

HOUSING PRACTICES IN MALAYSIA AND COMPARISON WITH OTHER COUNTRIES

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1. INTRODUCTION

Housing is an essential action plan for every country in the globe since it has a significant influence on the development and improvement of the economy, as well as providing a basic shelter for individuals to improve their quality of life (Bahare Fallahi, 2017; Liyana Ishak, Yakub & Achu, 2019; Osman, Ramlee, Samsudin, Rabe, Abdullah, & Khalid, 2017; Wong, Lee Chin, Seng Wong, & Chee-Lip Tee, 2019). Furthermore, housing provides a secure location, privacy, and protection that assist individuals in sustaining an economic livelihood, the risks of a changing environment, the challenges of urban crime, and governance inequities (Shaffiq Soffian, Amelia Ahmad, & Norainah Abdul Rahman, 2018; Noraziah Wahi, Rosli Zin, Vikneswara Munikanan, Ismail Mohamad, & Syahrizan Junaini, 2018). United Nations Committee has discussed the right to adequate housing that ensures every group of people, such as women, men, youth, and children, lives in peace and dignity since the world nowadays lives in life and a health-threatening environment (Stuart Wilson, 2020). The rights upheld to recognise that a comfortable house will guarantee a better environment and a secure and productive life. Hence, these have led Malaysia and the other developing countries to implement affordable and sustainable housing policies to provide appropriate housing (Syed Jamaludin, Mahayuddin, & Hamid, 2018) and ensure that everyone, especially the lower-income group, has access to suitable housing accommodation (Bahare Fallahi, 2017). Thus, in this paper, the researchers review housing practices in three developing countries in Asia: Malaysia, Singapore, and China. The main aim of this article is to discuss the housing practices in Malaysia with a comparison made with Singapore and China.

2. METHODOLOGY

The desktop study technique was used to review the housing practices in developing countries through an extensive literature review of the secondary sources. Hence, journal articles, proceeding papers, policy reports, previous research publications, and agency websites were used to find related articles. For data analysis of acquired documents and secondary data, the content analysis technique was applied. The study employed terms like housing policy and housing practice, Malaysia, China, Singapore to find and collect pertinent material using Scopus, Emerald, Science Direct, and Google Scholar, among the most popular search engines. Journal articles, published United Nation report, conference proceedings, and government websites were used as online sources. There is a total of 25 articles downloaded and used for the review.

3. REVIEW OF THE HOUSING PRACTICES IN DEVELOPING COUNTRIES

The discussion was made on the housing practice in developing countries such as Malaysia, Singapore, and China as follow:

3.1 Malaysia

The establishment of the Ministry of Housing and Local government in 1964 has formulated many housing schemes and policies to address the requirements of the housing demand with the rising populations. In the early stage of the 1st Malaysia Plan, housing policy and programs focused only on the poor and low-income groups (Bahare Fallahi, 2017). However, due to the rising housing prices that are out of step with income (F. Raslim, B. Ibrahim, H. Ariffin, & F. Yong, 2020), the target population has shifted to include the middle-income group (REHDA, 2018). Realising the issue, the government has introduced the National Housing Policy (NHP) that serves as a guideline for the development of housing practice in Malaysia.

In housing, the government has intervened through the policy formulation and providing housing for the low-income group. At the same time, participation from the private developers was intended towards the other group of people. Government through housing providers has initiated various affordable housing programs such as *Perumahan Rakyat 1Malaysia* (PRIMA), *Rumah Wilayah Persekutuan* (RUMAWIP), *Rumah Mesra Rakyat* (RMR) and *Perumahan Penjawat Awam Malaysia* (PPAM). The initiatives are to ensure everybody has access to affordable and adequate housing in Malaysia. However, the price range of affordable housing is not clearly stated in the National Housing Policy (Abdullah, Jamaluddin, Yakob, Marzukhi, & Zaki, 2021) and indicates a wide variety of affordable housing market prices, ranging from RM300,000 to RM500,000 (F. Raslim, 2019; Osman, Rabe et al., 2017). Bank Negara Malaysia (2018) stated that the estimated maximum price for an affordable house is RM282,000. However, the cost of housing is far beyond the affordability of the people. Following the inability of many people to access housing, the government continued the strategies and programs in providing adequate and high-quality affordable housing strategies for the poor, low-income, and middle-income groups as specified in the 11th Malaysia Plan (Abdullah et al., 2021; Raslim et al., 2020).

The government views public housing projects as a way for low-income people to own homes and live-in better living conditions. The idea was stated in the National Affordable Housing Policy (NAHP) to ensure affordable housing meets minimum acceptable standards, services, and facilities (Wahi, Mohamad Zin, Munikanan, Mohamad, & Junaini, 2018). In addition, My First Home Scheme, Employees Provident Fund (EPF) Withdrawal, and Rent-To-Own were introduced as part of the government's intervention in providing affordable housing to the people. The collaboration was made with the financial institution for housing financing in homeownership (Yaacob, Abu Bakar & Wan Abdul Aziz, 2017).

As a result, homeownership grew 86.4% higher in rural areas, while slightly into 74.5% in urban areas (Department of Statistics Malaysia, 2020). Thus, providing affordable and sustainable housing for the middle and low-income group gave an equal opportunity for the public towards homeownership (Hafidzi, Tarmidi, Adi Maimun, Hassan, Mat Noor, Ariffin, & Norasma, 2019).

3.2 Singapore

Under the purview of The Housing and Development Board (HDB), housing in Singapore was established in 1960 as a Statutory Board under the Ministry of National Development to provide low-income groups with public housing, which is also referred to as affordable housing. The HDB was given the authority to planning and developing a suitable living environment for the *rakyat* of Singapore. The HDB has developed the flats as public housing with the government's annual grants for construction, maintenance, and estate upgrades (Housing Development Board, 2019).

In 1964, the Home Ownership for People Scheme was introduced to promote homeownership as the opportunity for the public to become homeowners rather than renters. The scheme benefited low-income populations by making loans available and promoting affordable public housing for homeownership (Yang Zhang, Qingyong Zhang & Huanhuan Zheng, 2020). Furthermore, in 1968, the government allowed a portion of the Central Provident Fund (CPF) for the down payment and mortgage payments incentives besides saving for retirement and health. Until now, many schemes and grants introduced for home purchase, such as Staggered Down Payment Scheme, Deferred Down payment Scheme, Temporary Loan Scheme, and Fresh Start Housing Scheme.

Despite a massive population in a limited area, public housing provided accommodation for almost the whole nation of Singapore. The available schemes and financing options, public housing now houses 80% of Singaporeans, with 90% of the homeowners (Department of Statistics Singapore, 2020). According to the UN-Habitat Housing Practices Series (2020), HDB's public housing delivered through regulations is a unique and successful affordable housing model due to the resolution of converting slums to public housing for a few decades. The strategy is seen to help Singaporeans to own a home and live independently.

3.3 China

As for China, in response to the country's poor living circumstances, China's government-initiated housing reform in 1979. Meanwhile, in the 1990s, affordable housing aims to meet the housing needs of the low-moderate-income groups. According to Yang Zhang, Qingyong Zhang & Huanhuan Zheng (2020), the Economic and Comfortable Housing Program (ECH), Low-income Rental Housing (LRH), Public Rental Housing Program (PRH), and the Housing Provident Fund (HPF) are four primary public housing schemes as part of the government initiatives to deliver the affordable housing to all.

First, the ECH program launched in 1994 by the central government aims to encourage the middle-to-low-income groups who could not afford to buy a home at market value to become homeowners. Moreover, ECH apartments were built by real estate developers and sold at the free market to qualified households. In contrast, the production and distribution of ECH flats are solely under the responsibility of the local government. Second, in 1998, LRH was established as a sort of social housing that caters to urbans' disadvantaged people such as folks, people with disabilities, and those with meagre incomes. Third, in contrast to LRH, the official establishment of PRH in 2010 became the only type of public housing that rent with a lower market rate and is available for a wide range of target groups. Forth, HPF is a compulsory savings scheme that gives self-funded housing credit to middle-to-low-income employees who want to buy a home. It was founded in 1994 and was inspired by Singapore's CPF (Zhang et

al., 2020). The ECH and HPF became the most crucial housing provision in China's housing system for the previous 20 years (Qian et al., 2019). However, ECH and LRH were merged into PRH based on the 12th Five-Year Plan for Housing Reform (Liu & Ma, 2021; Qian et al., 2019; Shi et al., 2016; Zhang et al., 2020). The emerging of the old programs into the new housing policy allows the public to increase their quality of life. Still, it is also a key to the flourishing economy in the era of urbanisation.

4. DISCUSSION

From the above review of the housing practices, we can see that Singapore is the most remarkable example of public housing practices in a developing country and can be referred to by other countries. Land Acquisition Policies, Housing Finance System, and a solid political with efficient administration are among the factors that have led to the success of public housing in Singapore (Chin & Strand, 2008; Fong, 1989; Anutosh Das, 2021). The comparison in terms of land supply, housing finance, and efficient housing delivery will be briefly discussed in this part.

Due to constraints such as restricted land supply, various situations are faced by almost all developing countries in providing and developing public housing. In Singapore, the Land Acquisition Ordinance, 1920, was initially adopted to allow the Singapore government to acquire private land for general purposes due to Singapore's tiny land size compared to Malaysia and China. As in Malaysia, matters regarding land are primarily under the authority of the state government that led to one of the challenges for developing public housing in each state in Malaysia. While in China, rural land is owned by rural communities, and the state owns urban land. However, in terms of the saving schemes, the inspiration of the success in providing a housing finance system for homeownership from Singapore (CPF) was followed by China (HPF) and Malaysia (EPF). Unlike CPF, HPF in China was introduced as a savings scheme focusing on housing finance, with no coverage for self-employed and private sector employees. Currently, Public Rental Housing has been captured from the emerging old programs such as ECH and LRH as the government effort to provide housing for their people.

An efficient housing delivery can be achieved by allowing both public and private housing markets to function in providing affordable housing for all. Public housing in Singapore is not just providing shelter but also used as part of political by the government to gain support from citizens through balancing the demand and supply. In Malaysia, the establishment of National Affordable Housing Policies showed the government's contribution to the private sector. In contrast, EPF in Malaysia covers all the private sector and non-pensionable employees and has a specific withdrawal allocation for housing. Setting the minimum design standard with developers is one of the efforts in providing affordable and sustainable housing.

5. CONCLUSION

In a nutshell, every country's housing policy is created and shaped by continuously developed programs, schemes, and policies. Hence, developing countries' strategies and plans can be reviewed as a reference source for building and strengthening the housing development. To conclude, any housing policy established by the government will impact the country's housing market and the economy. As a result, the federal government must have a well-planned policy and initiatives on housing projects that indirectly help improve people's well-being,

especially those living in poor housing conditions. It is essential to have a deep understanding of housing practices in every developing country since the idea of affordable housing has been widely and frequently adopted in line with the development of social housing in every developing country (Czischke & Van Bortel, 2018).

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