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# More funds for PR1MA, says PM

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by P PREM KUMAR

THE government will inject more funds into the Malaysia People's Housing (PR1MA) programme to ensure its effective operations, according to Prime Minister (PM) Datuk Seri Mohd Najib Razak.

To date, Najib said the government has disbursed RM3.9 billion in financial assistance to PR1MA to build affordable housing projects nationwide.

"I was told by PR1MA Corp Malaysia that they need more financial liquidity and as the PM, I assure you that the matter will be taken care off soon," Najib said in his speech to about 1,500 of PR1MA's Bumiputera partners in Putrajaya yesterday. He reassured that the government will not discontinue PR1MA projects nationwide due to financial constraints,



Najib (left) and Abdul Mutalib in a dialogue session with PR1MA's Bumiputera partners at the Putrajaya International Convention Centre

saying the affordable housing programmes have been proven effective in tackling the rising cost of residential properties.

Najib, who is also finance minister, nonetheless stressed that PR1MA's ultimate goal to build 500,000 affordable homes cannot be achieved overnight, but it is a "work in progress".

"It is not easy to get development approvals and to construct homes. But one day, we will reach there (500,000 target)," he said.

Currently, PR1MA Corp has approved the development of 267,902 units of homes in the country.

However only 139,393

units are in various stages of construction.

A total of 9,791 units have been sold so far, with an estimated sales value of RM2.36 billion.

Najib said PR1MA Corp had completed 8,000 homes last year, and is on track to complete 17,000 and 35,000 residential units in 2017 and 2018 respectively.

The PM maintained that PR1MA houses will remain to be sold at 20%-30% lower than the market price.

Najib added that PR1MA Corp has awarded more than RM15 billion worth of contracts to 574 Bumiputera firms for various types of construction, consultation jobs and other support services throughout the nation.

In total construction-related jobs alone, PR1MA Corp has awarded more than RM22.4 billion worth of contracts to its business partners comprising developers, contractors and vendors.

The Bumiputera portion for these construction-related jobs

accounts for 62% or RM12 billion of the total contracts awarded.

Najib said PR1MA Corp should create more Bumiputera contractors, professionals and support services providers by dishing out more job packages for the target group.

Meanwhile, PR1MA Corp CEO Datuk Abdul Mutalib Alias admitted that obtaining approvals for PR1MA projects in some states remains difficult.

He said the prolonged process with state and local authorities is the major reason behind PR1MA's slight delay in delivering homes to buyers, despite years after the ballooning process.

Abdul Mutalib said requirements by certain states in granting approvals have forced the agency to bring back respective plans to the drawing board, which mostly incur more costs.

"All the states are generally supportive, but some states have a different working system and process," he said.

On funding, Abdul Mutalib said the agency is currently finalising the actual funding needed from the government, before requesting to the Treasury.

"We are finalising it. Usually, we will need up to 30% of working capital for each project or units to serve as bridging fund for us," he added.

According to Abdul Mutalib, 1.47 million Malaysians have registered for PR1MA homes, of which 166,972 have applied to purchase them.

Some 61 PR1MA projects to develop a total of 53,062 units on Malay reserve land have been approved as of now.

"Before this, the value of the land was estimated to be around RM1.2 billion, but now with the presence of our projects, the real estate value of these areas has gone up by more than 10 times to RM13 billion," he said.

Abdul Mutalib also said PR1MA hopes to be given the opportunity to develop more Malay reserve land in strategic locations nationwide.