

'Penang PR1MA site not yet finalised '

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The location of 1Malaysia People's Housing Programme (PR1MA) development in Penang would be announced in due course, said the corporation, which is currently mulling several options.

Responding to a KiniBiz query on the matter, PR1MA said it has "identified several sites in Penang" and are currently assessing the suitability of those sites, with a more detailed announcement to come down the road after receiving approval from the corporation's board.

In late October 2013, Penang Town and Country Planning and Housing Committee chairman Jagdeep Singh Deo asked the federal government to pinpoint the location of PR1MA's affordable housing project in the state.

"We would like to know the status of the project so that we can monitor and help expedite the project," Jagdeep was quoted as saying, noting that despite being a federal government project, it still needs to obtain necessary state approvals.

However, Jagdeep claimed late last month that he was given the runaround by the housing ministry over the query before being directed to PR1MA, though no answer was received as 2013 ended.

Formed under the PR1MA Act 2012, PR1MA corporation is under the prime minister's department.

More details on rent-to-own scheme by 1H14

Aspiring homebuyers can expect more details on 1Malaysia People's Housing Programme (PR1MA)'s proposed rent-to-own scheme, targeted towards PR1MA home purchasers who are unable to obtain end-financing under normal circumstances, in 1H14.

The corporation said that an announcement on the proposed scheme will be made "before middle of the year" and also confirmed that the rent-to-own scheme is indeed the special PR1MA financing package mentioned by PR1MA chief executive officer Abdul Mutalib Alias in August 2013.

PR1MA was responding to KiniBiz queries on the finalisation status of the rent-to-own scheme, which PR1MA's Abdul Mutalib previously said has been given the go-ahead by the government although the exact working mechanism is still being fine-tuned.

Noting that the corporation prefers its homebuyers to obtain conventional end-financing for their home purchase, PR1MA nevertheless recognises that some potential homeowners may not be able to secure conventional loans despite being eligible for financing.

"PR1MA's rent-to-own scheme therefore, is an alternative financing assistance offered by PR1MA to assist eligible applicants to own a PR1MA home," said PR1MA in an emailed response to KiniBiz.

Speaking at a convention in October, Abdul Mutalib said that the scheme will comprise two sub-schemes — a basic rental scheme and a rent-to-own scheme with built-in equity.

“(The latter scheme) means after 10 years, a certain amount of the rental will be built into the equity for you to purchase the house,” explained Abdul Mutalib, adding that “essentially the house is as good as yours.”

Missed target but strong pipeline

When asked about its missed target in 2013, which was supposed to see PR1MA roll out 80,000 homes of its mandated 500,000 by 2018, PR1MA said that it currently has a strong pipeline of development projects on hand which can generate more than 200,000 units of PR1MA homes.

“But we will still need to study its suitability and prioritise on locations where demand is highest,” said PR1MA. “We are confident that the projects approved in 2013 will be rolled out this year.”

“These projects are currently in various stages of approvals (and) among the first to be launched this year will be our developments in Alam Damai, Seremban Sentral and Johor,” added PR1MA.

So far, PR1MA’s board has approved 44,270 units and the rest will be approved this year, with launches to be done in stages.

As for Kelantan, which was the only state where PR1MA did not have any suitable projects yet thus far, the corporation gave assurance that the state would not be neglected.

“Kelantan is in our plans and we are current doing our due diligence for the projects,” said PR1MA to KiniBiz. “Several possible projects have been identified.”

Modular building to negate rising costs

Admitting that rising costs are a concern, PR1MA said that it has been exploring alternative building technologies overseas in order to deliver quality homes at competitive prices.

One PR1MA initiative in pursuit of that goal has been the memorandum of understanding signed with Sekisui Chemical Co Ltd, one of Japan’s largest homebuilders, in October 2013.

“The Sekisui system is modular in nature and it allows homes to be built in a factory,” said PR1MA. “If we were to adopt this technology, we will be able to deliver higher quality prefabricated modular houses with 90% off-site manufacturing and 10% on-site construction, in a shorter time than with conventional methods.”

Apart from costs, availability and suitability of land is PR1MA’s biggest challenge and the corporation stated that it will continue working with federal and state governments, along with private developers, to identify suitable land for its housing developments.

PR1MA CEO Abdul Mutalib Alias previously estimated that assuming a plot ratio of 40 units per acre, the corporation would need about 2,000 acres of land for its targeted 80,000 homes in 2013 alone.

However, PR1MA were only given over 100 acres by the government, necessitating joint ventures with private developers and state governments through several different development models, among which involves the corporation acting as the sole developer for its projects.

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