Big data takes on housing woes

Homes for all: Nga (fifth from left) officiating the National Housing Policy in Petaling Jaya. — AZLINA ABDULLAH/The Star

New policy targets supply gaps, abandoned projects

PETALING JAYA: Starting next year, big data analytics and artificial intelligence will be used to address the mismatch between housing supply and demand, which has led to unsold overhang units.

Housing and Local Government Minister Nga Kor Ming said these are among the measures implemented under the National Housing Policy 2026-2035 to provide one million affordable homes by 2035 through a more comprehensive, integrated and data-driven approach.

The Finance Ministry, he added, has approved the use of big data to better match housing supply with demand based on locality, income levels and market needs.

Nga said the current RM300,000 ceiling commonly used to define affordable housing is a "one-size-fits-all" approach that does not reflect differing needs.

Based on data from the National Property Information Centre, he said affordable housing in the Klang Valley could be priced at about RM500,000, compared with about RM300,000 in Kelantan.

"Imagine affordable housing in Kuala Krai, Kelantan, being priced the same as in Bukit Bintang, Kuala Lumpur.

"The (new data-driven approach) will ensure that when developers build homes for consumers, they do so based on pricing that better reflects the reality on the ground," he said in his keynote address at the launch of the policy yesterday.

Supported by six focus areas, 17 strategies and 59 action plans, the policy is aimed at making the property sector more transparent, accountable and responsive to the needs of the people, he added.

The policy, he said, will address long-standing housing woes, including strata management issues and abandoned projects.

Under the policy, three proposed laws, namely, the Property Development Act, Building Managers Act and Rent Tenancy Act, as well as amendments to the Strata Management Act 2013, would be introduced.

Nga said the Property Development Act, which is at its final stage (of drafting), would provide a comprehensive legal framework for property development, including commercial properties such as shop lots, that are not covered under the existing Housing Development Act.

The Building Managers Act, he said, would strengthen the management and maintenance of strata properties, while the Rent Tenancy Act would provide a regulatory framework for the rental sector.

Meanwhile, amendments to the Strata Management Act would strengthen the accountability, transparency and governance of Joint Management Bodies and Management Corporations, said Nga.

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"Malaysia has almost three million strata units across more than 27,000 schemes.

"Proper management is crucial to the well-being of residents as issues such as faulty lifts, as well as poor cleanliness and maintenance, directly affect their quality of life and value of the property," he said, adding that the ministry would continue to explore a wider range of financing options, including Rent-to-Own, shared ownership and fixed-rate mortgages to strengthen existing instruments such as the Housing Credit Guarantee Scheme.

To prevent new housing projects from becoming sick or abandoned, Nga said an option-to-purchase (OTP) mechanism would be introduced by the end of this year.

The mechanism, he explained, would allow developers to withdraw from a project within a specified period if sales are poor, with buyers receiving a full refund of their deposits and bank interest.

Buyers who change their minds during the specified period would also be allowed to withdraw, subject to administrative charges and interest payable to the developer.

"For example, without OTP, once construction has started on a 30-storey development, the developer cannot simply stop. But if there are no sales and no revenue, the developer may eventually collapse and walk away. This then becomes a social problem that has to be dealt with," said Nga.

He said the reforms would be monitored monthly to ensure that there are no more abandoned housing projects by 2030.

National Housing Policy 2026-2035: 10 key things to know

1. Humanising housing
A new 10-year approach focused on creating liveable, safe, inclusive and sustainable communities, rather than simply building more houses. Includes six focus areas, 17 strategies and 59 action plans.

2. One million affordable homes by 2035
The government aims to provide one million affordable homes over the next decade, with supply based on actual demand, income levels and demographics.

3. Building homes people actually need
Big data analytics will help identify where homes are needed, what types of homes people need and what they can afford, reducing the number of unsold units.

4. More flexible ways to finance a home
The policy will explore financing options beyond conventional mortgages, including:
- Rent-to-own (RTO)
- Shared ownership
- Fixed-rate mortgages
- Other new financing models, including strengthening the Housing Credit Guarantee Scheme (SJKP).

5. A fairer rental market
Preparing a proposed Rent Tenancy Act to create a more transparent and balanced rental market, with better protection for both tenants and landlords.

6. More homes near public transport
Transit-Oriented Development (TOD) will be promoted to provide homes with easier access to public transport, helping young people reduce reliance on cars and car loans.

7. More technology, better homes
The housing sector will make greater use of AI, big data analytics, Building Information Modelling (BIM) and Industrialised Building System (IBS) to improve efficiency, reduce waste and speed up construction.

8. Zero abandoned projects by 2030
Aims to have no more abandoned housing projects by 2030. As of June 30, 1,647 troubled and abandoned projects involving 192,912 homes and an estimated RM153bil gross development value had been revived.

9. Homes for an ageing population
Housing planning will take Malaysia's ageing population into account, with a focus on safe, comfortable and age-friendly communities that allow older people to live independently.

10. Better-managed strata communities
Plans to strengthen the Strata Management Act 2013 to improve accountability and governance among JMBs and management corporations to address everyday problems such as broken lifts, poor maintenance and neglected facilities, improving residents' quality of life and property values.

Source: Housing and Local Government Ministry

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