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Affordable quality homes (HL)

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PETALING JAYA, Sun. - The Government today announced that it would build affordable homes costing below RM100,000 on prime land, with certain units reserved for police and armed forces personnel to ensure security.

This marks the beginning of the Government's takeover in the construction of low- and medium-cost houses.

Second Finance Minister Datuk Dr Jamaludin Jarjis said the proposed Klang Valley Northern Development Corridor (KVNDK) project, involving 10,000 residential units, would be launched by the end of the year and would have a new concept concentrating on "social infrastructure".

The pilot project, to be built on 400 hectares of land owned by the Rubber Research Institute of Malaysia in Sungai Buloh, will include a host of recreational comforts and amenities, such as children's playgrounds, football fields, recreational parks, a police and fire station and schools.

Jamaludin said 10 or 20 per cent of certain blocks would be reserved for the police or members of the armed forces, whose presence would boost the Rukun Tetangga neighbourhood patrol.

"We want to give quality homes to the masses. In the past, private housing developers were required to allocate 30 per cent of their projects for low-cost units, and in certain developed areas it was practically impossible for them to build recreational facilities," he said at a briefing on the project and the rehabilitation of abandoned housing schemes at a hotel here.

The KVNDK project will be developed by Syarikat Perumahan Negara Berhad (SPNB) and will be divided into 10 precincts, creating a feeling of an "exclusive development".

"We will also ensure it is close to the nearest highway and that it be provided with bus services connecting to the nearest Light Rail Transit station, which is one kilometre from the development," he said.

Prime Minister Datuk Seri Dr Mahathir Mohamad had announced in Budget 2004 on Friday that the Government would take over the construction of low- and medium-cost houses, and private housing developers would be given the choice of either constructing 30 per cent of the low-cost houses or allowing SPNB to undertake the construction, on condition that the developers pay a contribution in return.

The KVNDK project will comprise 4,800 low-cost houses, low medium-cost houses (2,400 units) and medium-cost houses (4,800 units), but the prices have not been decided.

Jamaludin said these would be determined by the end of next month as a survey on income levels and discussions with the Housing and Local Government Ministry, consumer associations and other agencies were under way.

However, he said the units would not be sold at market price as it would not be fair to private housing developers.

"The Government is also negotiating with utility companies on basic costs to be imposed on buyers," he said, adding that he would be meeting Selangor Menteri Besar Datuk Seri Dr Mohd Khir Toyo to showcase the new concept.

He said the amount of contribution developers would have to pay if the projects were taken over by SPNB had yet to be decided, but payments would be used to bear the costs of building the units.

On opposition from developers to the contributions, Jamaludin said: "The Finance Ministry will be discussing a formula with the Real Estate and Housing Developers' Association. This (takeover) will ease the constraints of developers and allow them to build houses according to market demand. This in turn will encourage the growth of the property sector."

He also said the Malaysia Building Society Berhad (MBSB) would set up a one-stop centre to help loan applications, while loans would be automatically extended to Employees Provident Fund contributors.

MBSB will provide the end-financing in the form of standard or Islamic loans.