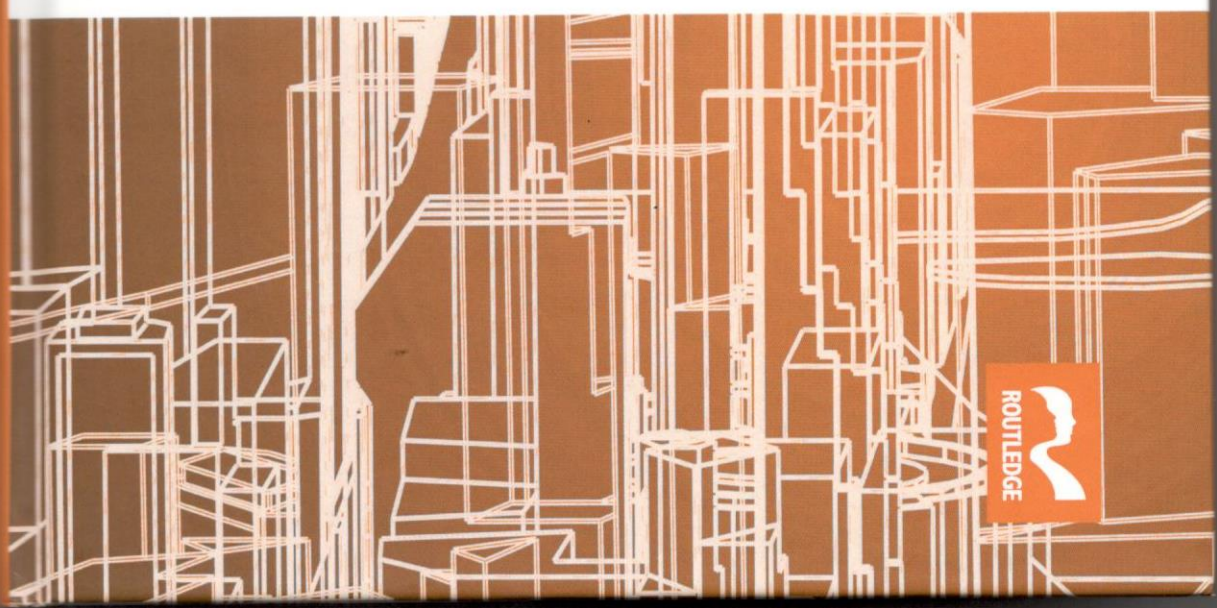


Routledge Studies in International Real Estate

HOUSING POLICY, WELLBEING AND SOCIAL DEVELOPMENT IN ASIA

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8 Housing policy in Malaysia

Bridging the affordability gap for medium-income households

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Introduction

The government of Malaysia has long embedded housing as part of the national agenda to provide its citizens with safe, adequate and decent homes. Housing which interconnects with the socio-economic and political environment of the country is acknowledged as a central component of the individual's life. In the context of East Asian Countries, housing is viewed not only as a consumption good, but as an asset to the owner (Ha, 2013). On the other hand, Levitin & Wachner (2013), in their study on the housing bubble in the United States, stated that housing is a unique asset that serves both as a basic consumption good and an investment product.

Housing policy in Malaysia consists of the directions, planning and development of the housing sector at the federal, state and local government levels (Ministry of Urban Wellbeing Housing and Local Government [MUWHLG], 2012, 2015). Powers and responsibilities of each level of government are clearly outlined in the Ninth Schedule and Concurrent Lists in Federal Constitutions. The federal government is responsible for matters relating to regulations and issuance of licensing to the developers while state governments have the power and control over land matters including housing sites. As for the local governments, they have the authority regarding the issuance of development orders and approval of building plans, for which the powers lie under the jurisdictions of the state (Federal Constitution, 2017; MUWHLG, 2013). In terms of the role of the state, it is divided into two categories; one is the federal government, and the other is the state government. The federal government, through MUWHLG, is responsible for formulating the policies and guidelines for housing provisions, whereas the state government is responsible for the implementation of the housing projects in the states.

Continuous efforts are undertaken to ensure that Malaysians of all income levels will have access to adequate, quality and affordable homes. Nevertheless, questions arise as to the challenges faced by both the state and the middle-income households (M40) to create a nation of home owners. This chapter looks into a wide range of programmes that were designed by the government to ensure that affordable homes are available to M40 households and considers their social implications.