

# SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION

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## PERSATUAN PEMAJU PERUMAHAN DAN HARTA TANAH SARAWAK

8 February 2017

**Yang Amat Berhormat Datuk Amar Abang Haji Abdul Rahman Zohari  
bin Tun Abang Haji Openg**

**Chief Minister of Sarawak**

Chief Minister's Office, Sarawak  
22<sup>nd</sup> Floor, Wisma Bapa Malaysia,  
Petra Jaya, Kuching

*Dear Chief Minister,*

### SHEDA's Proposed Affordable Housing Scheme (Filling the Vacuum)

Reference is made to the abovementioned matter.

SHEDA has in the past 2 years been actively providing feedback to both the Ministry of Housing, Sarawak (MOH) during various Stakeholder Engagement Sessions and the Ministry of Resource Planning, Sarawak, on the issue of Affordable Housing and would like to seek YAB Datuk Amar's guidance and support on this matter of filling the vacuum.

### Current situation

SHEDA would like to highlight from the outset that whilst Skim Perumahan Khas Rakyat (SPEKTRA) housing is affordable, when reference is made to the term "Affordable Housing," what is meant is a new category of housing between SPEKTRA and normal housing at the current market rate.

SHEDA believes that there is a large portion of society whose needs have not been actively met and over time, a distinct vacuum has been created. This section of society has income that falls under a category that neither qualifies them to purchase the SPEKTRA affordable houses, nor affords them the luxury of purchasing normal-priced houses currently available in the market.

#### SECRETARIAT:

Sub-Lot 42, 2nd Floor,  
Tabuan Stutong Commercial Centre,  
Jalan Setia Raja, 93350 Kuching, Sarawak.  
Tel: 082-366334, 366434, 366960  
Fax: 082-365001  
Email: [secretariat@sheda.org.my](mailto:secretariat@sheda.org.my)

#### KUCHING BRANCH OFFICE:

Sub-lot 42, 2nd Floor  
Tabuan Stutong Commercial Centre  
Jalan Setia Raja,  
93350 Kuching, Sarawak.  
Tel: 082-366334, 366434, 366960  
Fax: 084-365001  
Email: [secretariat.kch@sheda.org.my](mailto:secretariat.kch@sheda.org.my)

#### SIBU BRANCH OFFICE:

Upcojaya Construction & Engineering Sdn Bhd  
No. 13-15, 2nd Floor, Lorong Mahsuri 1B  
Off Jalan Pedada  
96000 Sibu, Sarawak.  
Tel: 084-339788  
Fax: 084-310770  
Email: [sibu@sheda.org.my](mailto:sibu@sheda.org.my)

#### BINTULU BRANCH OFFICE:

Sarawak Land (Kemena Park) Sdn. Bhd.  
No. 461, Lot 4110,  
Parkcity Commerce Square,  
Phase 5, Jalan Kambur Bubin,  
P. O. Box 1338, 97008 Bintulu, Sarawak.  
Tel: 086-313099 Fax: 086-313088  
Email: [bintulu@sheda.org.my](mailto:bintulu@sheda.org.my)

#### MIRI BRANCH OFFICE:

Borwak Sdn Bhd  
Lot 2114, 2nd Floor, Jalan Jee Foh 5  
Taman Yakin Shophouse Krokop  
98000 Miri, Sarawak.  
Tel: 085-415060  
Fax: 085-415060  
Email: [miri@sheda.org.my](mailto:miri@sheda.org.my)

In 2015, SHEDA had proposed to build 10,000 units of centrally-located affordable houses over a period of 5 years under the SHEDA Affordable Housing Scheme. In order to achieve this, SHEDA had requested to the State Government to consider relaxing certain planning requirements such as density control and building setback requirements to enable developers to build such affordable housing for Sarawakians. During a meeting on 30 September 2016 between MOH, SPA, L&S and SHEDA, we were informed that MOH did not agree to the removal of density control and SHEDA has revised and submitted a viable proposal on 28 October 2016 with fixed density control for both landed and strata-titled development.

### **SHEDA's Proposal**

SHEDA would like to propose a simple and effective scheme to cater for this particular category of house purchasers who find themselves "trapped" in their circumstance and are in need of houses which match their financial capacity.

SHEDA's proposed scheme requires that the State Government relax the following criteria whilst maintaining the standard planning requirements for building normal houses:-

- a. Density for Landed residential development at 16 units per acre.
- b. Density for Strata development at 80 units per acre..
- c. Adoption of "Plot Ratio" density for high rise strata-titled residential development applicable to area within 20km from Kuching City Centre only.
- d. Maintaining the standard planning requirement for all other criteria based on the latest SPA's circular No.2/2016.
- e. Removal of the existing mandatory SPEKTRA (previously known as Low-Cost) housing requirements for this scheme only.
- f. This scheme is only available for First-time Home Buyer only.

It is proposed that the selling price of this type of property (each unit built to have a minimum area of 850sqft (3bedrooms; 2 bathrooms)) be as follows:-

Intermediate house/ apartment	RM 250,000 per unit (maximum)
Corner House	RM 280,000 – RM 300,000 per unit (depending on size of land)
Corner Apartment	RM 280,000 per unit (maximum)

## **Enforcements**

We propose that this scheme (if approved by the Ministry of Resource Planning or State Planning Authority) to be participated by SHEDA Members only so that SHEDA can assist the State Government to monitor the progress of the development.

Each participating developer must give their undertaking that they will not increase the selling price above and beyond the said maximum selling price by any mean including through a "Supplementary Agreement".

We enclosed herewith the proposed draft application criteria for ownership of SHEDA Affordable house for YAB Datuk Amar's review.

## **Conclusion**

SHEDA is of the opinion that a workable and feasible scheme should be cost-effective, conducive for family living and in line with the current market demand and regulations in place.

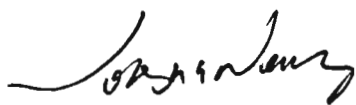
In view of the proposal above, SHEDA seeks the involvement and guidance of YAB Datuk Amar to relax the above criteria in order to fulfill conducive yet affordable housing in Sarawak.

SHEDA is grateful for the opportunity to be heard and looks forward to receiving from YAB Datuk Amar's feedback and response on the above matter.

Thank you.

Yours sincerely,

*for Sarawak Housing and Real Estate Developers' Association*



**Joseph Wong KeeLiong**  
**President/ Chairman, Housing Committee**  
**SHEDA**

Encls.

cc: Datu Sudarsono Osman, Permanent Secretary, Ministry of Resource Planning and Environment  
Dr. Haji Wan Liz Ozman Wan Omar, Permanent Secretary, Ministry of Housing and Urbanisation

## **APPLICATION CRITERIA FOR OWNERSHIP OF SHEDA AFFODABLE HOUSING SCHEME**

### **1. MAXIMUM SELLING PRICE**

SHEDA Affordable houses to only be sold at the following maximum prices:-

<b>No</b>	<b>Type of property</b>	<b>Position</b>	<b>Maximum Selling Price (RM) Per Unit</b>
1	Single or Double Storey Terrace House / Apartment	(Intermediate)	250,000.00
2	Single or Double Storey Terrace House	(Corner unit depending on size of land)	280,000 - 300,000
3	Apartment	(Corner)	280,000.00

### **2. ELIGIBILITY CRITERIA AND OWNERSHIP CONDITIONS**

Any interested person who intends to apply for these affordable houses must fulfill the following conditions:-

#### **1.1) Monthly gross household income:-**

<b>Type of house</b>	<b>Monthly gross household income</b>
Single or Double Storey Terrace House / Apartment	RM4,000 and above

#### **1.2) Criteria of application:-**

1. Malaysia citizen of Sarawak origin;
2. Bachelor aged 21 years old and above;
3. If married, aged above 18 years old;
4. Single parent, widow/widower and divorce will also be eligible; and
5. Does not own any other house.

### **1.3) Conditions of ownership:-**

The house shall be subjected to five (5) years moratorium period commencing from the execution date of Sale and Purchase Agreement provided that the said house is not foreclosed by the bank that financed the property; and

Upon expiry of the 5 years moratorium, owner of the affordable house is allowed to sell his/her house whereby its sale shall be governed by the prevailing market price, and thus, no longer be subjected to the aforesaid eligibility criteria.

### **3. HOW TO APPLY**

**3.1** Application to purchase this affordable house should be submitted to the Ministry of Housing and Urbanization by a legal firm representative or by the developer itself through *Housing Development Management System (Homeapps)* application.

**3.2** The Ministry will check and evaluate the application based on the criteria specified above. Decision shall be made within stipulated period provided that the application is complete.

### **4. COMPLIANCE TO THE MAXIMUM SELLING PRICE**

All Licensed Housing Developers (LHD) and their respective advocates as well as end-financiers for the housing loan are duly reminded to strictly comply with the above maximum selling price of affordable houses. Any attempt to increase the selling price above and beyond the said maximum selling price by any mean including through a *"Supplementary Agreement"* is strictly prohibited. Action may be taken against errant developers should they fail to comply with this policy.