

Urbanisation, Internationalisation and Access to Housing

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Key words: Affordable housing; Cadastre; Land management; Real estate development; Urban renewal; Internationalisation; access to housing; housing policy; housing finance policy; property market; foreign ownership;

SUMMARY

The South Johor Economic Corridor, Iskandar Malaysia, was established in 2006 to propel the economy of Malaysia. Taking advantage of its strategic location within the growth triangle of Indonesia, Malaysia and Singapore and situated along the busiest east- west shipping route, Iskandar Malaysia positioned itself as “international city” by reducing trade barriers, increasing human mobility and international financing. In addition Iskandar Malaysia also facilitates property ownership by foreigners. As a result, Iskandar Malaysia is rapidly urbanizing. Many new urban centres emerge and created a strong demand for real estate. Activities in the property market have increased tremendously both in terms of volume and value of properties. The number of foreign ownership has also steadily increased. Iskandar Malaysia has been successful in attracting Foreign Direct Investment, where it ranked first in 2012 as the favourite destination for foreign investment in Malaysia . Foreign direct investment in Iskandar Malaysia has also superseded its initial target of RM 60 billion. With all the success story of Iskandar Malaysia, this paper attempts to look at access to housing by the local people. It examines the residential property transactions by analysing the house price, location of the property and demography of the purchasers. The housing policy, Bank Negara Policy on housing finance and its implementation will also be examined. The research will be based on primary data on property transactions recorded at the Valuation and Property Services Department, Ministry of Finance Malaysia. Data on the implementation of affordable and low cost housing policy will be gathered from the local councils. Interview will be carried out with bankers to study on the impact of prudent lending guidelines on the access to housing. The research will conclude with the current situation on accessibility of housing by the locals amidst the internationalization policy.