

PAM: Fuel price hike affecting mid-range affordable homes

By MARTIN CARVALHO

KAJANG: The construction of affordable homes for the *rakyat*, including those under the Government's PR1MA scheme, will be hampered by rising fuel prices if due attention is not given to address the issue, says the Malaysian Institute of Architects (PAM).

Describing the situation as serious, PAM president Chan Seong Aun said the recent 20sen increase in fuel cost would affect mid-range affordable homes for those with a monthly household income of between RM3,000 and RM7,000.

"Definitely, there will be a rise in the cost of affordable homes owing to the escalating cost of building materials and labour," he pointed out after the launch of the PAM annual golf tournament here yesterday. "We hope the government will encourage developers to construct more of these homes as 50% of our population fall within this income bracket."

The present housing policy, Chan said, had made developers' be more inclined towards building high-end homes as it was more profitable.

"This allows them to cross-subsidise the cost of construction of low-cost homes of between RM45,000 and RM60,000, which they sell at a loss," he said.

He said the government should do more to spur the construction of mid-range homes to meet the growing demand due to urbanisation.

"The ratio for Malaysia is six people to a home compared to a ratio of 2.5:1 in advanced countries," he said, adding that PAM had set up a committee to look into areas in the construction industry which were affected by the fuel price hike.

PAM is also working with the Real Estate and Housing Developers' Association to find ways to keep prices of homes affordable.

Earlier, Deputy Prime Minister Tan Sri Muhyiddin Yassin participated in the tournament and officiated PAM's donation drive for the construction of a RM12mil PAM Centre in Bangsar, which is to be completed within two years.

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