another key factor is Building Information Modelling (BIM). BIM allows architects and builders to create detailed 3D models of buildings before construction begins. This technology enhances precision, reduces errors, and ensures that materials and labour are used optimally. As a result, it lowers the overall construction costs and speeds up the building process.⁶²⁵

Advances in sustainable building materials, such as recycled steel and green insulation, are making homes more energy-efficient and environmentally friendly. These materials not only reduce environmental impact but also lower construction and maintenance costs.

Sustainable building materials also play a pivotal role in creating affordable and environmentally friendly homes. The adoption of recycled steel and eco-friendly insulation not

⁶²⁵ Nuzul Azam Haron and Aizul Harun, "Implementation of building information modelling (Bim) in malaysia : A review", *Pertanika Journal of Science and Technology*, no. July (2017).

only improves energy efficiency but also lowers construction and maintenance expenses. Utilising these materials helps to minimise the environmental impact of housing developments while simultaneously addressing affordability concerns. The intersection of technology and affordable housing has ushered in a new era of urban development, particularly through the concept of Transit-Oriented Development (TOD). TOD promotes mixed-use development centred around public transportation hubs, creating walkable and bikeable neighbourhoods. By integrating residential, commercial, and retail areas within compact zones, TOD significantly reduces reliance on private vehicles, thereby lowering transportation costs and improving air quality⁶²⁶.

The benefits of integrating technology with TOD are profound. For instance, smart city technologies, such as intelligent traffic systems and real-time public transportation information, can optimise transportation networks and improve commute times.⁶²⁷ Additionally, installing electric vehicle charging infrastructure encourages sustainable transportation options, further enhancing the environmental benefits of TOD.

The impact of TOD on affordable housing is noteworthy. By positioning affordable housing near public transportation, residents can save on transportation costs due to reduced car ownership. Furthermore, TOD provides accessible neighbourhoods, allowing residents to commute to jobs, educational institutions, and healthcare facilities without the need for a vehicle. This approach also promotes density, enabling economies of scale that make housing more affordable while enhancing these communities' overall quality of life.

Stakeholders acknowledged the role of technology in enhancing housing delivery and management. DBKL and PR1MA expressed interest in modular construction systems, although concerns about cost and implementation feasibility persist. As stated by a DBKL representative, *“Terdapat cadangan untuk menggunakan sistem modular, tetapi sehingga kini, teknologi ini masih belum diuji untuk bangunan setinggi 30 hingga 40 tingkat.”*⁶²⁸ PR1MA echoed similar sentiments, with one representative noting, *“Kita dulu pun ada pasal modular system,”* and another adding, *“...kita ingin melaksanakan sistem modular... tetapi kita tidak mempunyai kaedah untuk menampung kos tersebut.”*⁶²⁹

⁶²⁶ Yap, Jeffrey B.H. and Chua, Towards Sustainable Mobility with Transit-Oriented Development (TOD): Understanding Greater Kuala Lumpur.

⁶²⁷ Jamalunlaili Abdullah and Mohd Hafiy Mazlan, "Characteristics of and Quality of Life in a Transit Oriented Development (TOD) of Bandar Sri Permaisuri , Kuala Lumpur", *Procedia - Social and Behavioral Sciences*, vol. 234 (2016): 498–505.

⁶²⁸ Isa, Appendix VI_Semi-Structured Interview 2.

⁶²⁹ Isa, Appendix V_Semi-Structured Interview 1.

In the rental sector, SpeedHome was highlighted for its innovative use of digital platforms to streamline rental agreements, provide insurance, and facilitate tenant screening. According to a representative, *“We are a platform. Like Uber or Grab... We are insurance agents providing the platform,”* and they further explained, *“We are building a system called property rental price complex index... we will give them to tell them what is the market rate.”*⁶³⁰ The use of electronic tenancy agreements and centralised monitoring systems was also suggested to promote compliance and transparency, with Sr. Ari B. Adam from NAPIC stating, *“Mencadangkan penggunaan Perjanjian Sewaan Kediaman secara elektronik.”* Digital platforms were seen as both beneficial and challenging; Sr. Haji Ishak B. Ismail from MIPFM remarked, *“Bagi aspek pengiklanan, terdapat banyak penggunaan digital platform seperti SpeedHome... mereka perlu berdaftar dengan Lembaga.”*⁶³¹

SpeedHome also introduced innovative ideas for affordable housing, such as modular container units placed on leased urban land. A representative shared, *“We’re targeting underutilised spaces—open car parks, for example... We rent the land, and the house can be relocated,”* and added, *“It’s a temporary structure, but it’s sustainable... We can move it with a lorry if necessary.”*⁶³²

In conclusion, technology is a driving force in making affordable housing a reality. By leveraging innovative construction methods, smart home technologies, sustainable materials, and the principles of Transit-Oriented Development, we can create more efficient and cost-effective housing solutions. As we continue to embrace these advancements, the prospect of affordable housing for all becomes increasingly attainable, paving the way for more sustainable and equitable urban living.

⁶³⁰ Isa, Appendix VIII_Extract of Focus Group Discussion (FGD4).

⁶³¹ Isa, Appendix II_Extract of Focus Group Discussion (FGD1).

⁶³² Isa, Appendix VIII_Extract of Focus Group Discussion (FGD4).

5.6. ENVIRONMENTAL INFLUENCES ON AFFORDABLE HOUSING STRATEGIES

The relationship between environmental factors and affordable housing development in Malaysia involves key aspects of sustainability, urban planning, and quality of life. As the nation addresses its housing needs, the interaction of these factors becomes increasingly significant. This relationship is complex and evolving, with a noticeable trend toward more sustainable practices. However, the challenge remains in achieving economic viability for these practices within the framework of affordable housing. Policy interventions, innovative financing mechanisms, and technological advancements may be essential in addressing this challenge.

Sustainable design in affordable housing is gaining traction throughout Malaysia. The implementation of green building standards has emerged as a significant trend; however, challenges remain. A study by Abidin, Yusof, and Othman highlights a growing awareness of sustainable design among developers and policymakers.⁶³³ Nevertheless, concerns over costs often hinder the full implementation of sustainable practices in affordable housing projects. The Green Building Index (GBI) provides a framework for promoting sustainable building methods, yet its application in affordable housing specifically remains limited.⁶³⁴

Climate change also poses substantial challenges for affordable housing development in Malaysia. The country's vulnerability to various climate-related impacts, such as flooding and rising temperatures, further underscores the necessity for adaptive housing designs. The study emphasised the importance of climate-resilient housing, particularly in urban areas that are prone to flooding.⁶³⁵ Moreover, the urban heat island effect represents a significant concern in Malaysian cities, exacerbating the need for proper housing design and effective urban planning. Morris et al. discuss strategies to mitigate this effect, emphasising that thoughtful integration of vegetation and water bodies can enhance urban environments.⁶³⁶

Meanwhile, Urban planning and land use policies must also incorporate considerations for affordable housing. Given the challenges posed by land scarcity and high prices in urban

⁶³³ A. F. Mohd-Isa, Z. Zainal-Abidin, and A. E. Hashim, "Built heritage maintenance: A Malaysian perspectives", *Procedia Engineering*, vol. 20 (2011): 213–221.

⁶³⁴ Persatuan Pemaju and Hartanah Dan, "test Property Management Green Building Index (GBI)", (2018): 1–10.

⁶³⁵ R. Idris et al., "Conceptualizing Adaptability in Malaysia Cities: Exploring the Intersection of Climate Change and Urban Policy," *Planning Malaysia* 20, no. 5 (2022): 13–25.

⁶³⁶ Kenobi Isima Morris and Andy Chan, "Effect of vegetation and waterbody on the garden city concept: An evaluation study on the newly developed city Putrajaya, Malaysia", *Computer s Environment System*, vol. 58 (2016): 39–51.

areas, measures such as rezoning initiatives to increase land availability, transit-oriented development linking affordable housing to public transport, and encouraging brownfield development for affordable projects can significantly enhance housing accessibility.

Several stakeholders highlighted environmental considerations as integral to sustainable housing development. DBKL emphasised the importance of incorporating environmental assessments into planning processes. *“Kami di DBKL ambil kira penilaian impak sosial, penilaian impak alam sekitar.”* Further demonstrating a systematic approach, DBKL highlighted the integration of green spaces into development plans: *“Perlindungan alam sekitar mengikut perancangan. Atas perancangan di DBKL, memang ada ruang ataupun kawasan hijau yang diperuntukkan oleh setiap pemaju dalam skim pembangunan mereka.”* This was reinforced by the procedural role of their planning committee: *“Kami ada jawatankuasa One Stop Centre, yang mana semua pemaju kena bentangkan pelan dan kita beri komen. Berapa ruang terbuka yang dia kena peruntukkan, apa yang kena ada, semua dalam itu sudah ada dibincangkan.”*⁶³⁷

The importance of minimising urban congestion and environmental degradation was also noted in relation to regulating short-term rentals: *“Peraturan terhadap Airbnb bertujuan mengurangkan kesesakan dan pencemaran di kawasan kediaman, yang sering menjadi aduan utama penduduk setempat.”*⁶³⁸ Beyond local authorities, PWS linked environmental responsibility with faith-based values, emphasising that sustainability aligns with longstanding Islamic principles: *“SDG itu ada 17... semua bercakap tentang kelestarian. Tapi Islam telah menetapkan prinsip ini lebih awal,”* and further emphasised, *“Sekarang semua bercakap tentang kelestarian. Apa sahaja projek yang ingin dilaksanakan, anda mesti mempertimbangkan tiga aspek ini.”*⁶³⁹

In terms of innovation, SpeedHome’s proposal of modular container homes presented an environmentally conscious alternative to traditional development. *“It’s a temporary structure, but it’s sustainable... We can move it with a lorry if necessary,”* explained one representative, highlighting the flexibility and reduced environmental footprint. Another added, *“We build above [the parking lots]... avoiding land acquisition,”* reinforcing the minimisation of land disturbance.⁶⁴⁰

⁶³⁷ Isa, Appendix VI_Semi-Structured Interview 2.

⁶³⁸ Isa, Appendix III_Extract of Focus Group Discussion (FGD2).

⁶³⁹ Isa, Appendix VII_Semi-structured Interview 3.

⁶⁴⁰ Isa, Appendix VIII_Extract of Focus Group Discussion (FGD4).

Safety concerns were also raised, suggesting the need for stricter environmental and fire safety standards: *“Dari segi pencegahan kebakaran, bangunan bertingkat tinggi seperti servis apartmen tidak diwajibkan memasang sistem sprinkler kerana ia dikategorikan sebagai kediaman kekal”*⁶⁴¹.

In conclusion, the intersection of environmental factors with affordable housing development in Malaysia is multifaceted. As the country navigates the complexities of sustainable design, climate change adaptation, and the regulatory framework governing EIAs, it becomes increasingly important to address these issues holistically. By fostering a collaborative approach among stakeholders, Malaysia can work toward creating affordable housing solutions that not only meet immediate needs but also support long-term sustainability and resilience.

5.6.1. Protecting Rights in Housing Development

Another crucial aspect of affordable housing development is the role of Environmental Impact Assessments (EIAs). Under the Environmental Quality Act of 1974, large-scale housing projects are mandated to undergo EIAs. However, the enforcement and implementation of these assessments have faced challenges, as noted by Marzuki (2015). The importance of transparency in environmental assessments was underscored in the case of *Ketua Pengarah Jabatan Alam Sekitar & Anor v Kajing Tubek & Ors & Other Appeals* [1997] 3 MLJ 23, details as follows:

- i. Facts of the Case: The case involved three indigenous individuals from Sarawak who were directly impacted by the Bakun Hydro-Electric Project. They contested the project, claiming it would adversely affect their fundamental rights, particularly their right to life and livelihood. Central to their concerns were the potential environmental repercussions, including deforestation and the disruption of rivers.
- ii. The case raised several key legal principles: Federalism and Environmental Law: The court had to determine the interplay between federal and state laws in environmental matters, particularly when federal projects could have significant environmental impacts on state jurisdictions.

⁶⁴¹ Isa, Appendix III_Extract of Focus Group Discussion (FGD2).

- iii. Locus Standi: The court examined whether the indigenous people had the legal standing to challenge the project, given that they were not directly parties to the project's approval process.
- iv. Fundamental Rights and Environmental Protection: The court considered whether the project's potential environmental impacts would infringe upon the fundamental rights of the affected individuals.
- v. Ratio Decidendi:
 - a. The court held that while the federal government has the power to regulate environmental matters, it must do so in a way that respects state sovereignty and the rights of indigenous communities.
 - b. The court recognised the indigenous people's right to challenge the project, even though they were not direct parties to the approval process. Their potential harm from the project's environmental impacts was sufficient to establish locus standi.
 - c. The court emphasised the importance of balancing economic development with environmental protection and human rights. It recognised that large-scale development projects can have significant environmental and social consequences, which must be carefully considered and mitigated.
- vi. Judgment: The court allowed the appeals and granted declaratory relief to the indigenous people, recognising their right to a clean and healthy environment. The judgment highlighted the importance of environmental impact assessments and public participation in environmental and indigenous communities' decision-making processes.

In the case of *Majlis Perbandaran Pulau Pinang v. Syarikat Bekerjasama-sama Serbaguna Sungai Gelugor Dengan Tanggungan* [1999] 3 MLJ 1:

- i. Facts of the Case: The case involved a dispute between a local authority, Majlis Perbandaran Pulau Pinang (MPPP), and a cooperative society, Syarikat Bekerjasama-sama Serbaguna Sungai Gelugor Dengan Tanggungan (the Society). The Society had obtained planning permission from the MPPP for a development project. However, the MPPP imposed certain conditions on the planning permission, including environmental

conditions. The Defendant challenged these conditions, arguing that they were excessive and unreasonable.

- ii. Principle: The case primarily concerned the extent of a local authority's power to impose conditions on planning permissions, particularly in relation to environmental considerations.
- iii. Ratio Decidendi: The court held that local authorities have the power to impose conditions on planning permissions, including environmental conditions, as long as these conditions are:
 - a. Relevant to Planning: The conditions must be directly related to the proposed development and its potential environmental impact.
 - b. Reasonable: The conditions should not be unduly burdensome or restrictive, and they should be proportionate to the potential environmental impact.
 - c. Necessary: The conditions should be necessary to protect the environment and public interest.
- iv. Judgment: The court upheld the MPPP's right to impose the environmental conditions on the Society's planning permission. The court emphasised the importance of environmental considerations in urban planning and the role of local authorities in safeguarding the environment.

This case has significant implications for the development of affordable housing projects. It highlights the importance of incorporating environmental factors into the planning and approval process for such projects. By imposing appropriate conditions, local authorities can ensure that affordable housing developments are sustainable, environmentally friendly, and do not negatively impact the surrounding environment.

Another case of *Awang @ Harun bin Ismail & Ors v. Kerajaan Negeri Kedah & Ors* [2010] 4 MLJ 83, this case centres on a significant conflict between Indigenous Orang Asli communities and the Kedah State Government regarding land rights and environmental issues. The indigenous groups contended that their ancestral land rights were being infringed upon due to the government's intention to develop the land for various purposes, such as housing and commercial enterprises. At the heart of this case lies the fundamental principle of indigenous rights—specifically, their entitlement to land and natural resources. The case also broaches broader themes of environmental protection and sustainable development practices. In its ruling, the court acknowledged the critical importance of protecting Indigenous land rights and

the imperative of safeguarding the environment. It emphasised that any development initiative must respect the rights of indigenous communities and strive to minimise environmental harm.

Ultimately, the judgment favoured the Indigenous communities, affirming their ancestral land rights and mandating the government to cease the proposed development project. The court also underscored the necessity of conducting comprehensive environmental impact assessments (EIAs) and securing the free, prior, and informed consent of indigenous populations before any development activities could occur on their land.

While the primary focus of this case was on indigenous land rights, it carries broader implications for affordable housing development. The ruling highlights several key considerations:

- i. **Environmental Impact Assessment (EIA):** Conducting thorough EIAs to evaluate the potential environmental and social repercussions of affordable housing projects, particularly regarding vulnerable communities and ecosystems is essential.
- ii. **Community Engagement and Consent:** Local communities, including indigenous populations, should be actively involved in the planning and development processes of affordable housing initiatives. Securing their free, prior, and informed consent is vital to respect their rights and cater to their needs.
- iii. **Sustainable Development Practices:** Adopting sustainable building methods and utilizing environmentally friendly materials can greatly reduce the ecological footprint of affordable housing projects.
- iv. **Balancing Development and Conservation:** It is crucial to balance economic growth and environmental stewardship. Affordable housing projects should aim to meet the needs of middle-income households without compromising the integrity of the environment.

By considering these factors, policymakers and developers can ensure that affordable housing projects are both socially equitable and environmentally sustainable.

5.6.2. Shaping the Future of Affordable Housing Policy

The illustrated cases in paragraph 5.6.1 address environmental rights and the intricate dynamics of federal-state relations. However, it offers valuable insights that can significantly strengthen affordable housing policy.

One of the primary recommendations is to prioritise Environmental Impact Assessments (EIA) before initiating large-scale housing projects. Conducting thorough EIAs is essential for assessing potential environmental and social impacts, particularly on vulnerable communities. This proactive approach ensures that affordable housing projects are designed and implemented in an environmentally sustainable manner, helping to minimise any negative impacts on the surrounding ecosystem.

Additionally, it is crucial to respect indigenous rights and facilitate community participation throughout the planning process. Engaging with indigenous communities and local residents allows for a deeper understanding of their needs, concerns, and cultural sensibilities. Incorporating their input not only fosters a sense of ownership among community members but also ensures that their rights are adequately protected. Furthermore, providing adequate compensation and well-structured resettlement plans for those affected by development projects is a vital aspect of this engagement.

A strong regulatory framework must be established to further enhance affordable housing policy. This involves enacting clear and effective regulations governing affordable housing development, including zoning laws, building codes, and environmental standards. A robust monitoring and enforcement mechanism is essential to ensure compliance with these regulations and promptly address potential violations.

Promoting transparency and accountability in decision-making processes is another pivotal element in developing affordable housing. Implementing transparent procedures, inviting public consultation and participation during housing projects' planning and approval stages fosters trust and community engagement. Holding government agencies and developers accountable ensures adherence to established environmental and social standards, ultimately benefiting the community.⁶⁴²

Lastly, prioritising sustainable development is essential in fostering environmentally responsible housing solutions. Encouraging the use of sustainable building materials and energy-efficient technologies in construction can significantly reduce housing projects' carbon

⁶⁴² Isa, Appendix II_Extract of Focus Group Discussion (FGD1). HBA strongly urges policymakers to make transparency a core principle, ensuring end-users better understand the policy.

footprint. Policymakers can further align affordable housing initiatives with broader environmental goals by promoting green building practices.

Incorporating these recommendations into affordable housing policy allows for developing a more equitable, sustainable, and inclusive approach. Such an approach benefits the environment and supports the well-being of the people it serves. Ultimately, this synthesis of environmental awareness and community engagement is crucial for advancing comprehensive housing solutions. By learning from these lessons, policymakers, developers, and communities can collaborate to create a more sustainable future.

5.7. RELEVANT LAWS REGULATING AFFORDABLE HOUSING

Affordable housing is a pressing concern in Malaysia, influenced by various legal regulations and frameworks designed to ensure accessibility and quality. This essay examines the critical federal and state laws, housing development regulations, land use and planning laws, tenancy rights, and consumer protection measures that shape the country's affordable housing landscape.

Legal challenges emerged as a recurring concern, particularly surrounding the lack of enforcement mechanisms following the completion and sale of housing units. Both DBKL and PR1MA admitted to having limited capacity to monitor the use of units post-sale, which raises compliance issues with initial housing objectives. As one DBKL representative explained, *“DBKL memang tidak mempunyai pemantauan langsung selepas rumah dijual,”* and reiterated, *“Dari segi pemantauan lain-lain, kita tak ada. Tak ada langsung.”*⁶⁴³ PR1MA similarly highlighted the challenges of ensuring end-user eligibility compliance after ownership is transferred: *“Kualifikasi itu masih ada sebab programme itu adalah programme yang mencukupi. Jadi, kalau dia jual kepada orang yang buat pelaburan, apa lagi yang awak ada?”*⁶⁴⁴

To address tenancy-related disputes and concerns over subletting and informal use of residential units, participants in focus group discussions proposed legal reforms, including the creation of a dedicated tribunal: *“Menubuhkan Tribunal Sewaan Kediaman sebagai mekanisma untuk menyelesaikan pertikaian.”*⁶⁴⁵ Specific legal tools were also cited, such as enforcement through building misuse notices under existing legislation: *“Unit yang digunakan*

⁶⁴³ Isa, Appendix VI_Semi-Structured Interview 2.

⁶⁴⁴ Isa, Appendix V_Semi-Structured Interview 1.

⁶⁴⁵ Isa, Appendix II_Extract of Focus Group Discussion (FGD1).

*untuk Airbnb di kawasan kediaman boleh dikenakan notis salah guna bangunan di bawah Seksyen 70(12) Akta Jalan, Parit dan Bangunan kepada pemilik premis.*⁶⁴⁶”

Concerns were raised over the lack of accountability and imbalance in enforcement frameworks. As noted by YBhg. Datuk Chang Kim Loong of the HBA, *“Please have a column on penalties for the enforcer who did not enforce the law,”* while Ms. Adriana Abu from HBA pointed out, *“There is no correspondence penalty clause in the section for offences conducted by tenant. Penalty clauses must be balanced...”*

Lastly, the legal authority of building management bodies was highlighted, particularly in regulating short-term rentals. It was noted that, *“JMB mempunyai kuasa untuk menetapkan peraturan dalaman bagi bangunan mereka, termasuk larangan terhadap Airbnb jika dipersetujui oleh majoriti penghuni,”*⁶⁴⁷, underlining the importance of internal governance mechanisms in upholding legal and communal standards within stratified developments.

5.7.1. Federal and State Legislation

The housing sector in Malaysia operates under a complex framework of federal and state legislation. Central to this framework is the National Land Code (Act 828), which governs land ownership and usage. This law is critical as it affects land acquisition, transfer, and tenure, particularly for affordable housing projects. A significant case illustrating the importance of due process in land acquisition is *Pengarah Tanah dan Galian Wilayah Persekutuan v Sri Lempah Enterprise Sdn Bhd* [1979] 1 MLJ 135, where the court underscored the adherence to proper procedures as essential for successful housing developments.

Complementing this is the Housing Development (Control and Licensing) Act 1966, which aims to protect homebuyers’ rights by regulating housing developers. This act mandates that developers must be licensed, ensuring that only qualified entities engage in housing development, including affordable projects. The case of *Ng Ngat Khee v Lok Teck Sing* [2000] 4 MLJ 551 further emphasises the act’s role as a social legislation benefiting homebuyers and bolstering affordable housing delivery.

Additionally, the Strata Titles Act 1985 plays a crucial role in managing multi-story buildings, which is important for high-rise affordable housing projects. The Town and Country Planning Act 1976 adds another layer, providing regulatory controls that influence the location

⁶⁴⁶ Isa, Appendix III_Extract of Focus Group Discussion (FGD2).

⁶⁴⁷ Ibid.

and design of affordable housing within urban frameworks, ensuring proper town planning and development.

The Perumahan Rakyat 1Malaysia Act 2012 (Act 739) represents a significant legislative measure in Malaysia, aimed at addressing the urgent demand for affordable housing among low- to middle-income populations. This Act provides a structured framework for the development, regulation, and management of housing projects and associated infrastructure under the 1Malaysia People's Housing (PR1MA) initiative.

- i. Key Objectives of the Act: The Perumahan Rakyat 1Malaysia Act 2012 is guided by three primary objectives. First, it seeks to ensure the provision of affordable housing by mandating that PR1MA homes are constructed to specific quality standards and sold at prices accessible to the target demographic. Second, the Act aims to develop sustainable communities by fostering integrated living environments that include requisite infrastructure and amenities. Finally, it advocates for the incorporation of strategic socio-economic development models, promoting a harmonious relationship between housing initiatives and broader economic and social development efforts.
- ii. Core Aspects of the Act: One of the foundational components of the Act is the establishment of the PR1MA Corporation as a statutory body responsible for the implementation of the PR1MA programme. This corporation possesses the authority to plan, develop, and manage housing projects while adhering to the legislative framework. Moreover, the Act provides a detailed definition of “1Malaysia People's Housing” or “PR1MA homes”, stipulating that these homes must meet rigorous quality and specification criteria. Eligibility criteria for prospective buyers are also outlined within the Act, which considers factors such as income levels and housing needs. The Act further governs the development process of PR1MA projects—encompassing essential phases like planning, financing, construction, and sales—emphasising the need for prior approvals from relevant authorities before project commencement. In addition, the legislation delineates provisions for the management and maintenance of PR1MA homes post-occupancy, ensuring their condition and quality are preserved over time.

- iii. **Impact on the Housing Sector:** The impact of the Perumahan Rakyat 1Malaysia Act 2012 on the housing sector has been multifaceted. The Act has significantly increased the supply of affordable housing, particularly benefiting middle-income groups. Furthermore, PR1MA projects have facilitated the establishment of new communities equipped with vital amenities, such as educational and healthcare facilities, as well as retail options. Additionally, the implementation of these projects has stimulated growth within the construction sector, resulting in job creation and economic benefits at various levels. Crucially, the Act also alleviates housing shortages by addressing the needs of underserved populations.
- iv. **Challenges and Current Issues:** Despite its successes, the PR1MA programme is not without challenges. One major issue is land scarcity, particularly in urban areas where suitable land for PR1MA projects is increasingly hard to secure. Additionally, rising construction costs, driven by fluctuations in material and labour prices, pose significant hurdles to project viability. There is also a pressing need for ongoing improvements to the Act to ensure it remains pertinent in a rapidly evolving housing market.
- v. **Perumahan Rakyat 1Malaysia Act 2012 stands as a pivotal legislative effort aimed at advancing affordable housing in Malaysia. Its multifaceted objectives and impacts on the housing sector are commendable; however, persistent challenges necessitate strategic refinements and improvements to the Act. By tackling issues such as land availability and rising costs, along with streamlining processes and expanding its scope, the government has the potential to fortify the PR1MA programme, ensuring its long-term viability and effectiveness in addressing Malaysia's housing needs.**

PR1MA demonstrated a unique legal approach to consumer protection by offering compensation prior to project completion: “*PRIMA adalah satu-satunya pemaju di Malaysia yang menawarkan bayaran Liquidated and Ascertained Damages (LAD) sebelum projek siap.*”⁶⁴⁸ The importance of aligning future policies with amendments to national housing laws

⁶⁴⁸ Isa, Appendix V_Semi-Structured Interview 1.

was also stressed, with Nicholas Chang Chen Seng from the Bar Council urging, “*Please do synchronise your actions with the amendments of Act 118.*”⁶⁴⁹

Another area of legal concern pertained to inconsistencies between federal and state jurisdictions, particularly in relation to wakaf (endowment) lands. PWS emphasised the need for legal clarity and harmonisation, stating, “*Tanah wakaf tidak boleh dimiliki oleh individu secara peribadi, tetapi hanya boleh digunakan untuk manfaat umum,*” and noted that current legal frameworks are inadequate: “*Ada cadangan untuk merangka Akta Pembangunan Wakaf, tetapi perkara hal wakaf berkaitan tanah tiada dalam Kanun Tanah Negara.*”

5.7.2. Housing Development Regulations

The regulations governing housing development directly influence the implementation of affordable housing. These include stringent developer licensing requirements, ensuring that only competent entities undertake housing projects. Moreover, developers must meet statutory duties, such as adhering to specified timelines and approved plans, fostering accountability in project execution. Additionally, the laws around sales and advertising regulations protect consumers by enforcing transparency in marketing affordable housing units. Strict rules mitigate the risk of misrepresentation, empowering buyers with better information and protection.

5.7.3. Land Use and Planning Laws

Land use and planning laws are fundamental in shaping the design and feasibility of affordable housing projects. Zoning regulations dictate permissible locations for affordable housing, with provisions that may require new developments to include a percentage of affordable units.⁶⁵⁰ Density controls are equally significant. They determine the number of units feasible on a given plot, facilitating economically viable projects through higher density allowances.

Furthermore, Environmental Impact Assessments (EIA) are mandatory for large-scale projects, impacting timelines and costs. The case of *Majlis Perbandaran Pulau Pinang v Syarikat Bekerjasama-sama Serbaguna Sungai Gelugor Dengan Tanggungan* [1999] 3 MLJ 1 highlights the importance of complying with planning laws and obtaining necessary approvals prior to development.

⁶⁴⁹ Isa, Appendix II_Extract of Focus Group Discussion (FGD1).

⁶⁵⁰ Oyeboji, Liyanage, and Akintoye, *Critical Success Factors (CSFs) for achieving sustainable social housing (SSH)*.

5.7.4. Tenancy Laws and Rights

A comprehensive tenancy framework remains elusive in Malaysia, yet several policies and proposed laws impact this area. The National Housing Policy provides guidelines for promoting affordable housing while ensuring quality living conditions. Proposed legislation, such as the Residential Tenancy Act, aims to regulate the rental market, potentially enhancing tenant protections in affordable units⁶⁵¹. The Strata Management Act 2013 further governs the management of strata properties, ensuring that affordable housing developments are well-maintained.

5.7.5. Consumer Protection in Housing

Consumer protection is essential for maintaining the integrity and fairness of affordable housing markets. It shields buyers from unscrupulous practices and guarantees that they receive quality homes at reasonable prices. Various key measures of consumer protection contribute significantly to the landscape of affordable housing, ensuring that the rights and interests of buyers are upheld.

One of the fundamental components of consumer protection in housing is the establishment of regulatory frameworks. Governments enact housing acts and regulations governing the construction, sale, and rental of affordable housing. These laws are pivotal in setting standards for quality, safety, and accessibility. Additionally, consumer protection acts provide a legal underpinning to shield buyers from unfair practices, such as deceptive advertising, misleading information, and unfair contract terms. Together, these frameworks create a structured environment that promotes fairness and accountability in the housing market.

Licensing and certification requirements are also crucial in maintaining the integrity of affordable housing. By mandating licensing for developers, governments ensure adherence to building codes, zoning regulations, and ethical standards. Similarly, contractor licensing helps maintain quality standards and protects consumers from substandard workmanship. When developers and contractors are held accountable through these licensing requirements, it fosters trust and reliability in the market.

Disclosure requirements further enhance consumer protection by mandating transparency in transactions. Developers and sellers are obligated to provide critical

⁶⁵¹ Tarrence Tan, "Residential Tenancy Act Expected to Be Tabled Next Year, Says Deputy Minister," *The Star Online*, <https://www.thestar.com.my/news/nation/2023/03/29/residential-tenancy-act-expected-to-be-tabled-next-year-says-deputy-minister> (accessed 9 September, 2024).

information about properties, including any defects, liens, or pending legal issues. Additionally, clear and transparent contractual terms are essential to safeguard buyers' rights and responsibilities. Such practices empower consumers to make informed decisions when entering the housing market.

Consumer education and awareness play a complementary role in fortifying consumer protection. By equipping consumers with financial literacy—understanding budgeting, credit, and mortgage options—they are empowered to make informed choices. Raising awareness about consumer rights and responsibilities also protects buyers from exploitation and encourages them to actively seek redress when necessary.

Furthermore, consumer complaint mechanisms are vital for addressing grievances and ensuring accountability. Consumer protection is vital to affordable housing, embodied in various measures designed to safeguard buyers. Establishing the Housing Tribunal ensures that disputes between buyers and developers are resolved fairly and efficiently. Additionally, the defect liability period and standardised sale and purchase agreements foster accountability and protect buyer interests. Government agencies dedicated to consumer protection handle complaints and investigate allegations of fraud, misrepresentation, or other unfair practices. Alternative dispute resolution mechanisms, such as mediation and arbitration, provide efficient and cost-effective means for resolving disputes between buyers and sellers, thus promoting a harmonious housing market.

Quality control and standards are non-negotiable in the creation of safe and durable affordable housing. Strict building codes and standards ensure that housing units meet minimum safety and quality requirements, while regular inspections by building inspectors help identify and rectify construction defects or safety hazards. This ongoing oversight is crucial for safeguarding the well-being of occupants.

Thus, implementing robust consumer protection measures is instrumental in fostering an equitable and transparent affordable housing market. By prioritising the rights and interests of buyers, governments and policymakers can ensure that low-income and vulnerable populations have access to safe, affordable, and decent housing. Ultimately, a robust consumer protection framework enhances market integrity and contributes to the overall well-being of communities.

5.7.6. Judicial Interpretation

While the Malaysian judiciary has not explicitly interpreted the Constitution to include a right to affordable housing, courts have occasionally addressed issues related to housing in the

context of broader rights and administrative justice. Judicial decisions can influence the implementation and interpretation of housing policies, thereby indirectly shaping the realisation of housing rights.

Judicial interpretation significantly influences the legal landscape, particularly in policy areas such as affordable housing. By clarifying laws and regulations through their decisions, courts establish precedents that ensure legislation is applied effectively and fairly. This role is vital in addressing the complexities surrounding affordable housing, emphasising the importance of judicial interpretation in fostering equitable outcomes.

One of the primary implications of judicial interpretation is the clarification of ambiguous legal provisions. For instance, courts can define what constitutes “affordable housing” by taking into account aspects such as income thresholds, housing costs, and local market conditions. This clarity allows lawmakers and stakeholders to operate under a shared understanding, facilitating the development of effective housing policies. Additionally, courts can interpret zoning laws to assess whether they inadvertently obstruct affordable housing development. Judicial interpretations can lead to important changes in zoning laws that promote inclusivity and make housing more accessible for everyone. As discussed in Chapter 3.3.2.4 on page 111, the right to adequate housing is a key part of human rights, and the Malaysian courts have played a significant role in protecting this right through their decisions. By enforcing legal protections for homebuyers and making sure that housing laws are followed, the courts help ensure that everyone has access to decent housing.

Moreover, courts are instrumental in enforcing consumer protection laws, thereby safeguarding the interests of homebuyers. They have the authority to hold developers and sellers accountable for deceptive practices, false advertising, and breaches of contract, ensuring that homebuyers are protected from malpractice. Furthermore, courts can enforce warranty and guarantee claims, ensuring that homeowners receive both quality housing and timely repairs, which are essential for maintaining safe living conditions.

Judicial interpretation also plays a crucial role in upholding fair housing laws, which is essential for preventing discrimination within the housing market. Courts can address discriminatory practices related to racial or familial status and ensure that equal access to affordable housing is protected. By interpreting and enforcing these laws, courts help shield vulnerable populations, including low-income individuals and families, from systemic inequalities.

The balance between property rights and public interest is another critical area where judicial interpretation comes into play. Courts review government actions, such as eminent

domain, to ensure that any takings of private property for public use are justly compensated and serve the public interest. Additionally, courts can scrutinise land use regulations to strike a fair balance between the rights of property owners and the recognised need for affordable housing, evaluating the impact of zoning ordinances that may restrict development.

Lastly, the promotion of sustainable development is increasingly a focus of judicial interpretation. Courts can interpret environmental laws to ensure that affordable housing projects meet sustainability criteria, thereby protecting the environment while addressing housing needs. They can also mandate developers to conduct community impact assessments, ensuring that the social and economic effects of housing projects are considered, fostering a holistic approach to development.

In conclusion, through their interpretations of laws and regulations, courts play a vital role in shaping policies that promote fairness, equity, and sustainability in affordable housing. By addressing ambiguities, enforcing consumer protections, upholding fair housing laws, balancing property rights, and promoting sustainable practices, the judiciary contributes significantly to the ongoing efforts to tackle the affordable housing crisis. Ultimately, such interpretations are essential for securing safe, decent, affordable housing for all individuals.

5.7.7. The Influence of Legal Factors on the Affordable Housing Programme

The legal landscape governing affordable housing in Malaysia is multifaceted, integrating various federal and state laws that aim to protect consumers, regulate developers, and promote sustainable housing practices. Through stringent regulations and frameworks, Malaysia strives to address the challenge of affordable housing, ensuring that all citizens have access to quality living conditions. As the housing market evolves, ongoing legal reforms and compliance will be vital in meeting the needs of Malaysians seeking affordable housing solutions.

This comprehensive overview of legal factors affecting affordable housing delivery in Malaysia highlights several key points:

- i. **Complex Regulatory Environment:** The delivery of affordable housing is governed by a complex web of federal and state laws, covering various aspects from land use to consumer protection.
- ii. **Consumer Protection Focus:** Many laws and regulations, such as the Housing Development (Control and Licensing) Act 1966 and the establishment of the Housing Tribunal, are designed to protect homebuyers' interests.

- iii. Development Control: Strict regulations govern housing development, including licensing requirements for developers and adherence to approved plans and specifications.
- iv. Land Use and Planning: Zoning laws, density controls, and environmental impact assessment requirements significantly influence where and how affordable housing can be developed.
- v. Strata Development: Given the prevalence of high-rise affordable housing in urban areas, laws like the Strata Titles Act 1985 and Strata Management Act 2013 play crucial roles in regulating these developments.
- vi. Financing Regulations: Central Bank guidelines on property financing and Islamic financing laws impact the accessibility of housing loans for affordable units.
- vii. Environmental Considerations: Environmental laws ensure that affordable housing development adheres to sustainability standards and minimises negative environmental impacts.
- viii. Ongoing Legal Evolution: Proposed laws like the Residential Tenancy Act indicate that the legal landscape for affordable housing is still evolving. Several improvements can be proposed to enhance the effectiveness of the Perumahan Rakyat 1Malaysia Act. Streamlining application processes for prospective PR1MA homebuyers could simplify interactions and expedite approvals. Exploring alternative financing models, primarily through public-private partnerships, may provide additional funding avenues for project implementation. Strengthening cooperation between federal and state governments in executing PR1MA initiatives will facilitate a more cohesive approach to addressing housing demands. Finally, broadening the scope of PR1MA to include affordable rental housing options for low-income groups could provide more comprehensive solutions to housing issues.

The legal factors influencing affordable housing delivery are crucial for shaping the housing market. They create a structured framework that balances the interests of developers, buyers, and the community. However, navigating this complex regulatory environment can lead to increased costs and extended timelines for projects, complicating the development process. Consumer protection measures are vital for building trust in the market, but they also

impose additional responsibilities on developers. Meanwhile, environmental and planning laws, essential for sustainable development, can create challenges related to project feasibility and costs.

Overall, while the legal framework establishes important protections and dispute resolution mechanisms that ensure quality, it also presents significant hurdles that stakeholders must navigate to achieve success in affordable housing initiatives. The challenge lies in streamlining these legal requirements to facilitate affordable housing delivery while maintaining necessary protections and standards. This may require ongoing review and reform of housing-related laws to ensure they effectively support affordable housing goals.

5.8. CHAPTER ANALYSIS

This chapter delves into the critical factors influencing the formulation of a legal framework for affordable housing in Malaysia. A comprehensive analysis of semi-structured interviews has been conducted using the PESTEL framework, which encompasses Political, Economic, Social, Technological, Environmental, and Legal dimensions. Table 5.3 below shows the outcome:

Table 5.3: Key Factors of the Existing Framework of Affordable Housing in Malaysia

FACTOR	KEY FOCUS	DESCRIPTION
Political	Political Commitment	Role of political will in prioritizing affordable housing initiatives. Influence of leadership changes on funding and policy direction.
	Legislative Action	Enactment of laws to facilitate land allocation and development processes. Examples of successful legislation that streamlined approvals.
	Regulatory Environment	Impact of political decisions on zoning laws and building regulations. Variability in state and local policies based on political climate.
	Funding and Resource Allocation	How political priorities affect budgetary allocations for housing projects. Importance of government incentives and subsidies in affordable housing.
	Public Sentiment and Advocacy	The role of public opinion in shaping housing policies. Impact of advocacy groups on political action regarding affordable housing.
	Consequences of Political Instability	Effects of political unrest or ineffective governance on housing development. Challenges posed by inconsistent policies and regulatory changes.
Economic	Affordable housing crisis due to high	Government and financial institutions implementing various financing schemes. Focus on middle-income households with financial assistance and low-interest loans.

FACTOR	KEY FOCUS	DESCRIPTION
	urbanisation and limited supply.	
	Collaborates Cooperation	Cooperative with banks to offer favourable financing options.
	Eligibility	Stringent eligibility may exclude informal workers. High repayment amounts relative to income levels, risking financial strain.
	Financing Scheme:	Homeownership costs can exceed traditional mortgages, with strict qualifications limiting access for low-income households. Higher interest rates may strain borrowers, and those with fluctuating incomes often struggle to manage repayments.
	Waqf and Socio-Economic Improvement	Waqf as a latent resource that can benefit both public and private sectors. A humanitarian tool aimed at improving socio-economic status if properly managed.
Social	Data-Driven Policymaking	Create a centralised database to track housing needs, demographic shifts, and urban migration. Regular assessments should gather data on the evolving needs of different population groups, helping policymakers design targeted interventions that align housing developments with current and future demands, while avoiding resource misallocation.
	Inclusive Urban Planning	Encourage mixed-use developments and transit-oriented designs to integrate affordable housing into urban ecosystems. By connecting residential areas with essential services, these policies enhance living conditions and accessibility while addressing costs and fostering social interaction among diverse communities.
	Cultural Sensitivity and Community Engagement	Incorporate cultural considerations into housing designs and policies by engaging local communities in the planning process. Gathering feedback on design preferences and social needs fosters acceptance and ensures that affordable housing solutions align with residents' values and structures.
	Combating Social Stigma	Launch public awareness campaigns that emphasise the benefits and quality of affordable housing. Highlight success stories to counter negative perceptions and promote community pride, which can enhance residents' well-being and social cohesion.
	Support for Diverse Housing Needs	Enact legislation that requires diverse housing types in affordable housing initiatives to meet the needs of young professionals, families, and the elderly. This variety can stabilize communities and ensure access to suitable living conditions, particularly for an aging population through supportive housing options.
	Sustainable Development Practices	Implement sustainability standards in affordable housing projects to enhance energy efficiency and environmental quality. Sustainable housing reduces living costs and improves residents' health, addressing current environmental challenges while setting a benchmark for future developments.
	Multi-Stakeholder Collaboration	Establish partnerships among government agencies, private developers, and community organizations to create affordable housing. This collaboration can enhance resources and foster innovative solutions to address housing-related social issues.

FACTOR	KEY FOCUS	DESCRIPTION
Technological	Technology Integration	Governments should create policies that encourage modern construction techniques and materials to boost private investment and innovation in affordable housing.
	Encourage Collaboration Between Stakeholders	Promote collaboration among government agencies, private developers, and tech firms to share resources and best practices for affordable housing solutions.
	Invest in Smart Infrastructure	Expand investments in smart technologies that facilitate efficient transportation and energy use. Incorporating electric vehicle charging stations and intelligent traffic management systems in affordable housing developments can enhance sustainability
	Enhance Training and Education Programme	Provide educational programme for construction workers and developers on the latest technologies and sustainable practices to create a skilled workforce.
	Focus on Community-Centric Design	Offer training for construction workers and developers in modern technologies and sustainable practices to build a skilled workforce.
	Monitor and Evaluate Emerging Technologies	Create frameworks to assess new technologies in affordable housing, using pilot projects to gather data on cost savings, efficiency, and resident satisfaction for continual improvement.
Environment	Innovative Construction Techniques	Encourage the use of prefabricated construction to streamline processes and reduce costs by implementing government incentives.
	Advanced Technologies	Train developers in Building Information Modeling for better planning and implement smart home features to optimise energy use and living conditions.
	Sustainable Building Materials	Offer subsidies for using sustainable materials, such as recycled steel. Educate developers on the long-term advantages of sustainable practices.
	Transit-Oriented Development (TOD)	Provide tax incentives for developments near public transport to promote walkable communities and invest in smart transport systems for better efficiency and accessibility.
	Economic Viability	Explore green bonds and financing options for sustainable housing. Implement policies to promote green standards in affordable housing.
	Climate Adaptation	Conduct climate impact assessments for housing developments to mitigate risks. Engage local communities in planning to create customized climate strategies.
Legal Dimension	Collaboration	Foster partnerships among government, non-profits, developers, and communities to share insights. Hold regular forums to discuss affordable housing challenges and progress.
	Streamlining Land Allocation Processes	Simplifying land allocation processes can enable faster project execution. Establishing a dedicated body to expedite approvals for affordable housing projects would help address the need for more accessible housing, current bureaucratic delays.
	Flexibility in Licensing Requirements	Introducing more flexible licensing options for smaller developers could encourage diverse participation in the affordable housing market. A tiered licensing system based on

FACTOR	KEY FOCUS	DESCRIPTION
		project scale and complexity could enhance competitiveness without compromising quality.
	Integrated Urban Planning	Promoting integrated urban planning that includes affordable housing ensures these developments are accessible to essential services and infrastructure.
	Improved Stakeholder Engagement	Enhancing collaboration between government bodies, private developers, and communities can provide clearer insights into the specific needs of various regions. Public consultations can foster transparency and community support for housing projects.
	Leveraging Technology	Using modern construction methods like prefabrication and sustainable practices can reduce costs and time, making housing more affordable.

5.9. PESTEL ANALYSIS: MALAYSIA, VICTORIA (AUSTRALIA), AND SINGAPORE

The preceding sections of this chapter have examined Malaysia's existing legal framework for affordable housing through the PESTEL lens, drawing on doctrinal analysis and stakeholder interviews. Chapter 4 conducted the same PESTEL analysis for Victoria (Australia) and Singapore. This section now performs an explicit analysis across all three jurisdictions, identifying specific gaps in Malaysia's framework and evaluating which elements from the comparative jurisdictions may be transplanted into the Malaysian context.

Table 5.4 below presents a comprehensive six-dimensional comparison. For each PESTEL dimension, the table sets out the key features of Victoria's and Singapore's frameworks (drawn from Chapter 4), the corresponding Malaysian position (drawn from this chapter), and the identified gap together with the best practices that can be transplanted to enhance the framework in Chapter 7.

Table 5.4: PESTEL Analysis — Victoria (Australia), Singapore, and Malaysia

PESTEL Dimension	Victoria (Australia)	Singapore	Malaysia	Identified Gap & Proposed Best Practice
Political	Structured three-tier governance Federal–state–local coordination with clear division of housing responsibilities.	Centralised planning under HDB Single statutory mandate (HDB) enduring across successive	Fragmented governance under Housing under Concurrent List (Ninth Schedule) — shared federal–state responsibility.	Gap: No statutory coordination body; no mandatory reporting; policy shifts with

PESTEL Dimension	Victoria (Australia)	Singapore	Malaysia	Identified Gap & Proposed Best Practice
	Unified statutory hierarchy between federal Housing Act, state planning legislation, and local government implementation. Mandatory reporting by housing associations to government. Responsive policy adaptation with cyclical review.	governments since 1960. Strong political commitment with housing as core national priority. Centralised decision-making eliminates inter-governmental coordination delays. Government subsidies and grants codified in legislation.	Policy discontinuity across political cycles (NEP → NDP → NVP). MPMMN (National Affordable Housing Council) is administrative, not statutory. Voluntary, not mandatory, reporting by housing bodies. Multiple agencies (PRIMA, SPNB, state agencies) with overlapping mandates.	government changes. Best Practice: Victoria's three-tier governance model with mandatory reporting. Elevate MPMMN into a statutory Coordinating Council.
Economic	Government-backed financing & PPPs. Subsidies, grants, and financial assistance codified in legislation. Structured PPP models with clear incentive frameworks. Tax exemptions and stamp duty concessions for affordable housing purchases. Density bonuses as an incentive for private developers.	CPF-based homeownership model. Central Provident Fund (CPF) housing financing — enables broad homeownership using mandatory savings. Government land ownership eliminates land cost from housing equation. HDB flats sold on 99-year lease, keeping prices affordable. Income-based pricing policies for different flat types. Musharakah sukuk for waqf land development (MUIS Istibdal model).	Multiple but fragmented financing. My First Home Scheme, EPF withdrawal, Flexi Financing, rent-to-own (offered by the Bank). Stringent eligibility may exclude informal workers. High repayment burdens relative to M40 income. PPP encouraged but no structured legislative framework. Waqf economic potential is largely untapped for housing.	Gap: No structured PPP framework; EPF withdrawal limited; no waqf-housing financing mechanism; eligibility too narrow. Best Practice: Singapore's CPF model adapted for enhanced EPF mechanisms. Singapore's MUIS sukuk model for waqf financing. Victoria's codified PPP incentives
Social	Household-need-based allocation. Housing allocation considers household size, cultural	Social cohesion through housing. Ethnic Integration Policy (EIP) ensures racial	Income-only eligibility. PRIMA and state schemes use income brackets as	Gap: Income-only eligibility misses genuine need; no

PESTEL Dimension	Victoria (Australia)	Singapore	Malaysia	Identified Gap & Proposed Best Practice
	diversity, population growth — not income alone. National Community Policy for living environment improvement. Mixed-use developments integrating housing with community services. Focus on diverse housing typologies (young professionals, families, elderly).	balance in housing estates. Comprehensive social welfare programme embedded in public housing (education, recreation, sports). Community-centric design with neighbourhood facilities. HDB design considers cultural and religious requirements.	sole eligibility criterion. No household-need dimension (size, composition, cultural needs). No centralised housing needs database. Disconnect between housing supply and actual demographic demand. National Community Policy exists but lacks legislative force.	census-linked database; community facilities not mandated. Best Practice: Victoria's household-need allocation adapted into hybrid eligibility criteria. Singapore's community-centric design mandated for all affordable housing. Census-linked database such as HIMS and TEDUH that was developed by KPKT.
Technological	Innovation in building technology. Green building standards embedded in planning legislation. Smart housing solutions promoted through regulatory incentives. Energy-efficient construction mandated for new developments.	Smart housing & advanced construction. HDB Smart Towns Programme — integrating IoT, smart energy systems, automated waste collection. Prefabrication and modular construction widely adopted through government mandate. BIM mandatory for public housing projects. Design for Manufacturing and Assembly (DfMA) approach.	Emerging but limited adoption. DRMM promotes IBS and BIM use but adoption remains limited. No regulatory framework specifically incentivising modern construction for affordable housing. Limited workforce training in advanced construction techniques. No pilot project framework for testing innovations.	Gap: IBS/BIM encouraged but not incentivised; no innovation testing framework; workforce skills gap. Best Practice: Singapore's mandatory BIM/DfMA approach adapted with regulatory recognition and codified incentives. To identify pilot project for this adaptable scheme in Malaysia.

PESTEL Dimension	Victoria (Australia)	Singapore	Malaysia	Identified Gap & Proposed Best Practice
Environmental	Sustainability in planning legislation Environmental impact assessment mandatory for housing developments. Green infrastructure embedded in urban planning. Climate change resilience requirements. Water resource management, flood management, and urban greening standards integrated.	Green Towns Programme HDB Green Towns Programme targeting energy, water, and waste reduction. Sustainable construction materials and practices mandated. Solar panel integration in public housing. Green certification system for housing estates. Land use optimisation through high-density planning.	Environmental laws exist but disconnected EIA required under Environmental Quality Act 1974 but not specifically targeted at affordable housing. Federal-state tension on environmental jurisdiction. Green building standards mentioned in DRMM but not legislated for affordable housing. No climate impact assessment specific to housing developments.	Gap: No affordable-housing-specific environmental mandate; EIA not targeted; green standards voluntary. Best Practice: Victoria's mandatory environmental assessment adapted for housing developments. Singapore's Green Towns approach for energy/water standards. PLANMalaysia compliance mandated.
Legal	Comprehensive regulatory framework Dedicated regulatory framework for social housing access. Clear tenant and landlord rights with strong protections. Quality assurance: building contracts, standards, and financial security codified. Dispute resolution and consumer protection mechanisms. Core contractor scheme ensuring accountability. Three-tier coordination between Building	Unified statutory framework Housing & Development Act (1960) — comprehensive statutory basis for 65+ years. Clear land allocation and government land ownership framework. Strict enforcement of building and construction standards. Legal framework for urban governance integrated with housing. Anti-speculation provisions (minimum	Fragmented and outdated HDA 1966 (Act 118) primarily licensing-focused, not delivery-focused. PRIMA Act 2012 is incorporation statute, not framework law. NLC references outdated (1965 vs Revised 2020). No standardised S&P for affordable housing. No anti-speculation provisions. No dedicated dispute resolution for affordable housing. Overlapping regulations adding estimated 30–40%	Gap: No dedicated framework Act; no standardised S&P; no anti-speculation; no dedicated dispute resolution; excessive regulatory overlap. Best Practice: Both jurisdictions' comprehensive framework approach → proposed National Affordable Housing (Framework) Act. Victoria's consumer

PESTEL Dimension	Victoria (Australia)	Singapore	Malaysia	Identified Gap & Proposed Best Practice
	Code of Australia, state legislation, and local laws.	occupation period, resale restrictions). Dispute resolution through Housing & Development Board.	to construction costs. No one-stop approval centre.	protection. Tiered licensing and one-stop centre.

5.9.1. Key Observations from the PASTEL Analysis

First, the governance gap is structural, not merely administrative. Both Victoria and Singapore demonstrate that the sustainability of affordable housing programmes requires a statutory foundation, not merely policy commitment. Victoria achieves this through a legislated three-tier structure with mandatory reporting obligations; Singapore achieves it through a centralised statutory body (HDB) with a single, enduring mandate. Malaysia's current approach, which relies on administrative coordination through the MPMMN and multiple agencies with overlapping mandates, creates the policy discontinuity identified in Chapter 1 as a structural problem. The comparative analysis confirms that legislative consolidation, not additional policy documents, is the appropriate response.

Second, the eligibility criteria reveal a fundamental philosophical difference. Victoria's allocation model is grounded in household need, incorporating household size, cultural diversity, and population growth alongside income. Singapore's Ethnic Integration Policy similarly reflects social objectives beyond pure income metrics. Malaysia's exclusive reliance on income brackets for PRIMA and state programme eligibility represents a narrower approach that fails to account for genuine household need. This finding supports the thesis that the theory of distributive social justice requires a more nuanced eligibility framework—one that distributes housing resources according to need rather than merely income classification.

Third, the legal dimension reveals a paradox unique to Malaysia. Both Victoria and Singapore maintain comprehensive, dedicated legal frameworks for affordable housing that simultaneously protect consumers and streamline development processes. Malaysia faces the opposite situation: the affordable housing programme itself lacks a dedicated legislative framework (inadequate legal framework), while the general housing development process is burdened by overlapping regulations that add an estimated 30–40% to construction costs (over-regulation). Neither comparative jurisdiction exhibits this paradox, suggesting that a dedicated

framework Act can resolve both problems simultaneously by creating targeted protections for affordable housing while streamlining the regulatory environment.

Fourth, waqf represents a uniquely Malaysian opportunity. Neither Victoria's nor Singapore's general affordable housing framework addresses waqf, yet Singapore's MUIS model of waqf land development (discussed in paragraph 4.3) demonstrates that Islamic endowment resources can be mobilised for housing through appropriate institutional and legal mechanisms. Malaysia possesses substantially greater waqf resources than Singapore, yet no legal mechanism currently facilitates waqf-housing development partnerships. The transplantation of Singapore's MUIS model into the Malaysian context, adapted through the enabling legislation, represents a significant opportunity that the comparative analysis uniquely reveals.

Fifth, technology adoption requires regulatory infrastructure, not merely encouragement. Singapore's mandatory BIM and Design for Manufacturing and Assembly (DfMA) approach has driven widespread adoption of modern construction techniques, reducing costs and construction timelines. Victoria's green building standards are embedded in planning legislation with enforceable requirements. Malaysia's DPMMN promotes IBS and BIM but adoption remains limited precisely because encouragement without regulatory incentives is insufficient. The comparative analysis supports the proposed Act's inclusion of technology-enabling provisions with codified incentive structures and a pilot project mechanism.

5.9.2. Limitations

While the analysis identifies valuable lessons from Victoria and Singapore, direct transplantation of foreign legal frameworks must account for Malaysia's distinctive institutional context. Three factors are particularly significant:

First, constitutional structure. Unlike Singapore's unitary system, Malaysia's federal structure means that housing is a shared responsibility under the Concurrent List. Any proposed framework must respect the constitutional division of powers among federal, state, and local governments—the three-tier governance model should be designed with this constraint in mind.

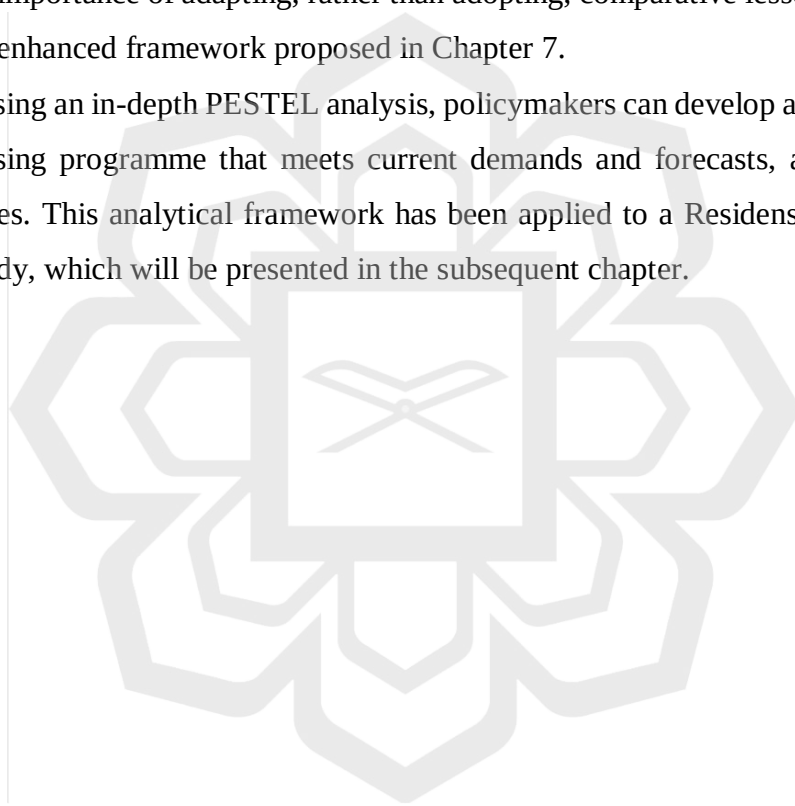
Second, the Islamic jurisprudential dimension. Neither Victoria nor Singapore incorporates Islamic principles into their housing frameworks. Malaysia's proposed enhanced framework integrates the Maqāṣid al-Sharī'ah as a foundational principle, reflecting Malaysia's constitutional character as a nation with Islam as the religion of the Federation. The

waqf-housing partnership provisions have no direct foreign precedent in the housing context and represent an original contribution of this study.

Third, socio-economic context. Singapore's CPF system and government land ownership create financing and cost structures that cannot be replicated in Malaysia's mixed-economy context. The proposed enhanced EPF mechanisms represent an adaptation, not a direct transplant, of Singapore's approach. Similarly, Victoria's household-need allocation operates within a different welfare-state context, as the proposed hybrid eligibility criteria adapt rather than adopt this principle for Malaysia's M40 focus.

These limitations do not diminish the value of the comparative analysis. Rather, they underscore the importance of adapting, rather than adopting, comparative lessons—a principle that guides the enhanced framework proposed in Chapter 7.

By utilising an in-depth PESTEL analysis, policymakers can develop a comprehensive, affordable housing programme that meets current demands and forecasts, and prepares for future challenges. This analytical framework has been applied to a Residensi PR1MA Alam Damai case study, which will be presented in the subsequent chapter.





CHAPTER SIX

CASE STUDY: RESIDENSI PR1MA ALAM DAMAI

6.1. INTRODUCTION

The previous chapter explored Malaysia's existing framework of affordable housing programmes that facilitate middle-income group housing ownership. This chapter will explore the discoveries from a minor case study conducted at PR1MA Alam Damai. This study seeks to provide insights into the housing programme implemented by PR1MA. Key focus areas will include the eligibility criteria, application process, financing options, and the overall effectiveness of Malaysia's affordable housing initiative. The goal is to understand the model of the affordable housing programme that could be adopted in the future while also identifying the challenges the agency faces in developing these affordable housing projects.

Perumahan Rakyat 1Malaysia (PR1MA) is a Malaysian government initiative aimed at providing affordable housing for the middle-income group. Residensi Alam Damai is one of the successful projects under this programme. This case study delves into the development, impact, and lessons learned from Residensi Alam Damai. Residensi Alam Damai is a residential development project that aims to provide sustainable living solutions in an urban environment. This case study explores the project's design, implementation, and impact on the community.

6.2. PROJECT OVERVIEW



PR1MA Alam Damai is a mixed-development project located in Cheras, Selangor. It offers a range of affordable housing options, including apartments and townhouses, designed to meet the needs of young professionals, couples, and families. The project features modern amenities such as swimming pools, gyms, and children's playgrounds.

- i. Location: Cheras, Selangor
- ii. Housing Type: Apartments and townhouses (2,047 units, 4 types)
- iii. Eligibility: Middle-income group
- iv. Amenities: surau, gyms, restaurant, grocery and playgrounds
- v. Price Range: RM250,000 – RM400,000
- vi. Financing: Loan Facility (Islamic and Conventional Bank), PR1MA Step-up Financing and Rent-to-Own Scheme (Collaborated with Financial Institution)

6.3. DESIGN FEATURES

Sustainable architecture represents a vital approach to modern building design, emphasizing the use of eco-friendly materials and energy-efficient systems. This strategy not only reduces the carbon footprint of buildings but also promotes a healthier living environment. By integrating sustainable practices into the construction process, architects and designers can create structures that are both functional and environmentally responsible.

In addition to focusing on the buildings themselves, the surrounding landscape plays a crucial role in promoting sustainability. The incorporation of green spaces, such as parks and gardens, is essential for enhancing biodiversity. These areas provide habitats for various species and serve as recreational spaces for residents, fostering a sense of community and well-being. Well-designed landscapes can transform urban environments into vibrant ecosystems, benefiting both people and the sphere.

Effective water management is another integral aspect of sustainable development. Implementing innovative water management systems helps conserve this vital resource and reduces runoff, which can lead to pollution in local waterways. Techniques such as rainwater harvesting, green roofs, and permeable surfaces contribute to better water management and promote a sustainable relationship between urban development and natural resources.

In conclusion, sustainable architecture, thoughtful landscaping, and advanced water management systems work together to create environments that are not only aesthetically pleasing but also beneficial for both the community and the ecosystem. By prioritizing these elements, we can create a more sustainable future for generations to come.

6.4. COMMUNITY PRINCIPLES

PR1MA Alam Damai is a mixed-development project offering apartments and townhouses tailored for young professionals, couples, and families. The project features modern amenities and aligns with PR1MA's five community principles.

To ensure the comprehensive empowerment of the PR1MA residential community, PR1MA has introduced a community programme guided by five key principles: *Sihat*, *Saku*, *Sayang*, *Selamat*, and *Suasana*. These principles include elements that emphasise health, socio-economic development, social relations, and safety. The diverse community programme are designed to encourage participation from individuals of all backgrounds.

- i. *Sihat* (Health): Promoting healthy living through green spaces and potentially recreational facilities like gyms or swimming pools (information not explicitly available on the official website).
- ii. *Saku* (Socio-economic): Fostering economic opportunities by creating a vibrant local economy with potential commercial spaces (information not explicitly available on the official website).
- iii. *Sayang* (Social Relations): Encouraging social interaction through community events or shared spaces like parks and playgrounds.
- iv. *Selamat* (Safety): Ensuring a secure environment with proper security measures.
- v. *Suasana* (Pleasant Environment): Creating an aesthetically pleasing and comfortable living environment.

6.5. SIGNIFICANT ASSESSMENT



The project has had significant positive outcomes in three key areas: environmental benefits, social impact, and economic viability.

Firstly, the environmental benefits are noteworthy. The project has improved air quality and increased green cover within the area. These enhancements not only contribute to a healthier ecosystem but also foster a more pleasant living environment for residents.

The project's changes have had a transformative social impact on the community. Residents have reported a higher quality of life, largely due to better access to green spaces and community facilities. These developments have created inviting environments for recreation, relaxation, and social interaction, thereby enriching the lives of local residents.

Lastly, the economic viability of the project cannot be overlooked. It has successfully attracted new businesses, which has, in turn, increased property values in the surrounding area. This uptick in economic activity is beneficial not only for business owners but also for residents who may see improved amenities and services as a result.

6.6. IMPACT AND KEY LESSONS LEARNED



PR1MA Alam Damai has emerged as a significant initiative contributing to increased homeownership rates among the middle-income group. By providing accessible housing options, the project has made a meaningful impact on enhancing the affordability of homes for many families. This increase in homeownership is not only crucial for individual families but also contributes to the broader economic landscape.

In addition to promoting homeownership, PR1MA Alam Damai has likely stimulated economic growth within the local area. The project has generated employment opportunities, creating jobs in construction, maintenance, and various services that support the community. This influx of job opportunities plays a vital role in revitalising the local economy, allowing residents to secure stable livelihoods and invest back into the community.

The design and planning of PR1MA Alam Damai have further contributed to an improved quality of life for its residents. By incorporating amenities such as parks, recreational facilities, and essential services, the community has become a well-rounded environment that enhances overall well-being. Residents benefit from a thoughtfully designed space that promotes both social interaction and individual fulfilment.

Several lessons can be drawn from the PR1MA Alam Damai project, which can serve as a blueprint for future initiatives. First and foremost, effective planning that considers the needs and desires of the community is crucial for ensuring success. This involves understanding the demographic and economic factors that shape the area to create a living space that resonates with its residents.

Moreover, strong partnerships are essential. Collaboration among government agencies, developers, and financial institutions allows for the pooling of resources and expertise, making it easier to overcome obstacles and streamline processes. Such cooperative efforts can significantly enhance the project's viability and effectiveness.

Innovation also plays a key role in the success of housing projects like PR1MA Alam Damai. By adopting innovative construction techniques and leveraging technology, costs can be reduced while efficiency is maximised. This continuous innovation can lead to better building standards and a more sustainable approach to development.

Lastly, community engagement is critical. Actively involving residents in the development process fosters a sense of ownership and belonging. When residents have a voice in community decisions, it contributes to a more successful and harmonious living environment.

In conclusion, PR1MA Alam Damai stands as a model for affordable housing that emphasises community building. By learning from its successes and challenges, future projects can aim for a sustainable and inclusive community for all residents. By planning effectively, fostering strong partnerships, continuously innovating, and engaging with the community, we can develop vibrant and thriving neighbourhoods that improve everyone's quality of life.

6.7. CHAPTER ANALYSIS

To effectively formulate an affordable housing programme, it is essential to analyse the political, economic, social, technological, environmental, and legal factors that influence the programme's model. This PESTEL analysis can guide the development of a comprehensive and sustainable framework.

6.7.1. The Importance of Political Commitment and Community Engagement

A strong political commitment is vital for advancing initiatives that promote affordable housing. Securing legislative support across all levels of government is essential for achieving meaningful progress. It is important to establish comprehensive and well-defined policies that encourage a diverse range of affordable housing options. This includes the implementation of zoning regulations that facilitate mixed-use developments and support higher-density housing solutions. Actively involving local communities, non-governmental organisations, and other relevant stakeholders in the legislative process is crucial to ensuring that housing strategies effectively address the community's specific needs and concerns.

6.7.2. Leveraging Public-Private Partnerships for Affordable Housing and Economic Growth

The examination of funding mechanisms, particularly public-private partnerships (PPPs), is crucial for promoting investment in affordable housing projects. These collaborative efforts can effectively harness public resources alongside the efficiency of the private sector. Furthermore, targeted budget allocations for subsidies and low-interest loans will act as substantial incentives for developers, encouraging the provision of affordable housing options. It is also vital to analyse local housing market dynamics, as such understanding allows for the

alignment of housing initiatives with existing economic conditions. By doing this, stakeholders can ensure that affordability remains a feasible objective, even in the context of fluctuating markets. Additionally, it is important to prioritise programmes that not only deliver housing solutions but also generate employment opportunities in the construction sector and related industries. This comprehensive approach not only addresses critical housing needs but also fosters overall economic growth.

6.7.3. Meeting Community Housing Needs

To adequately meet housing needs, it is essential to perform community needs assessments regularly to gain insight into demographic preferences for different housing types. Housing developments should be strategically placed in proximity to essential services such as schools, healthcare facilities, and transportation options, thereby facilitating easier access to employment and community resources. Furthermore, an inclusive programme should be established to support diverse populations, including vulnerable groups, ensuring they have access to affordable housing solutions.

6.7.4. Innovating with Construction Techniques and Smart Solutions

Innovative construction techniques offer a transformative opportunity for the housing market by lowering costs and speeding up timelines. Methods like modular construction and 3D printing enhance efficiency, reduce waste, and cut labour expenses. Integrating smart housing solutions, such as energy-efficient systems and automated technologies, can further decrease utility costs, making homes more sustainable. Additionally, employing data-driven strategies allows stakeholders to understand housing demand and improve affordable housing initiatives. Together, these advancements tackle immediate housing challenges and help build resilient, equitable communities.

6.7.5. Building Resilient Communities

In the realm of sustainable development, it is essential to prioritise the incorporation of sustainable materials and eco-friendly building methodologies to mitigate environmental impact effectively. This involves implementing energy-efficient design principles and integrating green spaces within urban developments, which enhances both biodiversity and ecosystem services. Furthermore, to ensure safety and sustainability in residential areas, it is crucial to integrate strategic elements that bolster resilience against natural disasters. This can be achieved through the use of advanced materials, innovative structural designs, and

thoughtful site planning that can withstand various environmental hazards. Additionally, housing developments should include dedicated provisions for parks and recreational areas, which play a vital role in promoting community health and well-being. These green spaces not only foster social interactions and enhance environmental quality but also serve as critical buffers against urban heat and improve air quality, contributing significantly to overall community wellness and resilience.

6.7.6. Strengthening Regulation and Reform

Establishing robust regulatory frameworks is imperative for protecting the rights of tenants and homebuyers, ensuring equitable pricing structures and comprehensive tenant protections. Additionally, amending current land use laws is essential to facilitate affordable housing development; this includes removing unnecessary regulatory barriers that hinder progress in this critical sector. Furthermore, implementing rigorous compliance and enforcement mechanisms is crucial to monitor adherence to affordable housing regulations, promoting accountability among developers and stakeholders. Such an integrated approach will enhance the integrity of the affordable housing market and contribute to the overall accessibility and sustainability of housing solutions.

6.7.7. Fostering Sustainable Housing Policies: A Collaborative and Data-Driven Approach

The development of effective housing policies necessitates a holistic approach that integrates insights from PESTEL analysis to inform legislative measures. By adopting a multidimensional framework, policymakers can ensure that their initiatives are grounded in a comprehensive understanding of the political, economic, social, technological, environmental, and legal contexts that influence housing dynamics. Furthermore, it is critical to implement a systematic review mechanism that allows for the periodic evaluation of housing policies, ensuring they remain responsive to the evolving socio-economic landscape and the diverse needs of communities.

Engaging local stakeholders in both the planning and execution of housing projects fosters a sense of ownership and investment, which is essential for achieving project sustainability and relevance. The strategic utilisation of advanced technology and data analytics is paramount in driving informed decision-making, enabling a nuanced understanding of housing requirements and the effectiveness of the existing programme. Lastly, promoting the exchange of best practices through disseminating successful case studies from various regions

can catalyse innovative approaches and inspire the adaptation of legislative frameworks that effectively address local challenges.

6.7.8. Pestel Assessment of PR1MA Alam Damai: Strengths, Gaps, and Framework Implications

The preceding sections have described the PR1MA Alam Damai project's design, community principles, and impact. This section now applies the PESTEL analytical framework—consistently employed throughout this thesis in the analysis of Victoria (Chapter 4), Singapore (Chapter 4), and Malaysia's existing framework (Chapter 5) as to assess the PR1MA Alam Damai case study. The purpose is twofold: (i) to identify which elements of the PR1MA model embed good legal framework practice, and (ii) to identify gaps that the proposed enhanced framework (Chapter 7) must address.

Table 6.1 presents a comprehensive PESTEL assessment of PR1MA Alam Damai, structured across five columns: the PESTEL dimension, what the project does well (strengths to preserve), gaps and weaknesses identified, the relevant best practice lesson from Victoria and Singapore, and the specific provision of the proposed enhanced framework that addresses each gap.

Table 6.1: PESTEL Assessment of PR1MA Alam Damai

PESTEL Dimension	What PR1MA Alam Damai Does Well	Gaps / Weaknesses Identified	Best Practice Lesson (Victoria / Singapore)	Proposed Enhancement
Political	PR1MA was established under a statutory mandate (Act 739). Strong federal government backing and political commitment at inception. MPMMN coordination at the PM level.	PR1MA Act 2012 is an incorporation statute — no provisions on housing delivery. Political changes have affected PR1MA's mandate and funding continuity. No mandatory reporting to Parliament or the public. Federal-state coordination gaps delayed land allocation for Alam Damai project.	Victoria: Mandatory reporting by housing associations. Singapore: HDB's single mandate has been surviving across governments since 1960.	Statutory Coordinating Council. Mandatory reporting. Five-year policy review.

PESTEL Dimension	What PR1MA Alam Damai Does Well	Gaps / Weaknesses Identified	Best Practice Lesson (Victoria / Singapore)	Proposed Enhancement
Economic	Price range RM250,000–RM400,000 targeting M40. Multiple financing options: Islamic and conventional bank loans, Step-up Financing, and Rent-to-Own. PPP model with financial institutions.	Stringent eligibility excludes informal workers and fluctuating-income earners. PPP arrangements are ad hoc rather than under a structured legislative framework. No waqf-based financing was explored (as confirmed by the respondent under Chapter 5). No sliding-scale mechanism for different M40 income tiers.	Singapore: CPF housing scheme enabling broad M40 homeownership; MUIS Istibdal sukuk for waqf development. Victoria: Codified PPP incentive structures; density bonuses.	Legislated PPP framework. Enhanced EPF mechanisms. Waqf-based sukuk financing.
Social	Five community principles (Sihat, Saku, Sayang, Selamat, Suasana) embed social needs beyond housing. Community programme for health, socio-economic development, and safety. Mixed-development with diverse housing types. Social infrastructure (surau, playground, gym, restaurant).	Eligibility criteria are purely income-based — no household size, composition, or cultural consideration. No centralised database tracking housing needs or demographic shifts. Community engagement in the planning process is not mandated — it depends on the developer's initiative. No formal mechanism linking community feedback to policy revision.	Victoria: Household-need-based allocation (size, cultural diversity, population growth). Singapore: EIP ensuring social cohesion; community-centric design mandate.	Hybrid eligibility. Census-linked database. Community facilities mandate. Community engagement requirement.
Technological	Modern design features including sustainable architecture concepts. Water management systems (rainwater harvesting mentioned).	Limited adoption of IBS or modular construction despite DRMM promotion. No BIM implementation evident in project documentation. No smart housing features (IoT, energy monitoring, automated systems).	Singapore: Mandatory BIM and DfMA; HDB Smart Towns Programme. Victoria: Green building standards in planning legislation.	Technology incentives with regulatory recognition. Pilot project mechanism.

PESTEL Dimension	What PR1MA Alam Damai Does Well	Gaps / Weaknesses Identified	Best Practice Lesson (Victoria / Singapore)	Proposed Enhancement
		No pilot mechanism for testing construction innovations.		
Environmental	Green spaces and parks are incorporated into development. Landscaping enhances biodiversity. Water management systems reduce runoff. Eco-friendly materials are referenced in the design approach.	No formal climate impact assessment for the project. Green building standards are not formally mandated — a voluntary developer initiative. No energy efficiency targets or certification. Environmental features descriptive rather than tied to measurable outcomes.	Singapore: HDB Green Towns Programme with measurable targets for energy, water, and waste. Victoria: Mandatory EIA for housing developments.	Mandatory climate impact assessment. Green building standards. PLANMalaysia compliance.
Legal	Established under a statutory body (PRIMA Act 2012). Standard S&P agreements used. Multiple financing pathways provide buyer options. The project demonstrates the viability of federal affordable housing delivery.	PRIMA Act is an incorporation statute, not a framework law — no provisions on housing delivery standards, consumer protections, or sustainability requirements. No anti-speculation provisions for PR1MA units. No dedicated dispute resolution mechanism (general provision). Regulatory compliance burden shared equally between large and small developers — no tiered system.	Both: Comprehensive dedicated framework Acts with consumer protections, anti-speculation, and quality assurance. Singapore: Minimum occupation period; resale restrictions.	National Affordable Housing (Framework) Act. Standardised S&P. Anti-speculation provisions. Dispute resolution. Tiered licensing.

6.8. KEY FINDINGS FROM THE CASE STUDY

6.8.1. Strengths of the PR1MA Model Worth Preserving

The PESTEL assessment reveals that PR1MA Alam Damai is not a failed programme—it demonstrates several elements of good practice that should be preserved and strengthened in any enhanced framework:

First, the five community principles (Sihat, Saku, Sayang, Selamat, Suasana) represent a significant strength that distinguishes PR1MA from purely income-focused housing programme. These principles embed social needs, health considerations, socio-economic development, safety, and environmental quality into the housing delivery model. This approach aligns with the theory of distributive social justice underpinning this thesis—housing is treated not merely as shelter but as a comprehensive social infrastructure. The proposed enhanced framework preserves this approach through the community facilities mandate and community engagement requirement.

Second, the diverse financing options (Islamic and conventional bank loans, Step-up Financing, and Rent-to-Own) demonstrate that PR1MA has recognised the need for flexible financial instruments to serve the M40 group. This approach is consistent with the economic dimension of the PESTEL analysis and should be maintained and expanded through the proposed legislated PPP framework and enhanced EPF mechanism.

Third, the mixed-development approach (combining apartments and townhouses for young professionals, couples, and families) reflects an understanding that affordable housing must accommodate diverse household types. This principle informs the proposed hybrid eligibility criteria, which formalises what PR1MA has practised informally considering household composition alongside income.

6.8.2. Critical Gaps Requiring Legislative Response

Despite these strengths, the case study reveals five critical gaps that administrative programme design alone cannot resolve:

First, the incorporation statute gap. The PRIMA Act 2012 establishes the PRIMA Corporation as a statutory body but contains no provisions on housing delivery standards, consumer protections, sustainability requirements, or programme accountability. The Act governs who delivers affordable housing but not how it must be delivered. This structural gap means that the quality, accessibility, and sustainability of projects like PR1MA Alam Damai

depend entirely on administrative discretion rather than legal mandate, creating vulnerability to political discontinuity, as the PESTEL political dimension identifies.

Second, the eligibility limitation. PR1MA Alam Damai applies purely income-based eligibility criteria. A household of two earning RM8,000 monthly and a household of six earning RM8,000 monthly are treated identically—despite fundamentally different housing needs. The comparative analysis demonstrates that Victoria’s household-need-based allocation produces more equitable outcomes. The proposed hybrid eligibility criteria address this gap by incorporating household size, composition, social needs, and cultural considerations alongside income.

Third, the technology adoption deficit. Despite the DRMM’s promotion of IBS and BIM, the PR1MA Alam Damai project documentation does not indicate significant adoption of modern construction techniques or smart housing technologies. This confirms the finding from Section 5.9 that encouragement without regulatory incentives is insufficient. The proposed technology-enabling provisions (Section 20) and pilot project mechanism address this by creating codified incentive structures.

Fourth, the environmental accountability gap. While PR1MA Alam Damai incorporates green spaces and sustainable design features, these are voluntary developer initiatives with no formal climate-impact assessment, energy-efficiency targets, or green-certification requirements. The proposed mandatory environmental sustainability requirements would ensure that all affordable housing developments meet minimum environmental standards.

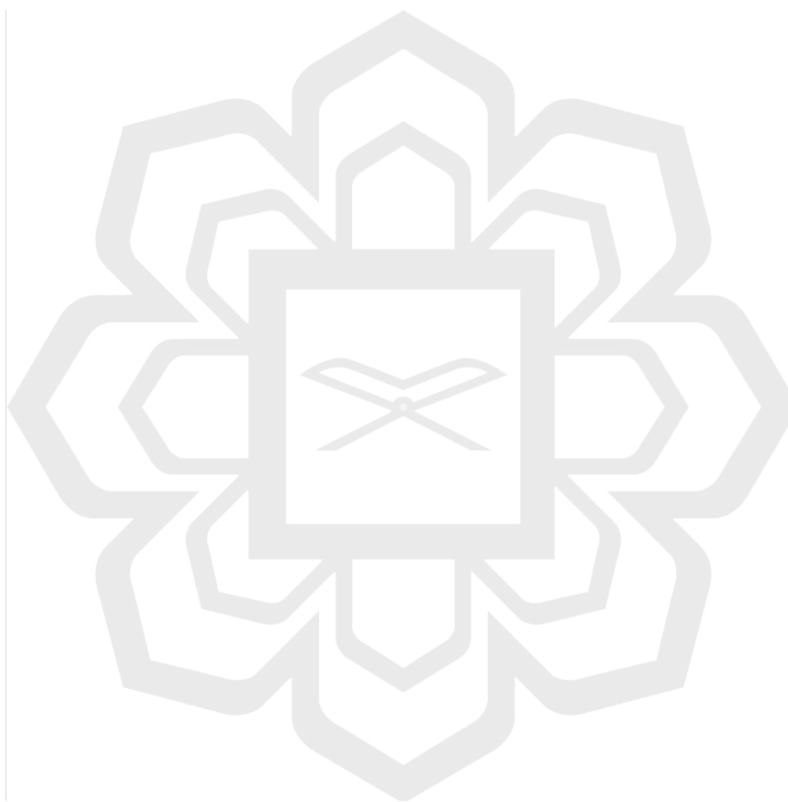
Fifth, the consumer protection deficit. No anti-speculation provisions exist for PR1MA units, no dedicated dispute-resolution mechanism serves affordable-housing purchasers, and the S&P agreement is not standardised specifically for affordable-housing transactions. These gaps leave M40 homebuyers with the same protections (or lack thereof) as purchasers of market-rate housing—despite their greater financial vulnerability. The proposed consumer protection provisions address this directly.

6.8.3. Legislative Consolidation: What PR1MA Alam Damai Demonstrates

The PR1MA Alam Damai case study ultimately demonstrates the central argument of this thesis: Malaysia possesses significant institutional capability and policy commitment toward affordable housing, but the absence of a dedicated legislative framework creates gaps that programme design alone cannot fill. The five community principles, diverse financing options, and mixed-development approach are examples of good practice that emerged through administrative initiative. However, the sustainability of these practices depends entirely on

continued political will and institutional commitment, neither of which is guaranteed across political cycles.

A dedicated legislative framework would preserve PR1MA Alam Damai's strengths by codifying them as legal requirements (proposed enhancement to the Legal Framework under Chapter 7), while also addressing gaps through statutory provisions that endure political change. This is the distinction between a programme that works well when conditions are favourable and a framework that ensures sustainability across all conditions, which is precisely what the title of this thesis seeks to achieve.





CHAPTER SEVEN

CONCLUSION

7.1. RECAPITULATION

The previous chapter analysed the theoretical concept of affordable housing, the fundamental rights associated with housing, and the legal frameworks for affordable housing in Singapore and Australia as benchmarks. It also explored Malaysia's existing framework that facilitates middle-income group housing ownership. It is essential to recognise that political, economic, social, technological, environmental, and legal factors play crucial roles in shaping the legal framework of affordable housing programme.

This chapter aims to illustrate the connections between the research objectives, previous literature, and the findings from fieldwork research. Specifically, it will emphasise the lessons learned from library and fieldwork studies, concentrating on each factor's strengths, weaknesses, opportunities, and threats. The insights gained from this research have assisted the researcher in formulating the sustainability of the legal framework of the affordable housing programme. Additionally, the chapter will address the research limitations encountered by the researcher, which may offer further avenues for future research.

7.2. KEY FINDINGS

The literature review highlights that Malaysia struggles to provide affordable housing, especially for the middle-income group. Key obstacles include unclear definitions, regulatory inconsistencies, income disparities, and complex government relations. A clear definition and comprehensive legislative framework for the affordable housing programme are essential to effectively meet the population's needs.

Table 7.1 below maps the three research objectives and corresponding research questions to the chapters that address each, the study's key findings, and the contribution each finding makes to the proposed enhanced framework. The findings are numbered and are discussed in detail in the sections that follow.

Table 7.1: Research Objective and Research Question Alignment Matrix

Research Objective	Research Question	Chapters	Key Findings	Framework Contribution (Para 7.2.3.3)
RO1: To analyse the concept of affordable housing in ensuring the accessibility of the programme by the middle-income group.	RQ1: What is the concept of affordable housing in Malaysia?	Ch. 2 Ch. 3	Finding 1: Malaysia lacks a standardised statutory definition. The concept encompasses six elements: financial sustainability ($\leq 30\text{--}35\%$ of household income), housing as human right, community infrastructure, human potential, distributive social justice, and Maqāṣid al-Sharī‘ah. Finding 2: Right to adequate housing is implicitly recognised under the Federal Constitution (Articles 8 and 13) but not explicitly guaranteed.	Statutory definition (s. 2) Objects of the Act (s. 3) Hybrid eligibility incorporating distributive justice (s. 9)
RO2: To study the legal framework on affordable housing programme in guaranteeing housing ownership for the middle-income group.	RQ2: What is the existing framework on affordable housing programme available in guaranteeing housing ownership for the middle-income group?	Ch. 4 Ch. 5 Ch. 6	Finding 3: Legal framework fragmented across unharmonised statutes (HDA 1966, NLC, TCPA 1976, PRIMA Act 2012). PRIMA Act is incorporation statute, not delivery framework. Finding 4: PESTEL analysis confirms five structural problems including the inadequacy/over-regulation paradox unique to Malaysia. Finding 5: Best practice identification from Victoria and Singapore reveals key absent elements: statutory coordination, mandatory reporting, household-need eligibility, codified PPPs, anti-speculation provisions. Finding 6: PR1MA Alam Damai case study validates that good administrative practice (community principles, diverse financing) cannot substitute for legislative infrastructure.	Seven Pillars (Table 7.2) Best practice adaptation (s. 5.9) Gap analysis feeding all 30 provisions PR1MA strengths preserved in framework
RO3: To formulate and recommend improving the legal framework	RQ3: How can the existing legal framework be improved to ensure sustainability	Ch. 7 (synthesising Chs. 2–6)	Finding 7: Enhanced framework structured around seven pillars derived from PESTEL analysis, best practice identification, and case study validation.	Seven Pillars (Table 7.2) Draft Legislative Outline (Table 7.3)

Research Objective	Research Question	Chapters	Key Findings	Framework Contribution (Para 7.2.3.3)
towards achieving sustainability of affordable housing for middle-income groups in Malaysia.	of affordable housing programme for the middle-income group?		Finding 8: Proposed National Affordable Housing (Framework) Act: 30 provisions across 9 Parts, aligned with DRN 2018–2025 and DRMM 2019. Finding 9: Framework adapts (not adopts) best practices, respecting three limitations: federal structure, Islamic jurisprudential dimension, socio-economic context. Maqāsid integration and waqf-housing provisions are original contributions.	DRN/DRMM Alignment (Fig. 7.1) Implementation Roadmap (Fig. 7.1)

The study produces nine key findings across the three research objectives:

- a) Research Objective 1 — The Concept of Affordable Housing (Chapters 2 and 3)
 - i) Finding 1: Malaysia lacks a standardised statutory definition of affordable housing. The study proposes a six-element definition integrating financial sustainability, human rights, community infrastructure, human potential, distributive social justice, and the Maqāsid al-Sharī'ah.
 - ii) Finding 2: The right to adequate housing is implicitly recognised under the Federal Constitution (Articles 8 and 13) but is not explicitly guaranteed by any statutory instrument.
- b) Research Objective 2 — The Existing Legal Framework (Chapters 4, 5, and 6)
 - i) Finding 3: The legal framework is fragmented across multiple unharmonised statutes. The PRIMA Act 2012 is an incorporation statute establishing the corporation, not a housing delivery framework.
 - ii) Finding 4: The PESTEL analysis confirms five structural problems, including a paradox unique to Malaysia: the programme lacks a dedicated framework (inadequate legal framework) while the development process suffers from overlapping regulations (over-regulation).
 - iii) Finding 5: Best practice lessons from Victoria (Australia) and Singapore reveal key elements absent in Malaysia: statutory coordination bodies, mandatory reporting,

household-need-based eligibility, codified public-private partnership frameworks, and anti-speculation provisions.

iv) Finding 6: The PR1MA Alam Damai case study validates that good administrative practice cannot substitute for legislative infrastructure. Programme sustainability remains vulnerable to political discontinuity in the absence of a dedicated statutory framework.

c) Research Objective 3 — The Proposed Enhanced Legal Framework (Chapter 7)

i) Finding 7: The enhanced framework is structured around seven pillars derived from the PESTEL analysis, best practice identification, and case study validation, addressing all five structural problems identified in Chapter 1.

ii) Finding 8: The proposed National Affordable Housing (Framework) Act comprises 30 provisions across 9 Parts, aligned with the Dasar Perumahan Negara (DRN) 2018–2025 and the Dasar Perumahan Mampu Milik Negara (DRMM) 2019.

iii) Finding 9: The framework adapts, rather than adopts, best practices from Victoria and Singapore, respecting three limitations: Malaysia's federal constitutional structure, Islamic jurisprudential dimension, and socio-economic context. The integration of the Maqāṣid al-Sharī'ah and the waqf-housing partnership provisions represents original contributions of this study with no direct foreign precedent.

The detailed discussion of each finding, organised by PESTEL dimension, follows in the subsequent sections.

7.2.1. The Concept of Affordable Housing in Malaysia

Chapters Two and Three analyse the concept of affordable housing and its role in ensuring accessibility for the middle-income group. The distributive social justice theory is an essential component of the conceptual framework for affordable housing. Meanwhile, Chapter Three examines the fundamental rights related to affordable housing and the role of government in providing access for the middle-income group. This analysis aims to establish the key elements of the affordable housing concept.

7.2.1.1. *Equity, Sustainability, and Innovation*

FINDINGS	
Strengths: • Clear Target Groups: Malaysia's focus on B40 and M40 income groups provides clear policy direction. • Defined Price Ranges: The National Housing Policy (2018-2025) establishes affordable housing options priced between RM100,000 and RM300,000, ensuring that those in the target income brackets have access to vital housing opportunities. • Government Schemes: Initiatives such as PR1MA and Rumah Mesra Rakyat aim to improve access to affordable housing. • Alignment with Islamic Values: Maqāsid Shariah principles promote family-centric, culturally appropriate housing solutions.	Weaknesses: • Ambiguous Definition: Affordable housing lacks a universally accepted definition, making implementation inconsistent. • Limited Supply: Insufficient housing stock hinders equitable access, especially in urban areas. • Affordability Challenges: Wage stagnation and rising living costs prevent many middle-income households from affording housing. • Policy Instability: Frequent policy changes disrupt long-term planning and allocation of resources. • Insufficient integration of community facilities and social infrastructure
Opportunities: • Sustainability Integration: Potential to incorporate green technologies and eco-friendly practices into affordable housing to align with sustainable development goals. • Public-Private Partnerships: Collaborations between government, private developers, and financial institutions can increase housing supply and accessibility. • Urban Planning Innovations: Leveraging smart city concepts and efficient public transportation to enhance housing projects. • Learning from Global Best Practices: Insights from countries like Singapore, Germany, and the U.S. can help improve Malaysia's housing policies.	Threats: • Urbanisation Pressures: Rapid urbanisation increases housing demand, creating a persistent shortage in urban centers. • Economic Constraints: High construction costs, land scarcity, and insufficient financial resources for developers hinder affordable housing projects. • Social Inequalities: Many M40 households face limited housing options, as they are neither eligible for low-cost housing nor can they afford market-rate purchase/rentals. • Environmental Risks: Poorly planned developments can harm environmental sustainability goals and increase carbon footprints.

7.2.1.2. *Human Rights, Inclusive Communities and Accessibility*

Affordable housing is a fundamental human right that extends beyond traditional real estate transactions, integrating economic accessibility, social equity, and sustainable development. It is defined through the following framework:

- i. Affordable housing includes residential options that ensure dignified living while remaining financially sustainable. Total housing costs—covering purchase or rent, maintenance, and utilities—should not exceed 30-35% of

a household's gross monthly income, particularly addressing the M40 income group.

- ii. Affordable housing upholds housing as a basic human right, promoting dignity and community well-being, aligned with international standards and local cultural values, including Islamic principles that protect life and property.
- iii. It requires integrating essential community infrastructure, such as educational and healthcare services, ensuring broader societal development.
- iv. Affordable housing aims to create environments that nurture human potential and foster inclusive communities while adapting to changing societal needs and maintaining principles of accessibility and dignity.

This concise definition guides policy development and implementation in the Malaysian context.

7.2.2. The Legal Framework of Affordable Housing for Middle-Income

Based on a PESTEL analysis, Chapter Four evaluated the legal framework for affordable housing in Australia and Singapore. Chapter Five examined the current affordable housing framework in Malaysia, while Chapter Six presented a case study of PR1MA Alam Damai to assess the feasibility of the PESTEL method in formulating a legal framework for affordable housing in Malaysia, aiming to ensure the programme's sustainability.

7.2.2.1. Political Factor

The role of political will is crucial in prioritising affordable housing initiatives, as leadership changes can significantly impact funding and policy direction. Enacting laws that streamline land allocation and development processes can lead to successful legislation, while political decisions on zoning laws and building regulations vary with the political climate. These priorities influence budget allocations for housing projects and highlight the importance of government incentives and subsidies. Public opinion and advocacy groups also shape housing policies, while political unrest and ineffective governance challenge consistent housing development due to fluctuating policies and regulations.

7.2.2.2. *Economic Factor*

Government and financial institutions are implementing various financing schemes aimed at middle-income households, offering low-interest loans and cooperative options with banks. However, stringent eligibility criteria may exclude informal workers, leading to high repayment amounts that could strain finances, especially for low-income households facing costly homeownership and fluctuating incomes. Additionally, a waqf could serve as a valuable resource for both the public and private sectors if managed effectively, improving socio-economic conditions.

7.2.2.3. *Social Factor*

Create a centralised database to track housing needs and demographic shifts, enabling targeted interventions that align with current and future demands. Promote mixed-use developments and transit-oriented designs to integrate affordable housing into urban areas, enhancing accessibility and social interaction. Engage local communities in the planning process to incorporate cultural considerations and ensure designs reflect residents' values. Launch public awareness campaigns to counter negative perceptions and highlight the benefits of affordable housing. Legislate for diverse housing types to accommodate young professionals, families, and the elderly, while implementing sustainability standards to improve energy efficiency and environmental quality. Foster partnerships among government agencies, developers, and community organisations to enhance resources and innovate solutions for housing-related issues.

7.2.2.4. *Technological Factor*

Governments should implement policies promoting modern construction techniques and materials to stimulate private investment in affordable housing. Collaboration among government agencies, private developers, and tech firms is essential to share resources and best practices. Investment in smart technologies, such as electric vehicle charging stations and intelligent traffic management, can enhance sustainability. Additionally, providing educational programmes and training for construction workers on modern technologies and sustainable practices will develop a skilled workforce. Finally, creating frameworks to assess new technologies through pilot projects can help gather data for continual improvement in cost savings, efficiency, and resident satisfaction.

7.2.2.5. *Environmental Factor*

To optimise construction efficiency and reduce costs, promote prefabrication techniques with government incentives and enhance Building Information Modelling (BIM) training. Implement subsidies for sustainable materials and tax incentives for developments near public transit to foster walkable communities. Additionally, explore green bonds to finance sustainable housing and enforce policies that uphold green standards in affordable housing. Conduct climate impact assessments for new projects, engage local communities in planning, and facilitate collaboration among government agencies, non-profits, and developers through regular forums to address challenges and track affordable housing progress.

7.2.2.6. *Legal Factor*

Simplifying land allocation and establishing a dedicated body for expediting approvals can speed up project execution for affordable housing. Introducing flexible licensing for smaller developers and a tiered system based on project scale could encourage diverse participation while maintaining quality. Promoting integrated urban planning ensures accessibility to essential services, while enhanced collaboration between government, private developers, and communities fosters transparency and addresses specific regional needs. Additionally, modern construction methods like prefabrication and sustainable practices can further reduce costs and time, making housing more affordable.

7.2.3. Enhancing the Legal Framework for the Sustainability of the Affordable Housing Programme in Malaysia

The preceding chapters have established three foundational conclusions. First, Malaysia lacks a consistent statutory definition of affordable housing that addresses the needs of the middle-income group (Chapter 2). Second, the existing legal framework is fragmented across multiple unharmonised statutes with no dedicated legislation for the affordable housing programme (Chapters 3 and 5). Third, benchmarking jurisdictions, particularly Victoria (Australia) and Singapore, demonstrated that comprehensive, integrated legal frameworks significantly improve housing accessibility and programme sustainability (Chapter 4). The PESTEL analysis across Chapters 4, 5, and 6 has identified six factors that must be addressed in any enhanced legal framework. This section integrates these findings into a proposed enhanced legal framework for the sustainability of the affordable housing programme in Malaysia.

The proposed framework is structured around seven core pillars, each derived from PESTEL analysis, best-practice benchmarking, and findings from the PR1MA Alam Damai

case study. These pillars address the five structural problems identified in Chapter 1: inadequate supply, M40 exclusion from existing solutions, inconsistent policy across jurisdictions, inadequate legal framework, and over-regulation of private housing development.

7.2.3.1. *The Seven Pillars of the Enhanced Legal Framework*

Table 7.2 below presents the seven pillars of the proposed enhanced legal framework. Each pillar is mapped to its corresponding PESTEL dimension, the specific issue identified in Malaysia, the comparative lesson from Victoria (Australia) and Singapore, the proposed framework provision, and the Chapter 1 problem it addresses.

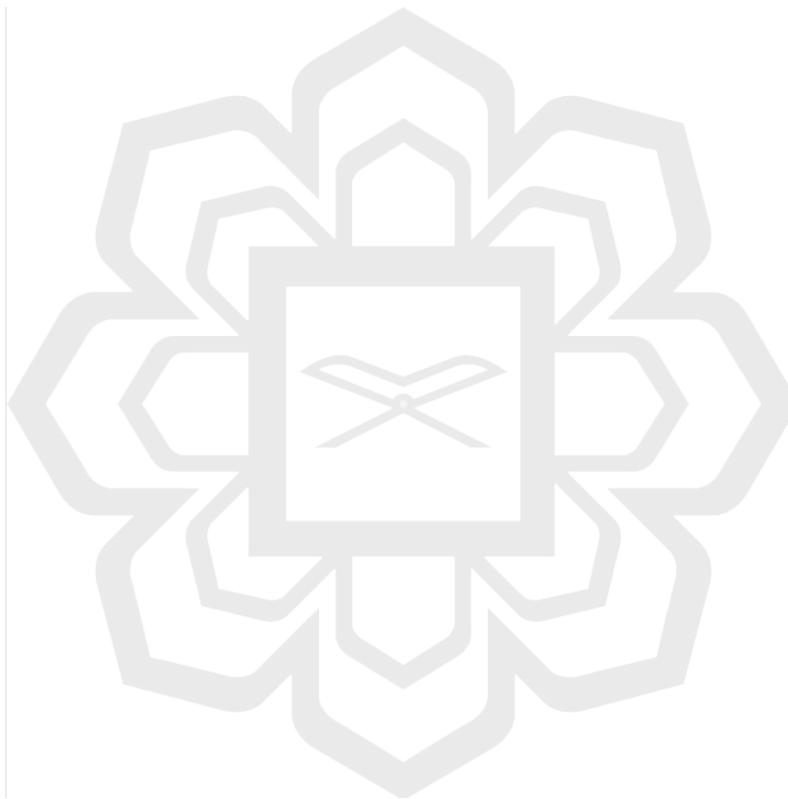


Table 7.2: Seven Pillars of the Proposed Enhanced Legal Framework for Sustainability of the Affordable Housing Programme

Pillar	PESTEL Dimension	Issue Identified in Malaysia	Comparative Lesson (Victoria / Singapore)	Proposed Framework Provision	Ch.1 Problem Addressed
Pillar 1: Unified Policy & Legislative Architecture	Political	No dedicated affordable housing statute. Policy discontinuity across political cycles. PRIMA Act 2012 is an incorporation statute, not a housing delivery framework. Act 118 governs licensing, not affordable housing delivery.	Victoria: Unified statutory hierarchy between federal, state, and local legislation. Singapore: HDB operates under single statutory mandate enduring across successive governments.	National Affordable Housing (Framework) Act, or comprehensive amendment to Act 118. Standardised statutory definition of affordable housing (total costs not exceeding 30–35% of gross monthly household income; location-specific pricing thresholds; periodic revision tied to DOSM data). Mandatory cyclical policy review at intervals of no more than five years.	Inadequate legal framework Inconsistent policy
Pillar 2: Land Matters & Resource Allocation	Legal Environmental	Bureaucratic delays in land allocation for housing. Waqf assets are significantly underutilised for housing. PLANMalaysia guidelines (GP004-A, GP001-A) are not integrated into affordable housing requirements.	Singapore: MUIS Istibdal model — Invoke Fatwa to trade 20 low-value waqf lands for a high-value urban site via musharakah-sukuk. Victoria: Integrated planning requirements linking housing to community infrastructure.	Expedited land allocation pathway (distinct from compulsory land acquisition under LAA 1960). Enabling legislation for waqf-housing development partnerships between IRCs, developers, and government. Waqf eligibility is not restricted to Bumiputera, and it can be extended to non-Muslims. It depends on the terms of the waqf declaration (the maslahah principle).	Inadequate supply Over-regulation

Pillar	PESTEL Dimension	Issue Identified in Malaysia	Comparative Lesson (Victoria / Singapore)	Proposed Framework Provision	Ch.1 Problem Addressed
				Mandatory compliance with PLANMalaysia Guidelines GP004-A:2013 and GP001-A:2016.	
Pillar 3: Players & Governance Architecture	Political Legal	Fragmented governance between federal, state, and local authorities. Voluntary (not mandatory) reporting by housing programme administrators. No statutory coordination body. Jurisdictional overlap causing duplication and delay.	Victoria: Structured three-tier coordination (federal–state–local) with mandatory reporting by housing associations to government. Singapore: Centralised planning and implementation under HDB with clear accountability.	Clear three-tier governance structure respecting the Concurrent List (Ninth Schedule, Federal Constitution): federal (policy, capital, standards); state (land, programme administration); local (development plans, monitoring). National Affordable Housing Coordinating Council — statutory body for policy coherence and jurisdictional dispute resolution. Mandatory periodic reporting by all programme administrators (PRIMA, state housing authorities, etc.).	Inconsistent policy Inadequate legal framework
Pillar 4: Economic Instruments & Financial Sustainability	Economic	Stringent eligibility excludes informal workers. High repayment burdens on M40 households. Limited financing options. No structured PPP framework for affordable housing. Waqf economic potential is untapped.	Singapore: CPF housing financing scheme enabling broad homeownership; structured PPP models with clear incentives. Victoria: Government subsidies, grants, and financial	Diversified financing instruments — flexible mortgage products, graduated repayment, enhanced EPF withdrawal mechanisms. Legislated PPP framework with codified incentives (density bonuses, expedited approvals, tax incentives). Waqf-based financing through sukuk models for waqf land development.	M40 exclusion

Pillar	PESTEL Dimension	Issue Identified in Malaysia	Comparative Lesson (Victoria / Singapore)	Proposed Framework Provision	Ch.1 Problem Addressed
			assistance are codified in legislation.		
Pillar 5: Social Dimensions & Community Integration	Social	Income-only eligibility criteria (no household-need dimension). No centralised housing needs database. No mandate for community facilities in affordable housing. Disconnect between supply and actual demographic demand.	Victoria: Housing allocation based on household need (size, cultural diversity, population growth), not income alone. Singapore: Ethnic Integration Policy (EIP) incorporates social cohesion into housing allocation.	Hybrid eligibility criteria — income brackets plus household size/composition, social needs, and cultural considerations (giving legislative expression to the theory of distributive social justice). Census-linked centralised housing needs database for targeted interventions. Mandatory community facilities, social programme, and public engagement in planning. Protection of Maqāsid al-Sharī'ah: al-nafs (safe housing), al-nasl (family design), al-mal (affordable pricing), al-aql (educational facilities), al-din (culturally sensitive design).	M40 exclusion Inconsistent policy
Pillar 6: Technology, Innovation & Environmental Sustainability	Technological Environmental	Limited adoption of modern construction techniques. No environmental mandate specific to affordable housing. No mechanism for testing innovative approaches.	Singapore: Smart housing solutions; HDB Green Towns Programme. Victoria: Green building standards; environmental sustainability embedded in planning legislation.	Regulatory recognition and incentives for modular construction, prefabrication, and BIM. Mandatory climate impact assessment and green building standards for affordable housing developments. Pilot project mechanism for innovation testing with	Inadequate supply Over-regulation

Pillar	PESTEL Dimension	Issue Identified in Malaysia	Comparative Lesson (Victoria / Singapore)	Proposed Framework Provision	Ch.1 Problem Addressed
				monitoring and iterative refinement.	
Pillar 7: Legal Protections & Regulatory Streamlining	Legal	Different consumer protections per state/developer/project. Overlapping regulations are adding an estimated 30–40% to construction costs.	Both jurisdictions: Dedicated consumer protections for housing transactions; streamlined approval processes; quality assurance in building construction.	Standardised sale and purchase agreement, price controls, anti-speculation provisions, and dedicated dispute resolution for affordable housing. Regulatory streamlining: flexible licensing for smaller developers; tiered system based on project scale; one-stop approval centre. Updated statutory references — National Land Code (Act 828).	Over-regulation Inadequate legal framework

7.2.3.2. Discussion of Key Framework Provisions

While Table 7.2 provides a comprehensive overview of the seven pillars, several provisions warrant further elaboration given their significance to the thesis argument.

The Unified Policy and Legislative Architecture (Pillar 1) addresses the most fundamental gap identified in this study. It is pertinent to note that the PRIMA Corporation Act 2012 is an incorporation statute that establishes the PRIMA Corporation as a statutory body; it does not constitute a housing delivery framework. Similarly, Act 118 primarily governs the licensing of housing developers rather than the delivery of affordable housing per se. Therefore, the proposed legislation would be a framework Act establishing principles, statutory definitions, institutional responsibilities, and coordination mechanisms without imposing heavy licensing, penal provisions, or fines that would increase costs and complexity.

The Social Dimensions and Community Integration (Pillar 5) gives practical legislative expression to the theory of distributive social justice that underpins this thesis. Victoria allocates housing based on household need, incorporating household size, cultural diversity, and population growth, not merely income. Malaysia's current framework, including the PRIMA programme, considers only income brackets. The proposed hybrid eligibility criteria move beyond this limitation, ensuring that affordable housing is distributed according to genuine household need. This provision also integrates the Maqāṣid al-Sharī'ah, protecting the five essential objectives (daruriyyat): al-naḥs (life, through safe housing), al-naṣl (progeny, through family-appropriate design), al-mal (wealth, through affordable pricing), al-aql (intellect, through educational facilities), and al-dīn (religion, through culturally sensitive community design).

The land matters and Waqf-Housing Partnerships (Pillar 2) address a significant missed opportunity. Malaysia possesses substantial waqf resources, such as Selangor, which alone manages thousands of waqf lots in strategic urban locations. Yet no legal mechanism exists for waqf institutions to partner with housing developers under a clear statutory framework. Drawing on Singapore's MUIS model of waqf land development through Istibdal, the proposed provision creates an enabling legal structure. Importantly, waqf-based affordable housing is not inherently restricted to Bumiputera or Muslim beneficiaries; eligibility depends on the terms of the specific waqf declaration, and the concept of waqf itself is founded on the principle of public benefit (maslahah).

The Legal Protections and Regulatory Streamlining (Pillar 7) addresses a paradox identified in Chapter 1: the affordable housing programme itself lacks a dedicated legal framework (inadequate legal framework), while the housing development process is burdened

by excessive overlapping regulations (over-regulation). The proposed framework simultaneously addresses both issues—by creating dedicated protections for affordable housing and streamlining the development approval process through tiered licensing and a one-stop centre.

7.2.3.3. *Draft Outline of Proposed Legislative Provisions*

In response to Research Objective 3, to formulate and recommend improvements to the legal framework to achieve sustainability of the affordable housing programme for the middle-income group in Malaysia, Table 7.3 below presents a draft outline of the proposed legislative provisions. This outline is not a full statute but provides a structured guide for policymakers on the type of legislative provisions needed to address the problems identified in this study. The proposed legislation may take the form of a new framework act, the National Affordable Housing (Framework) Act, or alternatively, a comprehensive amendment to the Housing Development (Control and Licensing) Act 1966 (Act 118).

Table 7.3: Draft Outline of Proposed National Affordable Housing (Framework) Act

Part	Section	Provision	Description	Pillar
Part I — Preliminary				
I	1	Short title and commencement	Short title, commencement date, and territorial application across Peninsular Malaysia, Sabah, and Sarawak.	—
I	2	Interpretation	“Affordable housing”: Residential property where total housing costs (purchase/rent, maintenance, utilities) do not exceed 30–35% of gross monthly household income of the target group, with location-specific pricing thresholds subject to periodic revision. “Middle-income group (M40)”: Households earning between RM4,001 and RM10,000 monthly (subject to periodic revision per DOSM data). The definition may also include other group B40 and T20 as the law should be drafted to cater to all the income groups based on the theory of social distributive justice. “Sustainability”: Long-term continuity and effectiveness of the affordable housing programme across political, economic, social, technological, environmental, and legal dimensions.	Pillar 1

Part	Section	Provision	Description	Pillar
I	3	Objects of the Act	(a) To ensure the sustainability of the affordable housing programme for the targeted income group; (b) To coordinate federal, state, and local government roles in affordable housing delivery; (c) To protect the rights of income group homebuyers; (d) To promote innovation and environmental sustainability in affordable housing.	All Pillars
Part II — National Affordable Housing Coordinating Council				
II	4	Establishment and composition	Statutory coordinating body comprising: federal housing agency representatives; state housing authority representatives; local government representatives; private sector and civil society stakeholders; and academic advisors.	Pillar 3
II	5	Functions and powers	Policy coordination; standards-setting; jurisdictional dispute resolution; review of programme outcomes; advisory role to Minister.	Pillar 3
II	6	Mandatory reporting	All programme administrators (PRIMA, state housing authorities, etc.) shall submit periodic reports on delivery targets, expenditure, and programme outcomes.	Pillar 3
II	7	Five-year policy review	Mandatory review of national affordable housing policy at intervals not exceeding five years, incorporating evidence-based assessment, stakeholder feedback, and demographic analysis.	Pillars 1, 3
Part III — Programme Standards and Eligibility				
III	8	National affordability standard	Statutory pricing thresholds by location; income-to-cost ratios; periodic revision mechanism linked to DOSM household income data and NAPIC housing price data.	Pillar 1
III	9	Hybrid eligibility criteria	Eligibility determined by: (a) income brackets; (b) household size and composition; (c) social needs assessment; (d) cultural considerations. This provision gives legislative expression to the theory of distributive social justice in allocation based on genuine household need rather than income alone.	Pillar 5
III	10	Centralised housing needs database	Census-linked database tracking demographic shifts, housing demand patterns, and supply-demand gaps. Enables targeted interventions aligned with current and future needs. (can link to HIMS & TEDUH)	Pillar 5

Part	Section	Provision	Description	Pillar
Part IV — Land Allocation and Waqf-Housing Partnerships				
IV	11	Expedited land allocation	Dedicated approval pathway for the allocation of government land for affordable housing development. Distinct from compulsory land acquisition under the Land Acquisition Act 1960.	Pillar 2
IV	12	Waqf-housing development partnerships	Legal mechanism for Islamic Religious Councils (IRCs) to partner with housing developers and the government for affordable housing on waqf land. Eligibility is not inherently restricted to Bumiputera — governed by the terms of a specific waqf declaration. Enables sukuk-based financing models.	Pillars 2, 4
IV	13	Planning guidelines compliance	Mandatory compliance with PLANMalaysia Guidelines GP004-A:2013 (Affordable Housing) and GP001-A:2016 (Community Facilities) for all affordable housing developments as well as TCPA 1976.	Pillar 2
Part V — Financial Instruments				
V	14	Public-private partnership framework	Structured PPP framework establishing clear roles, risk-sharing mechanisms, and codified incentive structures (density bonuses, expedited approvals, tax incentives) for private developers participating in affordable housing delivery.	Pillar 4
V	15	Flexible financing mechanisms	Enhanced EPF withdrawal mechanisms for affordable housing; graduated repayment schemes; sliding-scale financing accommodating various segment income levels; cooperative financing options with financial institutions.	Pillar 4
V	16	Waqf-based financing	Sukuk-based financing models for waqf land development, drawing on Singapore's musharakah sukuk experience.	Pillars 2, 4
Part VI — Social and Community Integration				
VI	17	Community facilities mandate	All affordable housing developments shall include provisions for educational facilities, healthcare access, recreational areas, and social infrastructure.	Pillar 5
VI	18	Community engagement	Local communities shall be engaged in the planning process. Housing design shall reflect residents' cultural values and social needs.	Pillar 5
VI	19	Diverse housing typologies	Legislation for diverse housing types that accommodate young professionals, families, the elderly, and persons with disabilities.	Pillar 5

Part	Section	Provision	Description	Pillar
Part VII — Technology and Environmental Standards				
VII	20	Technology-enabling provisions	Regulatory recognition and incentives for modern construction (modular, prefabrication, BIM). Government investment in workforce training is mandated.	Pillar 6
VII	21	Environmental sustainability	Mandatory climate impact assessment for all affordable housing developments. Green building standards; energy-efficient design; provisions for green spaces and recreational areas.	Pillar 6
VII	22	Pilot project mechanism	Framework for launching demonstration projects testing innovative construction methods and technology integration, with monitoring systems enabling iterative refinement.	Pillar 6
Part VIII — Consumer Protection and Regulatory Streamlining				
VIII	23	Standardised S&P agreement	Standardised sale and purchase agreement specific to affordable housing transactions, replacing the current state-by-state variation, which is founded on HDA (no specific structure for affordable housing).	Pillar 7
VIII	24	Anti-speculation provisions	Restrictions on resale within a prescribed period; penalties for speculative purchasing of affordable housing units.	Pillar 7
VIII	25	Dispute resolution	Dedicated dispute resolution mechanism for affordable housing transactions, accessible and cost-effective for M40 homebuyers.	Pillar 7
VIII	26	Tiered licensing	Tiered licensing system for developers based on project scale and complexity, reducing barriers for smaller developers while maintaining quality.	Pillar 7
VIII	27	One-stop approval centre	Centralised approval centre for affordable housing projects, consolidating multi-agency requirements to reduce the estimated 30–40% cost increase attributable to regulatory burden.	Pillar 7
Part IX — Enforcement, Implementation, and Miscellaneous				
IX	28	Monitoring and evaluation	Systematic framework for monitoring programme outcomes, housing delivery targets, and compliance with Act provisions.	All Pillars
IX	29	Phased implementation	Phase 1 (Years 1–2): Foundation building — policy framework, legislation drafting, stakeholder engagement, first housing needs assessment. Phase 2 (Years 2–3):	All Pillars

Part	Section	Provision	Description	Pillar
			Pilot programme — demonstration projects, waqf-housing pilot, hybrid eligibility testing, monitoring systems. Phase 3 (Years 3–5): Scaling — nationwide integration, advanced innovation ecosystems, one-stop centre operationalisation, social impact assessment.	
IX	30	Savings and transitional	Transitional provisions ensuring continuity of existing programme (PRIMA, state schemes) during implementation. Existing rights and entitlements preserved.	—

7.2.3.4. **Implementation Roadmap**

The proposed enhanced legal framework for affordable housing in Malaysia unfolds in three phases. Phase 1 (Years 1–2) focuses on foundation building, including policy framework development, stakeholder engagement, and a nationwide housing needs assessment. Phase 2 (Years 2–3) involves launching a pilot programme to test the waqf-housing partnership model and implementing monitoring systems to refine it. Phase 3 (Years 3–5) aims for nationwide integration through legislative enactment, advanced construction technology ecosystems, and social impact assessments. This framework addresses five structural challenges identified in prior analyses, leveraging existing institutional infrastructure and emphasising the enhancement and coordination of current efforts for a sustainable solution.

Figure 7.1: Implementation Roadmap for the Enhanced Legal Framework for Sustainability of the Affordable Housing Programme in Malaysia

Implementation Roadmap for the Enhanced Legal Framework Towards Achieving Sustainability of the Affordable Housing Programme in Malaysia	
ALIGNED WITH EXISTING NATIONAL POLICIES	
PARENT POLICY Dasar Perumahan Negara (DRN) 2018–2025 National Housing Policy 5 Objectives: housing framework, conurbation management, social provisions, diverse access, quality affordable housing	SUB-POLICY Dasar Perumahan Mampu Milik Negara (DPMMNP) 2019 National Affordable Housing Policy Target: 1M homes (2018–2028) Pricing: ≤ RM300,000 Standards: ≥ 900 sq ft IBS, BIM B40 & M40
← LEGISLATIVE BACKBONE →	

The Proposed Act provides statutory force to DRN/DRMM policy objectives — converting policy aspirations into enforceable legal obligations and ensuring sustainability across political cycles

▼ ▼ ▼ IMPLEMENTED THROUGH ▼ ▼ ▼

PHASE 1 Foundation Building Years 1 – 2	PHASE 2 Pilot & Calibration Years 2 – 3	PHASE 3 Scaling & Integration Years 3 – 5
- Policy framework development by drafting the proposed National Affordable Housing Act - Stakeholder engagement through the proposed National Affordable Housing Coordinating Council - Establishing initial inter-governmental coordination mechanisms and collaborative platforms - Assessment of housing needs using census data and DOSM demographic statistics - Aligning Act provisions with DRN objectives and DRMM standards	- Identified pilot projects in selected states (through PR1MA mandate) testing framework provisions - Waqf-housing partnership model piloted in selected locations with private collaboration - Hybrid eligibility criteria testing — income + household need + cultural considerations - Comprehensive monitoring systems deployed for evidence-based evaluation [or recently established Housing Integrated Management System (HIMS)] - Refinement based on preliminary outcomes and stakeholder feedback	- Formal legislative enactment of the National Affordable Housing Act - Nationwide policy integration across all states and federal territories - One-stop approval centre fully operationalised for affordable housing projects (through developed HIMS and TEDUH) - Advanced innovation ecosystems for construction technology (IBS, BIM, modular) - Systematic social impact assessment and first five-year policy review cycle

▼ ▼ ▼ ADDRESSES ▼ ▼ ▼

FIVE STRUCTURAL PROBLEMS IDENTIFIED IN CHAPTER 1				
P1 Inadequate Supply of Affordable Housing	P2 M40 Exclusion from Existing Solutions	P3 Inconsistent Policy Across Jurisdictions	P4 Inadequate Legal Framework	P5 Over-Regulation of Housing Development

▼ ▼ ▼ GROUNDED IN ▼ ▼ ▼

GROUNDED IN: ANALYTICAL AND THEORETICAL FOUNDATIONS		
<u>ANALYTICAL TOOL</u> PESTEL Analysis Conducted across three jurisdictions (Malaysia, Victoria, Singapore) and validated through the PR1MA Alam Damai case study	<u>WESTERN JURISPRUDENCE</u> Theory of Distributive Social Justice Rawls' principles of fairness ensuring equitable distribution of housing resources to the M40 group	<u>ISLAMIC JURISPRUDENCE</u> Maqāsid al-Sharī'ah Protection of the five essentials: al-nafs (life), al-nasl (progeny), al-māl (wealth), al-'aql (intellect), al-dīn (religion)

▼ ▼ ▼ ACHIEVING ▼ ▼ ▼

OUTCOME: SUSTAINABILITY OF THE AFFORDABLE HOUSING PROGRAMME Enhancement, coordination, and legislative consolidation of existing efforts into a sustainable, unified framework — ensuring programme continuity across political cycles, economic shifts, and demographic changes



7.3. FUTURE RESEARCH

Future strategies must embrace a comprehensive and integrated approach to effectively tackle the prevailing housing challenges. This involves developing a holistic policy framework that aligns housing objectives with urban planning initiatives, fostering inter-agency coordination to streamline policy execution across government bodies, and implementing flexible mechanisms to adapt to evolving social and economic conditions. Utilising evidence-based methodologies for policy formulation and assessment is also crucial. Innovative financial instruments should be introduced, such as diverse mortgage products tailored to the specific needs of the housing market and government-backed loan guarantees to enhance access to financing. Sliding-scale financing options can accommodate various income levels, thus supporting affordability, while targeted measures for first-time homeowners can ease market entry.

Sustainable urban development must prioritise environmentally responsible housing projects that minimise ecological footprints. Advocating for mixed-use, high-density urban designs can optimise land use and promote walkability, while green infrastructure components will enhance resilience and environmental performance. Strict energy-efficient building standards should be established to foster sustainability in construction practices.

Moreover, promoting comprehensive stakeholder engagement is essential. This includes collaborative efforts between public and private entities to leverage resources and expertise, ensuring meaningful community involvement in housing design to reflect local needs and values, and adopting transparent decision-making frameworks to build trust and accountability in governance. Establishing continuous feedback loops and adaptation mechanisms will refine policies based on stakeholder input and changing circumstances. Ultimately, envisioning the creation of a housing ecosystem that harmonizes economic viability, human dignity, and community well-being is vital for fostering inclusive development.

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GLOSSARY

Affordable Housing. Residential accommodation whose total cost of occupation (including mortgage payments or rent, plus associated rates, levies, and utilities) does not exceed 30 percent of a household's gross monthly income. In the Malaysian context, this generally refers to housing priced at or below RM300,000, as set by the Dasar Perumahan Mampu Milik Negara 2019.

B40. The Bottom 40 percent income group in Malaysia. Households in this segment typically earn a monthly income of RM4,849 or below (as per the 2019 Household Income Survey). Government housing programmes such as Programme Perumahan Rakyat (PPR) primarily target this group.

Building Information Modelling (BIM). A digital representation of the physical and functional characteristics of a building or infrastructure, used in planning, design, construction, and facility management to improve efficiency and coordination.

Central Provident Fund (CPF). A compulsory comprehensive savings and pension plan for working Singaporeans and permanent residents, administered by the Central Provident Fund Board. The CPF Housing Scheme enables members to use CPF savings to purchase Housing and Development Board (HDB) flats.

Dasar Perumahan Mampu Milik Negara (DRMM). The National Affordable Housing Policy of Malaysia, introduced in 2019 by the Ministry of Housing and Local Government (KPKT), setting out strategic measures to increase the supply of affordable homes and to coordinate federal and state affordable housing programmes.

Dasar Perumahan Negara (DRN). The National Housing Policy of Malaysia (2018–2025), formulated to guide housing development across the country, with five focal areas including assuring access to quality housing, enhancing affordability, and strengthening institutional capabilities.

Demographia International Housing Affordability. An annual survey that employs the median multiple (median house price divided by median annual household income) to rate housing affordability in major housing markets across multiple countries. A median multiple of 3.0 or below is classified as 'Affordable'.

Design for Manufacturing and Assembly (DfMA). A construction approach emphasising off-site manufacturing of building components for rapid on-site assembly, adopted in Singapore's Construction Industry Transformation Map to improve productivity and reduce reliance on on-site labour.

Distributive Social Justice. A principle of fairness in the allocation of resources, opportunities, and privileges within a society. In this study, it draws on both John Rawls' Theory of Justice and the Islamic concept of 'adl (justice), underpinning the equitable distribution of affordable housing.

Employees Provident Fund (EPF). A compulsory savings scheme for Malaysian private-sector employees and optional for public-sector employees, managed by the Employees Provident Fund Board. Analogous to Singapore's CPF, it facilitates housing finance through regulated withdrawals.

Focus Group Discussion (FGD). A qualitative research method in which a moderator guides a small group of participants through a structured discussion on a specific topic, used in this study to gather stakeholder perspectives on affordable housing.

Gross State Product (GSP). A general indicator of total economic development of a state's economy, representing the monetary value of all finished goods and services produced within the state during the financial year. GSP differs from GDP in that it calculates economic output at the state level rather than nationally.

Housing and Development Board (HDB). Singapore's statutory board under the Ministry of National Development responsible for public housing. HDB provides affordable, high-quality public housing for over 80 percent of Singapore's population, achieving a homeownership rate of approximately 90 percent.

Housing Development (Control and Licensing) Act 1966 (HDA). The principal Malaysian legislation governing the licensing and regulation of housing developers. It establishes the framework for the sell-then-build system and provides consumer protection mechanisms for purchasers of new homes.

Industrialised Building System (IBS). A construction process that utilises techniques, products, components, or building systems involving prefabricated components and on-site installation to improve quality, efficiency, and reduce dependence on manual labour.

International Covenant on Economic, Social and Cultural Rights (ICESCR). A multilateral treaty adopted by the United Nations General Assembly in 1966, recognising the right to an adequate standard of living, including adequate housing (Article 11). Malaysia has not ratified this covenant.

Istibdal. An Islamic jurisprudential concept permitting the substitution or exchange of waqf property where the original property no longer serves its intended purpose. In Singapore, the fatwa committee allows Istibdal under specific conditions to generate higher income from waqf assets.

M40. The Middle 40 percent income group in Malaysia. Households in this segment typically earn a monthly income between RM4,850 and RM10,959 (as per the 2019 Household Income Survey). This group is the primary focus of the study, as they occupy a socio-economic tier above low-income housing eligibility yet often cannot afford open-market housing prices.

Maqasid al-Shari'ah. The higher objectives or purposes of Islamic law, traditionally categorised into five essential values: preservation of religion (din), life (nafs), intellect ('aql), lineage (nasab), and wealth (mal). In this study, the concept is extended to encompass housing as a fundamental necessity aligned with the preservation of life and wealth.

Median Multiple. A housing affordability metric calculated by dividing the median house price by the median gross annual household income. Used by the Demographia International Housing Affordability Survey to classify markets as Affordable (≤ 3.0), Moderately Unaffordable (3.1–4.0), Seriously Unaffordable (4.1–5.0), or Severely Unaffordable (≥ 5.1).

National Affordable Housing Council (NAHC). A coordinating body established after the 2018 governmental transition in Malaysia to consolidate affordable housing agencies, including PR1MA, under a unified governance structure to address overlaps in distribution, financing, and pricing.

NIMBY (Not In My Back Yard). A phenomenon referring to residents' opposition to new development projects—including affordable housing—in their immediate neighbourhood, even when they support such projects in principle. NIMBYism creates barriers to equitable and sustainable community development.

Perumahan Rakyat 1Malaysia (PR1MA). The 1Malaysia People's Housing Programme, established under the PR1MA Act 2012 (Act 739) to plan, develop, construct, and maintain affordable housing for middle-income households (M40) in key urban areas.

PESTEL Analysis. A strategic planning tool used to evaluate the impact of Political, Economic, Social, Technological, Environmental, and Legal factors on a project, policy, or organisation. In this study, PESTEL is applied as the analytical framework across three jurisdictions: Malaysia, Victoria (Australia), and Singapore.

Prefabricated Prefinished Volumetric Construction (PPVC). A construction method whereby free-standing three-dimensional modules are completed with internal finishes, fixtures, and fittings in an off-site fabrication facility before delivery and on-site installation. Adopted extensively in Singapore's public housing sector.

Programme Perumahan Rakyat (PPR). The People's Housing Programme, a Malaysian government initiative providing low-cost housing for the B40 income group, typically in the form of public rental or subsidised ownership flats.

Public-Private Partnership (PPP). A cooperative arrangement between government and private-sector entities for the financing, design, construction, and management of public infrastructure or services, including affordable housing projects.

ResCode. Residential development provisions in Victoria, Australia, setting standards and requirements for residential construction. ResCode is not a standalone text but is embedded within the Victorian Planning Scheme and the Victorian Building Regulations.

Sustainable Development Goals (SDGs). A collection of 17 interlinked global goals adopted by the United Nations General Assembly in 2015, designed to serve as a shared blueprint for peace and prosperity. SDG 11 specifically addresses making cities and human settlements inclusive, safe, resilient, and sustainable.

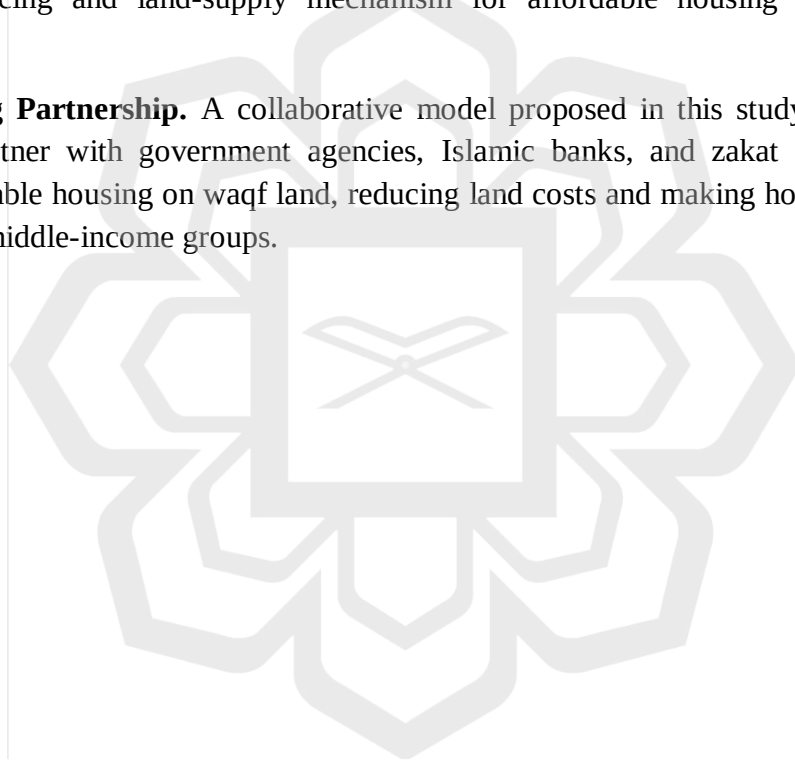
T20. The Top 20 percent income group in Malaysia, comprising households with the highest incomes. This group is generally excluded from affordable housing programmes.

Transit-Oriented Development (TOD). An urban planning approach that integrates residential, commercial, and mixed-use development around public transport hubs to reduce reliance on private vehicles, improve accessibility, and promote sustainable urban growth.

Universal Declaration of Human Rights (UDHR). A milestone international document adopted by the United Nations General Assembly in 1948, proclaiming fundamental human rights to be universally protected. Article 25 recognises the right to a standard of living adequate for health and well-being, including housing.

Waqf. An Islamic endowment of property or assets, the income or usufruct of which is dedicated to charitable or religious purposes in perpetuity. In this study, waqf is examined as a potential financing and land-supply mechanism for affordable housing development in Malaysia.

Waqf-Housing Partnership. A collaborative model proposed in this study whereby waqf institutions partner with government agencies, Islamic banks, and zakat organisations to develop affordable housing on waqf land, reducing land costs and making housing accessible to lower- and middle-income groups.





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APPENDIX 1

BENCHMARKING REPORT:

AFFORDABLE HOUSING SYSTEMS IN VICTORIA, AUSTRALIA

This benchmarking report explores various aspects of the affordable housing systems in Victoria, Australia, focusing on public housing, community housing, residential tenancies, and homelessness services. The key findings are drawn from the presentations and discussions during a benchmarking visit by Malaysian housing authorities to Melbourne in December 2019. The objective is to understand the strategies, challenges, and innovations in the Australian housing sector that can inform Malaysia's affordable housing programs.

1. Housing System Overview

The Australian Housing and Urban Research Institute (AHURI) plays a significant role in providing research and evidence to inform policy decisions across Australia. Their work spans housing challenges, affordable housing definitions, and policy roles across federal, state, and local levels.

2. Housing Continuum and Affordability



Public Housing: Represents approximately 3% of all housing in Australia.

Private Rentals: About 27% of the population lives in private rental housing, with rising affordability stress, especially among low-income renters.

Homeownership: The homeownership rate has been declining, with increasing mortgage debt and challenges related to housing prices growing faster than income.

3. Social Housing in Victoria



Victoria's social housing system includes over 165,000 tenants and 86,000 properties, valued at AUD \$30 billion. Despite this, the state faces a shortage of affordable housing, with a waiting list of over 39,000 people, including individuals with complex needs.

4. Public Housing Systems and Legislation

Victoria's public housing system is managed by the Department of Health and Human Services (DHHS) and is supported by the Housing Act 1983 and Residential Tenancies Act 1997. The public housing sector faces significant challenges, including aging stock and housing stress, with many low-income households spending more than 30% of their income on housing.

5. Key Strategies for Addressing Housing Needs

Public Housing Renewal: The Victorian government has committed over AUD \$2.7 billion to renew social housing, focusing on creating integrated communities by leveraging private capital and public funds.

Victorian Housing Register (VHR): The VHR serves as a single entry point for social housing applicants, streamlining the application process for participating housing agencies.

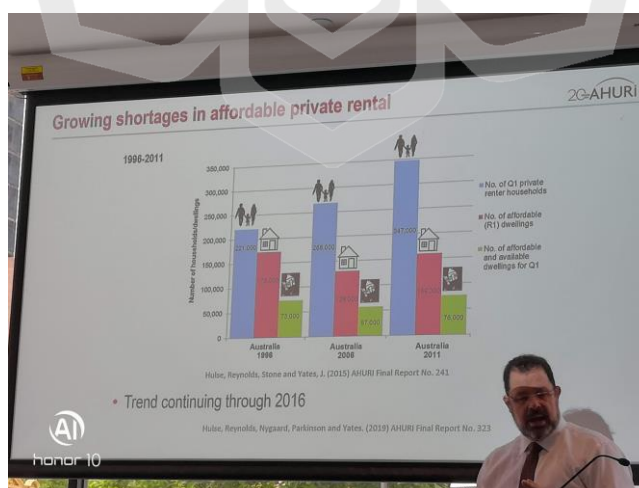
Community Engagement and Development: Community engagement is crucial in Victoria's housing renewal programs. Projects include a variety of housing types to accommodate different needs, from family housing to accessible homes for individuals with disabilities.

6. Affordable Housing Programs and Initiatives

Homes for Victorians Strategy: The strategy aims to increase social housing supply, address homelessness, and provide broader affordable housing options, including financial products, subsidies, and private rental assistance.

Homelessness Services: In 2017-18, more than 116,000 individuals sought assistance from homelessness services in Victoria. The state invested around AUD \$300 million in homelessness services to provide emergency support, transitional housing, and long-term solutions.

Growing Shortages in Affordable Private Rental Graph:



7. Renting and Tenancy Laws

Residential Tenancies Act 1997 governs tenant rights and responsibilities, providing clear protections for tenants while ensuring fair practices in the rental market. Recent reforms aim to improve the rental market by eliminating practices like rent bidding and ensuring minimum housing standards.

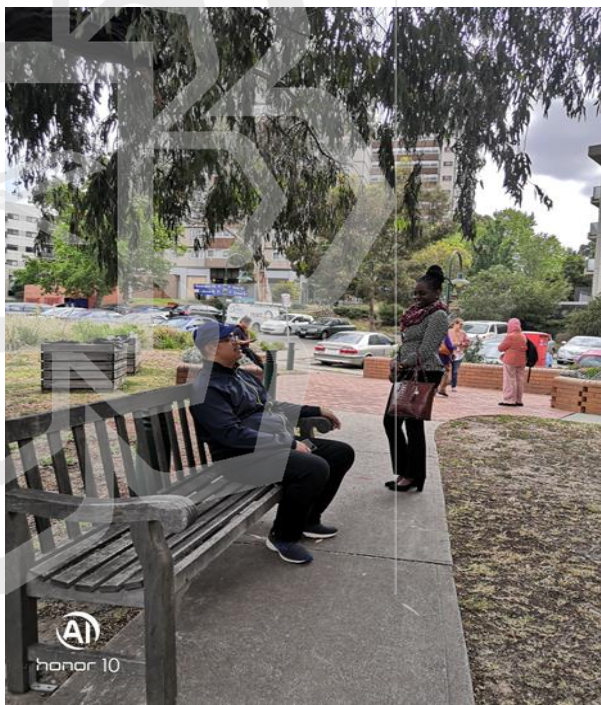
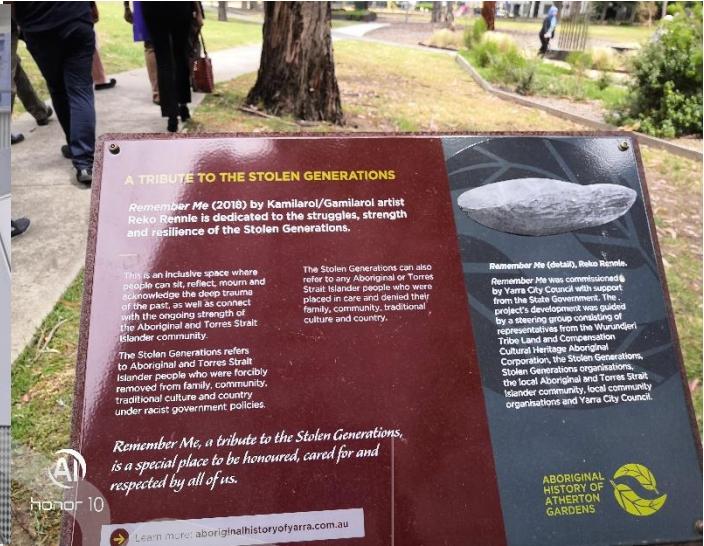
8. Challenges and Areas for Improvement

Rising Demand and Limited Supply: The supply of affordable housing in Victoria has not kept pace with the growing demand. The social housing waiting list continues to grow, exacerbating affordability issues.

Client Complexity: The social housing system increasingly serves individuals with complex needs, including those with disabilities, mental health issues, and families experiencing domestic violence.

9. Conclusion and Recommendations

Victoria's approach to affordable housing provides valuable insights for Malaysia. Key strategies, such as integrating public and private housing, using public-private partnerships, and focusing on community engagement, can be adapted to address the growing demand for affordable housing in Malaysia. Additionally, the emphasis on rental law reforms and the inclusion of vulnerable populations in housing policies is crucial in ensuring equitable access to housing.





APPENDIX 2

EXTRACT OF MINUTES

TITLE: FOCUS GROUP DISCUSSION (FGD) ON THE RESIDENTIAL TENANCIES ACT (RTA) AND THE DEVELOPMENT OF AFFORDABLE HOUSING IN MALAYSIA

DATE: 15 DECEMBER 2020

TIME: 9.40 A.M

VENUE: WEB CONFERENCE

PARTICIPANTS:

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15	Dr. Suraya Ismail	[Affiliation Not Specified]
16	Melanie Ong	SPEEDHOME
17	Whei Meng Wong	SPEEDHOME
18	Dr. Ting Kien Hwa	Malaysian Institute of Professional Property Managers (MMIPPM)
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20	Sr. Asokumar Ponnan	Royal Institute of Surveyors Malaysia (RISM)
21	Pn. Nur Amirah Bt Rosely	Majlis Agama Islam Negeri Pulau Pinang (MAINPP)

1. INTRODUCTION & OBJECTIVES

The session commenced with a briefing by Prof. Dr. Ainul Jaria Maidin and an introductory statement by YBrs. Tuan Jayaselan A/L K. Navaratnam from the National Housing Department (Jabatan Perumahan Negara, KPKT). The meeting's purpose was to deliberate on the formulation of the Residential Tenancies Act (RTA) while examining affordable housing concerns through the PESTEL framework.

The objectives of the FGD included:

- Identifying key policy, economic, social, technological, environmental, and legal challenges.
- Collecting feedback from stakeholders to refine the draft RTA.
- Enhancing institutional strategies in delivering affordable housing to targeted communities.

2. POLITICAL FACTORS

Institutional Support for Government Policy: Discussions emphasised institutional alignment with the National Housing Policy and coordination between federal and state authorities. The need to respect jurisdictional authority was a major concern.

Quote: “Sekiranya RTA ingin diletakkan di bawah KPKT, KPKT harus berbincang dengan setiap negeri kerana setiap negeri mempunyai prosedur perumahan yang berbeza.” – En. Mohammad Haziq al-Amir Mohd (SUK Johor)

Recommendation:

- Establish federal-state dialogue platforms.
- Clarify legal jurisdiction and legislative authority via consultation with the Attorney General's Chambers (AGC).

Quote: “Pihak perunding juga harus mengambil kira pandangan undang-undang daripada Jabatan Peguam Negara.” – Ms. Adriana Abu (HBA)

3. ECONOMIC FACTORS

Securing Resources and Financing: Participants raised concerns on funding sustainability, suggesting Rent-To-Own (RTO) schemes and objecting to overly rigid financial mechanisms such as mandatory security deposit accounts.

Quote: “Terdapat banyak pihak-pihak bank yang akan mengadakan program-program Rent-To-Own.” – Pn. Mazura Bt Mohamed Jamil (AIBIM)

Quote: “Both suggestions are not good idea for private landlord... Maybe for social housing, the security deposit for specific bank could work.” – Ms. Adriana Abu (HBA)

Recommendation:

- Encourage diversified financing models (e.g., Islamic banking, RTO).
- Avoid one-size-fits-all deposit structures.

4. SOCIAL FACTORS

Managing Community Issues: Social concerns such as subletting, squatters, privacy rights, and tenant misbehavior were highlighted.

Quote: “Isu sublet bukan berlaku pada pemilik kediaman dan penyewa sahaja... mereka sublet sehingga RM800.” – En. Mohammad Haziq (SUK Johor)

Quote: “Menambah isu kegiatan jenayah oleh penyewa.” – Ms. Adriana Abu (HBA)

Recommendation:

- Include preventive clauses in the RTA against illegal activities.
- Establish a blacklisting system, balanced with data protection laws.

Quote: “Be careful on the privacy rights and defamation... What data should be included?” – Ms. Adriana Abu (HBA)

5. TECHNOLOGICAL FACTORS

Digital Infrastructure for Housing Administration: The use of technology was proposed for agreements, enforcement, and tenant/landlord database management.

Quote: “Proposed development of a national tenancy database... to track delinquent tenants and landlords.”

Quote: “Perjanjian sewaan secara elektronik.” – Sr. Ari B. Adam (NAPIC)

Recommendation:

- Implement e-agreement platforms.
- Develop biometric validation for tenant identity, especially foreigners.

Quote: “Is there a way we can get the passport for foreigners validated?” – Melanie Ong (SpeedHome)

6. ENVIRONMENTAL FACTORS

Environmental Protection in Housing Development: Though not extensively discussed, participants noted the importance of planning and sustainability in housing design.

Quote: “Mencadangkan pihak perunding untuk mengambilkira segmen wakaf untuk dimasukkan di dalam RTA.” – Sr. Haji Ishak B. Ismail (MIPFM)

Recommendation:

- Incorporate green certifications in affordable housing.
- Conduct environmental impact assessments for all projects.

7. LEGAL FACTORS

Strengthening the Legal Framework: Numerous legal recommendations were made regarding tenant eviction, subletting, force majeure, and property handovers.

Quote: “Adakah terdapat peruntukan mengenai penamatan sewaan?” – Sr. Haji Adzman Shah (MIPFM)

Quote: “Covid-19 law only address commercial rental, it left out residential.” – Ms. Adriana Abu (HBA)

Quote: “Akta ini kelihatan seperti akan mengikat pemilik kediaman secara keterlaluan.” – Sr. Haji Ishak B. Ismail (MIPFM)

Recommendation:

- Introduce a simplified version of the RTA for initial implementation.
- Define rights and responsibilities clearly to protect both parties.
- Set clear enforcement mechanisms through a Residential Tenancy Tribunal.

8. TEMPLATE AGREEMENTS AND TENANCY ADMINISTRATION

Standardisation and Flexibility: Stakeholders supported having a national template while cautioning against inflexibility.

Quote: “Kalau kita ada satu template, kita cuma cater one type of tenancies sahaja?” – Dr. Ting Kien Hwa (MMIPPM)

Recommendation:

- Include modular sections for different tenancy types (e.g., student housing, RTO).
- Allow custom clauses for furnished units, deposit variations, and guarantor terms.

9. DISPUTE RESOLUTION AND ENFORCEMENT

Establishing Efficient Mechanisms: There were strong views about balancing penalties and empowering the Tribunal.

Quote: “Penalty clauses must be balance, then only the idea of Tribunal will be sensible.” – Ms. Adriana Abu (HBA)

Quote: “Please have a column on penalties for the enforcer who did not enforce the law.” – YBhg. Datuk Chang Kim Loong (HBA)

Recommendation:

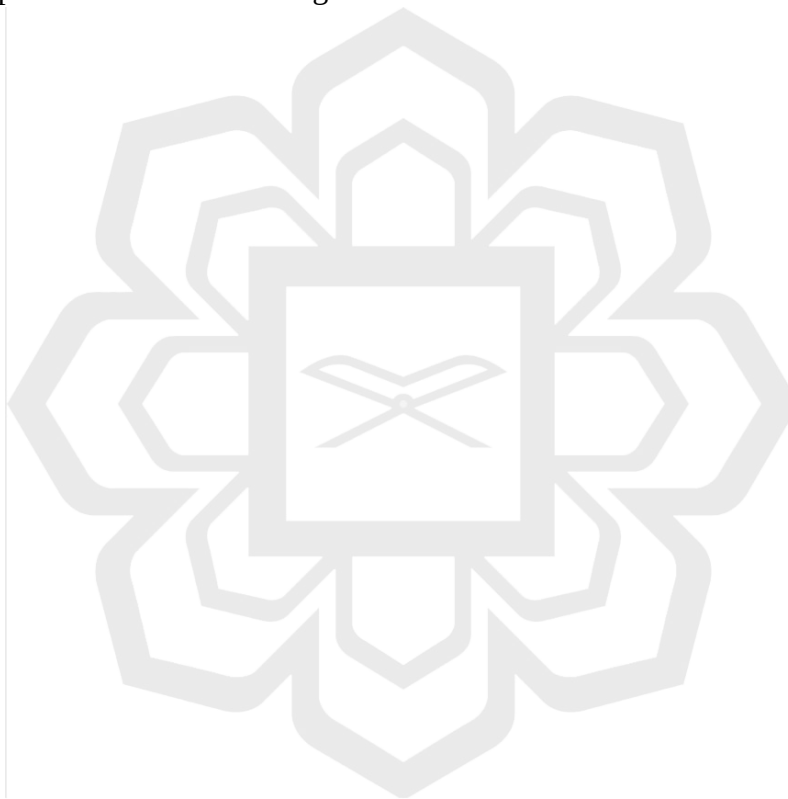
- Introduce enforcement timelines.
- Allow digital filing and virtual tribunal hearings.

10. CLOSING & NEXT STEPS

Quote: “All stakeholders are advised to submit further comments and written feedback... The final draft will consider today’s feedback.” – Pihak Perunding

Next Steps:

- Circulate meeting minutes and revised RTA draft.
- Conduct inter-agency consultations (e.g., AGC, KPDN, state governments).
- Pilot implementation in select regions before nationwide rollout.





APPENDIX 3

PERBINCANGAN BERKUMPULAN FOKUS 2

TOPIK: KESAHIHAN PENGINAPAN SEWA JANGKA PENDEK DI MALAYSIA DAN KESANNYA KEPADA PERUMAHAN MAMPU MILIK

(Temu Bual Separa Berstruktur ini dijalankan mengikut projek penyelidikan *RACER* bertajuk “*Legal Framework To Regulate Peer-To-Peer Accommodation Services In Malaysia*”)

TARIKH: 25 SEPTEMBER 2020

RESPONDEN: EN BAKRI (MAJLIS PERBANDARAN PETALING JAYA)

Penemuduga: Puan Norlaili adalah pembantu penyelidik saya. Geran penyelidikan ini adalah geran selama dua tahun yang dibiayai oleh Kementerian Pengajian Tinggi, dan kami ingin mengkaji bagaimana untuk mengawal selia apa yang dikenali sebagai STRA, seperti Airbnb dan lain-lain. Hal ini kerana industri ini semakin berkembang pesat di Malaysia, sama seperti perkembangan perkhidmatan e-hailing seperti Grab yang memasuki pasaran tanpa kawalan yang jelas. Konsep operasinya juga hampir serupa, cuma ia lebih tertumpu kepada sektor pengangkutan.

Kini, terdapat kes-kes yang melibatkan Airbnb yang mengundang pelbagai masalah seperti gangguan ketenteraman awam dan isu keselamatan di kawasan kediaman. Oleh itu, saya ingin mengkaji pendekatan kerajaan dalam usaha menyediakan garis panduan STRA. Walaupun terdapat inisiatif untuk mewujudkan garis panduan ini, ia masih belum dikuatkuasakan sepenuhnya. Kami telah mengadakan perbincangan dengan Majlis Perbandaran Petaling Jaya (MPPJ) untuk memahami lebih lanjut tentang peranan dan tindakan yang diambil oleh pihak berkuasa tempatan dalam mengawal selia perkara ini.

Bolehkah Responden memberikan pandangan mengenai perkembangan ekonomi perkongsian di Petaling Jaya, khususnya berkaitan dengan Airbnb? Adakah perkembangannya semakin pesat sehingga memberikan impak positif kepada MPPJ, atau sebaliknya?

Responden: Jika kita ingin memberi tumpuan kepada konsep ekonomi perkongsian, ia sebenarnya merupakan sesuatu yang baharu dalam konteks Malaysia. Sebagai contoh, perkhidmatan e-hailing seperti Grab juga merupakan sebahagian daripada ekonomi perkongsian yang baru diterima dalam pasaran Malaysia sejak beberapa tahun kebelakangan ini. Jika kita lihat di negara jiran seperti Indonesia, perkhidmatan e-hailing telah berkembang dengan penggunaan motosikal sebagai mod pengangkutan utama, tetapi di Malaysia, konsep ini masih terhad kepada penggunaan kereta. Namun, terdapat perkembangan dari segi penghantaran makanan dan barangan melalui perkhidmatan penghantaran motosikal.

Dalam konteks ekonomi perkongsian, Petaling Jaya merupakan antara bandar tertua di Malaysia, dengan sejarah lebih 70 tahun. Banyak kawasan perumahan di sini dihuni oleh warga emas yang anak-anak mereka tidak lagi menetap bersama. Oleh itu, konsep seperti Airbnb dan homestay mula mendapat tempat, di mana pemilik menyewakan kediaman mereka untuk jangka pendek. Terdapat pelbagai kaedah penyewaan, termasuk pemilik yang masih menetap di kediaman tersebut atau yang menyewakan keseluruhan unit.

Kami juga mendapati terdapat kes di mana unit yang disewakan melalui Airbnb digunakan bukan hanya sebagai tempat penginapan tetapi juga untuk acara sosial seperti parti atau penggambaran filem. Ini menimbulkan gangguan kepada jiran sekitar. Kami sedang mengkaji kesan trend ini, terutamanya selepas pandemik COVID-19 yang telah mengubah cara orang bekerja dan melancong. Kami perlu mencari keseimbangan antara menggalakkan perniagaan dan memastikan gangguan terhadap masyarakat dapat dikawal.

Penemuduga: Adakah ini bermaksud pemilik Airbnb perlu mendapatkan lesen seperti homestay?

Responden: Ya, pemilik perlu mendapatkan lesen, sama seperti pemilik homestay. Semasa bengkel yang kami anjurkan, perbincangan telah dibuat mengenai definisi homestay. Menurut Kementerian Pelancongan, homestay sepatutnya melibatkan pengalaman tinggal bersama penduduk tempatan dengan program sokongan seperti lawatan ke sawah padi atau aktiviti komuniti. Namun, di Petaling Jaya, konsep homestay lebih kepada penyewaan unit kediaman sepenuhnya tanpa pemilik berada di situ. Oleh itu, istilah yang lebih tepat adalah "rumah penginapan" atau "penginapan sementara," bukan homestay.

Penemuduga: Adakah MPPJ mempunyai rekod mengenai jumlah unit Airbnb di kawasan ini?

Responden: Kami belum menjalankan kajian secara menyeluruh mengenai jumlah unit Airbnb, tetapi berdasarkan data yang diperoleh pada tahun 2017, Petaling Jaya merupakan bandar keempat tertinggi di Malaysia dengan 1,685 unit kediaman yang didaftarkan di Airbnb, selepas Kuala Lumpur, Pulau Pinang, dan Melaka. Walaupun pandemik mungkin menyebabkan sedikit kemerosotan dalam jumlah ini, trendnya masih berterusan.

Penemuduga: Bagaimana proses perlesenan Airbnb ini?

Responden: Premis mesti mendapatkan kebenaran merancang dahulu kerana terdapat perubahan penggunaan daripada kediaman kepada perniagaan. Selepas diluluskan, mereka perlu memohon lesen hotel serta wajib berdaftar dengan Suruhanjaya Syarikat Malaysia (SSM).

Penemuduga: Bagaimana MPPJ mengawal Airbnb dalam kawasan yang diuruskan oleh Badan Pengurusan Bersama (JMB)?

Responden: Untuk hartanah bertingkat seperti apartmen servis, perlu ada persetujuan daripada JMB terlebih dahulu. Tanpa persetujuan JMB, MPPJ tidak akan memproses permohonan tersebut. Selepas mendapatkan persetujuan, barulah mereka boleh memohon kebenaran merancang dan lesen hotel.

Penemuduga: Apabila jiran-jiran mengadu tentang gangguan Airbnb, bagaimana MBPJ menangani perkara ini?

Responden: Kami mengeluarkan notis salah guna bangunan di bawah Seksyen 70(12) Akta Jalan, Parit dan Bangunan kepada pemilik premis. Ada kes di mana pemilik mencabar tindakan kami melalui undang-undang dengan mendakwa tiada perubahan fizikal berlaku. Kami menegaskan bahawa mereka menjalankan perniagaan tanpa lesen, maka tindakan kami adalah sah.

Penemuduga: Ada pemilik yang berhujah mengenai hak pemilikan di bawah Perkara 8 Perlembagaan Persekutuan. Apa respon MPPJ?

Responden: Kami menjelaskan bahawa hak pemilikan masih tertakluk kepada undang-undang lain seperti keperluan lesen. Jadi, ia bukanlah hak mutlak tanpa batasan.

Penemuduga: Adakah garis panduan yang dibangunkan oleh MPPJ ini berpotensi untuk diangkat menjadi satu enakmen di peringkat negeri?

Responden: Ya, kerajaan negeri telah membuat keputusan untuk membahagikan tanggungjawab kepada beberapa Pihak Berkuasa Tempatan (PBT). MPPJ bertanggungjawab merangka garis panduan bagi STRA (penginapan sementara), Subang Jaya untuk pusat penjagaan selepas bersalin, dan Shah Alam untuk asrama pekerja. Setelah garis panduan ini dimuktamadkan, ia boleh dijadikan rujukan untuk digunapakai di seluruh negeri Selangor. Namun, ini tertakluk kepada perbincangan lanjut di peringkat negeri, di mana kemungkinan akan ada beberapa penyesuaian bergantung kepada keperluan setiap kawasan.

Dalam konteks undang-undang, rumah penginapan seperti Airbnb ditakrifkan sebagai hotel di bawah undang-undang kecil hotel dan memerlukan lesen perniagaan. Oleh itu, ia tidak boleh dijalankan di kawasan kediaman biasa. MPPJ sedang berusaha untuk mewujudkan dasar yang membolehkan aktiviti ini dijalankan secara sah di kawasan yang telah ditetapkan, seperti kawasan komersial atau kediaman yang mempunyai status "komersial terhad" yang membenarkan aktiviti perniagaan tertentu.

Penemuduga: Bagaimana dengan bangunan yang berstatus kediaman seperti servis apartmen atau SOHO?

Responden: Servis apartmen dan SOHO mempunyai status tanah komersial, jadi ia boleh digunakan untuk tujuan penginapan sementara, tetapi tertakluk kepada peraturan yang ditetapkan oleh JMB (Badan Pengurusan Bersama). Di bawah Seksyen 70 Akta Pengurusan Strata, JMB mempunyai kuasa untuk menetapkan peraturan dalaman bagi bangunan mereka, termasuk larangan terhadap Airbnb jika dipersetujui oleh majoriti penghuni.

Dalam kes terdahulu di Kuala Lumpur, seorang pemilik unit menyaman JMB kerana larangan terhadap Airbnb, tetapi mahkamah memutuskan bahawa JMB mempunyai kuasa untuk menetapkan peraturan tersebut. Oleh itu, MPPJ tidak boleh campur tangan dalam keputusan yang dibuat oleh JMB. Walaupun kerajaan persekutuan melalui Kementerian Perumahan dan Kerajaan Tempatan sedang meneliti isu ini, pada masa ini, keputusan tetap terletak kepada JMB dan peraturan yang telah mereka tetapkan.

Penemuduga: Bolehkah anda jelaskan mengapa anda memilih untuk membeli unit dengan title residential yang lebih murah?

Responden: Kalau saya nak duduk, saya beli yang residential punya title, which is lagi murah. Sebab bila service apartment ni, dia punya bayaran elektrik, air, semua ikut kadar komersial. Jadi memang niat saya beli. Tapi sebenarnya pemaju pun kadang-kadang tidak jujur. Di awal pelancaran, mereka mengiklankan bahawa unit boleh dijadikan AirBnb dan sebagainya.

Penemuduga: Jadi apa yang berlaku selepas pembelian?

Responden: Bila dah beli, dah siap semua JMB pun dah ditubuhkan. Kemudian, JMB buat peraturan rumah yang tidak membenarkan perkara tersebut. Itu isunya.

Penemuduga: Jadi bagaimana keadaan sekarang?

Responden: Buat masa ini, kes-kes yang ada di Kuala Lumpur memihak kepada JMB kerana peraturan rumah memerlukan persetujuan. Kalau peraturan rumah nak ditambah atau diubah, ia perlu mendapat persetujuan majoriti. KPKT ada mengeluarkan peraturan rumah standard, tetapi JMB boleh mengubahsuai mengikut keperluan mereka.

Penemuduga: Jadi ini disebabkan oleh undang-undang sedia ada?

Responden: Ya, masalahnya adalah pada Seksyen 70. KPKT pun nampaknya tidak mahu meminda seksyen itu. Bagi saya, kita perlu kembali kepada asas. Kalau unit berstatus komersial, memang dari awal niatnya adalah untuk tujuan komersial. Maka, tidak boleh mengenakan peraturan yang bertentangan sepenuhnya.

Penemuduga: Jadi JMB boleh menetapkan peraturan, tetapi dengan batasan tertentu?

Responden: Ya, JMB boleh membuat peraturan rumah, tetapi tidak boleh melanggar prinsip asas. Maksudnya, jika unit itu komersial, pemilik sepatutnya dibenarkan menjalankan perniagaan atau menyewakan unit mereka. Tapi ada JMB yang terlalu ketat sehingga melarang penyewaan langsung. Itu tidak sepatutnya berlaku.

Penemuduga: Bagaimana pula dengan unit berstatus kediaman sepenuhnya?

Responden: Kalau unit itu berstatus kediaman sepenuhnya, maka peraturan yang lebih ketat boleh diterima kerana ia memang dibeli untuk didiami, bukan untuk perniagaan. Tetapi bagi unit komersial, orang keluar masuk adalah perkara biasa dan sepatutnya dibenarkan.

Penemuduga: Jika pemilik berdepan dengan JMB yang terlalu ketat, apa pilihan mereka?

Responden: Pemilik hanya boleh membantah atau membuat aduan. Mereka boleh melantik seorang peguam yang berkaliber untuk mencabar keputusan JMB di mahkamah. Kadang-kadang, kes seperti ini bergantung kepada hujah peguam yang mewakili pemilik. Jika dicabar dengan betul, pemilik berpeluang menang.

Penemuduga: Bagaimana dengan cukai bagi unit yang menjalankan perniagaan seperti Airbnb?

Responden: Cukai bagi majlis perbandaran adalah cukai pintu. Mengikut Akta Kerajaan Tempatan 171, jika unit yang asalnya adalah kediaman tetapi digunakan untuk Airbnb dan mendapat kelulusan majlis, maka cukai yang dikenakan adalah cukai pintu perniagaan atau cukai penilaian perniagaan.

Penemuduga: Jadi hanya cukai pintu perniagaan yang dikenakan?

Responden: Ya, di peringkat PBT, hanya cukai pintu perniagaan yang dikenakan. Cukai lain seperti cukai pelancongan dan cukai perkhidmatan adalah di bawah bidang kuasa kerajaan persekutuan. Tiada isu cukai berganda kerana cukai yang dikutip oleh negeri dan persekutuan adalah berbeza.

Penemuduga: Bagaimana dengan isu penukaran status tanah bagi unit kediaman yang digunakan untuk perniagaan?

Responden: Jika pejabat tanah mahu mengikut undang-undang dengan ketat, pemilik perlu menukar status tanah dari perumahan kepada komersial. Namun, premium yang dikenakan untuk penukaran ini sangat tinggi, mencecah RM300,000 hingga RM500,000 untuk sebuah banglo sahaja. Itu belum termasuk kos tambahan untuk memanjangkan tempoh pajakan.

Penemuduga: Adakah terdapat alternatif selain menukar status tanah?

Responden: Pihak berkuasa tanah sedang mempertimbangkan cadangan untuk hanya mengenakan permit tahunan sebagai alternatif. Ini lebih praktikal kerana permit boleh diperbaharui setiap tahun tanpa perlu menukar status tanah sepenuhnya.

Penemuduga: Selain cukai pintu perniagaan, adakah terdapat cukai lain yang dikenakan kepada pengusaha Airbnb?

Responden: Di peringkat negeri, cukai tanah juga dikenakan. Cukai pelancongan pula adalah di bawah bidang kuasa kerajaan persekutuan. Kerajaan persekutuan mengutip cukai pelancongan dan membahagikan hasilnya kepada negeri. Contohnya, jika cukai pelancongan yang dikutip di Selangor adalah RM10 juta, sebanyak 50% akan dikembalikan kepada negeri.

Penemuduga: Dalam keadaan pasca-COVID, adakah pendekatan cukai ini memberi kesan kepada industri pelancongan?

Responden: Ya, kerajaan perlu berhati-hati dalam mengenakan cukai agar tidak terlalu agresif. Cukai adalah wajib, tetapi pendekatan yang lebih fleksibel perlu dipertimbangkan seperti membenarkan pembayaran ansuran bulanan bagi cukai pintu untuk meringankan beban pemilik.

Penemuduga: Bagaimana pula dengan isu keselamatan bagi unit yang digunakan untuk Airbnb?

Responden: Ini juga satu isu. Dari segi pencegahan kebakaran, bangunan bertingkat tinggi seperti servis apartmen tidak diwajibkan memasang sistem sprinkler kerana ia dikategorikan sebagai kediaman kekal. Namun, apabila unit digunakan sebagai Airbnb, ia sepatutnya dianggap sebagai hotel dan perlu mematuhi peraturan keselamatan yang lebih ketat.

Penemuduga: Adakah ada langkah yang boleh diambil oleh pihak berkuasa untuk mengatasi isu ini?

Responden: Jabatan Bomba boleh mengenakan syarat tambahan bagi keselamatan kebakaran, terutamanya untuk bangunan baru. Namun, bagi bangunan sedia ada, ia lebih sukar kerana kos penambahbaikan akan ditanggung oleh pemilik individu.

Penemuduga: Bagaimana pula dengan unit kediaman kos rendah seperti PPR, adakah ia boleh digunakan untuk Airbnb?

Responden: Untuk kategori ini, kita tidak membenarkannya. Unit premis bagi kategori kos rendah, Projek Perumahan Rakyat (PPR), Perumahan Penjawat Awam 1Malaysia (PR1MA), Rumah SelangorKu atau mana-mana kediaman di bawah skim perumahan rakyat tidak termasuk dalam kelayakan ini. PR1MA juga termasuk dalam kategori yang sama.

Penemuduga: Jika moratorium telah tamat, pemilik masih tidak boleh menjalankan aktiviti perniagaan? Setiap unit PR1MA mempunyai tempoh moratorium selama lima tahun. Selepas tempoh tersebut, adakah pemilik masih tidak dibenarkan menjalankan aktiviti perniagaan?

Responden: Apabila kita berbincang di peringkat pengurusan tertinggi, rumah-rumah ini dianggap sebagai rumah pertama untuk pemilik. Unit-unit ini diberikan dengan diskaun harga dan insentif untuk membantu pembeli memiliki kediaman mereka sendiri. Oleh itu, adalah tidak wajar sekiranya rumah ini dijadikan sebagai premis perniagaan.

Penemuduga: Namun, jika dilihat dari sudut teori ekonomi perkongsian (sharing economy), pemilik mungkin boleh meningkatkan taraf hidup mereka dengan berkongsi pendapatan melalui kaedah tertentu.

Responden: untuk perniagaan dari rumah sebagai contoh, membuka kedai dalam talian adalah dibenarkan. Namun, menjadikan rumah sebagai tempat utama perniagaan adalah tidak dibenarkan kerana ia bertentangan dengan tujuan asal perumahan ini.

Kita mempunyai hak untuk mengawal perkara ini. Jika kita tidak mengawal, ia boleh menimbulkan masalah kepada masyarakat setempat, termasuk aduan berkaitan penggunaan air, isu tempat letak kenderaan, dan lain-lain yang boleh memberi kesan negatif kepada penduduk sekeliling.

Penemuduga: Rumah PPR di kawasan Petaling Jaya masih lagi berharga sekitar RM120,000, bukan? Namun, saya tidak pasti mengenai kadar sewa.

Responden: Sebahagian daripada projek ini sebelum ini diuruskan oleh pihak berkuasa tempatan (PBT), tetapi kini telah diserahkan kepada Lembaga Perumahan Negeri Selangor. Contohnya, Projek Perumahan Rakyat Termiskin (PPRT) di Lembah Subang dikelola oleh Kementerian Pembangunan Kerajaan Tempatan (KPKT). Pada mulanya, pihak kami dipertanggungjawabkan untuk menguruskan projek ini, tetapi operasi kami mengalami kerugian akibat kos penyelenggaraan yang tinggi, seperti kerosakan lif yang memerlukan pembaikan mencecah puluhan ribu ringgit. Akhirnya, tanggungjawab ini telah diserahkan kepada pihak berwajib.

Terdapat dua kategori PPR: satu di bawah kerajaan persekutuan seperti PPR Lembah Subang 1 dan 2, yang dibina di atas tanah milik kerajaan persekutuan, dan satu lagi di bawah kerajaan negeri, yang pada asalnya dibangunkan oleh Perbadanan Kemajuan Negeri Selangor (PKNS).

Penemuduga: Pihak kami pernah cuba berkomunikasi dengan syarikat seperti Airbnb yang berpangkalan di Singapura, namun mereka agak skeptikal dengan pertanyaan kami. Mereka menganggap kami ingin mengkritik mereka. Malah, sebelum sempat mesyuarat dijalankan, ia telah dibatalkan oleh pihak mereka. Kami memohon senarai premis yang boleh disahkan secara sah, tetapi mereka hanya membenarkan sebahagian kecil daripadanya untuk didaftarkan secara rasmi.

Penemuduga: Oleh kerana pihak mereka enggan memberi kerjasama, kami mengambil inisiatif untuk mencari maklumat melalui aplikasi mereka sendiri. Ini menunjukkan bahawa mereka tidak berhasrat untuk bekerjasama dengan pihak berkuasa tempatan.

Penemuduga: Kajian ini juga bertujuan untuk memahami bagaimana perniagaan seperti ini boleh beroperasi di negara kita dan bagaimana kita boleh berkolaborasi untuk meningkatkan ekonomi tempatan. Namun, pendekatan mereka lebih kepada sikap berhati-hati dan kurang komitmen terhadap keperluan peraturan tempatan. Dalam mesyuarat Majlis Perancangan Negara (MPC), mereka menyatakan kesediaan untuk mematuhi cukai pelancongan yang telah dikenakan di negara lain seperti Vietnam.

Responden: Kemungkinan besar mereka akan mengenakan cukai kepada pemilik rumah (host) bagi menampung cukai perkhidmatan mereka. Namun, kita perlu memastikan semua data berkaitan tempahan dan sewaan dikawal dan disemak dengan betul. Pihak Majlis Digital Ekonomi Malaysia (MDEC) bercadang membangunkan platform kendalian sendiri yang akan menghubungkan data tempahan kepada Airbnb dan platform lain. Namun, MPC menegaskan bahawa sebarang perubahan kepada perancangan guna tanah harus melalui prosedur perancangan bandar.

Negara seperti Jepun menghadkan tempoh sewaan kepada 160-180 hari setahun. Namun, isu utama adalah bagaimana kawalan terhadap tempoh tersebut dapat dilaksanakan dengan berkesan.

Niat kita ialah memberikan lesen selama satu tahun, dengan bayaran RM240 setahun. Anda boleh menjalankan operasi sepanjang 365 hari tanpa henti, tetapi dengan syarat kawasan yang dibenarkan sahaja.

Sebab mereka mahu memberikan kelonggaran, kemudian mereka mahu memasukkan satu syarat bahawa kita boleh melebihi 180 hari dalam setahun. Saya katakan, bagaimana pihak berkuasa tempatan (PBT) mahu mengawal dan menyemak jika mereka telah mencapai 180 hari? Sekalipun ada metode atau peranti yang boleh melakukan penyemakan tersebut, kita fikir ia hanya akan menambah beban kerja kita. Lesen telah diberikan untuk tempoh setahun, jadi kita benarkan mereka beroperasi setiap hari.

Sampai bila-bila pun tidak mengapa, kita tidak peduli. Tetapi dengan syarat, ini hanya dibenarkan di kawasan tertentu. Bukan semua kawasan. Bahkan di Singapura pun sama. Ada dua individu dikenakan saman, dan mereka perlu membayar denda. Di sana, undang-undangnya jelas kerana terdapat akta penyewaan. Namun, mereka tetap tunduk kepada peraturan. Mereka juga membenarkan aktiviti ini, tetapi hanya di kawasan tertentu. Kawasan mana yang dibenarkan dan kawasan mana yang tidak dibenarkan. Secara umumnya, kawasan seperti kediaman mewah dan banglo tidak dibenarkan.

Penemuduga: Adakah menjalankan perniagaan di kediaman akan memberi kesan kepada harga rumah di kawasan sekitarnya?

Responden: Mungkin harga rumah akan meningkat. Biasanya, apabila cadangan pembangunan dikemukakan, terdapat kebimbangan bahawa ia akan menurunkan nilai hartanah akibat kesesakan, kebisingan atau faktor lain. Namun, secara realitinya, harga rumah sentiasa meningkat dari semasa ke semasa.

Biasanya, apabila sesuatu perkara dibantah, mereka akan mengatakan ia akan menurunkan harga rumah mereka. Contohnya, jika kita ingin membina sebuah hospital. Oh, mereka akan mengatakan ia akan menyebabkan kesesakan lalu lintas, gangguan bunyi bising, ambulans datang secara berterusan, dan akhirnya kawasan itu menjadi kurang kondusif. Tetapi perkara itu hingga sekarang tidak pernah dibuktikan secara sah.

Dalam keadaan pandemik COVID-19 sekalipun, pemaju masih menjual rumah seperti biasa, tanpa sebarang penurunan harga. Kita tidak pernah melihat harga rumah menurun. Malah, bank semakin ketat dalam memberi pinjaman hartanah. Data yang kita ada menunjukkan harga rumah dalam tempoh satu tahun sahaja sudah meningkat.

Sebagai contoh, dalam satu projek pembangunan seperti di Setia Alam yang besar itu, apabila mereka melancarkan fasa pertama, rumah teres dua tingkat dijual pada harga RM400,000. Selepas fasa pertama siap dan diserahkan kepada pembeli, apabila mereka melancarkan fasa kedua pada tahun berikutnya, harganya sudah berbeza. Harga meningkat. Ini sahaja yang kita boleh rujuk. Walaupun kita tidak membuat kajian terperinci, secara amnya, harga rumah tidak pernah turun. Contohnya, rumah saya di Kajang, bersempadan dengan Nilai, saya beli pada harga RM165,000 untuk rumah teres dua tingkat pada tahun 2010.

Penemuduga: Terima kasih banyak, Encik Lopri.

Responden: Terima kasih. Tetapi kalau boleh, saya ingin meminta agar anda kongsi laporan anda nanti setelah siap.

Penemuduga: Boleh. Kita akan mengambil maklum panduan yang telah dibuat ini semua. Kita akan membentangkan dalam bentuk kertas cadangan atau bagaimana, kita akan mencadangkan satu kerangka kerja.

Responden: Adakah anda akan pergi ke negeri lain juga? Jika ada keperluan untuk pergi, saya ingin mencadangkan...Anda boleh pergi ke Melaka. Di Melaka, MBMB telah memasukkan peraturan mengenai homestay dalam by-law mereka. Dari segi perundangan, ia lebih kukuh. Itu satu perkara. Kemudian...Anda juga boleh meneroka beberapa kawasan lain yang industri pelancongan dan Airbnb sangat berkembang seperti Sabah. Bagaimana mereka menyelesaikan isu ini? Sebab ini merupakan sumber pendapatan yang besar untuk rakyat mereka. Pelancongan rumah dan sebagainya. Bagaimana anda ingin menyelesaikan isu ini jika perkara ini tidak dapat dikawal setiap hari?

Saya tahu mengenai Pulau Pinang. Pulau Pinang pernah mengambil tindakan kompaun. Mereka tidak bersetuju. Pada awalnya, ketika kita mula menjalankan perbincangan mengenai hotel, pihak Pulau Pinang menolak cadangan ini. Begitu juga dengan Sabah. Mereka tidak bersetuju kerana aktiviti ini memberi kesan besar kepada sektor pelancongan mereka, termasuk hotel dan industri berkaitan.

Kesimpulannya, walaupun konsep ekonomi perkongsian seperti Airbnb membawa manfaat dari segi pembangunan ekonomi, ia juga menimbulkan pelbagai cabaran dari segi peraturan dan kawal selia. Oleh itu, MPPJ berusaha untuk menyesuaikan dasar yang dapat mengimbangi kepentingan semua pihak.

Penemuduga: Terima kasih banyak, Encik Bakri atas penjelasan ini. Kami akan kongsi laporan akhir dengan MBPJ apabila siap nanti.

Responden: Sama-sama. Kami juga ingin melihat hasil kajian tersebut nanti.



APPENDIX 4

PERBINCANGAN BERKUMPULAN FOKUS 3

**TOPIK: RANGKA KERJA UNDANG-UNDANG KE ARAH KELESTARIAN
PROGRAM PERUMAHAN MAMPU MILIK**

TARIKH: 1 APRIL 2021

RESPONDEN:

- a) EN FATHULMUBIN (MKH BERHAD)**
- b) EN AHMAD HARZIMI (TH PROPERTIES)**
- c) EN SYED ISKANDAR (NAVIS CONSULTANCY FIRM)**

Penemuduga: Objektif utama kajian ini adalah untuk menganalisis konsep Program Perumahan Mampu Milik yang diterapkan di Malaysia, khususnya oleh PR1MA, Rumah Wilayah, serta Lembaga Perumahan Sanggup (SPNB). Kajian ini bertujuan untuk menilai keberkesanan konsep yang digunakan sama ada ia benar-benar dapat diakses oleh golongan berpendapatan pertengahan yang merupakan kumpulan sasaran utama program ini.

Selain itu, kajian ini juga meneliti rangka kerja undang-undang yang berkaitan dengan perumahan mampu milik bagi memastikan jaminan pemilikan kepada kumpulan sasaran ini. Ia penting dalam memastikan pelaksanaan polisi perumahan yang lebih inklusif dan tidak membebankan golongan sasaran.

Penemuduga: Apakah elemen utama yang perlu ada dalam konsep perumahan mampu milik?

Responden: Konsep perumahan mampu milik seharusnya mempunyai beberapa elemen utama seperti keluasan minimum unit perumahan, julat pendapatan pemohon, serta kelayakan asas yang perlu dipenuhi. Sebagai contoh, PR1MA menetapkan keluasan minimum bagi unit perumahan serta had pendapatan tertentu bagi pemohon.

Namun, terdapat perbezaan dalam pelaksanaan dasar ini antara agensi kerajaan dan negeri. Oleh itu, penting untuk menstandarkan dasar ini agar setiap penyedia perumahan mampu milik mempunyai garis panduan yang seragam.

Penemuduga: Apakah cabaran utama dalam pelaksanaan program perumahan mampu milik di Malaysia?

Responden: Terdapat beberapa cabaran utama dalam pelaksanaan program ini, antaranya:

- 1) Ketidakseimbangan Polisi antara Persekutuan dan Negeri
Dalam Perlembagaan Persekutuan, tanah adalah bidang kuasa kerajaan negeri, yang menyebabkan ketidakseragaman dalam pelaksanaan polisi perumahan. Setiap negeri mempunyai dasar tersendiri yang kadangkala bercanggah dengan dasar perumahan persekutuan.

Contohnya, Dewan Bandaraya Kuala Lumpur (DBKL) dan Lembaga Perumahan Negeri sering kali mempunyai polisi yang berbeza dengan PR1MA, menyebabkan persaingan yang tidak sihat antara penyedia perumahan mampu milik.

- 2) Kos Pematuhan dan Polisi yang Membebankan
Apabila perumahan mampu milik dikendalikan sebagai projek pembangunan hartanah biasa, ia membawa kepada peningkatan kos pematuhan yang tinggi bagi pemaju.

Polisi kerajaan negeri sering mengenakan syarat tambahan ke atas pemaju, yang akhirnya meningkatkan kos pembinaan dan menjadikan projek perumahan mampu milik kurang menarik untuk pemaju swasta.

- 3) Ketidakkonsistenan dalam Penyelarasan Program
Pelbagai agensi kerajaan dan negeri yang terlibat dalam program perumahan mampu milik tidak mempunyai mekanisme penyelarasan yang kukuh, menyebabkan percanggahan dalam dasar dan pelaksanaan.

Contohnya, PR1MA pada asalnya ditubuhkan untuk menjadi penasihat kepada kerajaan dalam hal perumahan pertengahan, namun peranannya semakin dikaburkan apabila lebih banyak agensi negeri mewujudkan skim perumahan mereka sendiri.

Penemuduga: Bagaimana dengan model perumahan di negara lain? Adakah terdapat contoh yang boleh dijadikan rujukan?

Responden: Ya, salah satu model yang sering dirujuk adalah Housing Development Board (HDB) di Singapura. HDB pada asalnya diwujudkan untuk menyediakan perumahan bagi golongan miskin, namun dengan perkembangan dasar dan ekonomi, ia telah berkembang kepada penyediaan rumah mampu milik yang berkualiti tinggi.

HDB merupakan contoh yang baik kerana ia dikendalikan secara sistematik dengan kawalan harga yang ketat dan pemantauan terhadap pemilikan bagi memastikan ia benar-benar dimanfaatkan oleh golongan yang memerlukan. Kejayaan HDB juga banyak bergantung kepada sokongan kerajaan dalam menyediakan tanah dan pembiayaan yang berstruktur. Model seperti ini boleh dikaji dan diadaptasi mengikut kesesuaian di Malaysia.

Penemuduga: Apakah cadangan bagi memperbaiki pelaksanaan program perumahan mampu milik?

Responden: Terdapat beberapa langkah yang boleh diambil bagi memastikan kejayaan program ini:

- 1) **Penyelarasan Dasar Perumahan Mampu Milik**
Kerajaan perlu mewujudkan satu dasar perumahan mampu milik yang seragam di seluruh negara bagi memastikan penyedia perumahan mengikut garis panduan yang jelas.

Agensi seperti PR1MA sepatutnya diberikan kuasa penuh untuk menyelaraskan program perumahan mampu milik agar lebih berkesan dan konsisten di seluruh negeri.

- 2) **Pelaksanaan Model Ekonomi Domestik untuk Kelestarian Perumahan**
Program perumahan mampu milik perlu merangkumi aspek sosio-ekonomi masyarakat setempat bagi memastikan kesejahteraan penghuni dalam jangka panjang.

Sebagai contoh, koperasi penduduk boleh dibentuk untuk menguruskan keselamatan, penyelenggaraan landskap, dan penyediaan perkhidmatan komuniti, yang akan menggalakkan kitaran ekonomi domestik.

- 3) **Penglibatan Konsep Wakaf dalam Program Perumahan**
Penggunaan konsep wakaf boleh membantu mengurangkan kos pembangunan projek perumahan mampu milik.

Sebagai contoh, pembangunan surau atau kemudahan awam lain boleh didanai melalui dana wakaf, sekali gus mengurangkan beban kewangan ke atas pemaaju dan kerajaan.

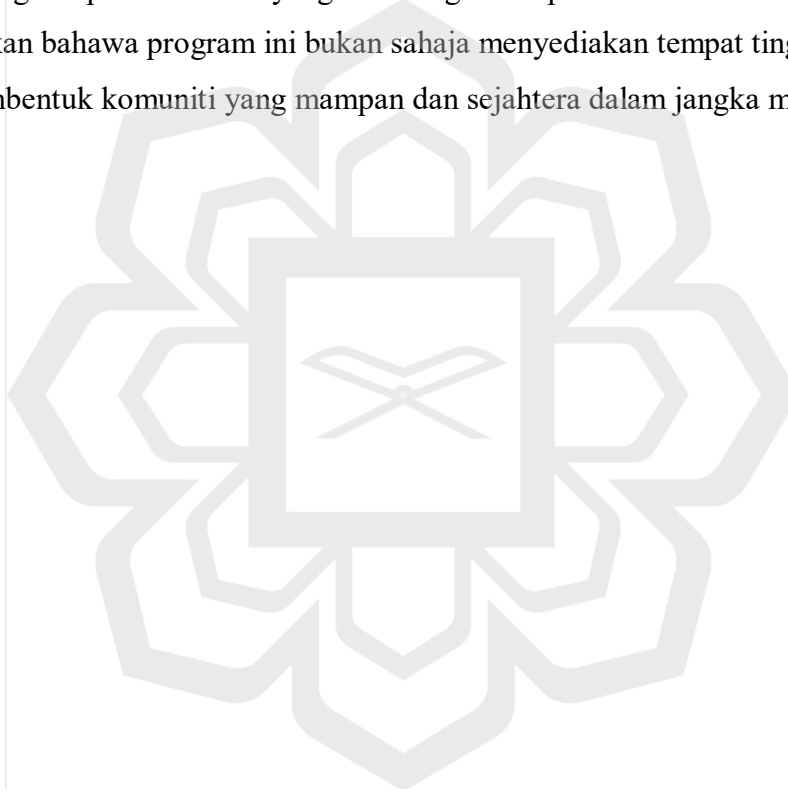
- 4) **Memperkasakan Mekanisme Pemantauan dan Penyelesaian Pertikaian**
Perlu ada satu mekanisme pemantauan yang lebih telus untuk memastikan unit perumahan mampu milik digunakan oleh kumpulan sasaran dan tidak disalahgunakan sebagai pelaburan komersial.

Tribunal khas boleh diwujudkan untuk menangani pertikaian berkaitan pemilikan dan pemindahan hak milik bagi mengelakkan spekulasi hartanah.

Penemuduga: Apakah harapan Encik terhadap masa depan program perumahan mampu milik di Malaysia?

Responden: Saya berharap agar program perumahan mampu milik dapat ditadbir dengan lebih sistematik dan berkesan. Kejayaan program ini bukan hanya bergantung kepada dasar yang baik, tetapi juga kepada pelaksanaan yang tersusun, seragam dan berpandukan prinsip inklusiviti.

Jika langkah-langkah pembaharuan yang dicadangkan dapat dilaksanakan dengan baik, kita boleh memastikan bahawa program ini bukan sahaja menyediakan tempat tinggal yang selesa, tetapi juga membentuk komuniti yang mampan dan sejahtera dalam jangka masa panjang.





APPENDIX 5

TEMU BUAL SEPARA BERSTRUKTUR 1

TOPIK: RANGKA KERJA UNDANG-UNDANG KE ARAH KELESTARIAN PROGRAM PERUMAHAN MAMPU MILIK

TARIKH: 2 APRIL 2021

RESPONDEN: EN AFIQ SHARIFUDDIN (PRIMA CORPORATION MALAYSIA)

Penemuduga: Pada asasnya, penyelidikan saya adalah mengenai formulasi rangka kerja undang-undang lah untuk kita memastikan program perumahan mampu milik ini berkekalan untuk generasi akan datang lah.

Apabila kita melihat situasi semasa kita ini, bila dari segi pemilikan itu, kita jual, tetapi kalau berlaku peralihan, separuh seperti telah ditemubual di RUMAW1P, di DBKL ini. Jadi di DBKL ini program mereka adalah, mereka jual sahaja. Bila jualan kedua itu hendak dijual, mereka sudah tidak mempunyai kawalan terhadapnya.

Jadi jualan kedua itu kemungkinan bukan pun orang yang berkecukupan untuk dalam program perumahan mampu milik itu. Benda itu akan berhenti pada pembeli pertama sahaja. Kedua, ketiga semua itu sudah menjadi seperti tidak relevan lah kan.

Jadi walaupun anda memanggil RUMAW1P, tetapi bila ada pembeli kedua, ketiga ini, ia sudah bukan di kalangan orang yang memerlukan lah kan. Jadi berbanding itu, saya rasa PRIMA masih lagi mengawalinya. Sebab seperti ini lah, moratorium ada 10 tahun, tetapi ia memang tidak boleh dijual sahaja dalam 10 tahun.

Jadi kalau selepas 10 tahun itu, ia hendak dijual kepada orang lain atau apa semua, ia tidak ada pilihan. Contohnya seperti di Singapura, walaupun ia sewaan, tetapi ia ada juga yang bahagian pembelian, jualan kan. Tetapi ia masih memastikan ia dalam kumpulan, kumpulan sasaran.

Jadi itulah yang saya hendak cuba cipta, rangka kerja tersebut. Jadi saya fikir perkara pertama adalah bertanya kepada anda, anda telah membuat perbandingan antara model perumahan apartmen Singapura berbanding dengan model lain. Serta Australia.

Jadi anda telah membuat 3 model. Jadi anda tahu bahawa, satu ciri khas yang membezakan ketiga-tiga model perumahan ini adalah bahawa Singapura adalah sebuah negara bandar, ia adalah tengah. Kita ada untuk Malaysia dan juga Australia.

Responden: Bagus lah, saya memahami sistem undang-undang mereka lah. Jadi untuk kedua-dua negara tersebut, ia mempunyai, hendak katakan autonomi, tidak autonomi, tetapi mereka

mempunyai suatu bentuk kawalan terhadap bagaimana mereka hendak mencipta undang-undang mereka dan kemudian rakyat perlu mematuhi mereka lah. Dan selain itu, ada lagi majlis tempatan yang akan menentukan butiran khusus mengenai itu.

Perancangan lah. Jadi, itulah perbezaannya, salah satu faktor penentu utama mengapa Singapura boleh melaksanakan model semasa yang mereka ada. Kita boleh lah.

Jadi, jelaskan sedikit lagi. Untuk Singapura, mereka juga mempunyai, kerana, saya rasa untuk kembali kerana saiznya, mereka dapat, mereka tahu berapa besar tanah yang mereka ada dan tanah yang ada itu, berapa banyak yang boleh dijadikan pembangunan.

Mereka mahu membuat pembangunan dan apakah jenis pembangunan yang akan mereka lakukan. Ya. Jadi, selain itu, mereka bukan sahaja, kemudian berdasarkan itu, mereka dapat menentukan juga, ini diperuntukkan kepada agensi perumahan mereka.

Ini adalah tanah yang diserahkan kepada pemaju swasta untuk pembangunan komersial. Jadi, dari masa ke masa, mereka mempunyai perumahan kerajaan yang besar, perumahan awam dan sebahagian kecil pembangunan komersial lah. Anda boleh, tetapi apa yang kita dapat lihat adalah bahawa beberapa pembangunan komersial memang mewah.

Tetapi mewah. Kemudian, perumahan awam, sebahagiannya berubah menjadi sejenis rumah mewah juga. Ada.

Sudah lama. Sebahagiannya diambil oleh kerajaan untuk dibangunkan. Mengekalkan harga.

Sebahagiannya kekal seperti sekarang. Betul? Ya. Tidak seperti itu, di Malaysia kan, kerana undang-undang tanah kita, yang saya fikir, kalau tanya pelajar hartanah, semua pegangan dia dapat.

Hak yang tidak pernah anda tinggalkan setelah anda mempunyai hak ke atas tanah. Anda boleh membina apa sahaja yang anda mahu di atas tanah itu. Betul.

Di atas tanah lah. Jadi seperti, tetapi, tidak sama di negara-negara lain lah. Kalau kita lihat di Singapura, dahulu ada, saya perlu menjalankan penyelidikan untuk Indonesia, Thailand, jadi saya perlu pergi ke pemilikan bandar.

Malaysia sahaja yang membenarkan penjualan pajakan 99 tahun kepada warga asing dan malah pegangan kekal kepada warga asing. Dari lain-lain, mereka akan mengurangkan pajakan kepada 60 kebanyakannya 60 di Indonesia dengan Thailand, tetapi beberapa bahagian Indonesia hanya mempunyai pajakan 30 tahun. Dan perlu ada pemilikan tempatan juga lah.

Untuk, nasihat itu hanya untuk menunjukkan bahawa beberapa negara mengawal berapa lama seseorang boleh mempunyai pemilikan ke atas tanah. Beberapa negara yang masih besar, membenarkan untuk selama-lamanya lah. Menguasai tanah selama-lamanya.

Jadi, kerana itu, ia menentukan bagaimana kita membuat model perumahan kita. Jadi, kerana tanah adalah terhad untuk Singapura, mereka perlu merancang lah dengan betul. Untuk Malaysia, tanah tidak terhad, ia dianggap terhad sekarang.

Penemuduga: Sekarang? Saya fikir dari 2010 dan seterusnya, mereka mengatakan kalau tanah tidak banyak semua, tetapi sebelum itu, tanah tidak terhad. Akan ada pembangunan baharu yang mengikut. Pada asasnya, pembangunan baharu di kawasan hijau.

Responden: Lepas itu, gilir-gilir pajakan ataupun pegangan kekal. Bahagian itu kan, dahulu semasa saya mengambilnya, jadi bahagian ini lebih mengenai orang seperti Asia yang mahukan rasa kekayaan. Ia adalah penciptaan.

Penciptaan kekayaan lah. Mereka perlu membeli sebagai keluarga. Mereka perlu membeli rumah, dan kemudian memindahkannya kepada anak mereka.

Jadi, itulah psikologi utama lah untuk kenapa perumahan di Singapura seperti ini, perumahan di Malaysia seperti ini, dan mungkin Australia satu bahagian, orang yang sama lah. Jadi, dan kenapa saya memulakan dengan itu adalah kerana semua skim perumahan mampu milik dalam Malaysia agak temanya adalah bahawa ia bukan mengenai pemilikan. Tetapi 9 skim perumahan mampu milik di Malaysia menawarkan apa-apa pun kan.

Anda boleh menjadikan keselamatan, kalau cakap keselamatan rumah sahaja, ia bukan mengenai pemilikan lah. Jadi, ini semua mengenai pemilikan dan penciptaan kekayaan. Anda boleh buka PRIMA kan, anda boleh menulis sesuatu sepanjang baris itu lah.

Anda boleh mentafsirkannya dengan cara itu. Kerana ia ditandatangani dengan cara itu. Jika anda perlukan seperti apa, kenyataan sokongan atau baris sokongan untuk itu, boleh digunakan kembali pada tahun 2010 hingga 2012 kan.

Penemuduga: Ada kenyataan dibuat oleh kerajaan bahawa M40 tidak mempunyai akses untuk membeli rumah, tidak mampu membeli rumah, yang seterusnya mengekalkan mereka pada tahap itu. Jadi, dan kemudian kerajaan melihat membeli rumah, memiliki rumah ke arah menaikkan tahap orang M40. Yang mana 10 tahun kemudian anda lihat tidak jadi lah pun. Jadi, di situlah saya fikir seperti saya dapati topik anda menarik lah.

Responden: Sebabnya adalah ia adalah salah satu daripada faktor utama kenapa saya ingin cuba sertai M40. Dan sebabnya adalah kerana terdapat banyak model yang anda boleh cipta. Terdapat banyak rangka kerja yang anda boleh cipta.

Hanya untuk menyelesaikan fakta bahawa orang perlu mempunyai rumah. Jadi, kembali kepada soalan awal. Saya akan ajukan soalan tersebut. Rumah ini sekarang adalah rumah awam. Ini adalah rumah Pahang. Ia dibina pada tahun 1999. Rumah itu adalah rumah lelaki. Terdapat rumah untuk wanita. Tetapi tiada nama untuk syarikat ini.

Ia adalah rumah asas. Kadang-kadang tiada. Tidak ada juga. Perlis tidak ada. Kedah pun tidak ada. Terengganu ada. Bagaimana jadi? Semuanya sama.

Ia tentang membangun rumah, menjualnya dengan harga yang terjangkau. Itu bukan? Itu! Kebanyakan skim rumah yang terjangkau ini meliputi bahagian B40. Sebenarnya, hampir semua sekali meliputi B40 secara eksklusif kecuali Penang, dan baru-baru ini, RUMAWIP

Penemubual: RUMAWIP. Rumah SelangorKu2. Ada perbezaan. Melaka dengan Johor.

Responden: Johor. Ia ada untuk M40 ini. Yang lain memang mensasarkan B40 sahaja. Tetapi kemudian lagi, itu tentang kebijaksanaan juga. Jadi, anda kembali ke bahagian 4. Kalau macam itu, maka tiada cara untuk mengawal. Pertanyaan baharu anda adalah tiada cara untuk mengawal selepas transaksi pertama.

Apa yang berlaku pada rumah itu? Kerana walaupun kenapa saya mula macam itu adalah untuk mengakui bahawa ini adalah sesuatu yang terus berlaku dan penePR1MA pun macam tidak dapat dijelaskan bagaimana hendak dilakukan. Kenapa saya kata penePR1MA tidak dapat dijelaskan? Saya rasa semasa anda saya boleh berkata selama 10 tahun penePR1MA. 10 tahun penePR1MA, ada kabinet penePR1MA.

Lepas itu, kerana benda itu jadi tidak popular dan hendak menaikkan populariti kerajaan pada masa itu pada tahun 2017 dan mereka mengumumkan untuk menurunkan 10 tahun ini kepada 5 tahun. Tetapi itu bukan keputusan kabinet.

Jadi, apa yang berlaku adalah 10 tahun ada perkataannya masuk dalam semua hak milik tanah untuk penePR1MA. Apabila kita masuk dalam penePR1MA, ia akan menjadi spesifik 10 tahun dahulu. Kemudian, orang akan bertanya eh, kerajaan dalam 10 tahun, kenapa tidak dibuka? Adakah ada keputusan kerajaan untuk melakukan itu? Tidak berlaku.

Dan itulah sebabnya kenapa tidak berlaku. Semua kerajaan dikawal semua kerajaan, saya rasa sebahagian kerajaan dalam Malaysia telah memutuskan untuk menurunkan 10 tahun kepada 5 tahun. Untuk apa yang berlaku.

Sekali lagi, anda mahu melihat di bahagian motif ini. Sebenarnya, tiada sebab kenapa kerajaan negeri tidak mengambil kira dalam monetari dalam tanah yang anda tidak memiliki. Ini bukan tanah kerajaan.

Dan anda ingin mengawal bila saya ingin mengawal saya sendiri. Itulah argumennya. Dan itu adalah argumen yang belum diperkenalkan di mana-mana di negara-negara yang lain.

Dan apa yang berlaku selama 3-4 tahun ini adalah semua orang bergaduh untuk mengawal apabila mereka tidak mempunyai kawalan itu. Sepatutnya, dalam masa yang sama, ada masa yang semua agensi ini cuba menunjukkan bahawa agensi lain tidak berbuat dengan baik.

Mereka bergaduh dengan satu sama lain. Sasaran utama mereka akan sentiasa berada di PR1MA. Kerana jika saya berada di sana, saya akan melihat PR1MA berada di atas.

Penemuduga: Sebabnya, PR1MA adalah PR1MA. Baiklah. Itulah di mana saya ingin menunjukkan kepada anda. PR1MA telah dibuat kerana memahami semua masalah ini.

Responden: Saya tidak tahu. saya berada di sana pada masa itu seperti mereka menubuhkan PR1MA awal-awal dan itu adalah ketika semua orang agak eksited dalam hal kenapa PR1MA yang mereka tubuhkan PR1MA itu bagi saya idea itu bagus. Masalahnya, kita dapat melihat sehingga sekarang masalah itu ada. Kemudian, PR1MA itu diperlukan untuk menguruskan PR1MA. Dan PR1MA mempunyai semua jenis permohonan yang diperlukan untuk kita cuba mengawal semua masalah ini.

Tetapi, PR1MA itu tidak diperlukan sepenuhnya. Dan sebabnya PR1MA tidak diperlukan sepenuhnya adalah kerana terlalu banyak orang di sekeliling. Semua pihak mempunyai idea tentang PR1MA.

Dan sebahagian pihak tidak terlibat dalam hal ini. Jadi, apabila kita tidak tahu pertama kali, kita akan melawan dahulu sebelum cuba memahami. Itu adalah sebuah latar belakang.

Pada tahun 2015, hingga akhir tahun 2019, itu adalah apa yang saya rasa semasa bercakap dengan Tuan Jeya. Jadi, mereka mempunyai idea. Mempunyai itu adalah penuh kepuasan bahawa apabila tindakan itu dibuat, ia tidak diberikan kepada pemerintah atau pemerintah sendiri.

Ia seperti pusing dan lain-lain. Dan disebabkan itu, mereka tidak memahami motif itu. Tetapi motif itu adalah berkat, perlahan-lahan kita dapat berkongsi sedikit-sedikit kenapa dibuat seperti ini? Kenapa produk rumah menjadi seperti ini? Kenapa apa seperti ini? Kenapa kita buat seperti ini? Jadi, ia seperti itu.

Pada akhir tahun 2019, apabila mereka memulakan tindakan itu, ia tidak sepenuhnya tidak berguna. Ia menjadi ada beberapa yang sekarang seperti dia melihat apa yang mereka cuba buat sekarang. Tetapi, benda itu sudah ada.

Jadi, kenapa tidak gunakan benda itu? jika anda tanya yang bahagian pertama masalahnya adalah terlalu banyak pemain dengan terlalu banyak motif dan pemikiran.

Penemuduga: Tetapi, jika saya tidak salah faham, ada pelan tindakan pada tahun sebelum tahun 2012 masa sebelum PR1MA wujud dan ada pelan tindakan. Apa-apa untuk program perumahan, sebenarnya, pemain utama adalah PR1MA.

Responden: Tetapi, selepas itu, perkara tersebut berlaku. Jadi, semuanya... Jadi, apa yang berlaku adalah pada tahun 2009-2010, kerajaan menyatakan bahawa isu kekurangan rumah adalah sesuatu yang penting. Rumah semakin lama semakin mahal dan pada waktu itu harga rumah meningkat dengan mendadak. Oleh sebab itu, kerajaan memperkenalkan dasar untuk menangani isu ini dengan mewujudkan sebuah agensi yang dapat menggabungkan sumber serta memastikan pengurusan yang lebih baik.

Namun, antara tahun 2010 hingga 2012, dua tahun diperlukan untuk menunggu akta berkaitan diluluskan. Dalam tempoh tersebut, terdapat banyak ketidakpastian. Misalnya, inisiatif pertama yang diambil adalah di Pahang, di mana mereka memperkenalkan nama "PPR1MA Pahang". Apabila terdapat satu bahagian yang dikenali sebagai 'PPR1MA', ia turut memberi kesan kepada aspek perancangan.

Ketika perumusan akta sedang berlangsung, PR1MA bertujuan untuk mengawal perancangan perumahan, bukan hanya dari segi perancangan fizikal tetapi juga sumber kewangan kerajaan. Ini termasuklah premium tanah, hasil jualan tanah, dan sumber pendapatan lain bagi kerajaan negeri. Namun, apabila kuasa ini diberikan kepada PR1MA, timbul persoalan tentang bagaimana kerajaan negeri boleh memperoleh hasil daripada sumber lain.

Penemuduga: Jadi, adakah ini bermakna kerajaan negeri akan kehilangan pendapatan tertentu?

Responden: Tepat sekali. Dalam konteks ini, negeri tidak boleh sewenang-wenangnya menyerahkan tanggungjawab kepada pihak lain kerana mereka masih mempunyai kuasa ke atas tanah tersebut. Oleh itu, negeri masih memperoleh hasil tertentu daripada tanah tersebut. Namun, kerajaan pusat perlu menyesuaikan dasar agar dapat memberi fokus kepada keperluan lain tanpa menjejaskan perancangan negeri.

Penemuduga: Jadi, bagaimana kesannya kepada program perumahan?

Responden: Pada tahun 2010, ketika Najib memperkenalkan pelbagai inisiatif perumahan, ia sebenarnya mencipta satu jenama baharu bagi program rumah mampu milik. Sebelum itu, kita sudah mempunyai Skim Perumahan Mampu Milik (SPMB) serta Dasar Ekonomi Baru sejak tahun 1970-an yang turut menangani isu perumahan. Namun, sasaran utama ketika itu adalah golongan berpendapatan rendah, bukan kumpulan M40 seperti yang difokuskan dalam inisiatif baharu.

Penemuduga: Jadi, adakah ini bermaksud terdapat pertindihan dalam pelaksanaan program perumahan?

Responden: Ya, kerana setiap agensi ingin melaksanakan program mereka sendiri, menyebabkan pertindihan dasar. Contohnya, selepas model PPR1MA diperkenalkan, terdapat banyak dasar yang menyerupai model tersebut. Harga rumah ditetapkan di bawah RM400,000 dengan saiz minimum 850 kaki persegi serta dilengkapi tiga bilik tidur. Semua ini mengikut garis panduan yang telah ditetapkan dalam Akta PPR1MA.

Penemuduga: Adakah ini bermaksud wujud unsur persaingan antara agensi perumahan?

Responden: Ya, agensi-agensi ini melihat model yang diperkenalkan oleh PPR1MA dan menyesuaikan model mereka sendiri. Mereka tidak mahu kelihatan meniru secara langsung tetapi berusaha untuk menampilkan versi yang lebih baik. Ini menyebabkan banyak persamaan dalam pendekatan mereka.

Penemuduga: Bagaimana pula dengan isu dana dalam melaksanakan projek ini?

Responden: Salah satu cabaran utama adalah kekurangan dana. Negeri tidak mempunyai kuasa sepenuhnya untuk melaksanakan projek tanpa bergantung kepada dana kerajaan pusat. Dana ini biasanya disalurkan melalui Jabatan Perumahan Negara (JPN), yang bertanggungjawab mengagihkan dana kepada semua negeri. Oleh sebab itu, negeri tidak dapat mengawal sepenuhnya proses pembangunan perumahan.

Penemuduga: Jadi, apakah kaedah yang digunakan oleh negeri dalam menguruskan perumahan?

Responden: Negeri mempunyai tanah sendiri dan sering meminta pemaju swasta untuk membangunkan tanah tersebut. Pemaju swasta ini diberikan bahagian tertentu untuk pembangunan. Dalam keadaan tertentu, mereka turut mendapat pendanaan daripada pembangunan yang dijalankan.

Penemuduga: Adakah ini bermaksud negeri perlu mencari kaedah alternatif untuk mendapatkan dana?

Responden: Ya, dan salah satu strategi yang digunakan ialah bekerjasama dengan sektor swasta. Namun, ini juga menimbulkan cabaran kerana sektor swasta lebih mementingkan keuntungan, berbanding objektif sosial kerajaan dalam menyediakan perumahan mampu milik.

Penemuduga: Bagaimana dengan peranan tanah PTP dalam isu ini?

Responden: Tanah PTP pada asalnya dikenal pasti sebagai tanah yang sesuai untuk pembangunan perumahan mampu milik. Oleh itu, ia menjadi pilihan utama dalam perancangan kerajaan. Namun, cabaran timbul apabila sebahagian tanah PTP terletak di luar bandar, yang kurang menarik bagi pemaju swasta.

Penemuduga: Jadi, adakah ini bermaksud perlu ada penyesuaian dalam dasar perumahan?

Responden: Betul, kerana pada akhirnya, model pembangunan perumahan perlu mengambil kira keperluan semasa. Selangor, misalnya, menggunakan mekanisme geofencing, di mana kawasan tertentu diperuntukkan untuk pembangunan rumah mampu milik. Dengan cara ini, negeri dapat memastikan keseimbangan dalam pembangunan perumahan.

Penemuduga: Jadi, secara keseluruhannya, bagaimana model pembangunan perumahan di Malaysia boleh diperbaiki?

Responden: Kita perlu memastikan bahawa dasar perumahan mengambil kira keperluan semua pihak, termasuk kerajaan pusat, kerajaan negeri, pemaju swasta, serta masyarakat. Kejelasan dalam hala tuju dan kawalan terhadap pembangunan adalah kunci dalam memastikan keberkesanan dasar ini pada masa hadapan. Di zon C, anda hanya perlu membina rumah awam. Oleh itu, mereka mempunyai zon khas untuk perancangan. Maka, terdapat kesilapan dalam pembangunan tersebut.

Penemuduga: Mengapa individu yang membangunkan kawasan tersebut perlu melalui laluan yang jauh di luar bandar? Mengapa pembangunan dilakukan di kawasan yang jauh dari pusat bandar? Adakah ini boleh dianggap sebagai suatu kesalahan?

Responden: Saya berpendapat bahawa pada masa lalu, kerajaan tidak mempunyai pembangunan serta perancangan bandar yang teratur. Oleh itu, keadaan ini tidak dimanfaatkan sepenuhnya.

Penemuduga: Berdasarkan pengalaman anda, sebelum anda terlibat dalam projek ini, adakah anda berpendapat bahawa program perumahan yang melibatkan pemain industri utama telah mengadakan mesyuarat perancangan? Sebelum ini, terdapat Majlis Perumahan Negara. Pada ketika itu, adakah anda terlibat dalam Majlis Standard serta badan berkaitan yang lain, termasuk Majlis Kerajaan Tempatan?

Responden: Ya, selain daripada Majlis Perumahan, terdapat juga mesyuarat di mana semua pihak yang terlibat dalam pembangunan bandar perlu hadir. Secara asasnya, sebarang pembangunan bandar atau pembangunan township harus melalui mesyuarat ini kerana ia mempunyai kesan sosioekonomi dan keselamatan. Jika terdapat peningkatan populasi secara mendadak di kawasan tertentu, maka ia perlu dibincangkan terlebih dahulu dalam mesyuarat tersebut.

Namun, ada situasi di mana pemaju hartanah mengambil langkah bijak dengan mengelakkan pembinaan lebih daripada 3,000 unit rumah dalam satu projek. Sebaliknya, mereka akan membangunkan 2,500 hingga 2,800 unit bagi mengelakkan projek tersebut dikategorikan sebagai pembangunan berskala besar yang memerlukan kelulusan khusus. Ini membolehkan projek mereka dilepaskan dengan lebih mudah.

Penemuduga: Dari perspektif undang-undang dan perancangan, apabila Akta PPR1MA diwujudkan, proses pemikiran terhadap kesan dan impak yang bakal terjadi mungkin tidak difahami sepenuhnya. Saya masih ingat satu mesyuarat di mana seorang individu menyatakan bahawa kewujudan PPR1MA telah mencipta 'raksasa' dalam ekonomi kita. Hal ini kerana, melalui PPR1MA, terlalu banyak sumber ekonomi dikawal, yang tidak baik untuk ekonomi pasaran bebas.

Responden: Saya pernah bertemu dengan individu ini beberapa kali dalam persidangan antarabangsa, dan kami sering berbincang serta berdebat mengenai konsep ekonomi yang seharusnya diguna pakai. Dia percaya sepenuhnya kepada ekonomi pasaran bebas, di mana pasaran harus diberikan kebebasan untuk mengawal hala tuju sendiri, tanpa campur tangan kerajaan. Menurutnya, sebarang bentuk kawalan oleh kerajaan adalah satu kesalahan.

Sebaliknya, saya berpendapat bahawa kawalan kerajaan dalam program perumahan bukanlah sesuatu yang asing. Banyak negara lain seperti Hong Kong dan Jepun turut melaksanakan kawalan dalam program perumahan mereka. Mereka mengawal jumlah perumahan yang dibangunkan, tetapi dalam masa yang sama, membenarkan pasaran bebas untuk berkembang. Namun, apabila pasaran bebas mempunyai lebih banyak sumber dan keupayaan untuk mengambil risiko yang lebih tinggi, ia menyebabkan harga rumah meningkat dengan mendadak, seperti yang kita lihat di Hong Kong.

Salah satu masalah utama dalam pemilikan rumah adalah status pajakan. Sebagai contoh, ketika kami ingin membangunkan sebuah projek di Langkawi, kami menghadapi kesukaran kerana kebanyakan tanah di sana dimiliki oleh penduduk kampung dan Langkawi Development Authority (LADA). LADA tidak dibenarkan menjual tanah mereka kepada pihak lain, tetapi hanya boleh memajak. Namun, tempoh pajakan yang hanya 60 tahun menyebabkan bank enggan memberikan pinjaman, yang akhirnya menghalang pembangunan projek tersebut.

Bagi menyelesaikan isu ini, perlu ada suatu sistem di mana semua negeri memberikan tempoh pajakan yang seragam, contohnya 99 tahun. Dengan ini, bank dapat memberikan pinjaman dengan lebih yakin. Selain itu, jika semua program perumahan mampu milik diwajibkan untuk mempunyai status pajakan, maka kerajaan negeri masih boleh mengekalkan pemilikan asal tanah tersebut. Namun, pelaksanaan polisi ini memerlukan persetujuan daripada semua negeri melalui Majlis Tanah Negara.

Penemuduga: Dalam konteks politik, setiap perubahan kerajaan akan membawa pendekatan yang berbeza terhadap program perumahan.

Responden: Ada kerajaan yang lebih cenderung kepada pembangunan, sementara ada juga yang lebih menekankan pengurusan fiskal. Kedua-duanya tidak salah, tetapi yang penting adalah memastikan keseimbangan antara dasar yang digubal dengan pelaksanaannya.

Buat masa ini, fokus PPR1MA adalah untuk menyiapkan projek-projek yang sedang berjalan. Namun, persoalan utama adalah, adakah agensi perumahan mampu milik hanya bertanggungjawab untuk menyediakan rumah, atau mereka juga perlu memastikan bahawa setiap rumah yang dibina memenuhi keperluan sebenar pembeli? Ini adalah cabaran besar yang perlu diatasi oleh kerajaan dan agensi berkaitan.

Penemuduga: Berdasarkan pengalaman anda, apakah cabaran utama yang dihadapi dalam memastikan projek perumahan mampu milik dapat direalisasikan sepenuhnya?

Responden: Salah satu cabaran utama adalah ketidaksepadanan antara jumlah rumah yang ingin dibina dengan bajet yang diperuntukkan oleh kerajaan. Sebagai contoh, walaupun kerajaan telah menetapkan sasaran untuk membina 200,000 unit rumah dalam tempoh lima tahun, realitinya, hanya sekitar 100,000 unit yang dapat disiapkan, dengan 10,000 unit lagi masih dalam pembinaan. Ini berlaku kerana dana yang diperuntukkan tidak mencukupi pada masa yang diperlukan.

Sebelum mana-mana kontraktor memulakan kerja, kita perlu memberikan mereka sejumlah dana untuk bermula. Itulah pendapat kita pada masa ini. Terdapat perbincangan berterusan. Kami percaya bahawa peruntukan kerajaan boleh digunakan dengan baik dalam model ini di mana mereka memberikan modal permulaan kepada kami. Kami merangka satu model di mana pemaju, dan akhirnya pada penghujung program apabila rumah tersebut siap, wang yang diperoleh semula dimasukkan dalam belanjawan dan kami boleh menggunakannya pada masa hadapan.

Namun, apa yang telah berlaku adalah pada kali pertama kami cuba melaksanakan ini, kami tidak mendapat pembiayaan sepenuhnya. Dan kerana kami tidak mendapat pembiayaan sepenuhnya, kami menghadapi masalah dengan pelaksanaan projek. Terdapat kelewatan, dan kerana kami memerlukan aliran tunai dengan cepat dan jualan yang lebih pantas, diskaun perlu ditawarkan untuk projek tersebut. Oleh itu, diskaun perlu dibiayai dengan cara tertentu.

Jadi, model yang kami cipta, idea yang kami kembangkan, kami tidak mendapat dana yang mencukupi untuk beroperasi dan memperoleh keuntungan. Kerajaan perlu sama ada berkomitmen kepada satu program sokongan sehingga kami mampu berdikari, atau kerajaan perlu menerima hakikat bahawa kami hanya boleh menyumbang secara berperingkat. Dan kerajaan akan terus-menerus - ia pasti akan mengambil masa yang lebih lama bagi kami untuk mampu berdikari.

Faktor penentu utama adalah sama ada kita akan mempunyai pasaran perumahan yang sihat, bermakna apabila kita menjual, orang akan mampu membeli kerana mereka boleh mengekalkan wang mereka.

Tetapi untuk menjawab soalan anda tentang apa yang berlaku kepada nilai meter kedua, selepas kita menyelesaikan bahagian penyampaian semua saiz, maka anda mahukan kawalan. Kawalan itu boleh dilakukan melalui kerajaan atau cara lain.

Saya mula melangkah ke bidang ini sedikit. Ia adalah model yang saya fikirkan semasa pengajian Sarjana saya. Kemudiannya, ia adalah sesuatu yang kami cuba laksanakan, model

yang saya dan ahli pasukan cuba cadangkan kepada kerajaan untuk dilaksanakan, serta untuk PPR1MA kerana kami mempunyai aset.

Dan ideanya bukanlah sesuatu yang baru, di mana kerajaan terus menjadi pemilik aset. Jadi, apa yang kita panggil sebagai pemilikan bersama. Daripada 100% pemilikan tanah oleh kerajaan, mungkin kerajaan terus menjadi pemilik sebahagian, 40% atau lebih, 30% atau lebih, dan pembeli membeli 60% saham ekuiti.

Kenapa saya fikir ini bagus adalah kerana ia memberi peluang kepada kerajaan untuk menawarkan rumah yang lebih murah, untuk kerajaan menawarkan subsidi. Tetapi sebenarnya ia bukan subsidi yang hilang, kerana subsidi itu sebenarnya menjadi ekuiti bagi kerajaan.

Dan kemudian, menstrukturkan perjanjian dengan betul, bermakna setiap 10 tahun anda mengkaji semula sama ada pemilik mahu membeli atau tidak. Jika mereka tidak mahu membeli, maka ia diteruskan. Tetapi pada tahun ke-30, jika mereka tidak mahu membeli, sama ada mereka membeli sepenuhnya atau keseluruhan harta itu mesti dijual di pasaran terbuka.

Tetapi apa yang saya ingin terokai adalah, bukannya pada akhir 30 tahun, jadi bukan pemilik membeli 40%, tidak mahu menjual, tidak mahu membawa sebanyak ini wang balik ke kampung. Maka kita mencipta persekitaran di mana semua lebihan ini akan dijual dan hak pertama untuk membeli boleh diberi kepada kerajaan kerana kerajaan mempunyai 40%.

Jadi, penilaian pasaran. Sejak ekonomi pada tahun 2000, ekuiti kerajaan adalah RM40,000. Pada tahun ke-30, harga rumah meningkat kepada RM300,000. Jadi, untuk kerajaan memiliki keseluruhan aset, kerajaan perlu mengeluarkan RM180,000 lagi. Kerajaan boleh sentiasa membelanjakan RM180,000 dan mendapatkan semula semua tanah ini. Kemudian saya boleh menawarkan tender kepada pihak komersial.

Jadi ia menjadi, kerana ini adalah kos saya RM100,000, 10-15%. Jadi saya perlu menjual RM300,000-RM400,000. Saya mahu menjual pada harga RM100,000. Jika ada pasaran dan pasaran fikir ia bernilai, mereka akan membeli. Kemudian wang itu boleh digunakan untuk membangunkan tanah tersebut.

Untuk itu berlaku, pertama sekali mestilah ada tempoh pajakan yang berbeza. Atau jika anda mahu melakukan tempoh pajakan, maka anda boleh memiliki tanah yang sama tetapi mestilah ada perjanjian yang berbeza antara pembeli dan kerajaan serta agensi yang melaksanakannya sekarang.

Perkara yang malang, bahagian yang sukar adalah ia memerlukan modal yang intensif. Jadi jika anda bercakap tentang RM40,000, jika anda mahu 1,000,000, anda perlukan RM400,000,000. Itu jika harganya RM100,000. Jika ia RM300,000, bagaimana pula?

Penemuduga: Bagaimana pula tentang sewaan berpatutan berbanding pemilikan dari segi pembelian?

Responden: Ia jarang berlaku. Saya mengemukakan idea itu kepada Tuan Jeya, yang saya fikir mereka telah laksanakan melalui baucar sewaan ini. Perumahan mampu milik tidak semestinya bermakna memiliki rumah.

Jadi salah satu model yang kami cadangkan adalah mungkin anda mahu meningkatkan akses kepada rumah. Jadi untuk meningkatkan akses kepada rumah, orang mesti dapat tinggal di mana sahaja mereka mahu, tanpa mengira kos.

Sebagai contoh, Jika anda mahu tinggal di sini, anda mesti mampu membayar sewa RM1,600 ke atas, RM1,600 ke atas untuk sewa baru. Bermakna semua sewa akan dibayar. Jadi ia tidak cukup sekadar membayar sewa, anda masih perlu makan. Selepas sebulan, anda mati. Jadi anda perlu membayar RM1,600 berdasarkan logik itu.

Jadi kerajaan boleh, bukannya melihat pada model subsidi untuk rumah mampu milik bagi B40 kerana itu adalah julat pendapatan, jadi bukannya RM3,000, saya buat baucar sewaan hanya RM1,000 ringgit. Jadi sekarang orang yang berpendapatan sehingga jumlah ini boleh mendapat baucar sewaan sebanyak RM1,000 ringgit.

Dan perkara utama adalah mereka mesti tinggal dalam radius 5km. Kenapa anda mahu melakukan itu? 1. Untuk mengurangkan kos tempahan. 2. Untuk membina jenis ekonomi yang berbeza. Dan bahagian lain adalah untuk membantu mengekalkan pasaran hartanah. Jadi radius 5km untuk katakan, mari kita katakan orang...

Jadi itu adalah perkataan yang saya fikir akan berfungsi dengan lebih baik. Cara mudah untuk melihatnya, bukannya kerajaan menyediakan RM30,000 atau RM40,000 seunit, yang menjadikan harga rumah RM60,000, yang bermakna pinjaman akan berjumlah RM500, tetapi kemudian ia akan kekal dan kerajaan tidak boleh memberikan rumah kerana ia disekat oleh tanah yang dimiliki kerajaan. Jadi bukannya itu, kerajaan boleh melakukan program sewaan untuk membayar sewa selama 5 tahun. 5 tahun dengan RM1,000 sebulan, hanya RM30,000 sebulan. Kesan yang sama, menangani penyelesaian jarak dan membolehkan mobiliti ke atas bagi individu supaya jika mereka boleh menyimpan wang, mereka boleh mendapatkan rumah yang lebih baik.

Penemuduga: Jika anda melihat model dari Australia bahkan Singapura, mereka lebih kepada sewaan berbanding pembelian. Tetapi ada satu masa di Melbourne, pejabat mereka bukan Kementerian Perumahan, ia adalah Hal Ehwal Pengguna. Jadi mereka mengendalikan sewa dan sekarang mereka beralih kepada program perumahan mampu milik yang dijual bukannya disewa kerana ia terlalu membebankan bagi mereka untuk menguruskan hartanah sewaan.

Responden: Masalahnya adalah apabila anda melakukan sewaan, mungkin anda memulakan program dengan RM10, yuran yang anda akan dapat jika ia RM30,000, ia akan hampir RM3.6 bilion, belanjawan RM3.6 bilion untuk setiap tahun. Jadi anda menyasarkan untuk 3 tahun, sehingga bila anda mahu meneruskannya?

Perlu ada semua jenis penyelesaian. Perlu ada jualan terus, perlu ada pemilikan bersama, dan kemudian perlu ada sewaan supaya anda menangani tahun pasaran yang berbeza. Dan kemudian bagaimana anda memperuntukkan mereka mengikut program ini, ia berdasarkan pendapatan semasa mereka sama ada mereka mempunyai mobiliti ke atas atau tidak.

Jika mereka bujang pada tahun 2005, dalam 5 tahun mereka kemungkinan besar akan berkahwin dan kemudian tahap pendapatan mereka akan menjadi RM5,000. Jadi daripada RM5,000, bukannya mengambil sewaan, mereka boleh beralih kepada pemilikan bersama

kerana itu, kerana pendapatan berganda. Orang ini adalah pemegang ijazah, katakan kerajaan ingin mengesan sama ada orang ini bekerja dengan baik atau tidak. Jadi mereka boleh membuat penilaian dan memodelkannya. Jika mereka berkembang, mungkin tahap pendapatan mereka akan meningkat sebanyak 10% dalam 3 tahun. Jadi pada tahap ini, ia cukup untuk menjadi bantuan bulanan. Jadi kemudian anda menawarkan mereka program yang betul mengikut pendapatan mereka.

Jika ini adalah dasar yang dicipta, maka agensi pelaksana akan perlu bagaimana untuk memanfaatkan ini. Mungkin anda mahu membina satu unit yang semata-mata untuk sewaan supaya anda mendapat wang dan itu akan membantu separuh daripada pemilikan bersama ini. Dan anda memastikan bahawa apa sahaja yang anda jual adalah sesuatu yang menguntungkan, bukan kerugian. Jadi semua ini akan mencipta sumber pendapatan bagi agensi pelaksana untuk terus melakukan ini selama-lamanya. Jadi kami melakukannya bersama-sama dan itu adalah semasa fasa di bawah tetapi apabila masanya berubah, laluan juga berubah.

Penemuduga: ada berita mengatakan KPKT mahu menghidupkan semula skim RTA dan kemudian menggubal akta RTA, peruntukan untuk bahagian perumahan sosial akan dumasukan, Jadi segala-galanya tentang perumahan sosial sama ada ia mampu milik atau PPR untuk sewaan akan dikawal pada bahagian itu. Jadi dalam bahagian itu akan ada semua mekanisme pertikaian, mekanisme kawalan. Tetapi peruntukan itu bukan tentang kita mahu mengawal pembangunan program perumahan dan semua itu, ia hanya kita mahu mengawal untuk memastikan bahawa orang yang menyewa rumah itu adalah pemilik mengikut apa yang ditetapkan oleh negeri atau PPR1MA.

Responden: Kawalan adalah pada perjanjian?

Penemuduga: Ya, perjanjian akan dikawal kerana perjanjian. Jadi ia sama. Jadi jika ada pertikaian, mereka boleh merujuk kepada tribunal. Jadi akan ada tribunal untuk sewaan yang mana jika ia didaftarkan dengan sistem, saya tidak pasti jika sistem akan dihubungkan dengan HIMS atau tidak - tetapi sistem akan dicipta untuk sewaan. Jadi sebaik sahaja berdaftar, anda bebas mengakses mekanisme pertikaian.

Dan kemudian sudah tentu, penyedia perumahan sosial, mereka mempunyai akujanji kelakuan baik. Ini adalah untuk mengelakkan masalah sosial di PPR. Jadi penguatkuasaan ada. Setakat ini, penguatkuasaan untuk PPR adalah longgar. Tidak banyak penguatkuasaan. Jadi ia hanya perjanjian. Jika kerajaan mahu mengeluarkan mereka, mahu menendang keluar dari situ, mereka sebenarnya tidak mempunyai kuasa. Jadi itu akan mengawal bahagian itu. Jadi bagaimanakah pendirian PR1MA sekarang?

Responden: kami masih fokus pada jualan. Pada masa ini, pendirian PR1MA adalah kerana kami sekarang kembali, kami sekarang di bawah KPKT dan ia di bawah KPKT, kami mengikuti dasar yang ditetapkan oleh KPKT.

Kemudian sekali lagi, seperti yang saya kongsi sebelum ini, beberapa idea, beberapa topik yang telah dibincangkan dengan Tuan Jeya oleh saya. Beliau adalah seorang yang... jadi ia adalah... tetapi pada akhirnya, jika anda bertanya pada masa ini apa yang kami lakukan, walaupun jika anda bertanya saya apa yang kami lakukan, saya sekurang-kurangnya 60 atau

70% daripada sumber peribadi saya adalah ke arah memastikan bahawa kami bersedia untuk projek tersebut. Kami menyampaikan unit dengan apa jua sumber yang kami ada dan memastikan bahawa wang yang kami ada digunakan sebagaimana sepatutnya supaya nombor 2 akan bersedia.

Kerana secara peribadi saya percaya bahawa jika kami melakukannya dengan betul, jika kami berusaha sedaya upaya untuk mengawal kos, pada akhir pertunjukan kami akan mempunyai wang dan kami boleh menggunakan wang itu untuk benar-benar melaksanakan program seperti yang saya lihat. Ya, dan kemudian kami akan menjaga program tersebut. Sebenarnya, saya memesan kopi.

Penemuduga: Dari segi program, apakah rancangan PPR1MA pada masa ini untuk pembangunan komuniti itu sendiri, penduduk Perumahan PPR1MA? Adakah terdapat masalah besar pada masa ini kerana terdapat projek yang telah siap?

Responden: Ya, terdapat projek yang telah siap. Perkara itu adalah seperti mana-mana taman kediaman, jika anda tidak mengawal terlalu banyak, jika anda tidak mengganggu terlalu banyak, mereka akan menjaga diri mereka sendiri. Satu contoh terbaik adalah projek di Johor, apakah namanya itu, The Space.

Jadi, kerana kami tidak membuat program komuniti yang aktif secara berterusan, kami tidak menjadi seperti warden yang menjaga tiga anaknya dan segala-galanya, apa yang PPR1MA telah tawarkan setakat ini adalah... Apa yang kami tawarkan sejauh ini hanyalah sokongan tambahan seperti majlis Hari Raya. Kami juga menawarkan perkhidmatan kepada Tuhan semasa puasa. Kami juga menawarkan PR1MA COMM yang merupakan perkhidmatan sejauh ini. Semasa 2 tahun perjalanan DLP, kami juga menjaga perkhidmatan dan pembersihan. Kami juga menawarkan perkhidmatan kepada Tuhan semasa perjalanan DLP.

Pada masa itu, JMB belum dibangun. Ada banyak perkara yang perlu kami kawal. Berapa banyak kos yang perlu dibayar, apa yang perlu dibuat, dan sebagainya. Jadi, apabila pemilik sudah menjadi lebih banyak, mereka melihat bahawa ini terlalu banyak yang perlu dibayar.

Saya mahu membangun JMB, dan saya mahu memotong perkara lain. Jadi, sekarang mereka sedang melakukannya sendiri. Tetapi mereka masih mengadu.

Mengadu mengenai rekaan yang buruk, kualiti yang rendah, penyelesaian yang normal di seluruh dunia. Saya boleh cadangkan, selama-lamanya akan ada pengaduan. Memang kerja manusia pun ada pengaduan.

Jadi, ia berpengaruh kepada pembangunan tanggungjawab, atau mereka sudah membelinya sendiri. Kebanyakannya, mereka melihatnya sendiri. Apa yang boleh anda lihat, apa yang kurang, dalam segalanya, sebenarnya, atau anda hanya mahu memastikan kerja operasional berjalan dengan lancar, atau anda mahu mengambil kesempatan.

Penemuduga: Jadi, bahagian itu, pembangunan tanggungjawab memaksa untuk itu. Kita sepatutnya, sebab pembangunan tanggungjawab ada tribunal, kan?

Responden: Ya, kita ada tribunal pembeli. Jadi, kita sepatutnya memperbaiki komuniti, memperbaiki program. Untuk melaksanakan perkara ini, masalah pertama adalah pendanaan.

Siapa yang akan mendapatkan pendanaan? Kemudian, apabila ada sumber dan ada dana, perlu dipastikan berapa ramai individu yang akan dilantik sebagai pemimpin program komuniti. Jadi, sebelum ini, King City, saya lebih mengenali King City.

Di King City, terdapat program pengurus. Tugasnya adalah merancang program atau acara yang melibatkan komuniti di satu kawasan. Ini merupakan model yang diambil daripada Australia.

Penemuduga: Saya pernah pergi ke Melbourne pada waktu itu. Mereka mempunyai komuniti di sana, dan mereka menjalankan program tersebut.

Responden: Di Facebook, kita mempunyai King City yang berfokus di Kuala Lumpur dan Pulau Pinang. Ia merupakan kedudukan Khazanah.

Responden: Ia merupakan kedudukan Khazanah. Mereka juga mempunyai KRI yang turut membantu dalam penyertaan King City. Jadi, mereka menjalankan program tersebut. Program itu melibatkan komuniti dan ini adalah bahagian yang sedang kita usahakan sekarang.

Kita tidak akan melaksanakan program secara berstruktur yang akan melibatkan setiap rumah. Kita akan menjalankan program yang bersesuaian dan boleh dilaksanakan berdasarkan keperluan komuniti.

Kita akan menjalankan program tersebut. Di Rasah, terdapat majlis yang akan diadakan bagi sekumpulan individu tertentu.

Walaupun terdapat permainan tertentu, politik turut mempengaruhi keadaan. Ia bergantung pada parti, anda tahu bagaimana situasinya.

Jadi, Datuk Seri Syahidah ini hampir serupa tetapi lebih baik sedikit. Namun, beliau adalah seorang yang mesra dengan orang ramai. Jadi, jangan anggap DJG ini adalah pembangunan yang pertama. Beliau mempunyai pemikiran yang luas, terutama dalam bidang teknologi. Syahidah lebih mesra dengan orang ramai dan berusaha membantu sesiapa sahaja.

Penemuduga: Kita mahu membantu masyarakat. Jadi, apakah langkah yang boleh kita ambil untuk membantu mereka? Beliau sangat fokus dalam program komuniti ini.

Responden: Jika saya tidak silap, beliau mempunyai tempat terakhir yang dikunjungi baru-baru ini. Jadi, itu adalah sebahagian daripada fokus beliau. Saya tidak terlibat secara langsung dalam keseluruhan aktiviti itu.

Tetapi pada akhirnya, saya perlu terlibat kerana ini adalah sebahagian daripada tumpuan beliau. Namun, itu memberikan kita ruang untuk meneruskan projek lain sementara kita membangunkan segmen yang baru.

Kenapa saya katakan segmen ini baru ditubuhkan adalah kerana projek perumahan hanya bermula setelah siap pada tahun 2016. Tetapi penyempurnaannya baru berlaku tahun ini.

Kita telah memperbaiki perkara ini pada tahun 2015-2016, mendapatkan kelulusan, namun terdapat kelewatan dalam pembinaan. Jadi, inilah situasi sekarang dalam pembangunan komuniti.

Penemuduga: Jika bercakap mengenai penggunaan teknologi, bagaimana keadaan sekarang? Apakah yang sedang dilakukan dalam aspek ini?

Responden: Dahulu, kita ingin melaksanakan sistem modular pada tahun 2015 hingga 2016. Kita ingin menerapkan banyak teknologi termasuk Building Information Modeling (BIM).

Penemuduga: Oh, baiklah. Tapi ini berkaitan dengan Building Information Modeling?

Responden: Ya, kita juga ada Industrialized Housing Technology (IHT). Kedua-dua pendekatan ini adalah langkah yang kita fikirkan untuk pelaksanaan projek ini.

Tetapi ia tidak berguna jika tiada projek. Yang kedua, tiada sumber untuk melaksanakannya. Kekurangan dana adalah isu utama.

Ia bukan hanya berkaitan kepakaran. Kita boleh mencari kepakaran, tetapi pembiayaan untuk melaksanakan teknologi ini menjadi cabaran utama.

Pada penghujung tahun 2016, kita mendapati kos untuk menerapkan teknologi ini terlalu tinggi. Ketika itu, matlamat utama adalah mengurangkan harga perumahan. Sebarang pelaksanaan teknologi baru selalunya melibatkan kos yang tinggi.

Oleh itu, kita tidak mempunyai kaedah untuk menampung kos tersebut. Tetapi seiring masa, kita semakin maju. Sekarang, menjelang tahun 2019 dan 2020, rumah-rumah mula siap dibina.

Jadi, kita perlu mula menguruskan aset kita. Kita menggunakan pelbagai sistem untuk menguruskan proses ini. Jika dahulu satu pemaju menguruskan satu projek, kini satu pemaju boleh mengendalikan lima hingga enam pembangunan serentak. Dan tahun depan, kita akan menambah lima hingga enam lagi projek.

Ini akan menyelesaikan masalah secara berperingkat. Kita akhirnya akan mempunyai 15 projek yang perlu diuruskan, yang memerlukan sistem pengurusan keselamatan dan kontrak. Oleh itu, kita memerlukan teknologi sistematik untuk menguruskan kesemua ini.

Penemuduga: Baiklah. Sebagai projek pembangunan PPR1MA, adakah kita menghargai perlindungan alam sekitar? Adakah kita membuat kawasan hijau? Bagi peruntukan kawasan hijau, bagi peruntukan kawasan awam, PPR1MA menawarkan penyelesaian.

Responden: Tetapi sama ada anda mengatakan kita menghargai persekitaran atau tidak, sebahagiannya sukar untuk dikatakan kerana ia belum berlaku. Kerana kita mempunyai pembangunan tanah yang separuh telah berlaku. Bukannya di Maker? Belum lagi? Belum.

Di bukit yang sebelum itu. Seperti pada hari itu, kita ada projek di kawasan Taman Templer. Tidak. Bukit Bera juga tidak ada? Tidak. Menyedihkan. Jika berlaku, akan ada banyak. Tidak.

Tetapi jika kita mempunyai kesempatan untuk membangunkan KM dan Selangor, saya mencadangkan kerajaan menukar penggunaan untuk mengubah kawasan tersebut. Tetapi... Ia tidak normal. Ia adalah penyakit.

Penemuduga: Oleh itu, soalan terakhir. Sebelum itu, adakah PPR1MA menganggap elemen WAKAF dalam program ini?

Responden: Saya berbincang dengan WAKAF Selangor. Ketika kita berbincang dengan WAKAF Selangor, kami membincangkan tentang... PWS? Kami ingin melakukannya tetapi pada masa itu, mereka tidak mempunyai struktur tersebut. Mengapa mereka tidak mempunyai struktur tersebut? Kerana mereka mengatakan bahawa jika kita datang dan berkongsi bagaimana kita akan melakukannya, mereka akan bertanya bolehkah kita berkongsi dengan Wattup untuk melakukan pembangunan. Jadi model itu belum wujud lagi.

Jadi kami cuba meneroka kenapa kita tidak berkongsi lokasi tersebut dahulu. Maksudnya kita akan mengetahui bagaimana kita boleh melakukan pembangunan. Selepas itu, bagaimana kita akan melaksanakannya. Jadi kami telah meneroka, tetapi bagaimana kita akan melakukannya?

Saya pernah melihat contohnya Wakaf Siti Aisyah. Jika anda tahu, mereka mengembangkan model untuk Wakaf Pulau Pinang. Tetapi ia adalah pembangunan bergabung yang diuruskan oleh UDA. Jadi walaupun ia mengambil masa sepuluh tahun untuk menyelesaikan projek itu disebabkan masalah tanah, tetapi UDA Holdings mempunyai pengalaman itu.

Jadi maksudnya mereka menjual pembangunan. Ya, Wakaf tidak... Wakaf terbuka. Saya tahu di USJ di tanah Wakaf Residents di USJ. Pada masa itu mereka menjual pembangunan. Tidak, mereka mempunyai perjanjian senarai. Daripada perjanjian senarai, mereka mempunyai model bagaimana mereka membeli pembangunan sejak tahun 1999. Jadi pembangunan mereka sudah stabil. Mereka sudah berhubung dengan pendapatan. Tetapi sekarang mereka berada di pusat kedua untuk Wakaf.

Penemuduga: Tetapi ada pelbagai alternatif untuk mewakafkan bahagian tertentu, contohnya seperti surau, padang, ataupun penyelenggaraan bangunan, penyelenggaraan lif dan sebagainya.

Responden: Penyelenggaraan kemudahan itu boleh diwakafkan ataupun boleh dilakukan melalui pendanaan awam. Terbuka untuk pendanaan awam. Mungkin itu saya rasa mungkin dapat mengurangkan kos untuk pembinaan, bukan pembinaan, kos pembangunan tersebut.

Bahagian yang, pada masa ini, jika tanah, kita telah memasukkan harga dewan, sekatan, surau. Tetapi apa yang belum dimasukkan dalam harga adalah kos untuk menguruskan dan menyelenggarakan semua kemudahan tersebut. Jadi sebahagian daripadanya kita perlu kembalikan kepada majlis, jadi ia di bawah kuasa majlis.

Tetapi jika terdapat program wakaf yang bersesuaian, saya fikir kemudahan kita akan berada dalam skop itu. Sebab ada satu kajian, ada 2 biro yang membuat, mungkin beberapa artikel mengatakan memang wakaf kemudahan sahaja. Tetapi wakaf ini, sebaik sahaja anda melibatkan diri dalam wakaf, anda perlu mendaftar di majlis agama.

Jadi anda perlu menyerahkan bukan penyelenggaraan, pengutipan dan sebagainya kepada pengurusan wakaf. Tetapi perkara tersebut, penduduk sendiri yang boleh berbincang untuk bahagian itu. Itulah bahagiannya.

Salah satu idea yang kami sedang bincangkan adalah, mungkin bukannya membina, kita pergi ke tanah. Jadi, anda perlu bekerjasama dengan kerajaan, dengan surau, penduduk sendiri,

wakaf, atau bahkan syarikat korporat yang ingin membuat wakaf. Sekarang banyak harta wakaf.

Dia bukan sekadar membina rumah sahaja. Berkenaan dengan Akta Pembangunan Wakaf, untuk makluman anda, Majlis Agama tidak berhasrat untuk membina perumahan mampu milik. Mereka hanya ingin membina projek komersial sahaja.

Hasil daripada wang itu, mereka akan melaksanakan perkara lain bagi tujuan wakaf. Saya faham bahawa Majlis, ketika Zakat Selangor bertemu dengan saya, mereka juga perlu bertemu dengan kami. Ini kerana mereka mempunyai tanah yang luas, bukan? Mereka mempunyai banyak tanah. Buat masa ini, tidak sesuai bagi mereka untuk membina rumah bertingkat tinggi. Semua itu tidak sesuai kerana tanah tersebut merupakan tanah premium. Mereka mahu melaksanakan projek tertentu, tetapi mereka tidak mahu menjual atau mewakafkan tanah tersebut.

Mereka ingin menjana pendapatan, dan pendapatan tersebut boleh digunakan untuk program wakaf. Jika itu yang mereka inginkan, maka mereka tidak boleh menjana keuntungan kerana ia tidak seimbang. Mereka mahukan pendapatan dan pulangan komersial dalam program sosial mereka.

Mereka cuba mengadaptasi model wakaf di Singapura. Singapura tidak mempunyai masalah perumahan mampu milik kerana 90% rakyatnya tinggal di perumahan kerajaan. Jadi, mereka menggunakan konsep istibdar semula untuk menukar semua aset. Mereka membangunkan semula kawasan Bangkolin Estate menjadi kawasan bernilai tinggi.

Terdapat kompleks membeli-belah, pasar, dan segala kemudahan lain yang berstatus tinggi. Projek perumahan yang dibangunkan juga bersifat mewah. Keuntungan daripada projek tersebut digunakan untuk pembangunan wakaf. Malah, ia bukan hanya di Singapura, tetapi juga di dua negara lain.

Di Malaysia? UDA adalah agensi yang sesuai untuk melaksanakan projek ini kerana UDA bersifat komersial. Namun, ia bukan sahaja bersifat komersial. Aspek sosial UDA lebih kepada memastikan keterangkuman dalam pembangunan komersial. Tetapi bagi pihak kami yang mempunyai tanggungjawab sosial, ia mengganggu aspek komersial yang boleh dijangka. Namun, adalah baik jika terdapat beberapa komponen dalam program perumahan mampu milik ini.

Saya amat menghargai perancangan yang dibuat sejak tahun 2019. Pada ketika itu, kami masih mencari penyelesaian terbaik. Tetapi perkara yang kami pelajari pada tahun 2013-2014 kini sedang berlaku. Oleh itu, kita dapat melihat idea-idea yang baik dapat diutarakan dan dikonseptualisasikan.

Namun, apabila berkaitan dengan keusahawanan, sukar untuk membuat orang memahami tujuan sesuatu perkara dilakukan. Saya bukan cuba mengganggu perniagaan atau sumber pendapatan mereka. Ini adalah untuk kebaikan semua pihak.

Itulah cabaran yang ada. Saya tidak pasti mengapa, mungkin ia adalah sifat semula jadi manusia. Oleh itu, apabila menyebut sifat semula jadi manusia, kita beralih kepada persoalan

terakhir. Apa yang PPR1MA lakukan untuk mengawal atau mengatur proses pembangunan, selepas pembangunan, serta kehidupan penduduk di PPR1MA?

Kami mempunyai struktur tadbir urus yang diperlukan untuk mendefinisikan dan mengawal proses pembangunan. Namun, perkara yang patut diberi perhatian ialah, pada akhirnya, orang hanya melihat hasil fizikal sahaja.

Mari kita lihat sepanjang tahun lalu. Aduan terbesar terhadap PPR1MA ialah berkenaan ketidakpastian projek. Ini disebabkan oleh struktur tadbir urus dan prosedur operasi standard (SOP) yang perlu diikuti.

Sebaliknya, daripada menyelesaikan masalah dengan menghapuskannya, kami perlu menghidupkan semula dan memperbaiki masalah tersebut agar ia menjadi sebahagian daripada penyelesaian. Itulah cabaran yang dihadapi. Terdapat 62 projek, dan kira-kira 10 daripadanya menghadapi cabaran ini tanpa tekanan daripada kedua-dua belah pihak.

Ini adalah cabaran. Ia suatu cabaran yang perlu difahami. Bukan cabaran untuk memahami, tetapi cabaran dalam memahami logik perumahan ini. Ia bukan sekadar ingin membeli rumah hari ini dan esok terus memilikinya. Prosesnya mengambil masa bertahun-tahun.

Dalam perspektif ini, logik seperti itu sukar diterima oleh penduduk di kawasan bandar. Namun, projek di kawasan bandar inilah yang memberikan cabaran besar. Apabila analisis dibuat, ramai pembeli mengadu tentang kelewatan projek, tetapi apabila diperiksa, sebenarnya mereka baru sahaja membeli rumah tersebut mengikut Perjanjian Jual Beli (SPA), dan masih ada tempoh masa untuk siap.

Jadi, pada masa itu, kami tidak boleh lari daripada tanggungjawab. Kami perlu menjawab persoalan ini secara berterusan. Kami mempunyai unit khidmat pelanggan untuk menangani pertikaian. Tribunal syarikat masih belum diaktifkan, tetapi pembeli boleh dirujuk ke tribunal syarikat tersebut.

PR1MA adalah satu-satunya pemaju di Malaysia yang menawarkan bayaran Liquidated and Ascertained Damages (LAD) sebelum projek siap. Ini adalah inisiatif yang dipersetujui oleh lembaga pengarah dan menteri. Ia adalah inisiatif yang baik untuk membantu pembeli. Namun, ia juga bermaksud bahawa syarikat perlu berdepan dengan cabaran dalam menguruskan harapan pembeli.

Salah satu sebab mengapa terdapat sentimen negatif terhadap PPR1MA ialah kerana kurangnya pemahaman terhadap model perniagaan kami. Selain itu, sumber pendapatan pihak tertentu mungkin terjejas.

Sebaliknya, mengapa kerajaan tidak menyediakan tanah kepada kami? Jika kerajaan boleh menyediakan dua lot tanah di setiap negeri setiap tahun, kami boleh membuat penilaian dan membangunkannya mengikut permintaan pasaran.

Pandangan peribadi saya, saya tidak memerlukan pengurangan kos tambahan jika kerajaan negeri bersedia menyediakan sumber tanah. Ini dapat mengurangkan kos, dan dana kerajaan boleh digunakan untuk membayar kos-kos berkaitan kepada kerajaan negeri dan pihak berkuasa tempatan lebih awal, tanpa mengganggu ekonomi mereka.

Model keseluruhan ini, saya sentiasa percaya, bahawa kita boleh melakukannya di mana semua pihak mendapat manfaat. Perkara yang menyedihkan adalah bahawa sangat sukar untuk mengumpulkan semua orang dalam satu bilik. Pertama, adalah untuk mendengar perkara yang dikatakan, kedua, adalah untuk semua orang, meninggalkan apa yang akan memberi kesan kepada kehidupan anda.

Ya. Dan mentaliti anda. Jadi, untuk sebahagian besar tahun 2019, perjalanan itu, saya mempunyai hubungan dengan Tuan Jeya. Tetapi itulah, rasanya, untuk anda memang, kos pembangunan itu tidak ada masalah, selagi anda mendapatkan simpanan tanah. Dalam skema besar, kos pembangunan hanya 5-10%. Kos tanah adalah 10-15%.

Jadi, mengapa kita, mengapa kita menekan? Orang ini memang sudah kecil, kerana 5%, 5-10% ini, dikongsi kepada berbilang pihak. Ada negeri, ada pihak berkuasa tempatan, ada beberapa perunding yang mendapat keuntungan daripada perkhidmatan pihak berkuasa tempatan. Jadi, anda menekan mereka, apabila ada sumber yang lebih besar yang anda boleh tekan.

Lebih baik. Tetapi jika itu, secara sementara, jika seperti tanah persendirian, jika kerajaan akan menyediakan saya 2, 2% daripada tanah, setiap negeri, setiap tahun, dengan pembangunan 5 tahun, bukan? Mengapa saya ingin pergi ke tanah persendirian? Sebab mengapa kita mengeksploitasi tanah persendirian adalah kerana kita tidak mendapat tanah daripada kerajaan. Ia adalah pelan B, jadi sekarang kita boleh kembali kepada pelan A. Sama, pelan A lebih mampu daripada pelan B. Lebih lestari pada masa lalu.

Jadi, terima kasih banyak-banyak. Saya sebenarnya gembira, anda bukan orang pertama yang saya kongsi semua ini. Ada beberapa pemain industri yang sudah mengetahui, kerana kita perlu mendapatkan cerita yang betul, anda adalah nombor 1. Dan saya tidak terlalu peduli mengenai aspek politiknya, tetapi saya peduli tentang perkara yang betul dikongsi.

Jadi, ia akan membantu, mungkin 5 tahun, 7 tahun kemudian, jika ada orang yang mahu mengkaji semula, memang betul, begini perlu dibuat begini, perlu dibuat begitu. Itulah perkaranya. Dan yang paling penting, saya tidak tahu sama ada anda menghargai bahagian ini atau tidak, iaitu terdapat salah faham umum antara pasukan pengurusan dahulu dengan pasukan pengurusan sekarang.

Dan perkara yang ingin saya tekankan adalah bahawa ideanya sangat, sangat baik, keadaan berlaku, mereka mempunyai masalah mereka, dan apa yang perlu kita lakukan, atau apa yang kita lakukan sekarang, adalah untuk memastikan bahawa apa, sekurang-kurangnya apa yang saya lakukan sekarang, adalah untuk memastikan bahawa idea itu boleh diteruskan. Itu sahaja. Betul tak? Dan kita berjaya untuk menyampaikan, dan mendapatkan, semua orang akses kepada program tersebut.

Dan untuk mereka, supaya orang tidak melihat ini sebagai percubaan satu kali sahaja. Ia seperti, ini adalah acara berterusan untuk terus menyediakan perkhidmatan. Sebenarnya, semasa pusingan pertama, saya pergi ke mesyuarat, tiba-tiba, mereka menjemput untuk, pada masa itu PWC, saya rasa, mesyuarat wakil serantau kan? Saya berkata seperti, baiklah, sebenarnya, memang ada salah faham daripada pihak kerajaan juga mengenai PPR1MA ini, dan mengapa pada awalnya PPR1MA berada di bawah JPM, bukannya KPKT? Jadi pada masa

itu, R1MA mempunyai akta, akta itu seperti memberi anda sumber kuasa untuk mengawal program perumahan formal ini. Kerana jika melihat definisinya, memang sangat jelas, kita mahu meliputi kompleksnya, kita mahu menyediakan kemudahannya, dan sebagainya kan? Bukannya seperti tempat yang berbeza-beza, seperti Rumah Pahang atau RMJ itu, ia hanya seperti lanjutan program perumahan rakyat mereka sahaja.

Jadi seperti, menyedihkan. Dan pada masa itu saya rasa, mereka berkata, jika mahu memansuhkan Akta PR1MA? Menutup semua. Saya rasa seperti, ia satu pembaziran wang.

Jika hendak membuat Akta PPR1MA itu, bukannya mudah, ia memerlukan banyak sumber juga kan? Dan kemudian ada penubuhan PPR1MA, seperti ini, mudah untuk dimansuhkan, seperti, baiklah, ia satu pembaziran. Akta PPR1MA itu, jika benar atau tidak, atau katakan, tidak kuat pun, anda boleh meminda, anda boleh meminda peruntukannya untuk menyesuaikan dengan keperluan anda. Tidak perlu untuk memperbaiki atau memansuhkan akta itu sendiri. Keseluruhan perkara jadi, semua ini, tentang, bagaimana akta itu digubal, ia tidak melibatkan orang ramai, dan sekali lagi, dengan orang yang tidak mengenalinya, dia menentang.

Penemuduga: jika dilihat daripada negara lain pun, sebenarnya, hanya Malaysia yang mempunyai Akta PPR1MA yang melibatkan perumahan mampu milik. Walaupun, ya, akta, mustahil untuk anda menentukan konsep berdasarkan standard rumah, berdasarkan julat pendapatan, ia hampir mustahil. Bahkan di Australia pun, definisi perumahan mampu miliknya pun, hanya dalam akta perancangan.

Responden: Ia bukan dalam struktur juga. Sebab itu, saya melihat seperti, itulah sebabnya tesis saya memang mengenai rangka kerja undang-undang, ia seperti, jadi, saya melihat semua, politik, ekonomi, ia hampir mustahil untuk anda meletakkan semuanya dalam satu. Ya, saya suka bahagian di mana, tadi seperti, satu soalan yang anda tanya, dan kita mengembangkannya sedikit ke arah bagaimana struktur boleh menjadi, jadi, dan kemudian, bahagian itu jika betul, dan kemudian, dilaksanakan dengan betul, anda akan mencipta pendekatan yang agak holistik.

Penemuduga: Itulah, saya melihat modelnya, jadi, holistiknya itu, sebab, jika kata kementerian perumahan, dia hanya mengendalikan rumah, untuk tujuan pembangunan, sebab itu dia ada hubungan dengan bahagian perancangan. Jadi, bahagian perancangan ini pun, memang, peranan kerajaan tempatan, dia memang diperkuatkan, dia memang terlibat, jika kata hendak membuat, untuk perumahan mampu milik, di mana, pendapatan, peranan kerajaan tempatan, jadi, maksudnya, segala-galanya tentang perumahan mampu milik itu, memang dipusatkan, mereka berhubung antara satu sama lain antara jabatan, seperti, di Malaysia, mesti akan ada yang terputus, hubungan itu, ia mesti akan ada yang terputus, sama ada seperti, anda tahu, G2G ini masalah ke, jadi, mesti ada. Jawapan paling mudah untuk itu, adalah tentang pendapatan tersebut.

Responden: Kenapa ia terputus, adalah kerana negeri, pihak berkuasa tempatan, ingin melindungi sumber pendapatan mereka. Dan ini adalah sumber pendapatan yang sah, jika kita mengganggu, maka mereka kehilangan, item pendapatan ini, yang sepatutnya menutup, item kos ini. Jadi, itulah cabarannya.

Tetapi cabaran itu, bagi saya seperti, boleh menjadi situasi menang-menang, jika semua orang perlu duduk, baiklah, ini yang anda mahu. Dalam segala benda ini, apa yang semua orang mahu, baiklah, dan apa yang anda bersedia untuk berkompromi. Jadi, dan saya fikir, menyerang hakim statutori itu bukanlah caranya.

Kesimpulannya, bagi memastikan kejayaan program perumahan mampu milik, perlu ada pendekatan yang lebih sistematik dalam perancangan, pelaksanaan, dan pemantauan. Kerjasama yang erat antara kerajaan, pemaju, dan institusi kewangan juga amat penting untuk memastikan objektif program ini dapat dicapai dengan lebih berkesan.

Baiklah. Baiklah. Baiklah.

Terima kasih.





APPENDIX 6

TEMU BUAL SEPARA BERSTRUKTUR 3

TOPIK: RANGKA KERJA UNDANG-UNDANG KE ARAH KELESTARIAN PROGRAM PERUMAHAN MAMPU MILIK

TARIKH: 27 APRIL 2022

RESPONDEN: PERBADANAN WAKAF SELANGOR

- a) DATO' HAJI IBRAHIM BIN HAJI MD. YUSOF**
- b) USTAZ ANUAR HAMZAH BIN TOHAR**

Penemuduga: Tajuk penyelidikannya ialah "Merangka Kerangka Penerangan untuk Mencapai Kelas M40 dalam Program Perumahan Mampu Milik di Malaysia". Tajuk ini berkaitan dengan PRIMA, dan terdapat cadangan daripada penyeliaanya untuk memasukkan elemen wakaf. Contohnya, di Pahang, terdapat projek wakaf untuk rumah mampu milik tetapi hanya untuk golongan yang telah bersara. Ia menyerupai skim perumahan bagi pesara.

Saya juga pernah menghadiri satu sesi di UDA yang membincangkan konsep wakaf dalam pembangunan perumahan mampu milik. Saya tidak melihat aspek pembinaan rumah mampu milik secara fizikal, tetapi lebih kepada program yang boleh disertakan dalam pembangunan tersebut. Terdapat cadangan untuk memasukkan elemen wakaf seperti masjid, sekolah, dan taska, serta aspek pengurusan lif dalam bangunan bertingkat.

Responden: Dalam satu sesi perbincangan MBA, kami memerhatikan bahawa individu yang bercakap dahulu akan menentukan hala tuju perbincangan dan mendapat markah lebih tinggi. Begitu juga dengan individu yang bercakap terakhir kerana mereka berperanan untuk merumuskan keseluruhan perbincangan. Justeru, strategi yang digunakan adalah memastikan individu tertentu bercakap dahulu dan terakhir supaya memperoleh markah penuh.

Seterusnya, Ustaz Anuar berkongsi pandangannya mengenai wakaf dan pembangunan rumah mampu milik. Beliau menerangkan bahawa terdapat projek yang menggunakan dana wakaf, terutama dalam pembangunan masjid di atas tanah wakaf. Dana ini boleh datang daripada

kerajaan atau hasil wakaf itu sendiri. Sebagai contoh, di Selangor, terdapat projek pembangunan masjid di atas tanah wakaf dengan dana yang dipinjam daripada wakaf.

Di Malaysia, wakaf perlu didaftarkan di bawah Majlis Agama Islam Negeri masing-masing. Ustaz Anuar menegaskan bahawa jika seseorang ingin berwakaf, mereka perlu memastikan ia dilakukan melalui badan rasmi seperti Perbadanan Wakaf Selangor agar tidak ditipu. Beliau juga menyatakan bahawa pengurusan harta wakaf harus memastikan ia terus menjadi milik umat Islam dan berkembang melalui pelbagai instrumen pelaburan.

Wakaf boleh diibaratkan seperti bank – semakin ramai yang mempercayai institusi wakaf, semakin banyak dana yang boleh dikumpulkan dan digunakan untuk manfaat masyarakat. Sebagai contoh, di Selangor, sekiranya dana wakaf dapat dikumpulkan sebanyak RM50 juta setahun, dalam tempoh 10 tahun, jumlah ini boleh mencapai separuh bilion ringgit. Dana ini tidak boleh digunakan untuk tujuan lain selain daripada tujuan wakaf yang telah ditetapkan.

Fatwa Selangor pernah mengeluarkan fatwa mengenai wakaf tunai pada tahun 2017, yang bermaksud bahawa dana wakaf boleh dibangunkan dengan syarat nilai asalnya tidak berkurang. Jika ia ditukar kepada aset, aset tersebut mesti mengekalkan nilai asal atau meningkat.

Dari segi pembangunan rumah mampu milik, wakaf boleh memainkan peranan dalam menyediakan tanah atau pembiayaan untuk projek tersebut. Namun, tanah wakaf tidak boleh dimiliki oleh individu secara peribadi, tetapi hanya boleh digunakan untuk manfaat umum. Sebagai contoh, Tabung Haji pernah melaksanakan projek perumahan menggunakan dana wakaf, tetapi pemilikan tanah tetap di bawah wakaf.

Pemilik asal tanah berkenaan telah mewakafkan tanah beliau untuk dimajukan. Jadi peranan agensi hari ini, sekiranya kami adalah seperti berikut. Ingat 1, 2, 3: nombor 3 itu adalah bagaimana hendak mengembangkan nilai harta wakaf.

Contoh: Jadi, di situ dikembangkan oleh Tabung Haji. Pemilik tanah itu ialah mawib yang mewakafkan tanah tersebut. Pembangunan atas tanah ini adalah milik Tabung Haji untuk tempoh katakan 30-40 tahun akan datang. Tabung Haji sewakan kepada Bank Islam. Manfaat daripada pembinaan itu diberi oleh Tabung Haji kepada mawib. Tambahan disewa Bank Islam, sewa katakan 1,000 ringgit. Daripada 1,000 ringgit tersebut, 10% diberi pada B. Manfaat itu dikumpul oleh mawib untuk kegunaan lain. Tetapi 30 tahun akan datang, tidak kita tahu berapa lama, harta itu akan pulang sepenuhnya kepada mawib dan mawib pula boleh meruntuhkan bangunan itu ataupun meneruskannya.

Begitu jugalah kesnya, lebih kurang pengiraannya, di Pulau Pinang. Tanah di Pulau Pinang ini tanah padang. Memang ada orang yang hendak menyewa. Jadi datanglah orang kaya yang ada wang yang tidak perlu mencagarkan tanah itu kepada pihak bank. Kita tidak mahu mencagarkan tanah kepada pihak bank, nanti takut tidak mampu bayar dan tanah itu tergadai. Sebab ingat nombor 2, iaitu mengekalkan hak milik tadi. Tiga perkara yang saya sebutkan: nombor 2 adalah mengekalkan hak milik.

Jadi kalau cerita yang di Pulau Pinang ini, Wakaf Aisyah, Siti Aisyah, dimajukan dengan wang pinjaman. Jadi tanah itu dicagarkan kepada pihak bank. Kalau tidak mampu bayar balik pinjaman, pihak bank akan melelong, habislah pemegangan harta tersebut. Sebab itu nombor 2 tadi, mempertahankan hak milik.

Jadi di sana, yang datang itu orang kaya UDA. UDA ada wang. UDA ini milik Kerajaan Persekutuan di bawah Kementerian Kewangan, dan UDA tidak perlu mencajkan tanah berkenaan. Dia buat katakan dengan harga 50 juta kompleks itu. Dia sewakan dengan kadar yang viable. Intinya viable. Jadi dia dapat pendapatan bulanan, boleh bayar balik return on investment yang banyak, dan pastinya bayar balik kepada Majlis Agama Islam Pulau Pinang. Wang itu akan dikembangkan pula oleh Majlis Agama Islam Pulau Pinang sebab nombor 3 tadi, iaitu mengembangkan harta wakaf. Saya harap di mana-mana pun mereka melihat 3 perkara ini jugalah. Yang lain itu technicality, macam-macam.

Penemuduga: Sekarang datang soalan yang Ustaz Anuar timbulkan tadi. Pemaju berkenaan boleh mewakafkan, tetapi kalau hendak buat murah, memang tidak boleh dengan harta wakaf?

Responden: Setakat ini tidak boleh dengan harta wakaf sebab viability itu menjadi tanggungjawab. Cuma kalau hendak juga, seperti yang Ustaz Anuar kata tadi, dalam kawasan itu ada surau, dalam kawasan itu ada padang permainan bola keranjang, jadi tanah berkenaan yang itu boleh digunakan oleh orang ramai. Di dalam itu ada dewan orang ramai untuk kegunaan seperti majlis keluarga, perkahwinan dan sebagainya.

Tanah itu boleh diwakafkan kepada Majlis Agama Islam berkenaan. Dia tidak perlu mengambil hakmilik. Kemudian Majlis Agama Islam berkenaan boleh mengumumkan siapa yang hendak menyewa tanah ini untuk kegunaan dewan perkahwinan. Jadi orang berkenaan, orang kaya berkenaan membina dengan harga 3 juta atau 2 juta dan mewakafkan wang 2-3 juta itu. Wang itu akan diberikan kepada Majlis Agama Islam berkenaan dan dia akan membangunkannya.

Ataupun seperti sahabat kita itu, ada 2 buah masjid yang dia wakafkan. Dua buah masjid dengan wangnya sendiri, tanah dia, wang dia, dia wakafkan masjid itu. Jadi bila sudah siap, dia serahkan kepada Ustaz Anuar. Ustaz Anuar pun mendaftarkan masjid itu, dan tanah itu akan menjadi milik MAIS sampai bila-bila. Jadi besok, di mana-mana pun, tanah itu tetap milik orang Islam.

Di Sendayan tu ada satu, Rashid Hussin, orang yang popular. Sendayan itu yang ada wang. Jadi apakah faedah orang ini? Orang ini pertama, orang yang sudah sedar bahawa berwakaf itu berfaedah. Wakaf ini apa? Wakaf untuk pahala.

Pahala sedekah. Kalau tanya pasal wakaf, mungkin tidak tahu. Wakaf seperti ini, apa beza wakaf dengan sedekah? Sedekah memang voluntary sahaja, tidak ditentukan kepada sesiapa pun. Wakaf pula boleh kepada sesiapa juga, cuma ia hanya spesifik untuk tujuan yang tertentu.

Pernah lihat orang Cina apabila meninggal, ada perayaan di mana mereka buat kertas berbentuk Mercedes, telefon bimbit... semua wang palsu. Pernah lihat? Apa tujuannya? Untuk si mati, masa dalam kubur, untuk kesenangan dia. Untuk dia hantar Mercedes baru, Mercedes EV ini? Ini adalah cerita mereka. Mereka percaya bahawa kita mesti mengisi kehidupan kita dengan yang sudah mati.

Dalam Islam ada 3 perkara... Kalau salah, jangan tegur saya. Takut tegur dia. Dia buat PhD ini, kalau salah, PhD besok, semua orang salah. Pagi tu kita duduk kedai kopi, lepas tu datang peminta sedekah. Kita beri dia 1 ringgit, dia beri kita apa? Tisu. Kita beri 2 ringgit pun, tisu. 5 ringgit pun, tisu juga. Ada orang beri 1 ringgit, tak harap tisu, tak payah. Dapat pahala, tak? Bila pahala itu dapat? Pahala itu akan diterima apabila kita sudah meninggal. Kadang-kadang masa itu juga.

Ataupun faedah daripada ASB akan dinikmati setahun kemudian. Begitulah sedekah akan dinikmati pahalanya apabila buku besok dibuka. Buku dibuka, tengok pahala-pahala yang sudah dibuat, masa itu baru dapat. Kalau dulu dia beri 1 ringgit, pada masa buku dibuka pun, tak ada. Nilai semasa bersih tidak ada. 1 ringgit juga. Itu adalah sedekah.

Sekarang pentafsiran infak dipanggil wakaf ini. Wakaf ini asalnya apa tadi? Menyerahkan balik harta yang Allah Ta'ala beri kepada kita ini kepada Allah SWT, pulang balik kepada Allah SWT untuk dinikmati oleh orang lain. Bukan dinikmati oleh orang lain, dinikmati oleh orang-orang lain. Itu kena jelas. Sekurang-kurangnya selamat oleh orang-orang lain.

Jadi apabila itu, ada satu hadis yang diulang-ulang: "Apabila mati anak Adam, terputuslah amalan dia." Dia akan bawa apa yang dia bawa sahaja. Tak ada dah. Dia duduk dalam kubur itu, tak dapat apa dah. Tunggu pada Mahsyar nanti baru dia buka buku.

Lily yang keluar ini, masa minum kopi itu, beri 1 ringgit. Waktu minum kopi sekejap lagi dengan kawan-kawan dia, nak tunjuk dengan sepatutnya, dengan bos dia, ada beri 10 ringgit. Itu sahaja akan dapat. Tapi kalau dia serahkan balik harta dalam bentuk kewangan, harta ini akan tiap-tiap hari berterusan kalau orang gunakan.

Jadi apa benda yang apabila terputus, mati anak Adam, apa benda yang akan terus dapat pahala di dalam kubur?

Pertama, doa. Doa anak yang soleh. Doa anak yang soleh. Oleh itu, tanggungjawab ibu bapa: anak yang soleh. Malanglah kalau kita, anak kita, kita sudah ajar tapi tak jadi. Malang sedikit. Tapi ada contoh, contoh, contoh yang cikgu, ustaz-ustaz kita ajar, maksudnya anak tak ikut cakap bapa. Yang jelas dalam Quran ada, dalam cerita betul-betul, anak derhaka. Memang ada, kita diuji. Nabi Allah Nuh pun diuji. Nuh, anak dia, isteri dia, dia suruh naik kapal: "Ini besar, kapal ini besar. Kamu naik lah." Tidak percaya dia.

Yang kedua, fikir yang pertama, sebab anak yang soleh ini, cikgu ustaz, bapa dia akan terus dapat pahala sebab dia akan mengajar orang, jadi imam, berbuat baik. Alhamdulillah, saya tak tahu anak saya macam mana.

Yang kedua apa? Sedekah sedekah jariah. Sedekah jariah. Bukan sedekah biasa. Sedekah jariah. 'Jariah' tu, tak ada 'jariah' dalam istilah Arab. Tak ada 'jariah' tu. 'Jariah' adalah mengalir. 'Jariah' mengalir. Itu untuk akhirat. Di dunia, wakaf ini sedekah. Yang beri peminta, tidak dapat dengan cukai. Tapi kalau sedekah itu, kalau nak tutup cukai, boleh? Ganjaran di dunia ini, wakaf boleh tutup cukai.

Responden: Ustaz Anuar usahakan Perbadanan Wakaf Selangor, satu-satunya permulaan yang mendapat perlepasan cukai dalam mereka berwakaf. Jumlahnya, teknologi... tekniknya, tanya Ustaz Anuar. Yang ketiga apa? Yang ketiga ini, pertama: anak yang soleh; kedua: sedekah jariah; jariah tu kena sebut. Yang ketiga: dipakai oleh orang ilmu yang berguna. Ilmu yang berguna. Jangan cakap ilmu pelik-pelik. Kalau ilmu pelik-pelik, orang tu pergi buat, pergi ke sana kemari, dan setiap kali orang itu buat, akan berdosa. Dia kata: "Aku sebut, aku buat, tapi kau buat sendiri, kau tanggung lah." Dia kata: "Aku nak sebut itu..." Dialog, dialog wayang gambar ini.

Ingat tak? Satu, dua, tiga. Ada tiga juga. Yang pertama, semua orang tahu bahawa wakaf lah dengan selangor. Yang kedua, kami akan jaga tanah wakaf ini tak hilang. Yang ketiga, kami akan perembangkan harta wakaf ini. Kenapa wakaf? Wakaf adalah harta mati. Ingat, sebab wakaf ada harta mati. Sudah mati baru dapat semata. Masa hidup dapat nikmatnya, hati senang. Yang kedua, dapat nikmatnya pengurangan cukai.

Jadi kita berhenti tadi. Macam ustaz Anuar, saya kata ustaz Anuar mengolahnya, saya mengolahnya, dapat markah tinggi juga. Ustaz Anuar kata mesti ada segala macam. Jadi di dalam elemen itu, kalau ada mesti ada segala macam itu diwakafkan, mungkin ada Perbadanan Wakaf hendak membeli tanah itu dengan duit wakaf, Ustaz Anuar kan? Jadi pemaju kurang lah biaya kos. Boleh lah dia kurangkan harga pembinaan itu. Jadi mesti lepas tu, tempat makan ke, atau tempat letak kereta ke, dia nak wakafkan.

Jadi ada usahawan ataupun Perbadanan Wakaf Perkembangan hendak beli. Ustaz Anuar tengok: "Ok, kita beli tanah ini." Walaupun Ustaz Anuar akan cari orang: "Adakah sesiapa yang nak mewakafkan masjid? Saya datang ke tempat di situ ada 5,000 masyarakat Islam, kelompok B40 di situ yang tentunya nak gunakan masjid berkenaan, tak mampu nak bina." Dia akan hebahkan.

Jadi ingat, perkara nombor 1: penghebahan. Perkara nombor 2: jadi bila dihebahkan oleh Ustaz Anuar dan kawan-kawannya, dia yakin dengan Perbadanan Wakaf Selangor ini: "Ok lah Ustaz Anuar, saya fikir anda pun sudah banyak buat masjid ini, yakin dengan itu. Ok, saya nak wakafkan duit saya ini untuk membeli tanah berkenaan, nak membina masjid."

Jadi itu jadi cerita yang panjang lebar tadi tu. Penglibatan itu ada. Ustaz Anuar sentuh tadi itu: pengurangan kos. Tapi boleh tak kita wakaf untuk setiap unit rumah? Setakat ini rasanya tak boleh sebab kita punya wakaf untuk orang awam.

Jadi, penyelia dia kata, cuba tengok boleh tak wakaf untuk tujuan pembinaan rumah kos rendah atau rumah mampu milik? Asas kepada arahan itu ialah bagaimanakah kita boleh mendapat pembiayaan murah untuk pembinaan rumah mampu milik? Satu daripada kerajaan, yang baik. Daripada cover yang bagus, dia akan tolong. Mungkin Madani-Madani ini kan nak bagi, kalau begitu.

Tapi boleh ke wakaf? Wakaf boleh, setakat ini. Tapi wakaf boleh ke membiayai pembinaan satu rumah, katakan RM30,000? Wakaf biaya RM10,000 dan dengan itu kita boleh terus jual

RM30,000? Jadi dia untung RM10,000. Setakat kepercayaan kita, tak boleh jadi asas kepada cerita.

Yang dia punya penyelia ini kata, bagaimanakah nak mendapatkan sumber kewangan yang murah sehingga kita boleh jual rumah mampu milik dengan murah? Itulah asasnya. Jadi kita tengok wakaf boleh tak? Dia kira macam nak mengurangkan, bukanlah kata betul-betul murah. Dia nak murahkan. Tak murahkan, tak murahkan. Kalau selama ini satu rumah tu RM120,000, boleh tak kita kurangkan jadi RM80,000? Contoh sahaja. Jadi semua itu berdasarkan pembiayaan.

Jadi cerita pembiayaan ini tadi, yang membuat murah. Kos sekarang ini sama, cuma pembiayaan, kos rupa sekarang ini. Kalau model yang kita gunakan tadi, apa modelnya?

Penemuduga: Kita mix modelnya. Oh, ya. Tak maksudnya, macam dalam satu program tu, dia mix, ada komponen wakaf. Bukannya seluruh program itu. Dia kata komponen wakaf. Asasnya, dia mesti diberi oleh seseorang, dan dia mesti diterima manfaatnya oleh ramai orang, dan dia mesti berkekalan.

Responden: Jadi kalau begitu cerita tadi, komponen yang boleh menyebabkan dia murah, mungkin Dewan Orang Ramai ataupun surau di tingkat 10. Pembinaan surau tu, kalau per kaki persegi RM300, kalau 3,000 kaki persegi, sekian banyaklah. Jadi kalau sekian banyak, Ustaz Anuar pun cerita: "Ada tak sesiapa nak mewakafkan surau di kompleks ABC bernilai RM9,000,000?" Jadi surau tu, hakmiliknya akan pergi kepada Majlis Agama Islam dan RM9,000,000 ini datang daripada pewakaf.

Asasnya ialah mesti ada orang yang nak mewakafkan harta dia. Cerita balik tadi, mesti ada orang percaya bahawa: "Aku simpan duit di Public Bank ini lebih baik daripada aku simpan duit di CIMB." Contoh lah. Jadi kita bertukar-cakap, asasnya ialah pengumpulan dana.

Penemuduga: Ustaz Anuar ada cakap... Macam tadi kita cakap pasal pengembangan. Saya lebih kepada, sebab sekarang ni kan banyak isu macam istibdal untuk tanah wakaf. Tanah ini ada isu pasal istibdal dan sesuatu. Jadi ada tak kemungkinan seperti pengumpulan dana, kita tumpu hanya kepada wakaf tunai? Jadi daripada pembangunan wakaf tunai itu, dana itu barulah kita membangunkan, contohnya seperti bahagian taman permainan ke, gimnasium ke, surau ke, ataupun klinik di dalam satu perumahan itu. Istibdal maksudnya kita tukar ganti tanah yang ada dengan nilai yang sama, cuma sekarang ini, seperti saya tengok daripada laporan-laporan,

yang menyatakan sebab bila tukar ganti tanah itu, tanah yang ditukar ganti itu nilainya kurang daripada yang sepatutnya.

Responden: Kalau hukum asal istibdal, dia mesti sama nilai ataupun lebih besar. Itu hukum asal wakaf istibdal. Maksudnya, istibdal tanah-tanah wakaf mesti nilai tanah itu sama ataupun lebih besar. Kalau nilai kurang, hukum wakaf itu tidak kena.

Dan konsep juga dalam asal istibdal ini adalah, kita buat penyerahan istibdal tadi itu kepada satu badan yang akan mengendalikan untuk kita bangunkan. Satu pembangunan, JKR, JPS, parit dan semua itu. Dia akan mengurangkan tanah wakaf, betul tak?

Responden: Tapi kalau di fatwa kita sekarang, bila satu-satu tanah itu telah pun diberi kuasa kepada siapa pengurusnya, contoh JKR yang akan menyenggara jalan dan sebagainya, dari sudut hukum syarak, sudah diputuskan harus, boleh.

Jadi bila kita bangunkan satu-satu pembangunan, memang kita dah serah: "Ok, JKR akan jaga ni, JPS akan jaga ni." Jadi dia tidak mengurangkan sebenarnya tanah wakaf tersebut, tetapi tanah tersebut telah pun diberikan satu kuasa menguruskan kepada pihak-pihak yang akan maintain tanah berkenaan sampai bila-bila. Dia tak boleh lepaskan.

Penemuduga: Maksudnya istibdal ini tanah dia, value, bukannya size?

Responden: Betul, value.

Penemuduga: Value inilah. Ustaz, dari itu, dia pergi maksudnya tanah ini boleh tak dia ambil oleh pihak berkuasa?

Responden: Boleh. Pasal macam dia akan berterusan. Reserve jalan itu milik JKR. Boleh ambil walaupun asas tanah kita 4 ekar, dia ambil 1 ekar untuk jalan. Jadi kita punya tanah dah kurang jadi 3 ekar. Tapi yang 1 ekar dia ambil untuk jalan itu, kalau dia bayar pampasan, masuk balik tabung. Kalau tidak, jalan itu akan berkekalan dimiliki oleh pentadbir tadi itu, JKR, dan dia gunakan jalan itu untuk orang ramai. Itu asas dia. Kena ingat, bila kita kata orang ramai ke tidak, orang ramai ke tidak. Istibdal ini yang mudah untuk kita orang kampung faham tu: Mewakafkan tanah dia dulu. Tanah itu memang jauh, di pedalaman. Tiba-tiba jalan, Ustaz, dibina dan tanah dia sudah berada di tepi jalan. Jadi apa nak buat dengan tanah di tepi jalan ini? Kita nak majukan, boleh buat macam-macam. Tapi kalau kita majukan, kita kena ganti. Kita kena majukan tadi untuk tujuan pemajuan pembnagunan biasa, bukan pembangunan dengan wakaf, kita kena ganti tanah ini dengan tanah lain. Itu istibdal.

Jadi kalau kita majukan dengan cara wakaf, pada peringkat sekarang ini mungkin jadi masalah sebab kita, tanah itu tak wakaf, boleh ambil pinjaman. Kecuali ada orang kaya seperti Ustaz tadi tu, majukan tanah. Jadi tanah itu tetap tanah wakaf di bawa nama MAIS, tetapi dipajakan untuk tempoh 60 tahun. Itu boleh.

Tapi kalau kita sendiri nak majukannya, kita kena cari tanah lain, istibdal yang sama nilai. Walaupun besar yang tak sama. Yang sini, tepi jalan ini, nilai 10 juta. Kita beli satu tanah lain yang nilai 10 juta, mungkin satu padang besar. Itu perkaitan asal usul perlaksanaan istibdal.

. Jadi Ustaz Anuar sudah cerita tentang istibdal itu. Jadi kalau tidak, kalau tak istibdal itu, jadi macam Wakaf Siti Fatimah, seseorang menyewa tanah itu dan hakmilik tanah itu masih lagi milik MAIS misalnya, MAIS. Begitu juga kalau sekiranya kita besok buat satu kompleks perniagaan, kompleks perniagaan di atas tanah wakaf, tetapi pembayar pembiayaannya bukan pakai...

Penemuduga: Semua ini pakai...

Responden: Ada orang nak, kita putih-putih kita wakafkan. Jadi kita dapatlah. pembiayaannya bukan menggunakan dana yang mencukupi. Semua ini menggunakan dana daripada pihak yang ingin kita melaksanakan projek. Kita telah memperoleh RM10 juta untuk membina kompleks perniagaan berskala kecil di lokasi tersebut yang kemudiannya akan disewakan. Dalam situasi ini, penyewa tidak mempunyai hak milik ke atas tanah tersebut tetapi hanya memiliki hak ke atas ruang yang disewa. Ini dibenarkan, tetapi hak milik tanah tetap kekal di bawah MAIS.

Ustaz Anuar sedang meneliti satu kompleks perniagaan berhampiran Punggong. Mereka berhasrat untuk menjual kepada kita pada harga RM13 juta. Tanah tersebut merupakan tanah wakaf. Kita mempunyai dana RM13 juta dan boleh membelinya, tetapi persoalannya adalah untuk tujuan apa? Kita boleh menyewakannya. Sekiranya RM13 juta diletakkan dalam bank dengan kadar pulangan 4% setahun, kita akan memperoleh sekitar RM10 ribu. Jadi, kita perlu mempertimbangkan pulangan pelaburan.

Ustaz Anuar sedang berbincang dengan pegawai bernama Uzairi: "We spend 13 million on this asset, how much money we can collect? How much opportunity cost?" Sekiranya kita menggunakan RM13 juta ini, bagaimana pulangan yang boleh dijana? Sebelum ini, mereka tidak mengambil kira aspek-aspek tersebut.

Penemuduga: Adakah terdapat projek dalam perancangan atau kerjasama? Sebenarnya, perumahan mampu milik ini diuruskan oleh Lembaga Zakat dan Wakaf. Masalah sebenar di

Malaysia ialah kita sering keliru antara konsep mampu milik dengan golongan asnaf. Fokus saya sebenarnya adalah pada golongan berpendapatan pertengahan. Kita sedia maklum bahawa golongan B40 telah dibantu oleh Lembaga Zakat, program asnaf, Rumah Mesra Rakyat, dan SPNB. Semua program tersebut telah memenuhi keperluan golongan B40. Apabila kita memperkenalkan rumah mampu milik untuk M40, ia ditujukan kepada golongan yang tidak mampu mencapai tahap T20 tetapi tidak layak untuk menerima bantuan B40. Konsepnya agak bercampur.

Responden: Bagi rumah wakaf, harga biasanya dalam lingkungan RM400,000 hingga RM500,000. Ada projek yang tidak boleh dikatakan sebagai rumah wakaf; ia adalah rumah yang dibina oleh syarikat kami, bukan menggunakan dana wakaf. Maksudnya, pembinaan rumah Wakaf Selangor adalah projek 1, 2, dan 3 yang disebutkan tadi. Tetapi ingat, kita tidak boleh menggunakan dana wakaf untuk tujuan tersebut.

Pada masa yang sama, kerana kita mempunyai tenaga kerja, kita juga boleh menjadi pemaju. Inilah sebabnya kami mempunyai dua akaun - satu akaun amanah dan satu akaun korporat. Akaun korporat perlu diaktifkan kerana di situlah kami membayar cukai.

Tanah wakaf sangat berpotensi, tetapi sewaan tidak begitu menguntungkan. Kita boleh mengambil tanah wakaf, memajukannya, dan membayar sewaan. Ini bermakna bahagian korporat kami menyewa tanah wakaf tersebut daripada pihak wakaf dan memajukannya dengan modal sendiri. Kami mengambil risiko dengan modal sendiri dan membayar sewaan bulanan berdasarkan kutipan.

Sekarang, kami sedang membina dua projek - satu hampir siap dan satu lagi adalah kios petrol di lokasi yang strategik. Ini bukan projek wakaf dan tidak ada kaitan dengan projek wakaf. Ia adalah projek korporat kami, tetapi kami membina di atas tanah wakaf seperti yang diceritakan pada awalnya tadi - Wakaf Siti Aisyah atau Wakaf Islam. Nama "Wakaf Siti Aisyah" kedengaran lebih menarik berbanding "Wakaf Haji Bedok". Di Kelantan, terdapat Wakaf CEA; orang mungkin bergurau kerana tidak mengetahui Wakaf CEA yang sebenar, tetapi Wakaf Siti Aisyah memang dikenali ramai.

Apa yang kami lakukan, melalui korporat Ustaz Anuar, adalah seperti Wakaf Siti Aisyah - menyewa daripada tanah wakaf yang dikendalikan oleh pihak tertentu. Terdapat juga tanah-tanah wakaf yang strategik yang kita boleh majukan sebagai pemaju. Pada suatu ketika dahulu, pihak UDA pernah meninjau cara-cara pembangunan ini, seperti projek Kuala Pinang. Ramai

yang mendakwa sebagai pengasas projek tersebut, tetapi sebenarnya UDA telah melakukannya sejak lama dahulu.

Seperti yang Ustaz Anuar katakan, tanah wakaf boleh dimajukan melalui penyewaan jangka pendek atau jangka panjang, tetapi tanah tersebut tidak boleh dicagarkan. Itu sudah jelas. Ustaz Anuar menyatakan bahawa penglibatan wakaf dalam pembangunan perumahan mampu milik boleh dilakukan dengan mengurangkan kos pembinaan.

Seperti yang Ustaz Anuar sebutkan tadi, beberapa komponen boleh diwakafkan asalkan komponen tersebut didaftarkan atas nama Majlis Agama Islam berkenaan dan digunakan untuk kepentingan awam - tidak kira Cina, Melayu, Muslim atau bukan Muslim. Sebagai contoh, di Bosnia yang kini bukan lagi negara majoriti Islam, masih terdapat wakaf daripada zaman Uthmaniyah yang dinikmati oleh semua masyarakat.

Adakah ada yang tidak jelas? Sudah jelas? tetapi memang perkara-perkara ini adalah fakta yang benar. Yang saya ingin jelaskan adalah bagaimana mengurangkan kos dengan menggunakan beberapa komponen wakaf.

Sebagai contoh, ambil program PR1MA. Mereka membangunkan program perumahan yang merangkumi pelbagai kemudahan seperti Dewan Orang Ramai dan Taman Permainan. Sekiranya projek tersebut ingin bekerjasama dengan wakaf, mereka boleh mengambil sebahagian tanah untuk masjid dan mendaftarkannya di bawah Majlis Agama. Mereka kemudian boleh melantik Pembinaan Wakaf untuk menguruskan harta tersebut atau masjid tersebut.

Ini boleh dilakukan, tetapi ingat, tanah tersebut mesti diwakafkan atas nama Majlis - bukan semestinya Wakaf Selangor, tetapi mana-mana Majlis Agama. Tanah tersebut bukan milik orang lain tetapi milik pemaju. Hanya bangunan (masjid) perlu diserahkan. Biasanya, jika bangunan itu runtuh pada masa hadapan, tanah tersebut masih milik pemaju.

Selalunya, pihak pemaju akan menyerahkan tanah tersebut kerana mereka tidak perlu membayar cukai tanah dan cukai pintu, dan mereka tidak akan meruntuhkan masjid berkenaan. Ini adalah syarat di Selangor. Saya fikir, melainkan pemaju tersebut mempunyai fikiran yang tidak waras dan ingin meruntuhkan masjid pada masa hadapan untuk mendapatkan semula tanah tersebut. Tetapi itu tidak perlu difikirkan.

Pemaju perlu menyerahkan masjid dan tanah tersebut. Dari segi geran tanah, sepatutnya jika tanah tersebut merupakan satu lot, serahkanlah tanah itu kepada pewakaf untuk membangunkan masjid di situ. Ataupun, sebarang komponen untuk kegunaan awam boleh dipertimbangkan, yang boleh mengurangkan kos pembangunan dengan mewakafkan tanah-tanah ini kepada Majlis. Tetapi dengan syarat Majlis perlu membeli, bukan mewakafkan secara percuma. Jika diwakafkan secara percuma, pemaju tidak mendapat apa-apa.

Apabila diwakafkan di sini, ia bukan wakaf seperti biasa. Wakaf ini bermaksud Majlis perlu membeli. Jadi, kita perlu menilai situasi tersebut. Bukan itu sahaja, rumah-rumah kedai dalam kawasan tersebut juga boleh dijual kepada Majlis. Majlis akan membeli, jadi ini bukan semata-mata mewakafkan tanah.

Katakan ada 10 rumah kedai di kawasan yang strategik dengan jumlah penduduk yang ramai - semua orang akan pergi ke kedai tersebut. Bolehkah Majlis membeli? Boleh, dengan menggunakan dana MAIS. Dana wakaf boleh digunakan untuk tujuan ini.

Katakan di kawasan tersebut ada 5,000 penduduk dan terdapat 10 rumah kedai, bermakna setiap rumah kedai mempunyai potensi pelanggan sekitar 500 orang. Berdasarkan kajian pegawai kita, ini adalah pembelian yang berpotensi, misalnya untuk membuka farmasi 24 jam yang pasti akan mendapat sambutan. Ustaz Noah bersetuju untuk membeli tiga unit dengan menggunakan dana wakaf.

Ini bukan mengurangkan kos mereka, tetapi ia boleh dilaksanakan. Caranya ialah dengan kita mewakafkan kenderaan wakaf yang akan dimiliki oleh Wakaf Selangor atau wakaf negeri lain. Tetapi jika ingin mengurangkan kos, cara lain ialah mereka membeli kawasan awam yang berpotensi. Jika itu masjid, proses di Selangor akan lebih cepat, tetapi untuk lain-lain mungkin akan sedikit lewat dan menimbulkan kontroversi.

Penemuduga : Adakah cadangan atau proposal daripada mana-mana pemaju untuk bekerjasama dengan wakaf, sekurang-kurangnya untuk mendapatkan dana wakaf tunai?

Responden: Sehingga kini, kita tidak mempunyai kerjasama sedemikian. Ada perbezaan antara orang yang mewakafkan tanah dengan kerjasama (collaboration). Mewakafkan tanah bermakna dia menyerahkan tanah tersebut, manakala kerjasama bermakna kita melakukan usaha sama dengan mereka.

Adakah orang yang mendorong pembangunan wakaf untuk menjual hartanah mereka untuk dibeli oleh wakaf sebagai jenama? Sebagai contoh, kes di Pudu itu bukan kerjasama. Mereka

berkata, "Tanah ini milik orang Melayu. Kami sudah tua. Bolehkah anda membeli?" Jika kita melihat ia berpotensi, kita akan membeli dan mungkin menawarkan harga. Jadi, tanah atau hartanah itu kita wakafkan secara kekal. Hartanah tersebut sekarang milik orang Melayu, tetapi mereka boleh menjual kepada sesiapa. Pudu adalah kawasan yang strategik, bukan semata-mata hartanah orang Melayu. Jika dijual kepada pihak lain, mungkin harganya lebih mahal, tetapi mereka mempunyai semangat untuk menjual kepada kita.

Ini berbeza dengan konsep kerjasama. Setakat ini, kita tidak mempunyai sebarang kerjasama, dan saya percaya tiada kerjasama di mana-mana pun. Sama ada UDA atau Tabung Haji, entiti Islam ini tidak bekerjasama tetapi menyewa, walaupun cara pelaksanaannya berbeza-beza.

Wakaf perniagaan berbeza daripada wakaf lain. Tiada program, tetapi dana orang awam mesti dipulangkan kepada orang awam. Itulah aspek sosialnya. Dana orang awam tidak boleh kita gunakan untuk kepentingan peribadi. Ramai orang tidak memahami struktur wakaf perniagaan. Mereka menganggap ia seperti perniagaan lain yang tidak menjana keuntungan. Ulang objektif wakaf tadi. Satu, penyerahan. Yang pertama ialah penghebatan, kedua pengekalan, dan ketiga pengembangan. Itulah dia. Jadi, program sosial tidak ada secara khusus.

Penemuduga: Soalan seterusnya, kesejahteraan. Berapa aspek kesejahteraan? Berapa sektor? Tiga? Pernah dengar 3S itu? Tidak tahu? Yang bercakap itu SDG (Sustainable Pembangunan Goals).

Responden: SDG itu ada 17. Sekarang semua bercakap tentang kelestarian. Apa sahaja projek yang ingin dilaksanakan, anda mesti mempertimbangkan tiga aspek ini. Tetapi saya katakan kepada mereka, Islam telah menetapkan prinsip ini lebih awal. Kita telah menerimanya pada tahun 2016. Lima lagi, menjaga zuriat dan sebagainya. Jadi, jika orang bercakap tentang kelestarian, kita sebagai umat Islam telah melaksanakannya lebih awal. Al-Quran telah menerangkannya terlebih dahulu.

Mereka yang berkulit putih berkata, "Anda adalah yang pertama, dan kemudian anda mengenakan kepada orang lain di dunia. Jika anda tidak melakukan ini, anda tidak akan mendapat penarafan." 2013? Jika ada orang yang berkata begitu, terima kasih.

Penemuduga: Salah satu bab dalam tesis tanggungjawab ini memang memberi tumpuan kepada SDG dan Maqāsid syariah, yang menggabungkan keduanya.

Responden: Kadang-kadang, kawan-kawan kita, anak-anak muda yang dahulunya bekerja di ISEA, sekarang sudah dewasa dan berkata, "Kita telah melakukan ini sejak lama. Maqāsid

syariah ini telah wujud sejak lama, sebelum perkara ini dikuatkuasakan oleh Datuk Seri Najib pada tahun 2016."

Sebahagiannya, tetapi kita menamakannya sebagai Maqāsid syariah. Kita tidak begitu selesa jika tidak mengikuti yang dipercayai. Syarikat Arab, Madani, adalah kerana Anuar. Jika Anuar tiada esok, semuanya akan berakhir.

Penemuduga: Soalan umum untuk Datuk dan Ustaz Anuar: Bagaimanakah sepatutnya konsep rumah mampu milik ini? Bagaimana seharusnya rumah mampu milik yang benar-benar mampu dimiliki dengan tangga gaji ekonomi yang bersesuaian, terutamanya untuk pembeli Bumiputera?

Responden: Kita perlu memikirkan perniagaan jangka panjang kerana pembeli Bumiputera Islam yang ingin memiliki rumah mampu milik, mungkin rumah pertama mereka, mestilah sesuai dengan tangga gaji mereka. Apabila ditetapkan gaji minimum RM1,700 atau RM1,500, sepatutnya hanya mereka yang berpendapatan RM1,500 sahaja yang boleh membeli, tetapi ini rumah mampu milik.

Sekiranya kita ingin menjadi pemimpin, kita mesti berani melakukan sesuatu yang berbeza daripada norma. Keutamaan kita ialah memastikan semua rakyat mempunyai tempat tinggal, tidak semestinya memiliki rumah. Menyewa pun tidak mengapa, asalkan mereka mempunyai tempat tinggal.

Pada suatu masa dahulu, Singapura memperkenalkan program HDB di mana semua rakyat Singapura mesti memiliki rumah. Apabila itu berlaku, mereka terpaksa merobohkan lebih 100 kampung Melayu dan membina rumah bertingkat tinggi. Tujuan sebenar mereka, seperti juga PR1MA, adalah untuk memindahkan kuasa politik orang Melayu yang bersatu. UMNO di Singapura akhirnya lemah kerana penduduk Melayu telah berpecah-belah.

Pada masa itu, pemimpin tidak memikirkan kesan jangka panjang. Jika mereka memikirkan ijazah MBA mereka, mereka tidak akan melakukan tindakan tersebut. Saya tidak tahu siapa yang menerajui PR1MA sekarang, tetapi saya rasa kecewa kerana mereka tidak mahu mendengar pandangan kami. Mereka berkata PR1MA terlalu kecil dan merujuk kepada Ketua Kewangan mereka, Nazri.

Nazri adalah orang yang memberi semangat kepada mereka. Dia adalah orang yang berdedikasi dalam pasukan itu. Apabila kami ingin berjumpa dengan PR1MA, mereka tidak menemui kami tetapi menghantar CFO mereka. CFO tersebut dahulunya adalah orang yang kami ingin audit. Semasa saya menjadi pengerusi, mereka juga ingin mengaudit.

Semasa saya berada di PR1MA, Nazri memahami keperluan tersebut. Di Singapura, matlamat utama adalah untuk memindahkan penduduk Melayu agar pada masa hadapan, pola pengundian mereka boleh dimanipulasi. Kesudahannya, rumah pangsa HDB yang mampu dimiliki oleh rakyat Singapura tidak memberi manfaat kepada sesiapa kecuali kerajaan, yang tidak mempunyai dana.

Dalam keadaan demikian, masyarakat Melayu berpecah teruk, kampung-kampung tiada lagi, dan orang Melayu di Singapura semakin berkurangan. Akibatnya, apabila pemilihan berlangsung, mereka tidak dapat sokongan kerana UMNO telah lemah. UMNO dahulunya kuat kerana mereka mempunyai perancangan jangka panjang. Jadi, sesiapa yang menjadi pengerusi seharusnya mengambil iktibar daripada sejarah ini.

Sekarang ini, pertanyaan “apa cerita?” panjang, jawapan pula singkat. Apa ceritanya? Jadi mestilah ada *kertidam* — kalau tak ada *kertidam*, tak jadi cerita. Cerita dongeng hari ini, esok turun — mana dia turun? Cakap “bunuh”, ceritalah.

Pendapat saya pasal orang bohong — jangan, jangan. Kalau tak ada *kertidam*, dia janji apa pun... Hari ini Dato’ Seri Anwar janji apa? Dia janji tentang wakaf. Terhadap wakaf ini, puas tak? Yang kata kementerian nak buat Wakaf Act, Wakaf Land Act — awak percaya ke?

Sebenarnya ceritanya bermula bila? Terhadap wakaf ini — bila dia meminta, dia cerita wakaf bukan sama. Dia pun, “wakaf, wakaf, wakaf,” mana dia cakap RM200 juta? RM200 juta? Ada RM200 juta? Tak ada. Yang masa bajet umum tu, tak boleh jadi.

Penemuduga: Ada cadangan untuk merangka akta pembangunan wakaf, tetapi perkara hal wakaf berkaitan tanah tiada dalam Kanun Tanah Negara.

Responden: Yang ada dalam Kanun Tanah Negara ialah apabila kita tandatangan Borang 14A tu — terpisahkan pemilikan itu kepada orang baru. Okey, orang baru tu bolehlah dikatakan sama ada tanah tu tanah *freehold*, atau tanah *leasehold*, ataupun ada juga satu lagi ditulis tu — Tanah Rizab Melayu.

Tanah Rizab Melayu ni dekat Kampung apa... Kampung Nakoda Oma tu. Kampung Nakoda Oma itu Cina tu kan. Dia kata, “Ini Cina sudah 50 tahun ini kampung, taruh nama Nakoda Oma.” Taruh nama Nakoda sebab kita pun tak suka dengar itu nama — *Nakoma*. *Nakoma* kurang *kajal*. Saya? *Nakoma* ni saya. Tapi masanya kerana dia dah duduk situ lama, dia sudah mula menuntut.

Jadi ceritanya sekarang ni, dalam Kanun Tanah Negara ada tiga. Kalau nak tambah satu lagi — yang Ustaz Anuar ni kata — semua tanah-tanah yang dimiliki oleh MAIWP sekarang ni, kalau nak dia pilih, ada atas dua nama. Satu nama MAIWP, dua nama MAIWP. Nama MAIWP yang pertama tu dalam Buku A. Nama MAIWP yang kedua dalam Buku B. Yang dalam Buku B ni direkod dalam komputer — dalam apa, MAIWP. Iaitu tanah-tanah yang MAIWP nak jual beli. Itu tanah-tanah negara. Awak tengokkan KTM tak?

Ustaz Anuar kat sini — dia masalah tanah wakaf. Tak ada dalam Tanah-Tanah Negara. Dia ingat jenis-jenis ni. Nak tu juga sokong, biar bawa ke Dewan. Dewan yang paling banyak buat. Dia kan kata, “Itu lah, itu lah. Dulu punya *time* lah.” Itu jenis-jenis. Sudah jadi masalah pasal itu — *government* orang putih yang taruh satu kampung, kau panggil kampung baru — *no village*. Ini yang asasnya. Tok dulu duduk dalam, makan. Ustaz dia tahu, Tok dah cukup. Kau boleh makan. Sebab itu dia tahu pasal wayang.

Wayang di Selangor banyak. Di Perak lagi banyak. Sekarang ni sudah 50 tahun, 100 tahun, sampai duduk situ. Kita nak isytihar ni kampung — itu tanah, itu kampung — sebagai apa? Kampung tradisi. Kampung warisan. Tradisi. Jadi dengan kehendakan kampung tu, adalah TOL. Kalau dekat kerajaan, berani boleh, utamanya keluar. Tapi bila dekat kampung tradisi, kampung warisan — daftar kat siapa? NSR? Apa tu? Yang miskin. Kalau kita hantar nanti, Miskin cakap — Malaysia.

Jadi kalau terlibat dalam KTN tu, kalau *check*, tapi awak kena tahu, tanya Ustaz Anuar. Di Selangor, berapa banyak, berapa ribu ekar tanah? Di Perak kita ada 1,800 ekar tanah wakaf. Di Selangor lebih kurang, lebih kurang. Tapi bahagian besar tanah wakaf tu apa? Orang Melayu mewakafkan tanah. Tanah mewah, dia tak wakaf lagi. Ataupun masjid — ya, tak tahu.

Jadi semua ini memang direkodkan dalam sistem 5S dan diuruskan oleh pengguna wakaf. Penggunaan wakaf lah. Jadi kalau ada kata 100... 100. Kalau kata ada 1,000 *property* tu, memang bawah wakaf lah. Sebab nombor dua ni apa? Mengekalkan. Ha, kami lah bertanggungjawab untuk mengekalkannya.

Sekarang kita dah ada *fatwa* yang boleh diumumkan lah.. Ha saya kata, “Kalau saya mati esok, isteri saya... saya mati dulu, tak apa. Saya nak ziarah senang. Satu juta empat, boleh kan Ustaz?”

Ha, Ustaz Anuar pula... kalau orang kata, “Eh banyak siapa ni?” — we are thinking of doing it, *corporatize* it. Macam mana? Macam Irwana.

Ha, kalau dekat Mesir, dekat Mesir yang dah jadi rangka, jadi tolak masuk baru — ha boleh je. Apa hukum agama?

Ha ha. Hukum kita ialah orang yang hidup — *fardhu kifayah* — untuk menyempurnakan si mati dengan sempurna cara Islam. Menghormati dia. Tapi kalau dia pulang-pulang tu lain lah. Daripada itu. Itu betul tak? Ya, ha betul.

Pada dia masa dia mati tu, kita kena menghormati jenazah itu dengan cara Islam — mandikan dia, solatkan dia, simpan. Lepas tu dia pulang tu — pulang, tak ada kaitan dengan pulang tu. Pulang ni kejadian orang percayaan tu. Sebab roh dia berada di tempat lain lah.

Jadi balik cerita tadi tu — cerita apa tu? Di Jakarta, orang dah mula jual-jual tanah kubur. Itu yang akhirnya mati, tempat yang hebat-hebat tu kan? Tanah kubur tu macam Paranggop. Kita belum buat lagi lah.

Kesimpulannya, elemen wakaf dalam pembangunan rumah mampu milik boleh membantu menyediakan perumahan yang lebih berpatutan, terutamanya bagi golongan berpendapatan rendah. Walau bagaimanapun, ia perlu diurus dengan baik supaya manfaatnya dapat dikekalkan untuk jangka masa panjang dan tidak disalahgunakan oleh pihak yang tidak bertanggungjawab.



APPENDIX 7

TEMU BUAL SEPARA BERSTRUKTUR 2

TOPIK: RANGKA KERJA UNDANG-UNDANG KE ARAH KELESTARIAN PROGRAM PERUMAHAN MAMPU MILIK

TARIKH: 31 MARCH 2021

RESPONDEN: EN SAHARUDDIN (DEWAN BANDARAYA KUALA LUMPUR)

Penemuduga: Saya merupakan penyelidik PhD, pelajar PhD. Secara asasnya, saya sebenarnya sedang menyediakan tesis mengenai formulasi rangka kerja undang-undang untuk mencapai kelestarian program perumahan mampu milik di Malaysia. Objektif kajian adalah untuk mengkaji konsep program perumahan mampu milik yang ditawarkan di Malaysia. Seterusnya, sama ada konsep tersebut diseragamkan atau tidak, ataupun konsep yang diguna pakai oleh semua penyedia perumahan sosial yang menawarkan program perumahan mampu milik. Kemudian, saya ingin mengkaji rangka kerja undang-undang semasa berkaitan program perumahan mampu milik yang terdapat di Malaysia. Secara asasnya, itulah tujuan tesis ini. Seperti yang saya fahami, pihak DBKL juga terlibat dalam program perumahan mampu milik sebagai satu tanggungjawab kepada masyarakat. Jadi, saya ingin bertanya, apakah dasar atau matlamat utama DBKL dalam membangunkan perumahan mampu milik?

Responden DBKL: Baiklah, untuk perkaitan dengan perumahan mampu milik, terdapat beberapa dasar terdahulu sebelum ini.

Pertama, sebelum tahun 2018, ia dikenali sebagai Dasar Rumah Mampu Milik Wilayah Persekutuan atau Rumah Awam yang puan mungkin pernah dengar. Ini berkaitan dengan zaman kerajaan Barisan Nasional di bawah YB Datuk Raja Noor Chik. Dasar tersebut diteruskan semasa zaman YB Datuk Seri Tengku Adnan sehingga tahun 2018.

Apabila berlaku pertukaran kerajaan, satu dasar baharu diperkenalkan yang merupakan penambahbaikan. Penambahbaikan dasar tersebut yang dahulunya dikenali sebagai Dasar Rumah Awam, kini dipanggil Dasar Residensi Prihatin.

Kedua-dua dasar pada asasnya adalah sama, hanya berbeza dari segi saiz. Dahulu semasa Dasar Rumah Awam, garis panduan minimum keluasan adalah 800 kaki persegi. Lebih besar daripada itu tidak menjadi masalah.

Semasa inisiatif Dasar Residensi diperkenalkan, keluasan rumah ditambah daripada 800 kaki persegi kepada 900 kaki persegi. Fasiliti kekal sama, tiada perubahan, hanya keluasan dan keselesaan sahaja yang dipertingkatkan.

Harga masih kekal di bawah RM300,000. Maksimum RM300,000 seunit. Jika kurang daripada itu, tidak menjadi masalah. Perbezaan hanya dari segi saiz sahaja.

Penemuduga: Kalau begitu, bagaimanakah konsep program perumahan mampu milik yang diguna pakai oleh DBKL? Contohnya, jika mengikut dasar, ia berdasarkan pendapatan tetapi bagaimana pula dengan kelayakan individu?

Responden: Untuk kelayakan, garis panduan masih ditetapkan di sini. Kami menetapkan syarat-syarat kelayakan. Untuk ini, had pendapatan isi rumah adalah RM15,000 ke bawah, jika saya tidak silap. Kemudian, syarat-syaratnya adalah individu tersebut tidak memiliki rumah di Kuala Lumpur. Tiada rumah di Kuala Lumpur. Pembelian mestilah rumah pertama.

Penemuduga: Bukan rumah kedua untuk dijual semula?

Responden: Rumah pertama, tiada pemilikan berkongsi, tiada rumah di Kuala Lumpur. Pendapatan isi rumah RM15,000, jika saya tidak silap. Mungkin sebanyak RM10,000, saya percaya. Ini adalah syarat-syarat DBKL. Dan yang menariknya, rumah yang dibeli sekiranya ditawarkan dan mendapat pembiayaan, akan dikenakan moratorium 10 tahun di mana pembeli tidak boleh menjual kepada mana-mana pihak dalam tempoh 10 tahun bermula dari tarikh Sijil Perakuan Siap dan Pematuhan (CCC).

Penemuduga: Jika tidak boleh menjual, bolehkah disewakan?

Responden DBKL: Ya, boleh disewakan.

Penemuduga: Bagaimana pula dengan sewaan jangka pendek yang kini menjadi trend seperti Airbnb?

Responden DBKL: Niat kerajaan adalah untuk membantu golongan berpendapatan rendah dan sederhana untuk memiliki rumah di Kuala Lumpur. Hasratnya, itulah objektifnya untuk memberi mereka keutamaan untuk tinggal di situ. Tetapi mereka ini pandai untuk mencari pendapatan tambahan melalui penyewaan. Mereka tinggal di luar Kuala Lumpur.

Penemuduga: Mereka tinggal di Semenyih, Selayang, atau Shah Alam. Jadi rumah tersebut disewakan?

Responden DBKL: Rumah tersebut disewakan.

Penemuduga: Tetapi DBKL membenarkannya?

Responden DBKL: Apabila rumah itu atas nama individu, kuasa kami tidak dapat digunakan kerana ia adalah rumah yang dibeli. Ia bukan rumah sewaan Datuk Bandar Kuala Lumpur. Berbeza. Orang beranggapan DBKL masih mempunyai hak untuk menamatkan. Jangan dilupakan bahawa mereka adalah pembeli, bukan penyewa. Jika mereka penyewa unit Datuk Bandar, kami boleh menamatkan penyewaan. Bagi pembeli, kami tiada kuasa itu.

Penemuduga: Jadi maksudnya moratorium itu hanyalah sekatan untuk tidak menjual semula sahaja. Jika mereka ingin melakukan apa-apa kepada rumah tersebut, terserah kepada mereka?

Responden DBKL: Terserah kepada mereka. Tiada satu badan untuk memantau rumah-rumah supaya tidak boleh disewakan. Hasrat kerajaan itu baik, tetapi rakyat Malaysia lebih bijak. Rakyat lebih pandai. Mereka ingin mencari pendapatan tambahan.

Penemuduga: Betul juga. Mereka ingin mencari pendapatan. Kita tidak boleh mengekang mereka, kita tidak boleh menghalau mereka.

Responden DBKL: Unit-unit itu adalah milik mereka.

Penemuduga: Betul. Kerana undang-undang kita tidak mempunyai kuasa penguatkuasaan. Jika tidak salah saya, bagi rumah PR1MA, mereka juga tidak membenarkan penyewaan. Jadi itu yang kita perhatikan, moratorium mereka adalah 10 tahun, tidak boleh disewakan, tidak boleh...

Responden DBKL: Berbeza. Jika dilihat di sini, tidak boleh menjual.

Penemuduga: Hanya tidak boleh menjual?

Responden DBKL: Ya, tidak dilarang untuk menyewa.

Penemuduga: Ya, sebab mereka boleh mengiklankan di Facebook Marketplace dan sebagainya, bukan?

Responden DBKL: Ya, boleh.

Penemuduga: Jadi, bagi DBKL, bagaimanakah peranan DBKL untuk menyokong dasar kerajaan, contohnya seperti Dasar Pembangunan Negara, Dasar Rumah Mampu Milik, dan sebagainya?

Responden DBKL: Dari segi peranan Datuk Bandar Kuala Lumpur, peranan pihak DBKL...

Penemuduga: Contohnya, Kementerian Perumahan dan Kerajaan Tempatan (KPKT) ingin membina satu juta rumah mampu milik untuk rakyat. Bagaimanakah peranan kerajaan tempatan untuk menyokong dasar tersebut? Adakah DBKL memberikan sokongan?

Responden DBKL: Baiklah, dari segi peranan kerajaan, DBKL sebagai pihak berkuasa tempatan, Datuk Bandar Kuala Lumpur di bawah Akta Perancangan, terdapat insentif atau keistimewaan tertentu. Di sana terdapat insentif-insentif yang kami benarkan sekiranya syarikat pemaju ingin membina 100% rumah mampu milik di atas tanah mereka sendiri.

Insentif tersebut termasuk pemberian ketumpatan (density) yang lebih tinggi. Jika biasanya ketumpatan adalah 400 unit, untuk projek khas ini, kami mungkin memberikan 800 unit bergantung kepada keluasan tanah, atau 1000 unit. Namun, ia masih tertakluk kepada Penilaian Impak Lalu Lintas (TIA). Jika TIA tidak membenarkan sehingga 1000 unit, mungkin dikurangkan kepada 800 unit bergantung kepada kesesuaian.

Kerajaan tempatan membenarkan tetapi masih mengambil kira beberapa aspek teknikal perancangan seperti TIA, Penilaian Impak Sosial, dan mungkin bantahan daripada penduduk setempat. Kami memang menggalakkan pembinaan rumah mampu milik, sebab itu kami memberikan peningkatan ketumpatan.

Maksudnya, bahagian perancangan akan berurusan secara langsung dengan pemaju. Terutamanya bagi projek yang melibatkan tanah-tanah Datuk Bandar Kuala Lumpur, pihak pemaju akan membuat cadangan kepada pengurusan tertinggi kami untuk pembangunan sesuatu tapak di atas tanah Kuala Lumpur.

Kaedah penelitian dan kajian mengenai cadangan tersebut akan dibuat di peringkat kami. Kami akan membawa jawatankuasa-jawatankuasa tertentu untuk membincangkan aspek teknikal, pulangan pelaburan kepada Datuk Bandar dan sebagainya. Semua itu akan dikaji di sini.

Penemuduga: Maksudnya sekarang ini, untuk program ini, bagaimanakah pihak DBKL menyediakan sumber kewangan untuk menyokong program perumahan mampu milik? Kerana Kuala Lumpur memberikan beberapa insentif, bagaimanakah sumber kewangan diperuntukkan oleh Datuk Bandar?

Responden DBKL: Saya akan menjawab secara umum. Saya tidak boleh menganggap kenyataan saya mewakili Datuk Bandar. Kenyataan saya mewakili diri saya sebagai pegawai biasa atau pegawai yang menguruskan hal ini. Pandangan saya mungkin berbeza dengan pengurusan tertinggi. Jangan anggap ini sebagai pandangan Datuk Bandar atau DBKL. Saya ingin tekankan, ini adalah pandangan peribadi saya, bukan melibatkan pengurusan tertinggi saya.

Responden DBKL: Apabila terdapat cadangan-cadangan seperti itu, insentif yang boleh diberikan oleh Datuk Bandar seperti yang saya sebutkan tadi termasuk ketumpatan. Jika pemaju membina seluruhnya rumah mampu milik, mungkin caj pembangunan akan dikecualikan atau dikurangkan. Itu tertakluk kepada keputusan Lembaga yang menguruskan, sama ada ingin mengecualikan atau memberikan diskaun.

Penemuduga: Berkenaan dengan sumber kewangan, bagaimanakah DBKL menyokong pembangunan dan memperbanyakkan lagi pembangunan rumah mampu milik ini?

Responden DBKL: Pada asasnya, jika DBKL ingin menanggung 100% pembangunan, ia adalah di luar kemampuan. Wang yang diterima oleh DBKL adalah wang rakyat. Jika kita menggunakan wang rakyat untuk sesuatu pembangunan tertentu, ia tidak begitu adil.

Apa yang kita lakukan sekarang adalah melalui kaedah Perkongsian Projek Swasta (PPP). Kita mencadangkan kepada pihak syarikat atau kita melakukan tender terbuka. Saya rasa tender terbuka lebih mudah untuk membolehkan syarikat-syarikat mengemukakan cadangan mengenai apa yang boleh dibangunkan di tempat tersebut dan apa yang boleh dikongsi bersama Datuk Bandar. Itu lebih praktikal berbanding jika DBKL mengeluarkan sejumlah besar dana untuk melaksanakan projek-projek tersebut.

Penemuduga: Adakah itu termasuk Program Perumahan Rakyat (PPR)?

Responden: Ya, mengenai skim tersebut, kita sebenarnya menggalakkan pihak swasta untuk memulakan dan mengemukakan cadangan proposal tentang bagaimana mereka ingin membangunkan sesuatu kawasan pembangunan usang. Namun, tanah tersebut adalah milik

Dewan Bandaraya Kuala Lumpur (DBKL). Walau bagaimanapun, terdapat beberapa kawasan perumahan di bawah DBKL yang sebelum ini merupakan tanah Datuk Bandar, tetapi apabila berlaku proses penjualan dan pemilikan strata dikeluarkan, tanah tersebut kini dikongsi sama ada oleh pemilik individu atau melalui badan pengurusan bersama seperti Perbadanan Pengurusan (MC) atau Jawatankuasa Pengurusan Bersama (JMB). Jadi, tanah itu bukan lagi milik penuh Datuk Bandar sekiranya penjualan telah berlaku.

Namun, jika perumahan tersebut masih disewakan sepenuhnya, maka tanah itu masih dianggap sebagai tanah Datuk Bandar kerana ia merupakan sebahagian daripada dasar kerajaan sebelum ini yang menggalakkan penyewaan, tetapi kini lebih cenderung kepada penjualan. Oleh itu, wujud satu keadaan campuran di mana ada unit yang telah dijual dan ada yang masih disewakan. Keadaan ini sebenarnya agak serupa dengan isu yang dibangkitkan oleh Kementerian Pembangunan Kerajaan Tempatan (KPKT) mengenai Projek Perumahan Rakyat (PPR), di mana wujud situasi campuran antara unit yang dibeli, dijual, dan disewa.

Situasi ini agak kompleks kerana kita perlu memenuhi keperluan pelbagai pihak, terutama pembeli yang mempunyai hak serta kuasa dalam menentukan pembangunan kawasan mereka. Jika pembangunan ingin dilakukan, ia boleh dilaksanakan melalui pengambilan tanah atau unit, tetapi kosnya sangat tinggi. Dalam kes pengambilan tanah, perlu ada peruntukan sekurang-kurangnya 125% dari nilai asal, yang terdiri daripada 50% pembayaran ganti rugi serta tambahan lain. Ini merupakan cabaran besar yang perlu dipertimbangkan oleh pihak pemaju.

Penemuduga: Adakah pernah berlaku situasi di mana pemaju swasta ingin bekerjasama dengan DBKL bagi pembangunan di atas tanah milik mereka sendiri, mungkin melalui usaha sama (JV)?

Responden: Setakat ini, saya belum pernah menemui situasi seperti itu. Kebiasaannya, pemaju swasta lebih berminat untuk bekerjasama dengan DBKL jika tanah tersebut milik Datuk Bandar. Ini menunjukkan bahawa sektor swasta masih belum terbuka sepenuhnya dalam menyokong program perumahan mampu milik yang dilaksanakan kerajaan. Saya sendiri tidak pasti mengenai kadar pulangan pelaburan (ROI) yang mereka harapkan. Ada syarikat yang berpuas hati dengan ROI sekitar 15% hingga 17%, tetapi ada juga yang mensasarkan 20%

hingga 25%. Faktor keuntungan memainkan peranan besar dalam keputusan mereka untuk terlibat dalam projek-projek perumahan mampu milik ini.

Penemuduga: Jika kita melihat dari sudut kos pembinaan, berapakah anggaran kos pembangunan bagi setiap kaki persegi untuk rumah mampu milik?

Responden: Anggaran kos pembinaan bagi rumah mampu milik adalah sekitar RM200 hingga RM250 bagi setiap kaki persegi. Namun, ini tidak termasuk kos tanah dan pembangunan keseluruhan. Jika mengambil kira kos bahan binaan, pembangunan infrastruktur, caj berkaitan, dan lain-lain, maka kos keseluruhan akan lebih tinggi. Sesetengah syarikat meletakkan kos pembangunan sekitar 30% hingga 40% daripada kos pembinaan, yang merupakan tambahan kepada keseluruhan perbelanjaan.

Penemuduga: Bagaimana pula dengan program pembiayaan kerajaan bagi perumahan seperti Rumah Wilayah Persekutuan (Rumah WIP)? Adakah terdapat sebarang bantuan daripada kerajaan?

Responden: Di DBKL, kami tidak mempunyai sebarang pembiayaan khusus untuk program seperti ini. Semua dana diperoleh daripada sumber dalaman kami sendiri. Terdapat persepsi bahawa DBKL mempunyai pendapatan yang tinggi, tetapi realitinya perbelanjaan kami untuk penyelenggaraan juga sangat besar. Sebagai contoh, DBKL menguruskan sekitar 61,000 unit PPR, di mana lebih daripada 23,000 unit telah dijual, tetapi masih terdapat kira-kira 37,000 unit dalam kategori penyewaan. Dari jumlah ini, ramai penyewa yang tidak membayar sewa secara konsisten. Sewa bagi unit PPR hanya RM124 sebulan, tetapi kos penyelenggaraan keseluruhan boleh mencecah RM70 juta setahun.

Penemuduga: Bagaimana pula dengan rancangan masa depan mengenai skim "rent-to-own" (sewa untuk memiliki)? Adakah DBKL mempunyai perancangan untuk memperkenalkan skim ini?

Responden: Kami pernah melakukan sedikit kajian mengenai pelaksanaan skim "rent-to-own" di beberapa pihak berkuasa tempatan, termasuk di Selangor. Namun, harus diingat bahawa di Selangor, skim ini dikendalikan oleh anak syarikat kerajaan negeri, bukan pihak berkuasa tempatan (PBT) itu sendiri. Kami di DBKL tidak mempunyai kapasiti sebagai syarikat untuk menawarkan pembiayaan secara langsung kerana fungsi utama kami adalah sebagai penyedia perkhidmatan, bukan entiti berorientasikan keuntungan.

Penemuduga: Dari segi kemudahan yang disediakan dalam projek-projek perumahan DBKL, adakah ia setanding dengan PPR atau bergantung kepada jenis pembangunan?

Responden: Garis panduan bagi perumahan seperti Rumah WIP di Wilayah Persekutuan telah ditetapkan dan merangkumi keperluan asas seperti surau, taman permainan, ruang terbuka, serta bilik pengurusan jenazah. Ini selaras dengan standard yang ditetapkan dalam Akta Perancangan Bandar dan Desa.

Penemuduga: Mengenai trend semasa, kita melihat terdapat banyak unit rumah yang tidak terjual, khususnya bagi rumah harga bebas. Adakah isu ini turut melibatkan rumah mampu milik di bawah DBKL?

Responden: Tidak, bagi rumah mampu milik, ia tidak menghadapi masalah "overhang" kerana unit-unit ini tetap mendapat permintaan. Cuma, proses penjualan boleh mengambil masa yang lebih lama kerana faktor seperti kelulusan pinjaman bank dan keupayaan pembeli untuk mendapatkan pembiayaan. Sebaliknya, rumah harga bebas yang berharga RM500,000 ke atas lebih terjejas kerana harga yang tinggi serta ketidakseimbangan antara penawaran dan permintaan.

Penemuduga: Adakah DBKL menyokong penggunaan teknologi dalam pembangunan perumahan bagi mengurangkan kos dan meningkatkan kecekapan?

Responden: Ya, kami menggalakkan penggunaan teknologi baru yang dapat mengurangkan kos dan memanfaatkan ruang tanah yang terhad. Sebagai contoh, terdapat cadangan untuk menggunakan sistem modular, tetapi sehingga kini, teknologi ini masih belum diuji untuk bangunan setinggi 30 hingga 40 tingkat. Selain itu, terdapat juga konsep perumahan transit menggunakan kontena yang dicadangkan oleh beberapa pihak swasta, tetapi isu utama adalah kesesuaian tapak dan sewa tanah yang diperlukan untuk pemasangan struktur tersebut.

Penemuduga: Adakah DBKL mempunyai rancangan untuk memperluaskan projek perumahan mikro atau rumah bandar bagi golongan muda dan pekerja baharu?

Responden: Ya, DBKL telah memulakan projek perumahan mikro di beberapa lokasi dengan kadar sewa rendah sekitar RM100 sebulan. Sasaran utama adalah pekerja muda yang baru berhijrah ke Kuala Lumpur dan masih belum mempunyai kestabilan kewangan. Kami juga sedang meneliti beberapa tapak lain untuk memperluaskan inisiatif ini.

Kita kekurangan sumber tanah di Kuala Lumpur ini. Jadi, teknologi baharu itu, jika ada pihak-pihak yang boleh memperkenalkan Komins Datuk Bandar, Komins TBKL boleh dibina setiap petikan, bolehlah kita pertimbangkan. Sebab TBKL memang ke arah itu yang kita tahu, sebesar kita makin kurang. Cuma setakat itu saya dapat tahu, modular sistem itu dialah, tetapi bila orang kata tak ada pihak-pihak pemaju yang boleh meyakinkan lagi, boleh memena 30 tingkat dan ke atas, agak sukarlah.

Modular sistem dia banyak landed sebenarnya. Setakat ini saya pun begitu. Banyak landed saya pernah jumpa, tetapi bertingkat dia paling berbelas tingkat sahaja. Ada pun yang IBS itu, rasanya ada satu pemaju, apakah namanya? Dia buat satu projek Prima for IBS. Berapa tingkat itu? 20 tingkat, 20 tingkat ke atas. Kalau ada yang boleh meyakinkan tentang teknologi itu, mungkinlah sebab sekolah dia tinggi. Kita tak tahu setakat mana di situ. Sebab rumah pun tinggi.

Penemuduga: Lepas itu, kalau macam dari segi perlindungan alam sekitar itu, macam mana?

Responden: Perlindungan alam sekitar mengikut perancangan. Atas perancangan di DBKL dia memang ada. Sudah di... orang kata dalam atas perancangan memang ada ruang ataupun kawasan hijau yang diperuntukkan oleh setiap pemaju dalam skim pembangunan mereka. Itu memang tak boleh lari daripada perancangan. Jadi kita ikut yang itu. Kawasan hijau itu mesti ada. Ruang terbuka, kawasan hijau, taman permainan, itu kena ada.

Penemuduga: Dari segi perancangan maksudnya sebelum memulakan projek itu, adakah mengambil kira tentang perlindungan alam sekitar ini, terutamanya di KL?

Responden: Sebab kami ada di sini, ada jawatankuasa One Stop Centre, yang mana semua pemaju kena bentangkan pelan dan kita beri komen. Berapa ruang terbuka yang dia kena peruntukkan, apa yang kena ada, semua dalam itu sudah ada dibincangkan. Jadi memang kita di DBKL ambil kira macam saya katakan, penilaian impak, penilaian impak sosial, ke alam sekitar ke, penilaian impak ada. RIA, SIA, penilaian impak sosial, alam sekitar pun ada, RIA pun ada. Ambil kira yang itu. Ruang terbuka dia berapa, keluasan dia berapa, semua kena ambil kira. Terutamanya yang paling sesak, kalau terlalu sesak, kerana kepadatan KL, memang tinggi. Sebab dia, taulah, saya tak boleh nak lari daripada pembangunan.

Tak boleh lari daripada pembangunan. Kalau ada PBT lain setakat ini mungkin berpuluh sahaja untuk pembangunan OAC ini, tetapi di KL saya dengar, saya tak tahu betul atau tidak, beribu. Beribu tetapi rumah yang tak terjual itu banyak lagi. Pembangunan terlalu banyak daripada sekecil-kecil pengubahsuaian sehinggalah pembangunan yang besar sekaligus.

Penemuduga: Sebut pasal pengubahsuaian, contohnya rumah-rumah PPR yang orang kata, adakah yang di bawah kualiti, maksudnya sudah tak boleh diduduki dan PPR perlu diubahsuai atau diperbaharui?

Responden: Ya, saya tak pastilah garis panduan terkini ada tidak, tetapi di dalam garis panduan kita panggil pembangunan semula, urban renewal, pembangunan semula lebih senang. Kita mengambil kira rumah-rumah yang telah melewati tempoh 40 tahun. 40 tahun kita anggap untuk pembangunan yang boleh dibuat pembangunan semula, lebih 40 tahun. Sebab saya

pernah datang ke bengkel-bengkel untuk penyelenggaraan satu-satu bangunan. Tempoh hayat dia 35 ke 40 tahun, saya tak pasti, saya tak ingat. Jadi 40 tahun itu kita sudah boleh ambil kira sebagai ada bangunan besar untuk kita buat pembangunan semula.

Penemuduga: Adakah projek itu sekarang?

Responden: Akan datang ada. Kawasan Setapak. Sebab tak salah saya beberapa tahun lalu, bukankah ada dapat bajet untuk cat semula PPR. Rasa ini ada cat semula untuk buat dewan komuniti serta perumahan. Dulu macam tak ada di sini, KL ini ada satu yang bawah KPKT, PPR itu bawa KPKT. Tetapi dia terletak di PBT, maka yang menyelenggara dan menempatkan penduduk itu adalah sepatutnya KPKT. Jadi maksudnya bajet ini adalah bajet KPKT. Mereka bina di Kuala Lumpur, di Setapak contohnya. Diserahkan projek itu kepada DBKL untuk kita buat pengisian. Menyelenggara negara dan pengisian, menyelenggara pun kami kena. Tetapi bajet menyelenggara negara, bajet tak turun daripada KPKT.

Dan kami pula ada projek perumahan kita sendiri, perumahan awam dipanggil. Satu PPR, satu PA. PA, perumahan awam ini di bawah DBKL, di bawah bajet DBKL. Kami selenggara juga. Bajet pun bajet DBKL, projek itu.

Penemuduga: Kalau macam pasaran terbuka punya perumahan ini, kalau dia nak buat, katalah, adakah ketetapan daripada DBKL untuk dia kata, "Okey, sekarang kita benarkan projek ini, tetapi anda kena buat satu projek untuk kumpulan berpendapatan rendah"?

Responden: Memang ada. Tetapi kita usaha sama atau tidak? Tidak. Kalau katakan, tanah Datuk Bandar bila syarikat bercadang untuk buat usaha sama atau nak beli ini dari Datuk Bandar, kita akan tetapkan, "Kalau anda berminat untuk memajukan tanah seluas ini, anda kena buat 50-50 contohnya. 20% untuk rumah kumpulan berpendapatan rendah atau residensi prihatin, 50% untuk harga bebas."

Untuk residensi prihatin atau rumah kumpulan berpendapatan rendah itu, yang mana Datuk Bandar DBKL akan memberikan pengecualian untuk caj pembangunan. Harga bebas itu bayarlah. Jadi dia dapat insentif di situ. Dia dapat caj pembangunan, pengurangan ataupun

pengecualian. Dia dapat kepadatan tertinggi di situ bergantung kepada tapak tersebut. Itu sahajalah yang kita boleh bantu untuk menyokong hasrat kerajaan untuk memperbanyakkan rumah kumpulan berpendapatan rendah. Pada masa yang sama, syarikat bolehlah mendapat keuntungan sedikit. Sebab dia akan letak harga bebas untuk subsidi silang.

Jadi, kalau daripada peranan DBKL untuk mentadbir ataupun kita nak mentadbir program pembangunan perumahan itu, macam mana pula fungsi DBKL di situ? Adakah ataupun kita buat satu peraturan, garis panduan untuk mereka untuk pembangunan perumahan itu? Satu lagi, untuk yang katalah ada isu yang melibatkan penduduk di perumahan mampu milik itu, adakah garis panduan atau spesifikasi?

Penemuduga: Sebab sekarang ini DBKL sudah bina rumah itu, walaupun sudah jual, tetapi rumah itu masih lagi dipanggil residensi wilayah. Jadi apa peranan DBKL? Tidak akan berhenti di penjualan, sudah berhenti?

Responden: Kalau projek usaha sama, kita ada pandangan dalam itu, tetapi kalau penjualan tanah, saya sudah jual pada puan, kita minta dia ikut sahaja garis panduan. Garis panduan, spesifikasi, semua kena ikut. Itu daripada segi pembangunan. Dari segi pemantauan lain-lain, kita tak ada. Tak ada langsung.

Penemuduga: DBKL pun tak ditetapkan contohnya kalau Perbadanan Pengurusan dengan Badan Pengurusan Bersama kena melanggan kepada pengurusan kemudahan yang tertentu?

Responden: Tak ada. Memang kalau katakan pembangunan itu 100% sudah dijual ataupun dibeli, kalau ikutkan DBKL tak ada peranan. Tetapi ada, kita ada COB. COB di bawah DBKL juga. Yang itu sahaja peraturan yang boleh dikenakan kepada Perbadanan Pengurusan ataupun Badan Pengurusan Bersama. Jadi pemantauannya melalui COB sahaja. Tak ada apa-apa garis panduan ataupun prosedur operasi standard pada penduduk.

Konsepnya sama dengan pembangunan yang lain. Kita tak boleh nak pisah-pisahkan atau beza-bezakan. Yang ini DBKL punya, dia tak selaras nanti. Maksudnya dia memang DBKL yang betul-betul ada kuasa, ada kuasa dalam rumah yang disewa sahaja. Rumah yang disewa sahaja.

Sebab dari segi undang-undang pun, kita tak ada, tak boleh nak buat, tak boleh nak kenakan. Sebab bila orang sudah beli, hak dia, kita pihak berkuasa tempatan nak kenakan satu-satu syarat, agak macam janggal. Kecuali apa yang kita nak syaratkan sebenarnya, "Anda tak boleh nak menyewakan". Kalau katakan macam PR1MA, macam orang kata, dalam hak milik pun memang tak boleh.

Okey, ini tidak. DBKL memang tak ke arah itu. Orang kata ketat punya pemantauan. Tak usahlah kita memperbanyakkan masalah kita. Yang sudah ada pun cukup. Tak usahlah nak tambah-tambah lagi. Itu pandangan saya. Tak tahulah kalau DBKL akan datang nak tengok arah itu. Sebab DBKL sudah ada PBT pemantauan. Lain macam Prima. Orang kata kewujudan dia itu memang rumah sahaja. Fokus di situ.

Kami sudah ada beribu masalah dengan penduduk, dengan rakyat. Kita nak bergaduh lagi? Bukan senang pun nak buat pembangunan semula. Di bawah saya sekarang ini, kita ada rumah-rumah pemilik, ada rumah mikro, mikro home, pembangunan semula. Oh, council home itu. Jadi council home kita ada. Council home ini ikut perancangan awal, bajet DBKL. Bajet DBKL. Kita buat rumah untuk macam kelas menengah. Harga dapat dikurang dalam pasaran RM300,000 macam itu.

Penemuduga: Kita ingin memberikan sewa kepada penduduk Kuala Lumpur untuk tempoh tertentu. Dahulu, perancangan ini telah dibuat. Sekarang, saya tidak dapat memberikan kepastian kerana pihak DBKL sedang mengkaji semula inisiatif ini. Hal ini merupakan inisiatif semasa perancangan nasional terdahulu, ketika zaman pemerintahan PH. Namun, pada zaman Perdana Menteri sekarang, ia masih belum dilaksanakan, dan saya tidak pasti ke arah mana ia akan dibawa. Dari segi politik, ini bukanlah perbandingan, tetapi bagaimana DBKL akan melaksanakannya? Apakah DBKL akan menyokong inisiatif ini, atau mereka hanya perlu mengikuti kehendak politik semasa?

Responden: Kami di pihak ini tidak mempunyai kepastian. Saya sendiri tidak tahu ke arah mana hala tuju dalam sektor perumahan, khususnya rumah pemilik ini. Saya berpendapat bahawa setiap kerajaan yang mentadbir mempunyai pandangan tersendiri terhadap isu rumah pemilik ini. Sebagai contoh, pada zaman Perdana Menteri terdahulu, terdapat program Residensi Wilayah. Kini, dalam zaman Perdana Menteri sekarang, terdapat program Residensi Prihatin.

Penemuduga: Jadi, boleh dikatakan ini adalah satu bentuk penjenamaan semula?

Responden: DBKL melaporkan kepada Menteri Wilayah. Dulu, pada zaman MBKD, terdapat Residensi Wilayah. Sekarang, pada zaman TN, terdapat Residensi Prihatin. Namun, Residensi Prihatin ini berbeza dengan Residensi Wilayah dan rumah pemilik yang sebelumnya. Program ini lebih mensasarkan golongan berpendapatan rendah. Jika Residensi Wilayah menawarkan harga RM900 setiap kaki persegi, Residensi Prihatin pula hanya RM750 setiap kaki persegi. Harga maksimum bagi Residensi Prihatin adalah RM200,000 seunit, berbanding RM300,000 bagi Residensi Wilayah. Jadi, ini merupakan satu skim yang berbeza.

Penemuduga: Jika dibandingkan dengan Residensi Wilayah, Residensi Prihatin lebih rendah dari segi keluasan unit, tetapi harganya juga lebih rendah?

Responden: Ya, memang begitu. Residensi Prihatin telah dilancarkan, dan maklumat lanjut boleh diperoleh melalui sumber seperti Google dan akhbar. Program ini boleh dianggap sebagai dasar baru, kerana ia mensasarkan kumpulan berpendapatan lebih rendah. Had pendapatan isi rumah bagi Residensi Prihatin ialah RM10,000 ke bawah, berbanding RM15,000 sebelum ini.

Penemuduga: Dari segi pelaksanaan, Residensi Prihatin masih menggunakan pemaju swasta?

Responden: Ya, ia masih mengekalkan kaedah kerjasama awam-swasta (PPP). Namun, terdapat cabaran dalam memastikan pemaju bersetuju untuk melaksanakan projek ini. Jika pemaju diberi tanah untuk membangunkan Residensi Prihatin sepenuhnya, insentif mereka perlu dipertimbangkan. Sekarang ini, terdapat pemaju yang berpendapat bahawa harga RM200,000 dengan keluasan 750 kaki persegi mungkin tidak mencukupi untuk menampung kos pembinaan dan kos pembangunan, apatah lagi nilai tanah.

Penemuduga: Jadi, dari segi daya tarikan untuk pemaju, adakah terdapat strategi tertentu?

Responden: Biasanya, strategi yang digunakan ialah pemaju akan diberikan insentif dalam bentuk pembangunan lain, seperti tanah tambahan untuk projek harga bebas. Tanpa insentif ini, agak sukar untuk menarik pemaju menyertai program ini.

Penemuduga: Dari segi tanah di Kuala Lumpur, adakah DBKL masih mempunyai tanah yang belum dimajukan?

Responden: Di Kuala Lumpur, terdapat beberapa pihak yang menguruskan tanah, antaranya Datuk Bandar, Pejabat Tanah dan Galian (PTG), serta Pihak Berkuasa Tempatan (PTP). Setiap pihak mempunyai bidang kuasa masing-masing, dan ini boleh menjadi faktor yang menyulitkan dalam pelaksanaan sesuatu projek.

Penemuduga: Bagaimana dengan tanah wakaf? Adakah ia boleh dimanfaatkan untuk pembangunan perumahan?

Responden: Tanah wakaf juga merupakan satu aspek yang sedang dikaji. Pada asalnya, tujuan tanah wakaf adalah untuk manfaat masyarakat, namun terdapat usaha untuk mengkomersialkannya bagi menjana pendapatan kepada institusi wakaf. Ini boleh menjadi satu penyelesaian bagi masalah perumahan, tetapi ia bergantung kepada bagaimana Majlis Agama Islam dan Pihak Berkuasa Tempatan (PBT) boleh bekerjasama.

Penemuduga: Berdasarkan Bajet 2021, terdapat peruntukan besar bagi pembangunan wakaf. Bagaimana kerajaan boleh memastikan kolaborasi antara agensi dalam isu ini?

Responden: Saya berpandangan bahawa kerajaan perlu melihat perkara ini secara holistik. Tanah-tanah di kawasan bandar, khususnya di Kuala Lumpur, perlu diuruskan dengan lebih strategik agar ia dapat memberi manfaat kepada rakyat. Jika terdapat kolaborasi yang lebih erat antara kerajaan pusat, kerajaan negeri, dan institusi berkaitan, ia boleh membantu menangani isu perumahan rakyat dengan lebih baik.

Penemuduga: Terima kasih atas pandangan yang diberikan.

Responden: Sama-sama. Untuk makluman, semua pandangan yang saya berikan ini adalah pandangan peribadi dan tidak mewakili mana-mana organisasi atau jabatan tertentu. Saya hanya berkongsi berdasarkan sedikit pengalaman saya dalam berurusan dengan pemaju dan mengetahui perkembangan pembangunan di Kuala Lumpur.





APPENDIX 8

FOCUS GROUP DISCUSSION 4

TOPIK: DRAFT RESIDENTIAL TENANCY ACT PROJECT

TARIKH: 19 OGOS 2020

RESPONDENT:

a) SPEEDRENT

b) JABATAN PERUMAHAN NEGARA

Interviewer: Assalamualaikum, greetings. Nice to meet you all. I am Ainul Jaria Maideen, lecturer. This is Dr. Haniza, economist and Islamic finance expert. And this is Professor Mariana, she is a town planner, building and everything. Everything related to that. Then there is Ms. Norlaili who has experience in the housing field. Then there is Sister Ainul who also has working experience. Ms. Salinda is from the team. Hafizah is from the National Planning Department (JPN) and IIUM.

Respondent: I am from SpeedHome. I am in the operations department. So, I handle evictions, rent collections, and anything to achieve the tenancy goals for our landlords and tenants. Firdaus, Adiba and the others are actually helping us to handle tenancy issues in our company and also eviction matters. I think this meeting is basically to introduce what we do at SpeedHome. Then, let's see how we can add value to the RTA.

Respondent: Basically, I think in the last meeting, I explained how essentially, what we do is connect landlords and tenants to rent directly. So, our key unique selling point is zero deposit. In the traditional normal market, the deposit is 2.5 or 3 months. For us, it is zero deposit. So, it helps tenants to rent a house now, especially now during the Movement Control Order (MCO) and all that.

Respondent: On the other side, landlords traditionally receive deposits. But the problem is, deposits are not necessarily enough when it comes to house or furniture damages. That's why we partnered with Allianz General Insurance to create an exclusive insurance package for us, where we protect landlords with insurance coverage up to RM42,000.

Respondent: The coverage includes rental loss. So, if the tenant runs away for 2 months, it is equivalent to your 2 months deposit. Then, we include inconvenience benefits for cleaning fees or utility bills up to RM2,000. And last but not least, this is what exceeds the deposit, we have tax and damage coverage of RM30,000 for household contents. So in total, the amount is substantial.

Interviewer: If it's a furnished house, is it?

Respondent: Because it's more for landlord's protection.

Interviewer: Yes, this is for landlords. So, if it's a furnished house, then you have claim coverage of RM30,000.

Interviewer: May I know whether the amount is fixed or basically fixed in terms of, for example, the RM30,000, is it fixed or does it depend on the landlord, how much they want to take?

Respondent: There are packages. Only one thing is variable, which is rental loss. So, if your rent is RM5,000, they pay two months of rental loss. Then the inconvenience benefit of RM2,000 or RM30,000, that is fixed.

Respondent: So basically, rental loss is flexible in terms of the amount based on the rent.

Interviewer: But the two months is also fixed, isn't it?

Respondent: After the first discussion, you have submitted to us several documents including your insurance template, everything. Then that information, I have checked it with the coast lawyers. They have gone through the agreement, contract, everything. They made a summary. I think maybe you can present whatever we all understand from your agreement itself based on the summary that our coast lawyers have made.

Respondent: We have presented it to our Director, and then some discussions that we had with the other research team. So, basically from that summary, we are not sure whether it is correct or not, what is actually in your contract. So, let's clarify it first. Basically, what we have done in the summary that the coast lawyers have made, if it is correct, then alright. Then we have the same phase of understanding. We don't want to say it is different but in reality, it is different.

Respondent: Alright, sure. You have that slide, right? The summary slide. You want to present first?

Interviewer: You are general, right?

Respondent: Same slide.

Interviewer: Same slide. Yes. The same slide that I have shared with you.

Interviewer: Is there a minimum tenancy length?

Respondent: Minimum is 3 months.

Interviewer: 3 months and you still cover the same amount?

Respondent: That is the first thing which is rental loss, right? So, the rental loss is up to DD. But the other two are automatically even for 3 months?

Respondent: Yes. It is in effect immediately for a tenancy that is minimum 3 months.

Interviewer: That means you handle short and long term.

Respondent: Yes.

Interviewer: So, the landlord would either choose to buy one year and then even if the tenant has left, they can use it for other tenancies?

Respondent: If it is on the house.

Interviewer: It is on the house, not on the tenancy?

Respondent: Yes, it is on the house. If the insurance has not been used up, I mean no payout. So, it is the same.

Interviewer: Do you have NCB (No Claim Bonus)?

Respondent: No, we are working on it. But because the risk is new tenants, so NCB is very difficult.

Interviewer: But it is on the house. So, if the house has many tenants moving but the insurance is not paid out, you can use the same insurance? No need to increase the premium or pay a new premium?

Respondent: But the risk is on the tenant.

Interviewer: The risk is due to the tenant?

Respondent: Yes. Not due to the landlord.

Interviewer: How much basically is a typical rent for a house? If for example, the rent is around 1000, what is the average they have?

Respondent: Our average is 1450 per month.

Interviewer: So, if 1450 per month, how much actually is the insurance?

Respondent: We have multiple packages. The cheapest package is equivalent to one month of rental which is 1450.

Interviewer: One month rental means the property rental is 1450?

Respondent: If it is a cheaper property like 500, then 500.

Interviewer: One month rental. How much is the payment?

Respondent: The last one, one month SSP (Statutory Sick Pay) plus stamp duty.

Interviewer: This is considered yearly?

Respondent: Yes, yearly.

Interviewer: One payment?

Respondent: Only one payment.

Interviewer: Not monthly?

Respondent: Premium monthly.

Interviewer: Premium yearly?

Respondent: Premium yearly.

Interviewer: Like a car?

Respondent: Premium monthly.

Interviewer: But whatever the amount, you will have a multiplier to give you the coverage?

Respondent: Yes.

Interviewer: Loss of rental. That is two months rental. That one is variable.

Respondent: So, if you have 500 ringgit, then the rental loss is extended super super.

Interviewer: All money. The more money you pay, the better coverage.

Interviewer: One more. Do you have the Islamic company?

Respondent: We can work with Takaful companies. We had discussions with Zuriq, Zuriq Takaful and Syarikat Takaful Insurance.

Interviewer: We already have Takaful Halal. We can do that.

Respondent: Because before that, we need more demand for the insurance company to have the pool.

Interviewer: Who are the biggest takers of this insurance?

Interviewer: What is the number of insurance?

Respondent: Every month we sell around 300.

Interviewer: 300 plus.

Interviewer: All in about how much?

Respondent: All in total 3000 plus.

Interviewer: 3000.

Respondent: 300.

Interviewer: 300. So basically they register with you and then they do, I mean the tenant does not have to pay any deposit? But the landlord will have to pay the lowest?

Respondent: The lowest.

Interviewer: The lowest rental rate, now. How many?

Respondent: 500.

Interviewer: 500 lowest.

Interviewer: The highest one?

Respondent: Up to 5000.

Interviewer: Up to 5000. Median is?

Respondent: This is like low-cost flat. 500 is like low-cost flat.

Interviewer: Or more importantly, a lot of rooms?

Respondent: Room also we do.

Interviewer: So your total, how many now?

Respondent: 3000.

Interviewer: So starting when, when did you start the scheme?

Respondent: 2017. It was last year that we actually grew. We piloted a lot of things because this is a brand new scheme. So for the first 3 years, we only had around maybe 600, 600 people, 500. So it was last year July to here. Now we grow like 2000 over. This year is like 300. I mean for registration.

Interviewer: So this is essentially a product of Alliance, right? Because you are doing this. The insurer is Alliance. The marketing? But for Alliance to get this product out, they must have gone through certain regulatory procedures, right? So they got this and are they trademarking this or anything?

Respondent: No.

Interviewer: So that means you have the freedom to go to another insurance company to offer the same product? To offer the same marketing service?

Respondent: So right now, because it's exclusive. Now it's exclusive with Alliance.

Interviewer: But Alliance got the approval from Bank Negara. They did the work to get the approval, right? So now what about other banks, other companies, other insurers right now?

Respondent: Okay, so technically any insurance company can launch this. They have to find others, not from SpeedHome.

Interviewer: So basically you are exclusive only?

Respondent: Yes, but we can have another partner in Takaful.

Interviewer: So that one is. So only general insurance with Alliance but another one?

Respondent: Exclusive with Alliance.

Interviewer: Another, Takaful only exclusive as well?

Interviewer: How about Alliance? Can they offer to others?

Respondent: They, actually a lot of people ask for it. The problem is, because there is a financial risk in offering this product in the rental house. So there is a problem in fraud. So for us, we do tenant screening to reduce that risk. So any insurance company, even if they want to launch it, they need an operational partner to screen the tenant, to do the rental collection. So they know if this tenant doesn't pay, I have a person as a witness. So we are the witness in that case. So even if anyone goes to Alliance, they need to make sure that you have this entire system in place.

Interviewer: Basically you are considered as an adjuster for them?

Respondent: I wouldn't say we are adjusters. We are only doing the loss of rental. But for the accidental damage, they will have their own adjuster.

Interviewer: Yes. Do you need extra premium for this type of damages? When you take a premium covering the rental loss, at the same time what about covering the furniture? Separate premium or all same package?

Respondent: This is a different package. Everything all in one month rent, 3 things. Loss of rental, furniture, unpaid utility.

Interviewer: And then the tenant doesn't have to put the security deposit?

Respondent: No need.

Interviewer: If the tenant pays to the landlord, the landlord has the choice to put that into this insurance premium?

Respondent: But they say tenant doesn't need to pay deposit?

Respondent: No need to pay to them.

Interviewer: But tenant will still pay to the landlord?

Respondent: Rental.

Interviewer: Rental only.

Respondent: Means that any landlord going to you will have an agreement saying that they will not charge any deposit?

Interviewer: How do you know if they still ask?

Respondent: Because that's their own, we vet them. Because the insurance is a fraud, they take the insurance as a cover. Because our terms and conditions to use our service, you use our platform, you must agree to still deposit.

Interviewer: So that means that one month is from their own money?

Respondent: Because they are not taking from the tenant to pay any deposit, they use their first month rental. Because you pay, when you move in you have to pay the first month in advance. Not deposit but advance rental.

Interviewer: How about the percentage of people claiming?

Respondent: Less than 12 to 13%.

Interviewer: Less than 12 to 13%. Is there any repeated numbers? Person claiming for landlord? Yes.

Interviewer: So basically they take for the claimant for one year. Is there any limit of eligibility for them to claim?

Respondent: Up to the limit. Let's say 15,000. They claim 15,000, they can claim anymore?

Interviewer: But can buy new insurance again? Or up to the total coverage?

Interviewer: What about utilities? The inconvenience benefits. The benefit. But does the insurance cover the utilities deposit?

Respondent: So that one is the benefit. It's called inconvenience benefits. But it's used to pay utility.

Interviewer: The landlord will take rental deposit plus utility deposit.

Interviewer: So what I want to know is whether this insurance will cover utility deposit?

Respondent: No.

Interviewer: So no need. So the landlord need not collect the utility deposit?

Respondent: No need.

Interviewer: So good to be true.

Interviewer: For the utility, they have to prove everything?

Respondent: They just give us the receipt.

Interviewer: TMP. That bill is enough already?

Respondent: No need anything.

Interviewer: Okay. If you don't mind sharing the processor. Processor. So we can know how you process the claim. When you talk about eviction, how do you do it? Do you do eviction?

Respondent: Yes. Quite rarely.

Interviewer: How do you do eviction?

Respondent: Court order.

Interviewer: The cost. How about the cost?

Respondent: You bear the cost?

Respondent: You bear the cost as part of income benefit?

Respondent: Income benefit.

Interviewer: So the landlord doesn't have to worry about anything? He knows his deposit? Although he's not collecting deposit? But when the tenant leaves, the property is in good condition. Got raised, lost, everything covered. Plus utility bill paid. Plus eviction also.

Interviewer: Eviction, how many percent?

Respondent: At the moment I think less than 3-5 percent.

Interviewer: How about, for example, collection of rental? Any issue?

Respondent: A lot. People need to pay, we call them to serve.

Interviewer: So how do you manage? Do you have warning and then not being considered? Eviction, you can allow them to evict?

Respondent: So we have SOP in place. 14 days to get notice of demand. 7 days. Then 14 days to give them notice of demand. 21 days to send them eviction letter. Not going bang bang the door. No, we don't do that. We don't pay or anything, no, we don't do that. But the process will be upon request, upon demand by the. Actually SOP actually.

Interviewer: So basically you don't track payment of rent?

Respondent: We track.

Interviewer: So basically they pay to the landlord or pay to you?

Respondent: Us. It's your property. They manage. So they pay to you. And then we pay to them. But it's not subletting or anything. Just the landlord pass you with the insurance. And the property manager.

Interviewer: You do screening?

Respondent: Screening. We only do.

Interviewer: What's the criteria?

Respondent: If they got bankruptcy, we reject. We have a lot. You know how bank score your mortgage, we ask for bank statement.

Interviewer: For landlord. If for example, how about the rate? If for example, you want to rent for \$2000. But you found that the property is not worth \$2000. How about?

Respondent: We are building a system called property rental price complex index. So basically we will give them to tell them what's the market rate.

Interviewer: So you are looking at the overall data. So that will be the average that you're going to. Not to offer, to suggest?

Respondent: No fixed rental. We don't fix the rental. We just suggest.

Interviewer: So basically you have the geodata mapping to get the average rental?

Respondent: Yup. Right now all the tenants are very smart. They check all the websites. Always got all the time. So no point that landlord going to set the high one. Because they always won't get any enquiry.

Interviewer: So SpeedHome is the property manager?

Respondent: We are platform. Software. Because property manager is a license itself.

Interviewer: But are you a licensed platform?

Respondent: No need license. We are insurance. We are insurance agent.

Interviewer: Insurance agents providing additional services?

Respondent: Providing the platform.

Interviewer: Insurance agents are regulated by your own association?

Respondent: Yes. Regulated by insurance.

Interviewer: The first thing is, so we have two entities here. One is SpeedHome. And one is Alliance Insurance. Okay, first thing is SpeedHome. Is it you registered under anything professional body or agent?

Respondent: We are insurance agency.

Interviewer: Alliance is?

Respondent: Insurance company.

Interviewer: So you are not under agent of property? Agent of property? So you are not registered under BOHEA? Insurance. So you are registered under insurance act?

Interviewer: Okay, sorry. First thing is because when we want to manage the property, we have to register with BOVEA to manage the property. So then how come you didn't register under them?

Respondent: Because we don't need to. Because we are platform. Like Uber. Uber. Grab.

Interviewer: I don't need the license?

Respondent: Because you don't manage. You don't do the agency function.

Interviewer: But they are looking at the rental market. They are competing with BOHEA.

Respondent: But they can set. They need or not. They open the platform. People come to their website.

Interviewer: But then people come and register with you. If you want insurance.

Respondent: If you want insurance. So they are coming to register to the insurance. Not register to manage your property.

Interviewer: Is there another insurance provider that can sustain itself in the market? So then people have the option to choose, right? My question now is, who wants to recognise your body—your professional body?

Respondent: I think there are two questions here. First, if we make this insurance compulsory nationwide, will there be enough capacity to handle all the transactions? Because at the moment, we can't proceed with just one insurance company, one agent. There isn't enough to sustain even Kuala Lumpur. And then, what about rural areas? They don't have the service. So, I don't think this can be made compulsory anytime soon.

Interviewer: So you're saying it should just be optional?

Respondent: Yes, I think it should remain an option. We can clarify that. It cannot be compulsory. It must remain an option.

Interviewer: What about speedrent technology? Is there an authorized person to collect the rent?

R: That would be your property manager already, or your rental manager. Sure. The BOVEA Act says you can do all these things—but you cannot do them with any monetary consideration

or fees. So we don't charge anything. We are selling insurance, but this is your contract. It's your contract with the landlord. If the house comes under our insurance, it means you allow us to collect rental on your behalf. You have that in your SMP, right? It's already stated in the agreement.

And for that to happen, you didn't ask for any voluntary requirement. There's no fee for that, but you put that as a condition under the insurance, and they agree to it. So, it's just an agreement.

Interviewer: Can I know where the fee comes from, basically? Is it from Alliance?

Respondent: The fee is a professional insurance commission. So we sustain through the commission.

Interviewer: What about the eviction process—how do you do that? Who pays for it?

Respondent: We cover it from our revenue. It's not considered a claim. Only the legal fees are considered claims. We bear the legal cost. You don't claim that to the insurance.

Interviewer: So eviction doesn't constitute a claim to the insurance?

Respondent: No, because it doesn't cover legal costs.

Interviewer: What's the typical legal fee involved in an eviction?

Respondent: For small claims, because we have volume, we get discounts. But usually, any lawyer will charge between RM3,000 to RM7,000.

Interviewer: So that comes from your own pool of fees?

Respondent: Yes, because only 3–4% are not absorbed. So we can absorb it and reduce the cover, because we screen the tenants.

Interviewer: Can we see your screening list?

Respondent: First, the tenant signs a form. We pull their SIKAP report from Experian. Second, we check the bank statement to verify their income. Third, we look at their payslip to know their employer. If we call and they don't pick up, we can go to their office. If they've been fired, then we know they've run away.

Interviewer: So this product is from SpeedHome?

Respondent: Yes. Without us, there wouldn't be this product. Without that product, there's no SpeedHome. It's very interconnected—we survive through each other. The insurance is surviving because of us.

Interviewer: Who came up with this idea? Alliance?

Respondent: All of us.

Interviewer: Are you from an insurance background?

R: No, finance. We started with the Easy Scheme. If a tenant didn't want to pay a deposit, fine. Pay us 10% extra every month, and we'll be the guarantor. That's how we started. Tenants paid 10% additional, and we guaranteed them—no deposit required.

Then we evolved. It became insurance. We piloted many models, and now the acceptance is good.

Interviewer: How many claims did Alliance receive last year?

Respondent: 100,000 claims. They paid out RM800,000 in landlord claims. So, a lot of landlords really benefited. We had 300 units last year.

Interviewer: That's from Malaysian Reserve, right?

R: Yes.

Interviewer: We're not cross-examining you. Just think of yourself as in court. If not, I'll buy the professional body. If you want this option as part of the system, you need to look at registration in our system later. This is just thinking aloud. We're not against you. We're just saying—one monopoly can't work. The issue we are seeing is that tenancy agreements being created are very one-sided.

Respondent: Yes, one-sided agreements. That's why we have developed a template—to maintain a balance between consumer welfare and the rights of landlords.

Interviewer: What is currently happening in the market is that either the landlord has excessive control over the tenancy agreement or, in some cases, no control at all. And in your case, you have quite a sophisticated tenancy agreement in place. So, my question is—who approves your tenancy agreement? Where do you consult? Do you have anyone you consult with? I understand the insurance product is already settled, but the tenancy agreement is still within our jurisdiction. It falls under our purview. So, this is exactly what we hope to resolve through

the Landlord-Tenant Act (RTA). We would like to seek your input on what should be included in the template. The template should be fair to all parties.

Respondent: We can share with you a case where the cost was not initially included. It only became part of the process because the landlord provided feedback—asking why the tenancy was not protected. From our side, we were only writing the insurance from OCS's perspective. But now that you are involved, we can include you as part of a case study.

Interviewer: Yes, so when the government reviews the case study and sees that it is workable—that there is a clear system and mechanism—it could serve as a good example.

Respondent: We can refer to it as the Malaysian model. Previously, we were always talking about systems overseas. The only one I found was RSP.

Interviewer: Are they offering insurance?

Respondent: They are, but many only offer a very small component. For instance, rental loss coverage of only RM2,000. Even if your property is worth RM5,000 or RM10,000, the coverage remains fixed at RM2,000. They're afraid of higher financial risk. Say, for example, your KLCC condominium rents out at RM10,000—someone could fake a tenancy agreement and claim insurance. They are afraid of that happening.

Interviewer: So RNS is bearing a lot of that risk?

Respondent: Yes. Other insurance companies providing landlord insurance offer only minimal protection—just RM2,000. They don't have someone like you managing the full suite of services. They only offer what they can.

Interviewer: But what you're doing is very good. We've seen practices like this overseas, in Australia. But now, something like this is already happening here—SpeedHome already exists. So we want to include you as a case study, to show that this has already worked in our context.

Respondent: We're also discussing title insurance with the Land Office, but even now that hasn't materialized due to the lack of a proper model. However, JPN has already reviewed our case, and it looks workable.

Interviewer: In your system, the landlord receives a deposit based on the rental amount covered, while the tenant doesn't need to pay an upfront deposit. This helps tenants, especially those in the B40 and M40 income groups. So it benefits both parties. It eases the financial burden on tenants and secures the landlord's interest as well. It's a good scheme. We just need to identify

small gaps and improve on those. We won't criticize you—we're only looking at what can be improved. Possibly, this model can also be promoted to other insurance providers.

Respondent: I think when it comes to standard tenancy agreements, there can be two-party or three-party formats. Currently, yours is a three-party agreement.

Interviewer: Yes. So it can be included in our documentation under Schedule G or H, for example. A standard two-party agreement would look different. One thing you should consider: there are many students renting properties, and sometimes only one name is listed as the master tenant. If the others leave, that person is left in trouble.

Respondent: We're addressing that now by adding the names of all tenants to the agreement. So, for example, if I rent one room and you rent another, each room has a designated tenant. Previously, they'd just list one person and have ten students sharing the house.

Interviewer: Yes, I've seen this myself. My daughter rents with three friends—four people in a four-room house. One person signs the tenancy, but all names are recorded in the schedule—Room 1, Room 2, and so on. That way, no additional tenants can move in without being registered.

Respondent: Exactly. It ensures shared responsibility. Everyone is accountable. Because when one person defaults or cannot pay rent, we can report them to credit reporting agencies like Experian.

Interviewer: Experian is a private agency, right?

Respondent: Yes, private—not a bank. Same with CTOS and RAM Credit. RAM has been acquired by Experian, actually.

Interviewer: Understood. So after this, we'll share our template with you for your comments. But it cannot be published or shared publicly. It's for internal review only. Later, it might be included in media reports, but that could vary depending on stakeholder feedback.

Respondent: We also need to meet with other stakeholders, such as property agents. We haven't gathered their input yet. So we'll take your feedback first, then meet others to improve it further.

Interviewer: Ultimately, our aim is to standardise tenancy agreements—to a certain extent. If there are items you believe should be made compulsory, we'll include those. If it's optional, such as the insurance product, then we'll discuss which parts can remain flexible. In terms of

promotion, we cannot publicly announce that we are collaborating with SpeedHome. But when we launch the initiative, perhaps your team can join us.

Interviewer: Yes. Maybe next year, we can publicly discuss the insurance model you've introduced. Others might not be aware of it, and it would allow for greater comparison and transparency. However, the government cannot promote one private entity unless there is a special arrangement. But this model could still serve as an example for others to study. You're the pioneer of this scheme. During the launch, JPN will invite you to showcase your initiative through your own independent booth.

Interviewer: Is there anything else?

Respondent: Yes, this brings us to our second agenda—housing development. Basically, we want to build houses to be rented out directly, or to sell as affordable homes.

Interviewer: Are you planning to construct these homes, or are you partnering with someone?

Respondent: We're proposing a new model. We can construct up to one million houses. Funding is not a problem—we're working with private sector funding. It's quite easy to secure.

Interviewer: This sounds very visionary. I'm willing to hear it. Can I have five minutes? Please show me.

Respondent: Certainly. This will just take five minutes. It's quite a long presentation.

Interviewer: Oh really? Alright, let's see. We are looking for universities to collaborate with us on this.

Respondent: I've already saved your number. You're a forward-thinking person—definitely a business thinker. What we're doing is actually very simple. It's based on container housing—modular, no adapters.

Interviewer: Why do you believe this is a good concept?

Respondent: It's a temporary structure, but it's sustainable. We don't require formal planning permission (KM), though we'll still need to review location suitability.

Interviewer: Where is your target location?

Respondent: We're targeting underutilised spaces—open car parks, for example. From the second floor upward, we can build. The first floor remains for parking. We add a lift and build above it.

Interviewer: So, on the ground floor it's still a car park, but above that, you have your container homes?

Respondent: Yes. That way, we avoid land acquisition. We don't buy land—we lease it. We only need to purchase and install the containers. There are many empty parking lots in urban areas, especially along Jalan Ampang. We can build right in the city centre.

Interviewer: The idea is interesting. But now, we need to talk about legal and regulatory compliance. Local authority approval could be a challenge.

Respondent: That's why we are proposing a pilot project under KPKT. If approved, we can demonstrate the concept.

Interviewer: You'll need to work with DBKL or similar bodies. Do you have a model structure?

Respondent: Yes. Think of it like LEGO. The units are 450 square feet, fully furnished, with flexible spaces. We want to offer ready-to-move-in units.

Interviewer: And the land?

Respondent: As I mentioned, it's car park land. We build above it. We rent the land, and the house can be relocated. It's mobile. We can move it with a lorry if necessary.

Interviewer: So you're proposing a moving house service as well?

Respondent: Yes. It's all part of the package. Even the design is ready. We're seeking university partnerships to further develop this idea.

Interviewer: This sounds like a portable home concept—a holiday caravan-type structure—but made permanent?

Respondent: Exactly. It's a permanent, movable home. The target market is not big families—it's young individuals, like fresh graduates.

Interviewer: So you're aiming for B40 buyers?

Respondent: Yes. Most B40s can't afford RM300,000 houses. Our target price is below RM100,000.

Interviewer: Below RM100,000 is still high for some. People are buying basic container homes for RM42,000 to RM50,000.

Respondent: That's true, but those are often located far from urban centres. We are proposing urban living for young professionals.

Interviewer: The idea is good, especially for young people. But implementing it may be difficult, particularly regarding amenities and legal requirements. If you're using road reserves, you need PBT approval. You may not need a building plan or architect, but planning permission is still necessary.

Respondent: If this becomes a pilot project, we will follow through the correct processes. If the land belongs to KPKT, it's more straightforward. But if it's federal or private land, the process is different.

Interviewer: If it's private land, you may not need a full permit—but you still need to inform the local authority. Depending on the design, you might not need an architect, but you will need planning approval from a planner.

Respondent: We're aware. If we use private land for the pilot, can you help?

Interviewer: Yes, I can help review your proposal and guide the process—free of charge. But I need to see the full proposal first.

Respondent: Great. We'll send it over. We're trying to identify potential locations and would welcome your feedback.

Interviewer: You also need to define your role—are you the developer? If yes, you'll need to go through the developer's registration process.

Respondent: We're considering two options: either we manage the development ourselves, or we partner with an existing developer.

Interviewer: If you're acting as the developer, you must register and comply with all development requirements. If not, you'll need to collaborate with a registered developer.

Respondent: Understood. We will finalise our proposal and submit it. Hopefully, JPN can help propose it as a pilot under PBT.

Interviewer: Yes, but I can't promise anything until I see the details. Once I review the proposal, I can see how viable it is. Also, you'll need support from other ministries and stakeholders.

Respondent: We have already planned everything—utilities, layout, container specs. Everything is in place.

Interviewer: Good. Start with one unit. If it's successful, others will follow. But be aware of potential issues. It's good that people are willing to listen to you—ministries don't always entertain such proposals.

Respondent: Thank you for your support.

Interviewer: No problem. I'm happy to advise. For student projects, too, we're open to helping. We just want to see a solid plan.

Respondent: That's what we're working on. We're grateful for the opportunity to present this.

Interviewer: I hope you've also considered actual demand. Some of your claims—for instance, saying B40 families can live in such small spaces—may not be realistic. Social housing needs a different approach.

Respondent: This is just the first step. The idea is to use modular container units stacked into rows, perhaps with public areas below. It's not final yet.

Interviewer: Okay. Then let's see your proposal. Include costings, methodology, locations, and your role—developer, partner, or facilitator.

Respondent: Will do. We'll submit it soon.

Interviewer: Public floor. People who work here will use the floor. People who live upstairs will want the floor. She already paid the rent, but there's a certain thing. For example, DBKL, they want to make houses like this. They want to make a small home. For example, did she post it to DBKL?

Respondent: Did she post it to DBKL?

Interviewer: I told her she can post it to DBKL. We can't do anything. She said this is a concept, but she already went to the minister. I don't know. All these safety issues. No matter where the container is, no matter where it is, we will have to go back if something happens. Why do we have to go through all these things? Even though it's temporary, people will be living there for two days. For temporary buildings under KM, they said the water cabin is under permit, but within three months, the room will be available. But it has to have a permit. It has to be licensed. It's up to the people. It should not be pushed. This is a ministry pilot project.

Respondent: Okay, so then we can include the RTA insurance in the new agreement following the whole discussion.

Interviewer: I have a question that I want to backtrack a bit. If we want to go with the rental deposit, security deposit system...

Respondent: Security deposit?

Interviewer: Yes, the security deposit system that we will also have to pay KPKT. All of these will need to handle the rental deposit acceptance, then manage it, set up a unit to oversee all entries and exits.

But at the same time, we are allowing for this to happen. And when we allow it, not just as an add-on, we allow it as a competitor for our rental security deposit system. So you have a dual system running, that either one can be chosen by the public.

Respondent: I see this as just an additional option. For example, the rental deposit, they can do this for free. The market can offer all sorts of creative products, many different products.

What do they want if they say that their house has an additional risk? They don't want to bear it, they have money to put into insurance, they buy it. Like everyone living, not everyone has life insurance. If we want it, but we have basic medical that the government provides for us.

Everyone is covered. So we change, we just provide the basics. If they want to buy life insurance, three or four policies, whatever they want on top.

Interviewer: But I maintain, one thing we're doing is actually a two-party agreement. This one has three parties. It does not mean that the three-party has an element of insurance.

But it needs to have flexibility in terms of its contract. One is two-party, another is three-party. This one makes it three-party, but includes insurance.

Because this is actually more or less a project manager. Well, property manager actually. And in the future, we don't know what other types of products they will release.

Later they will include all sorts of furniture or houses, or whatever else. Services that they can include. They all need to provide physical management.

Respondent: True, true. But there will be other companies that will do it. There will be other companies.

And other companies will top up what they offer. They will be like, surely they won't offer less, they will definitely be more creative. So I'm thinking that, if KPKT has gone to the trouble of

creating this rental security deposit system, to ensure, to get all the data flowing through it, the traffic data flowing through it.

Why are we letting this be our competitor? Instead of our add-on.

Interviewer: Okay, okay. I'm just talking about that. Okay, it's like this. I understand the insurance concept, it's not compulsory, it depends on us.

Whether we want it or not. It can't become, well not that it can't. Why don't we say it's an add-on on top? It's as if we're opening the floodgates to those with lower-priced houses.

It says, okay, I can't afford to buy insurance but others who can afford insurance, they can buy insurance and do it. But the same reason is, although we say now it's not a competitor. If we say they can take a deposit, but the second person says they don't want to take a deposit, they take insurance.

But, I stress there, that whatever agreement that comes, the data has to come to us. That's why I said earlier, it must have our standard. They can't use their own agreement.

Respondent: That's what I understand. If we agree to that, let's allow insurance. But if we do it like that, it will give this group an opportunity to reduce our workload for operating the security deposit. So basically, I'm not... It's just that they want to give options to the public. Where they want to go.

Interviewer: It is an option. It is already an option. But do we want to exempt anyone who takes insurance from going through our rental security deposit process? No need.

Respondent: But they will buy. Now if they say they don't want to collect. Whether that money goes in here or not, that's not important. What's important is that we want their data. In my opinion. Transferring the rental deposit is actually... It's the alternative. This is as its holder. The government can't do anything if anything happens. We will need to return that money to people.

Interviewer: I understand. Meaning we have two systems. It's not like they're avoiding responsibility. They avoid responsibility because we're afraid they'll do something wrong that impacts the public. This is a dependence issue. The issue is when we... Its benefit is clear.

If they want to buy this, off the market. This is clear. But now we've already gone to great lengths to open a rental deposit system.

At the same time, we know that this is going... There are two options for people to choose. Meaning maybe only 80% of the landlords will enter. But the argument... Less burden on us.

Respondent: Less burden is one thing. But another thing is encouragement. When they've taken insurance, they don't come to our tribunal anymore.

Right? They don't come anymore. Because they're already subject to whatever... So now, they can't get two benefits there. If anything happens, this insurance has finished its coverage.

They can't enter our tribunal anymore. Is my understanding correct now?

Interviewer: Correct. But if we open this, it means... Once they've taken insurance, you don't have... You don't have any way with us anymore.

They don't need to associate with us anymore. Information still needs to be entered. Information, no.

I'm not talking about information. It means they don't need to pay requisites with us. They don't need a tribunal if there's a dispute.

All of it has moved to another house. Surely they won't keep asking the government. Coming to the tribunal.

Respondent: No, I mean like this. No. They come to the tribunal but dispute in terms of their coverage.

If there's any damage or anything. If they say they've finished their claim. The claim with this insurance is finished.

They can't make a claim with us that the government pays back. Not anymore. That's finished.

Interviewer: Because there's really no money. But if there's a dispute between landlord and tenant, they can go to the tribunal. Only insurance covers their deposit and everything.

Now we see that our deposit is becoming less beneficial now. Because the deposit now only covers 2 months. Let's say 6 months, the person just disappears.

So the tenant, landlord will get back those 2 months. If they hold it, they get 2 months. If we hold it now, we will give them back 2 months.

So if property is damaged or whatever, we don't have money anymore. They have to fix it themselves. If they, you see now insurance they can get it.

Insurance is a good system. It's just that eventually when we've set up our security deposit, it will become like the poor man's. Not at all.

Respondent: No, there will be a balance. Because rich people can already go there. No, it's fine.

It's okay. It's a capitalist world. Because for a child, it's just one application. Because if I buy a house, I will definitely go for insurance. That's right.

Interviewer: So now, it's okay. I want to take both opinions now. Can we come out with the flow, with the flow and benefits? So let our top management decide. It should be this option.

Insurance, it should be on top. Above security. Or either way.

Respondent: Yes, correct. We'll do it. Because now, its function is the same. Just insurance. Just insurance. Government must cover every landlord a certain minimum. Which is two months. Over and above that if they want to take insurance. Why should government cover? You want deposit insurance like when we go to the hospital. Without taking insurance, the government still wants to cover. At least the government wants to run the insurance. Which is supposed to be our RTA. That basic protection. Who doesn't want insurance. Deposit.

Interviewer: Deposit. As he said earlier. We see. You need to deposit. It's one to one. You can't damage the property. It's hard. Whereas the current risk for renting. This rental is one to one. It's actually totally on contract. As compared to 118. It really gives impact to one person one company. Hundreds of people are affected. So that's why the deposit really needs to be big. This one if they don't pay deposit they take insurance. One to one. There's no ultimate. We don't create a domain for protection. Yes. Both. Because this is the law that I think like this. When I'm talking about the market, we indeed have many products we can sell. Anything related to the market. This discussion is about the minimum protection that the law provides, not what the market provides. That's not our business.

