



ADVERTISEMENT

MAIN (/) > NEWS (/NEWS)

City&Country: PKNS' affordable housing strategy

(/news/author?name=) July 14, 2012 | Updated 10 years ago

Perbadanan Kemajuan Negeri Selangor (PKNS) intends to shed its image as a builder of low-cost homes to focus more on affordable housing. Its general manager, Othman Omar, believes the affordable housing model that PKNS is exploring will help benefit society as it will give the lower-income group a shot at climbing the socioeconomic ladder through a better living environment.

The state developer plans to tackle the problems of cost, quality, maintenance and inconvenience by exploring alternative construction methods — using sustainable designs, awarding contracts via open tender in the case of joint ventures, and providing all the necessary facilities such as nurseries, schools and transportation within these developments.

"The new concept of affordable homes focuses not only on the hardware, such as building design, but also the software, meaning the people living in it," he says.

Meanwhile, low-cost homes will be provided by other state agencies under the Lembaga Perumahan dan Hartanah Selangor (LPHS), says Othman.

In an interview with City & Country, Othman notes that there is a lack of affordable housing options for families in the medium-to-low income group.

PKNS is looking at pre-fabricated buildings to speed up the building process and reduce construction cost, and has sent out a request for proposal to some developers and contractors, he adds. PKNS is also planning to incorporate sustainable design to cut utility bills and reduce the overall maintenance of the building.

The homes will also feature community facilities such as nurseries, tuition centres and landscaped gardens, to engage residents of all ages, Othman says. "So, we are having facilities like in Kota Puteri in Gombak, where we are planning a sports complex. We also have Universiti Selangor there. We are boosting the population and providing facilities to make it work, so that the community can be more integrated."

Othman says there is also a need to have better public transport to serve an affordable housing scheme and PKNS plans to provide a medium ferrying residents in its projects to the closest public transport station.

PKNS is targeting to build 20,000 affordable homes in various townships within the next five to seven years, says Othman.

The LPHS has set the selling prices of these affordable homes — comprising a mix of apartments, townhouses, terraced houses and semi-detached houses, all with built-ups of around 700 to 837 sq ft — at not more than RM150,000. But PKNS is trying to do so slightly, depending on the location and density of the homes. Othman claims that these homes are priced at 20% to 30% lower than typical market prices.

Currently, low-cost homes are defined as those priced at RM42,000 and below while affordable homes are those priced at not more than RM150,000.

The state government has stipulated that 20% of residential developments must comprise low-cost and affordable homes. Othman says 4 or 58,572 units of PKNS' homes to date are deemed affordable or low-cost.

"Ideally, [the profit margin] should be 5%. The PKNS board has indicated to us that if we can come up with a design with a 5% can be duplicated ... then other developers will come and join us to build such homes.

"Earlier, we'd spoken with some developers. We want to pool our resources in terms of our landbank and their landbank and build them together. But to date, we have yet to come up with any final product. However, we believe there should be a synergistic relationship between the private sector and public sector to make this affordable housing concept a success," Othman says.

However, he doesn't want this to be a "one-way street". "It shouldn't be just us initiating it because then there will be a limited number of units that can be built. The whole idea is to get the private sector to jump on the bandwagon so that we can do a lot more."

In fact, some of these affordable homes are already being jointly developed by private companies and affiliated companies. For instance, Seksyen U12, Shah Alam, Debbin Sdn Bhd and Mas Ehsan Development Sdn Bhd are building 104 units and 1,000 units respectively.

Work has also begun on 124 units of six-storey apartments in Seksyen 3, Bandar Baru Bangi. These represent prototypes of the new concept which feature tuition centres, nurseries and landscaped recreational areas for senior citizens and the disabled on the ground floor. The units are sold from RM65,000 to RM99,000.

All the affordable homes will be sold by balloting, and so far, over 1,000 people have already registered with LPHS for these apartments, says Othman.

"The allocation for the affordable home project is monitored entirely by LPHS and the successful applicants are chosen automatically through the Registry of Affordable Home Application System."

The criteria includes monthly household income, dependents, current home status, marital status, age, state, number of years the applicant has been staying in Selangor, any disabilities, and how long the applicant has been registered with LPHS.

Some additional conditions have been approved by Selangor Menteri Besar Tan Sri Khalid Ibrahim. The first is that owners cannot sell the property within five years and the land office must ensure that the property is not sold, especially if the transfer of ownership and right of ownership has not been executed.

The LPHS must also ensure that the property is not rented out to third parties. Should the owners wish to sell the property, they must sell it back to PKNS at a minimum appreciation of 3% a year. To ensure that the prospective owners are genuine, PKNS will interview them to verify their eligibility.

Higher-end projects

PKNS' affordable homes initiatives will be subsidised by its other high-end projects which are mainly redevelopment or regeneration projects, says Othman. These include Datum-In City PJ and PJ Sentral Garden City in Petaling Jaya, Datum Jelatek in Kuala Lumpur, Datum Sports City Kelana Jaya, a 15.8-acre project in Section 17, Petaling Jaya, Datum Edu City in Section U5, Subang Bestari, and the tentatively-named Subang Jaya New City Centre. Most of these projects are expected to be completed within the next five years.

The RM1.5 billion project in Section 17 will be jointly developed with DKLS Industries Bhd to redevelop the tract, currently occupied by old flats a green reserve, into a mixed-development with residential, commercial and retail components, according to reports.



Datum Sports City in Kelana Jaya is a sports-themed mixed-development project with commercial and residential components, an arts centre and an integrated sporting hub with a gross development value (GDV) of RM1.6 billion. The project, however, has been blocked over status of the Kelana Jaya SS7 sports complex field.

Last week, the Petaling Jaya City Council's (MBPJ) One-Stop Centre rejected PKNS' application to develop the field due to discrepancies between plans issued by the council and the State Planning Department. The former earmarked the field as a commercial site while the latter gazetted the land for recreational purposes.

Othman says PKNS will study the centre's decision before making an appeal to the independent audit and corporate governance committee set up to investigate these discrepancies.

Datum In-City is a 10-acre mixed-development that will feature five residential blocks, three office towers, three hostel towers, an international school and a transport hub. The site near Western Digital in Kelana Jaya currently houses an MBPJ depot centre to sign with Western Digital for the accommodation complex for 10,000 of its staff. [It will] be an international showcase for the company's self-accommodation," Othman says.

He adds that PKNS has also received offers for en bloc purchases of the residential units. Meanwhile, the developer is still in talks with hotel operators to run their hospitality component.

"We are also talking to some international investors to take up the retail area, [which is] in high demand. There are a lot of parties who want to take up the retail component, either as an en bloc purchase or to do a joint-venture investment with us," Othman reveals.

Meanwhile, PJ Sentral Garden City is a 12-acre integrated urban regeneration project comprising high-end serviced apartments, hotels and commercial towers. The project has a GDV of RM2.2 billion.

Planning permission has already been obtained for the development and PKNS is in talks with potential investors, notably telecommunication companies and non-banking financial institutions, to take up office towers. The Employees Provident Fund, which is also involved in the development, is expected to own an office tower there.

"[The offices] will be built custom-made to individual clients. If they want MSC status, Green Building Index certification, we can also do it. We are also offering MBPJ one tower because it's central, but they have yet to respond," Othman says.

Next is Datum Jelatek in Taman Keramat, Kuala Lumpur, a mixed-development comprising four residential towers and an exclusive retail podium, with a GDV of RM980 million. "We have received a few offers for our retail component, office component, serviced apartments, and [offers to buy] two towers en bloc. We have also received a proposal from a hotel operator to run the hotel."

Proposed future projects include Datum Edu City in Subang Bestari and Subang Jaya New City Centre in SS13. Datum Edu City is a mixed-development on 10 acres that will comprise three apartment blocks, retail space and two blocks of colleges, while Subang Jaya New City Centre in SS13 is expected to contain a hotel, office towers, residential and retail spaces. Details are still being finalised for both.

This article appeared in City & Country, the property pullout of The Edge Malaysia, Issue 915, June 18-24, 2012

Honeydale Residence, an Impian Emas— prestigious large landed homes linked to city pulse

Landed lifestyles here come with a golden
the conveniences in Skudai, a mature self-
sufficient township, with adjacency to the...

(/content/1913119/honeydale-residence-taman-impian-emas-
prestigious-large-landed-homes-linked-city-pulse)

