

## **IBS Part 2 (2015):**

### **The Sun Daily**

#### **Property mart to stay soft until first half 2016**

Posted on 14 December 2015 - 05:39am

Eva Yeong

sunbiz@thesundaily.com

KUALA LUMPUR: The soft market condition that property developers are facing today is likely to continue until the first half of 2016, said Sime Darby Property Bhd deputy managing director and acting managing director Datuk Jauhari Hamidi. "I suspect it will continue until the first half of next year. Hopefully, by the second half, with the right incentives from the government, it will pick up again. At the end of the day, a house is a necessity. It is not a luxury. "The government has to play its role in making sure that the incentives given are enough so that at least first-time house buyers have a chance to buy. We will try to assist our buyers in trying to make these houses more affordable for them," he told SunBiz in an interview.

Jauhari said Sime Darby Property, like other developers, had to review its launches and reduce some of them in response to the market condition and to limit the amount of unsold stock. Following a review of its launches, the group's sales target has also been reduced. For the financial year ending June 30, 2016 (FY16), the group planned 70 launches comprising 7,000 to 8,000 units of houses valued at between RM3 billion and RM4 billion. As of the first quarter ended Sept 30, 2015, it has executed 15 launches with take-up rates of 40-50%. "We are quite hopeful that we can achieve at least 50% of that including the initial take up. That's already very good. In the past, when the market was good, our standard was 70-80% (last three years). Now, under the bearish and soft market conditions, I think 50% will still be good," said Jauhari. He said the 50% target, which translates to 4,000 units, will bring in some RM3.5 billion in sales value for FY16. "This is going to be your unbilled sales. Your future income for the next two years. The current unbilled sales from property are not at a healthy level. We are talking RM1 billion to RM1.5 billion. Typically, we are always above RM2 billion. This started to show sometime towards the end of FY15 because that was the beginning of soft market conditions," he added.

Jauhari said the group is working on a scheme to help first-time buyers, which it hopes to launch in the first quarter of 2016. However, he declined to divulge details of the scheme. "We were very hopeful that there would be a bit more incentives coming out from the recent Budget. To a certain extent we are not overly disappointed but we wish we could have a bit more," he said. Jauhari is disappointed that no incentives were announced for the use of the Industrialised Building System (IBS), which could reduce the cost of construction by 5-10% at the initial stage and up to 20% at its full potential. "That's why, I won't say I was totally disappointed (with Budget 2016) but there should be enough incentives given. If you want to introduce something new you have to give incentives because, if not, people will not invest in it. They are not sure because it is not a ruling, not a policy, it is not what is being encouraged but if you give a certain incentive, I think it will help," he said.

On the group's part, Jauhari said it has already started using IBS in a minimal way, beginning with the Rumah Selangorku project that was launched in March this year. Parts of the project will be done using IBS and the contract for the project has already been tendered out. "Those are projects that we can really start off on IBS. To replicate every floor, you have to make sure your floor frame doesn't have any bulky beams and so forth so that it can be consistently repeated over floors and that it is easier for you to install. That is something which we are now working on and trying to make sure that this is the way for us to move in the future."

Jauhari acknowledged some of the issues related to IBS but said the group has been working with some suppliers of IBS components, including local suppliers. "There are some issues with regard to IBS, to making sure the panel is right, the connectivity between floors are okay, the adhesive that is going to be used. But unless you try it out and do a bit more research on this, you will not gain the full potential of IBS," he said.

Meanwhile, the group aims to increase profit contribution from property investment to 20-30%. Property investment now contributes 10% to overall profit while the remaining 90% comes from property development. Jauhari said it currently manages assets with a total of 2.5 million sq ft net lettable area and its target is to increase this to 3 million sq ft, which is part of a five-year plan to achieve return on assets above 10%. After growing its asset size, the group will consider two options, namely a real estate investment trust (REIT) or park its assets into a private fund. "These are strategies but you can only do that if you have the assets. The assets we have now are not sufficient. Even for REITs, we need assets valued at least RM1 billion," he added.

<http://www.thesundaily.my/news/1636469>

## **Govt will expand use of IBS in housing sector to make units more affordable**

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P. Chandra Sagar

[newsdesk@thesundaily.com](mailto:newsdesk@thesundaily.com)

IPOH: The government will expand the Industrialised Building System (IBS) to the housing sector to make units more affordable. Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said currently the system has not been implemented on a wide scale. "Prima housing projects and Urban Wellbeing Housing and Local Government will use the system to build cheap houses ," he told reporters after going on air at PerakFm station here yesterday.

Syarikat Perumahan Negara Berhad is currently using the system to construct affordable houses besides utilising it on certain construction components of other units. Citing an example, he said, in China a 30 storey hotel was built in two weeks and developers in Philippines sold three rooms cum two bathroom terrace houses at a cheap prices with the implementation of IBS. Ahmad Husni said the government will not control the prices of houses but the market force would decide based on the construction cost.

<http://www.thesundaily.my/news/1605971>

### **'G7 builders in better position to promote IBS'**

Posted on 5 November 2015 - 05:36am

Wan Ilaika Mohd Zakaria

sunbiz@thesundaily.com

KUALA LUMPUR: The RM500 million allocation in Budget 2016 to promote the Industrialised Building System (IBS) among G5 contractors and below should be given to contractors in the G7 category instead, according to Eversendai Corp Bhd executive chairman and group managing director Tan Sri A.K. Nathan. "I feel that the G7 contractors are more well positioned to promote and develop the IBS," he told reporters on the sidelines of Deloitte's 41st TaxMax seminar held here yesterday. "Because to really make the IBS successful you need to have innovation, financial strength and willingness to take it forward," added Nathan, who is also the vice-president of Masters Builders Association Malaysia.

In Budget 2016, it was announced that an IBS Promotion Fund would be provided by SME Bank for developers and contractors in category G5 and below for the construction of homes. Contractors in the top grade of G7 are allowed to tender for projects of any size, while G5 contractors can bid for projects that do not exceed RM5 million. In May this year, the Malaysian Investment Development Authority (Mida) said the adoption of IBS in the construction sector was still low and represents only 15%-20% of the overall projects in the country.

At the seminar, Deloitte's international tax leader Tan Hooi Beng said he was glad with the government's move in increasing the tax relief for each child below 18 years to RM2,000 from RM1,000 previously. "The increase in personal tax relief for child, (in terms of the) educational tax relief is important given the challenging economic currently. To me that is really well timed," he added.

However, the accounting firm's country tax leader Yee Wing Peng said given the flagging of the ringgit, the government should take bolder measures to provide incentives to businesses, in order to grab the opportunity to ramp up the export of goods and services. "In the midst of this downturn, it is important to focus on the silver lining on the country's economy. The weakening ringgit makes our services and products much cheaper, for example in the tourism, health and education sector," he noted. Therefore, Yee said, the government should give more funding to these sectors to explore overseas markets, and to provide export tax rebate and allow tax exemption on the incremental value derived from the export sales.

<http://www.thesundaily.my/news/1603531>

## Housing, construction industries to benefit from RM500m allocation for IBS

Posted on 23 October 2015 - 10:53pm

Last updated on 23 October 2015 - 11:25pm

KUALA LUMPUR: The housing and construction industries will benefit from the RM500 million allocation for the Industrial Building System (IBS) via SME Bank in Budget 2016, said Mah Sing Group Bhd Managing Director, Tan Sri Leong Hoy Kum. In a statement today, Leong said, the fund would allow the company to explore further usage of this technology for time savings as well as reduction of material wastage during construction. He said the estimated RM18 billion investment in 2016 for Rapid project in Pangerang would drive demand for housing in the vicinity, directly benefiting its township in Bandar Meridin East in Plentong. "The proposed implementation of the Cybercity in Cyberjaya will increase demand for both commercial, retail and residential units, within our Garden Residence@Cyberjaya and Garden Plaza@Cyberjaya," he said.

Meanwhile, member of Parliament for Sekijang, Anuar Manap, said the allocation of RM1.6 billion for 1Malaysia People's Housing Programme (PR1MA) to build 175,000 houses in town and suburban areas nationwide was appropriate as it would help the low-income group. He said the provision of RM200 million for the First Home Deposit Scheme by Ministry of Housing and Local Government was also helpful. "This will support the Youth Housing Scheme which was recently launched to help young couples earning less than RM10,000 a month to own the first home," he said.

He urged the Finance Ministry to increase the fund because since its launch a few months earlier, the total amount of loans approved has reached RM69.25 million. "I also appeal that consideration be made for houses costing RM100,000 and not above RM500,000 to be lowered again," he said. Co-founder and Group Chief Executive Officer of iMoney, Lee Ching Wei, agreed, saying that the allocation still did not help the middle-income group as it did not qualify. "Disappointingly, other initiatives focused on easing cost of living are focused solely on civil servants. "The only silver lining we saw in this allocation is the higher tax relief for those with non-working spouses, children and elderly family members to care for," he said. – Bernama

<http://www.thesundaily.my/news/1591935>

## Industrialised Building Systems incentives should be given to G7 contractors instead

Posted on 4 November 2015 - 03:15pm

Wan Ilaika Mohd Zakaria

sunbiz@thesundaily.com

KUALA LUMPUR: The RM500 million allocation to promote Industrialised Building Systems (IBS) in Budget 2016 for G5 contractors should be given to contractors in the category of G7 instead, according to Eversendai Corp Bhd's executive chairman and group managing director Tan Sri A K Nathan. "I feel that the G7 contractors are more well positioned to promote and develop the IBS," he told reporters on the sidelines of Deloitte's 41st TaxMax seminar held here today. "Because to

really make the IBS successful you need to have innovation, financial strength and willingness to take it forward," he added. In the 2016 Budget, it was announced that there would be an IBS Promotion Fund of RM500 million, provided by the SME Bank for developers and contractors in the category of G5 and below.

<http://www.thesundaily.my/news/1602739>

### **Private construction project costing more than RM50m to use IBS, effective next year**

Posted on 12 October 2015 - 04:37pm

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PETALING JAYA: Effective next year, private construction project which cost more than RM50 million, and more than RM10 million for government projects, will be required to be implemented using the Industrialised Building Systems (IBS). Works Minister Datuk Seri Fadillah Yusof said this was to ensure a more standard building design, to reduce construction period and improve quality of buildings in the country. "Any projects costing RM50 million and above for the private sector, we have agreed in principle, to make compulsory the use of IBS. "With this IBS technology, we can have standard design, pre-approved plan, especially for government buildings, where IBS can save time and cost," he said after a closed-door dialogue with High Performing Companies (Teras) in Damansara here today.

IBS is a construction process that uses techniques, product, component or building system which involve prefabricated with onsite installation. On the 2016 Budget, scheduled to be tabled this Oct 23, Fadillah said the ministry hoped that priority would be on providing allocation for infrastructure to bridge the development gap between the peninsula, Sabah and Sarawak. He said efforts were being made by the ministry to ensure implementation of projects could be completed within the stipulated period, including the West Coast Expressway which started last April.

On the Trans-Pacific Partnership Agreement (TPPA) which might affect the construction companies in Malaysia, he said it should be looked at positively. "This is where we want to strategise under the Construction Industry Transformation programme, where we want to introduce our professionals and expertise to the world," he added. – Bernama

<http://www.thesundaily.my/news/1578942>

## Green light for IBS incentives

Posted on 2 October 2015 - 05:37am

Eva Yeong

[sunbiz@thesundaily.com](mailto:sunbiz@thesundaily.com)



Husni (third from left) at the launch of the Youth Housing Scheme yesterday. --fotoBERNAMA .

KUALA LUMPUR: The Finance Ministry has approved incentives for the use of the Industrialised Building System (IBS) in the construction sector, in a bid to encourage the private sector to adopt the system. "We have done our study. As you can see, during the last few years, housing prices have grown significantly. As a result, some people find that their income cannot reach the level where they can get loans to buy houses," Finance Minister II Datuk Seri Ahmad Husni Mohamad Hanadzlah told reporters at the Youth Housing Scheme launch yesterday. He said the government has been studying ways to reduce house prices and promoting IBS is one of the ways. "In terms of IBS in our country, the usage of IBS now is still very minimal. Some companies like SPNB (Syarikat Perumahan Negara Bhd) build the whole house with IBS while others only use IBS to build certain parts of the house," he added.

Husni said IBS will be the key to developing affordable houses and ensuring prices are sustained. The system, as observed in other countries, will speed up the construction period and ensure the quality of houses, he added. Husni said the decision follows requests from the private sector for the ministry to provide incentives for using IBS, particularly tax perks for importing the required machines. However, it is not compulsory for the private sector to use IBS in their projects.

Commenting on the Youth Housing Scheme, Bank Simpanan Nasional (BSN) chief executive Datuk Adinan Maning said some 500 applications had been received since its soft launch in July, of which 225 loans with a total value of RM57.5 million had been approved as at Sept 21. "We hope it (the total value of loans approved) will hit RM1 billion by year-end," he said.

Announced under Budget 2015, the scheme is a partnership among the government, BSN, Cagamas Bhd and the Employees Provident Fund (EPF). It is a scheme for married youths aged between 25 and 40, with a combined household income of no more than RM10,000, who are looking to buy their first home.

BSN is the sole bank appointed to execute the scheme and, to date, a total of 886 property developers are on the panel for the scheme. The scheme is limited to 20,000 applicants or valid for two years, whichever comes first. BSN will provide home loans ranging from RM100,000 to RM500,000 with a tenure of up to 35 years or the age of 65, whichever is earlier.

Both conventional and Islamic home loans are available, with financing margin of up to 100% of the purchase price. Successful applicants receive additional financing up to 5% of the purchase price for the cost of Mortgage Reducing Term Assurance or Mortgage Reducing Term Takaful. Successful applicants will need to have a BSN GIRO or GIRO-i account. Under the scheme, the government will provide further aid with monthly disbursements of RM200 for the first two years from the first disbursement to help couples with their loan repayments. There will also be a 50% stamp duty exemption on the sale and purchase agreement as well as facility legal documents. On whether the scheme will be extended in the future, Adinan said it is up to the government to decide and it will make a recommendation to the government if the response is good.

<http://www.thesundaily.my/news/1569810>

### **Glomac: High housing loan rejection rate worrying**

Posted on 21 October 2015 - 05:38am

Ee Ann Nee

[sunbiz@thesundaily.com](mailto:sunbiz@thesundaily.com)

KUALA LUMPUR: Glomac Bhd is appealing to Bank Negara Malaysia, the central bank, to be more flexible in providing end financing for prospective home buyers, as the rejection rate for home loans in the industry for the first six months this year is more than 50%, which is a worrying trend. Group managing director and CEO Datuk Seri Fateh Iskandar Mohamed Mansor said yesterday end financing is the biggest issue and a major concern now. "When you have a high rejection rate, the level of confidence goes down. When developers launch (properties) and don't see the take-up, they will pull back launches. The demand is still there but with no supply, like it or not, property prices will go up," he told a press conference after Glomac's AGM here.

Fateh said demand for affordable homes is there, especially in the city centre and in Greater KL, where 67% of the population are below 30 years old and are property buyers. He said home buyers would pay 10% initially and sign the sale and purchase agreement before applying for a loan. "With the higher loan rejection rate, this is where after three to four months, they cannot secure a loan to complete the sale of the property.

This is where we're worried. Then another person comes and it's the same problem. We already took it as sales three to four months ago but because the bank loan has been rejected, we categorise that as negative sales," said Fateh. He is calling for some flexibility to be given, especially to first-time home buyers and for properties priced below RM500,000. This includes higher acceptance of loans, even a full loan. "Usually first time house buyers and those looking for properties below RM500,000 are 30 years old and below and they can work until 65 and have 35 years to pay." He said the

property and real estate market has taken a beating since 2013 because of cooling measures and higher real property gains tax. "We see that the market will be challenging but we hope some good news will come from Budget 2016. At least certain recommendations made by the industry either through Rehda or through individual companies will be taken into account."

Meanwhile, Glomac expects new sales for the financial year ending April 30, 2016 (FY16) to improve from RM506 million in FY15, driven by new launches of RM802 million. Planned launches for FY16 include Saujana KLIA, Saujana Jaya in Kulaijaya Johor, Lakeside Residences, Bandar Saujana Utama, Saujana Utama 5, Sri Saujana in Johor, Suria Residen in Cheras and Centro V. Glomac also expects moderate profit growth in FY16, underpinned by unbilled sales of RM796 million as at April 2015.

Fateh said the group has a strategic focus on landed residential and affordable townships. It has a future gross development value (GDV) of RM8 billion, of which 75% are from townships. "Out of the RM802 million GDV in FY16, RM550 million is for townships and affordable homes. This is what the market wants," Fateh said, adding that for its RM506 million sales registered in FY15, about RM400 million came from affordable homes or houses priced RM500,000 and below. Moving forward, he said the industrialised building system (IBS) is something that it should be aiming for.

IBS is a construction system which uses industrial production techniques either in the production of components or assembly of buildings, or both. "IBS will help us to lessen the number of foreign workers. However, at the moment, IBS is still a little more expensive than conventional construction. There must be economies of scale for IBS to be competitive." He said there are not enough IBS jobs around and if the government wants to move into this, certain incentives, such as tax rebates, must be given.

<http://www.thesundaily.my/news/1587905>

### **Affordable housing programmes positive and helpful: Rehda**

Posted on 23 October 2015 - 09:52pm

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Lee Choon Fai

newsdesk@thesundaily.com

PETALING JAYA: The Real Estate and Housing Developers' Association Malaysia (Rehda) lauded Budget 2016's focus on affordable housing, saying it is a people friendly budget. Rehda president Datuk Seri FD Iskandar Mohamed Mansor said the 10 programmes outlined in the proposed budget tabled in Parliament today will encourage the people to own properties. "Rehda views the budget as positive and helpful for home ownership in the nation especially for the low and middle income group," Iskandar said in a statement.

The programmes include allocating RM200 million to finance deposits for first time house buyers, which he said will help home owners overcome the deposit obstacle. Iskandar also gave a thumbs-up for the RM500 million "Promotion Fund" provided to developers and contractors to encourage



adoption of Industrialised Building System (IBS) in Malaysia. "This will help accelerate project delivery, reduce development cost, and reduce dependency on foreign workers," he said.

Iskandar said stamp duty exemption on financing instruments for contractors rescuing abandoned projects and original purchasers will also encourage more developers to assist in rehabilitating developments in limbo. Lastly, he said Rehda is keen to engage and assist the government to promote the affordable housing agenda.

<http://www.thesundaily.my/news/1591886>

### **Rehda seeks review of cooling measures in Budget 2016**

Posted on 20 October 2015 - 06:29pm

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KUALA LUMPUR: A call to review the cooling measures on sales of properties in Malaysia was submitted by the real estate and housing developers' association Malaysia (Rehda) in the form of a wish list for budget 2016. To facilitate home acquisition in the country, Rehda said banks should introduce a new homebuyer-friendly scheme especially for first-time buyers of houses priced up to RM500,000.

Its president, Datuk Seri Fateh Iskandar Mohamed Mansor, said some of the cooling measures announced by the government in Budget 2014 have negatively impacted buyers' ability to secure financing. "Banks should allow some form of flexibility. "The criteria for loan approvals should be more relaxed, and flexibility should be allowed, especially for first-time home buyers and houses up to RM500,000," he told reporters after a press conference held in conjunction with the annual general meeting of Glomac Bhd, of which he is group managing director and chief Executive Officer.

Rehda also submitted five other suggestions — adoption of industrialised building system (IBS), Goods and Services Tax (GST) relief for affordable housing and controlled properties, revision of the Bumiputera quota policy, reduction in the cost of doing business for the industry, and increase in affordable housing supply. "With many corporations and bodies now putting efforts to provide affordable housing in the country, the government should also consider establishing a single body to look at houses priced RM100,000 to RM500,000, and houses priced RM100,000 and below," he said.

<http://www.thesundaily.my/news/1587590>

### **Housing unaffordability issue could spread to other parts of the country if left unchecked, Khazanah Research Institute**

Posted on 23 September 2015 - 03:17pm

Eva Yeong

[sunbiz@thesundaily.com](mailto:sunbiz@thesundaily.com)

KUALA LUMPUR: Housing unaffordability could become an issue in other parts of the country if it is not addressed, said Khazanah Research Institute (KRI) managing director Datuk Charon Mokhzani. "If we don't start tackling the problem now, what's happening in Penang and Kuala Lumpur could start happening in other parts of the country because you'll have more and more people, urbanisation is increasing, so there's more demand for property. If you don't fix it now you'll have a much bigger problem in the future," he told reporters at a forum entitled "Does greater prosperity come with less housing affordability?" organised by the Malaysian Economic Association today.

Last month, KRI launched a report on affordability, which revealed that Malaysian houses are severely unaffordable, especially Penang and Kuala Lumpur. "At the moment the problem isn't there yet because there are enough houses but as more people move from the countryside to the city, they need houses built for them in the urban area. That's the problem we have to address," said Charon.

He said providing more housing loans to buyers will not solve the issue of affordability as it would increase debt burden thus the solution is to reduce house prices. "We have to build houses as cheaply as possible and as many as possible so that we can meet this demand. It can be done. As we heard from developer point of view, if we manage to implement better ways of building houses for example industrial building system (IBS), then we can have more houses and hopefully at a price that everybody can afford," he added.

<http://www.thesundaily.my/news/1561446>

## **Holistic approach needed to tackle housing prices**

Posted on 28 September 2015 - 05:36am

Eva Yeong

[sunbiz@thesundaily.com](mailto:sunbiz@thesundaily.com)

PETALING JAYA: Since the launch of Khazanah Research Institute's (KRI) report on housing affordability last month, various quarters have had something to say about housing affordability, with the more extreme being calls for the resignation of the Urban Wellbeing, Housing and Local Government Minister. The report, titled "Making Housing Affordable", deemed the Malaysian housing market "seriously unaffordable" with the median house price at 4.4 times median annual household income. It also labelled the housing markets in Kuala Lumpur and Penang as "severely unaffordable" with 5.4 times and 5.2 times median household income respectively. Immediately after the launch of the report, the DAP's Jagdeep Singh Deo, who is the Penang housing development committee's chairman, blamed Datuk Abdul Rahman Dahlan for failing to control house prices and said that he should take responsibility by resigning.

National House Buyers Association (HBA) secretary-general Chang Kim Loong took the opportunity to remind people that the association has been warning the government of a "homeless generation" should the issues surrounding housing not be addressed. Meanwhile, the Real Estate and Housing Developers' Association Malaysia (Rehda) said KRI's report did not take into account various other

factors, and that the two parties would meet to discuss the issues further. Thus, when the Malaysian Economic Association organised a forum to discuss these issues, with representatives from KRI, Rehda, HBA and the National Housing Department (NHD) participating, one would anticipate some workable recommendations that the government could seriously consider.

However, the forum, which was held on Wednesday, saw each participant presenting their views on the issue as well as proposals and recommendations only from their perspective, with no holistic conclusions. The forum started off with KRI managing director Datuk Charon Mokhzani and research director Dr Suraya Ismail giving a brief presentation on the report's methodologies and findings. Charon and Suraya emphasised that the way to address housing affordability was to bring house prices down by targeting the construction industry, specifically by bringing in technologies such as the Industrialised Building System (IBS).

However, Rehda immediate past president Datuk Seri Michael Yam said IBS, which is not new to the construction industry and has been explored in the past, has a negative reputation due to a major weakness – the silicone used to seal the joints is not only costly but also cracks under ultraviolet light. In Rehda's lengthy proposal was a suggestion to relax lending guidelines, at least for the affordable segment and first-time home buyers as many developers have voiced their frustration over converting bookings into sales due to customers finding difficulty in obtaining home loans. However, Charon said this is not a sustainable solution as it would only increase the debt burden on households.

HBA's Chang, who applauded KRI for being "brave" enough to admit that there is a problem with housing affordability, said the government should cap the profit margin of property developers, in order to control house prices. However, KRI's Suraya said this is not the right way to address the issue. Another issue highlighted by Rehda was that the jump in property prices was due to rising land prices but, in its report, KRI said land prices are high due to rising property prices, not the other way round. Both Rehda and HBA have in the past recommended that government land be used to build affordable homes. Chang said the government should set aside 70% of the land for affordable homes instead of only 40%, which is the case now for affordable homes built under the PR1MA programme.

In response, NHD director Murali Jayabalan said land matters are dictated by state governments, which have been charging the federal government for land and, in some cases, providing land which is costly to develop. The state excos are expected to meet with the ministry next month to iron out these issues. At the end of the forum, the only suggestion that the stakeholders agreed on was to flood the market with supply. Even then, there were differences on the approach. Soaring house prices has been a hot topic as more and more Malaysians find themselves priced out of the market and HBA has said the government's affordable housing programmes are not holistic solutions. But how can viable and holistic solutions be proposed if the stakeholders cannot put their heads together? No doubt it is important to consider all perspectives but it is even more important to work together towards a solution.

The forum was a good platform for the stakeholders to present their viewpoints and having the media present ensured that the public knows what is being discussed. However, the forum also showed that the meeting of minds is a rarity and not the norm. So perhaps a step forward towards a viable solution should start with many more of such forums on a regular basis to work toward a

workable solution on making housing affordable for the rakyat, one which all stakeholders will find palatable.

<http://www.thesundaily.my/news/1564847>

## **Start tackling housing affordability woes now: Khazanah Research Institute head**

Posted on 24 September 2015 - 05:37am

Eva Yeong

[sunbiz@thesundaily.com](mailto:sunbiz@thesundaily.com)

KUALA LUMPUR: Housing unaffordability could become an issue in other parts of the country if it is not addressed, said Khazanah Research Institute (KRI) managing director Datuk Charon Mokhzani. "If we don't start tackling the problems now, what's happening in Penang and Kuala Lumpur could start happening in other parts of the country because we have more and more people, and urbanisation is increasing. There's more demand for housing. So if we don't fix the problem now, we'll have a much bigger problem in the future," he told reporters at a forum titled "Does Greater Prosperity Come with Less Housing Affordability?" organised by the Malaysian Economic Association yesterday.

Last month, KRI launched a report titled "Making Housing Affordable" which revealed that houses in Malaysia are unaffordable, especially in Penang and Kuala Lumpur where the markets were labeled "severely unaffordable". On the three million difference between home ownership data from the Department of Statistics (7.3 million) and the National Property Information Centre (Napic) (4.3 million), Charon said some of these houses were built before 1970 and have not been registered yet with Napic, which collates data for houses built since 1970. "Secondly, a lot of people live in the rural areas. In the rural areas, you can easily own a house or a 'rumah kampung'. So, at the moment, the problem isn't there yet because there are enough houses but as more people move from the countryside to the city, they need houses built for them in the urban areas ... we have to build houses as cheaply as possible and build as many as possible so that we can meet this demand," he added.

Charon said the government cannot subsidise 70% of the population who are earning RM3,000 to RM10,000 per month for housing as it is not sustainable and will not address the affordability issue, while giving more loans will only increase the debt burden of households. He said the only solution is to bring house prices down by increasing supply to the market and employing technologies such as the industrialised building system (IBS), which would increase productivity and efficiency. "It can be done. We've heard from the developer's point of view, if we manage to implement better ways of building houses for example the IBS then we can have more houses and hopefully at a price everybody can afford. Houses are expensive, no doubt. The biggest purchase most people would make is a house. They will always cost a lot of money but it's how much they cost relative to how much your income is. "We're trying to bridge the gap ... bring technology in so that users can find ways of making houses quicker, faster and cheaper," he added.

On the national databank for the housing industry which was announced by the government, National Housing Department director Murali Jayabalan said the department has engaged a vendor to set up the data system. He said there will be a soft launch for the system next month while full accessibility is targeted in 1½ year's time. The system will also come with a mobile application. On land matters, Murali said the Urban Wellbeing, Housing and Local Government Ministry will meet with state excos in charge of housing to set up a technical committee to look into the matter, with the first meeting scheduled for next month. "States are not giving us land as before, they are charging us and giving us unusable land. We have to prepare the land and build it up, which escalates the cost," he said.

In addition, the ministry is also looking into the feasibility of having a housing guarantee scheme and a roundtable discussion will be held next month to look at the scheme. However, National House Buyers Association secretary general Chang Kim Loong objected to the idea, adding that buyers should not be made to buy insurance against project abandonment. He also questioned the government on its promise to implement the build-then-sell scheme, to which Murali replied that the papers are being fine-tuned for it to be more "adoptable".

<http://www.thesundaily.my/news/1562157>

### **MOU signed to raise IKBN trainees' employability factor**

Posted on 6 August 2015 - 07:27pm

Last updated on 6 August 2015 - 10:50pm

Shahrim Tamrin

newsdesk@thesundaily.com



Khairy Jamaluddin speaking during the MOU signing between KBS and GAMUDA Berhad at KBS Tower. SUNPIX by ZULFADHLI ZAKI

PUTRAJAYA: National Youth Skills Institute (IKBN) trainees will undergo internship and enhance their employability in the construction industry as a result of collaboration between the government and

one of the country's construction giants. In a Memorandum of Understanding (MOU) signed between Youth and Sports Ministry and Gamuda Berhad today, 140 IKBN trainees will be given on-the-job training in various construction and technical segments such as electrical, scaffolding, tunnelling, safety and health, dam surveying and industrial building system (IBS).

"This also includes 'training the trainers' programme for six people. I am pleased with this collaboration since the IKBN trainees will also be exposed to tunnelling works, a rare technology in this country in view of the Mass Rapid Transit project," said Youth and Sports Minister Khairy Jamaluddin after witnessing the MOU signing at the ministry this morning. In addition, he said, the ministry has conducted two phases of 21-day fast track boot camp training on scaffolding for 80 trainees at IKBN Bachok and Chembong to prepare the trainees to be industry ready in the oil and gas sector.

As a result, a total of 79 trainees have secured employment with four oil and gas companies with basic monthly wage ranging from RM1,700 to RM2,700 for projects in Sarawak, East Coast of Peninsular and India. "The government wants the IKBN trainees to have the 100% employability factor when they complete the training," he said, adding that boot camp training for golf service and management was also conducted with Nilai Spring Resort.

Gamuda Berhad managing director Datuk Lin Yun Ling said such internship programmes would nurture skilled local workforce and create a win-win situation for the construction industry. "The value is much better for sustainability. It is a big advantage for us when you are able to develop human resource for the long term period. To bring in foreign labour is also not very cheap. We need to add on to salary, levy charges, medical and the cost to bring them from other countries. "The foreign workers come and go since they can only stay for five years. The value is much better when you train the local workers because we never underestimate our local resources," said Lin.

<http://www.thesundaily.my/news/1512498>

## **CIBD-Bayer's new solutions brings down property prices**

Posted on 17 March 2015 - 05:38am

By Lee Weng Khuen

[sunbiz@thesundaily.com](mailto:sunbiz@thesundaily.com)

KUALA LUMPUR: A joint initiative between the Construction Industry Development Board (CIDB) and Germany-based Bayer MaterialScience for affordable housing solutions will see lower prices for properties, said CIDB CEO Datuk Seri Judin Abdul Karim. According to a prototype house at CIDB's Industrialized Building System (IBS) Show Village site, the sale of a basic 1142-square feet completed house is only around RM76,163.90, which is much cheaper than other properties in the market. This is without taking into account land costs. The new solution will start to be implemented through an affordable housing project in Kedah, which involves the construction of 200 houses. "We've been approached by the (Kedah) state to see whether we can (start) 200 houses, so we're working to

come up with a proposal," he said, adding that an agreement is expected to be inked within the year.

Judin also said the new solution will reduce the dependency on foreign labour as it reduces construction time by as much as 35% compared with the use of precast concrete. "The use of this material is not only for a house, it can also be used in high-rise building and other kinds of structure," he noted. These houses are built using lightweight polyurethane composite panels that can be installed easily and quickly. Bayer, which is among the world's largest polymer companies, produces composite construction materials that has insulation properties to make home cooler, flood and fire-resistant and the ability to withstand strong winds.

Meanwhile, Works Minister Datuk Fadillah Yusof said the affordable housing projects are line with the government's aim to build one million affordable and comfortable housing for the people. Following the recent floods that affected a number of state in the country, he said it is critical now to re-look methods and the adoption of new materials and technologies in constructing houses.

<http://www.thesundaily.my/news/1356598>

### **Iris to invest initial RM130m in project**

Posted on 21 January 2015 - 05:39am

sunbiz@thesundaily.com

PETALING JAYA: Iris Corporation Bhd is planning a joint venture with Technology Park Malaysia (TPM) Corp Sdn Bhd to develop a residential project on a piece of land in Phase 3 TPM Bukit Jalil with a RM130 million initial investment. "The company proposes to invest in an initial investment sum estimated at RM130 million for the implementation of the first phase of the project," Iris Corp told Bursa Malaysia yesterday.

TPM is the beneficial owner of the land and it will provide 28.89 acres for the project. It will then sub-lease the land to the special purpose vehicle at a nominal consideration for the purpose of the project. "Iris Corp shall play the role of investor, contractor and developer and shall inject and provide the investment to construct, develop, complete and manage the project at its own costs and expenses," it said.

Iris Corp said the JV would enable it to expand its business by constructing residential accommodations (including but not limited to town houses and hostels) and high rise apartments using the IRIS-KOTO Industrial Building System (IBS). The target market for the residential units would be students. "This project will further synergise the efforts of the company and TPM in creating a holistic technology educational hub proposed to be established in TPM Bukit Jalil," it said.

<http://www.thesundaily.my/news/1302455>

**UMP researchers propose used containers as temporary homes for flood victims**

Posted on 16 January 2015 - 02:40pm

Last updated on 16 January 2015 - 03:34pm



Datuk Dr Rosli Mohd Yunus shows the diagram of the container that has been suggested as a temporary settlement for flood victims. BERNAMA



An artists impression of the container. BERNAMA



KUANTAN: In the search for suitable temporary settlements for flood victims, Universiti Malaysia Pahang (UMP) has proposed for the utilisation of used containers which are cheaper and faster to build. The dean of USM's Faculty of Chemical Engineering and Natural Resources, Professor Datuk Dr Rosli Mohd Yunus said, the containers developed using Modular Craft technology uses two important elements namely the containers and a special paint named Primer X which is capable of reducing heat. "The container jointly developed by UMP researchers and the Portland Group of Companies is seen as the best solution for flood victims.

"The Industrial Building System (IBS) method of construction ensures that it is sturdy enough as a house or building," he told Bernama recently. Although the technology was new in Malaysia, he said it has been used overseas like London, for example, where they have a shopping complex made of containers while the Netherlands uses containers to form a hostel which can accommodate over 2,000 students at a time. Rosli said containers have also been used by the United States of America to house Hurricane Katrina victims in 2012. He said even UMP has a three-storey building with 72 rooms for their lecturers using the same technology.

<http://www.thesundaily.my/news/1298315>

## **Borneo Post**

IBS a big help, say Sabah builders

December 27, 2015, Sunday

KOTA KINABALU: The Sabah Builders Association (SBA), led by its president Cheong Kwee Min, paid a site visit last Wednesday to Sedco Precast Sdn. Bhd. at KM 7, Tuaran – Kota Belud Highway to familiarize with the Industrialized Building System (IBS). During the visit the builders listened to a briefing from Construction Development Development Board (CIDB) general manager Shiu Vay Leung. According to Shiu, CIDB had strongly recommended the use and enforcement of IBS for building industry, and most of the construction companies throughout the nation had generally used this system in recent years.

Shiu said Sedco Precast had just completed the Menara Hap Seng in Kota Kinabalu using their precast products with the design and co-operation of the French company. "By using IBS, it not only can shorten the construction period, but also cut cost on building materials and manpower, especially during this labour shortage moment. "It can lessen the dependence on foreign workers and complete the projects on time or even in advance. So it is really a big help to contractors and builders in the State. "Sedco Precast also caters for other projects like Royal Customs Department quarters in Sepanggar and State Badminton Court along Tuaran – Kota Belud road," Shiu said, adding that Sedco Precast had introduced the latest Precast technology and could cater for buildings using IBS, so it's a construction friendly partner for builders in Sabah.

Later, Shiu and his manager Yok Kim Song led the SBA delegation to have a site visit on their precast equipments and products. In concluding the visit, Cheong together with his delegation had presented a Souvenir Programme (SP) of its 60th Anniversary Celebration and publication of the 7 Outstanding Awards Recipients held on Nov 6 to Shiu, and have a group photo in the Precast yard.

Read more: <http://www.theborneopost.com/2015/12/27/ibs-a-big-help-say-sabah-builders/#ixzz3wxp7yDn5>

## 'AEC will not impact IBS implementation'

December 24, 2015, Thursday



Local industry players have recently raised concerns that the AEC would open up foreign labour flows into the country, thus slowing the IBS implementation among developers. — Reuters photo

KUALA LUMPUR: The formation of the Asean Economic Community (AEC) next year will not impact the industrialised building system (IBS) which aims to reduce dependency on foreign labour. HSBC Asean economist Joseph Incalcaterra said the AEC, which promotes free movement of labour across the region, only focused on skilled labour. "Unskilled labour, including most in the construction workforce, falls outside of AEC's scope," he told Bernama.

Local industry players recently raised concerns that the AEC would open up foreign labour flows into the country, thus slowing the IBS implementation among developers. Some analysts opined that the developers might revert from IBS to the classic system as the free movement of labour would result in cheaper workforce.

The IBS has been used as a building system in local construction projects since the 1960s, albeit on a small scale, as the system is designed to, among others, reduce the number of workforce especially foreign workers, and increase the construction quality. To spur the industry further, an IBS Centre office has been set up under the five-year Construction Industry Transformation Programme (CITP), launched by Prime Minister Datuk Seri Najib Tun Razak in September this year.

The CIP, which is spearheaded by the Construction Industry Development Board (CIDB) and Works Ministry, is aimed at transforming the industry into one which is modern, highly productive and sustainable by 2020. The programme also aims at enabling Malaysian companies to compete locally and globally with international players while enjoying continued growth. Expected to be a primary driver for the construction industry next year, CIDB has been granted approval to ensure that all private sector projects valued at RM50 million and above are required to achieve an IBS score of 50 per cent. Any party submitting building plans for approval will receive the requirement from the relevant local authorities of a 50 per cent IBS score. The submitting party must also furnish a declaration saying the project will conform to the 50 per cent IBS score requirement, together with the building plans. — Bernama

Read more: <http://www.theborneopost.com/2015/12/24/aec-will-not-impact-ibs-implementation/#ixzz3wugUJd27>

### **Ceiling prices, govt initiatives to ensure affordable housing**

December 10, 2015, Thursday Lim How Pim reporters@theborneopost.com

KUCHING: Housing prices are expected to keep soaring despite the government's continued efforts to strive for a balance between demand and supply by constructing more affordable houses. Assistant Minister for Housing Datuk Abdul Karim Rahman Hamzah pointed out that the state government had launched several initiatives to monitor housing prices particularly affordable housing intended for the low-income group.

To ensure that people could own a house, he said ceiling prices had been set for low-cost houses at RM50,400 per intermediate unit and RM59,220 per corner unit. "For medium-cost houses, we have fixed RM80,000 for intermediate units and RM100,000 for corner lots. In addition, we have also launched projects such as Rumah Mesra Rakyat (RMR), Program Perumahan Rakyat (PPR), Rumah Mampu Milik (PMM), MyHome Scheme and Program Perumahan Penjawat Awam 1Malaysia." He said Industrialised Building System (IBS) was also encouraged for developing housing projects to bring down the construction costs.

Read more: <http://www.theborneopost.com/2015/12/10/ceiling-prices-govt-initiatives-to-ensure-affordable-housing/#ixzz3wuptAYzC>

### **Government to boost use of IBS in housing industry, says Ahmad Husni**

November 9, 2015, Monday

IPOH: The government will boost the use of the industrialised building system (IBS) in the housing industry, said Second Finance Minister, Datuk Seri Ahmad Husni Hanadzlah. He said the emphasis on the use of the IBS was to enable the rakyat to buy houses at lower prices. "Currently, the use of IBS has not grown. Imagine, if it grows and with Perbadanan PR1MA Malaysia and the Ministry of Urban

Wellbeing, Housing and Local Government using the system, more people would be able to buy quality houses at lower prices,” he said.

Ahmad Husni said this at an interview with PerakFM at Radio Televisyen Malaysia here yesterday. He said Syarikat Perumahan Negara Bhd has started to use the IBS to build the Rumah Mesra Rakyat. China used the system to build a 30-storey hotel, he said. “The use of IBS has also grown in the Philippines where it uses the system to build three-bedroom terrace houses. The houses were sold at low prices,” he said. Meanwhile, Ahmad Husni said, the government did not control the prices of houses. Instead, he said, the government left it to the market to decide, taking into consideration the costs of building the houses. — Bernama

Read more: <http://www.theborneopost.com/2015/11/09/government-to-boost-use-of-ibs-in-housing-industry-says-ahmad-husni/#ixzz3wuqGFYip>

## **G7 contractors better positioned to promote IBS — Nathan**

November 5, 2015, Thursday

KUALA LIMPUR: G7 grade contractors are better positioned in terms of capacity to promote and develop industrialised building systems (IBS) in the country, said Eversendai Corp Bhd. Executive Chairman and Group Managing Director, Tan Sri AK Nathan, said in Budget 2016, the government had allocated RM500 million in soft loans facility to G5 contractors but they were not the ones who would really engage and promote the IBS. “G7 have more capabilities to really make the IBS successful as it needs innovations, financial strength, mindset and willingness to take it forward. “I am not saying the G5 can’t do this but the focus should be on the bigger players that could make it a success,” he told reporters at the TaxMax seminar organised by Deloitte here yesterday. Nathan said government should also look into giving some incentives or tax reduction for contractors to bring in machineries and equipment to support the IBS.

G7 contractors hold a Grade G7 licence approved by the Construction Industry Development Board (CIDB) Malaysia which permits them to undertake civil engineering construction and building construction projects for an unlimited amount. Meanwhile, the G5 contractors are allowed to undertake civil engineering construction and building construction projects not exceeding RM5 million.

Nathan said in the construction industry, workforce was another major concern as the sector relied a lot on foreign workers. “With the various levies imposed on foreign workers, for example, the RM5,800 charged for renewal of work permit, these would exacerbate the problems faced by the contractors as it involves a lot of money, and the foreign workers could end up costing more than the locals,” he said. — Bernama He said, however, the locals were not committed to this kind of job and they needed to be trained with some skills in these areas. The industry also needed to retain the skilled foreign workers after having provided training for them here for years, considering the amount of construction projects that the country has embarked on, he said. He also said the process of getting workers into the country took at least eight months, compared to West Asia which only took about three weeks, and this became a problem in the industry. — BERNAMA

Read more: <http://www.theborneopost.com/2015/11/05/g7-contractors-better-positioned-to-promote-ibs-nathan/#ixzz3wupZnwsT>

## **Najib unveils slew of incentives to boost business sector in Budget 2016**

October 24, 2015, Saturday

Prime Minister Datuk Seri Najib Tun Razak yesterday unveiled what is surely a balanced and practical budget that offered a slew of incentives to stimulate domestic investments, energise small and medium enterprises and invigorate the capital market. The Budget 2016 also includes multi-billion ringgit projects that provide ample opportunities for infrastructure and construction companies, a move that would surely provide an impetus to the business sector over the long term against a backdrop of a challenging external environment. Najib, who is Finance Minister, also announced a RM11 billion development of the Cyber City Centre in Cyberjaya, RM7.0 billion KLIA Aeropolis township and the RM320 million rubber city in Kedah, all of which were bound to trigger increased corporate activities, including for the Bumiputera sector.

A major project within Kuala Lumpur, worth RM900 million, is the Jalan Tun Razak traffic dispersal project through a strategic public and private partnerships, which obviously would be good news for the construction firms. Najib also told the Dewan Rakyat that Khazanah Nasional Bhd was investing RM6.7 billion in nine high-impact domestic projects in various sectors, as well as allocating RM500 million as venture capital and private equity fund. To attract more private investments and ensure the benefits also accrue to all states including Sabah and Sarawak, RM142 million was allocated to develop the Samalaju Industrial Park in Sarawak and the Palm Oil Jetty in Sandakan, Sabah valued at RM20 million.

Besides this, RM42 million would be spent to develop the Mukah Airport in Sarawak as well as upgrade airports in Kuantan and Kota Bharu while a feasibility study would be undertaken to extend the runway in Batu Berendam in Melaka. The budget, themed 'Prospering the Rakyat', and valued at RM267.2 billion compared to the revised RM260.7 billion in 2015, comes amid immense challenges including the sharp drop in crude oil prices, global economic slowdown and decline in the value of the ringgit. However, the broad-based Goods and Services Tax (GST) has emerged as a saviour in boosting revenue via the efficient collection of taxes from some 400,000 companies representing 90 per cent GST-compliance.

The GST collection in its first full-year implementation is expected to be significantly higher at RM39 billion which will offset the fall in oil revenue. "As announced several times, the rakyat can be assured that revenue from GST collection will be returned to benefit them, in addition to clarifying how the GST will be spent. "This is the real intention of the government and there is no hidden agenda," he said. The Prime Minister said the Opposition parties, which vehemently criticised and opposed the GST before, were unashamedly adopting the GST in their Budget documents. Under development expenditure, the economic sector would receive the highest share of RM30.1 billion.

For next year, the Federal Government revenue collection is expected at RM225.7 billion, an increase of RM3.2 billion from 2015. He also said that focus would be given to chemical, electrical

and electronics, machinery and equipment, aerospace and medical devices industries and services. "For this, RM730 million is allocated to funds under the Malaysia Investment Development Authority," Najib said. Next year, Najib said, domestic investment activity to be intensified with its contribution to GDP estimated at 26.7 per cent, driven by the increase in private investment at RM218.6 billion and supported by public investment of RM112.2 billion.

Najib, clad in aubergine baju Melayu, presented the Budget 2016 at the Dewan Rakyat, his seventh national budget since assuming leadership of the administration. The Budget 2016 represents a manifestation of the 11th Malaysia Plan, and is the first Budget in a series of five Budgets until Malaysia transforms into a high-income advanced economy. In an effort to energise the SMEs, which is expected to contribute a substantial 41 per cent of the gross domestic product (GDP) by 2020, Najib proposed five incentives, among others, establishing RM200 million SME Technology Transformation Fund under the SME Bank to provide soft loans at four per cent.

The government will also provide an additional RM1.0 billion for the syariah-compliant SME Financing Scheme until Dec 31, 2017, Najib said. In addition, SMEs that incur expenditure on research and development projects up to RM50,000 for each year of assessment will be eligible to claim double-tax deduction automatically for the years of assessment 2016 to 2018.

To empower entrepreneurship and accelerating innovation, RM35 million is allocated to MaGIC as a Leading Regional Entrepreneurship and Innovation Hub, and RM30 million for several youth programmes such as Global Entrepreneurship Community, Bahtera, Great, 1met, National Innovation Competition and a Pilot Coding Project in schools.

The Ministry of Science, Technology and Innovation will also be allocated RM1.5 billion to propel the nation a competitive technology hub in the region. Najib said to further strengthen exports and economy, the government will intensify support by providing RM235 million to Matrade for 1Malaysia Promotion Programme, Services Export Fund and Export Promotion Fund. Matrade and SME Corp will also increase the capacity of SMEs and mid-tier companies to export goods and services overseas. Bank Negara Malaysia would also provide the ringgit-remnbi credit swap facility for local banks to diversify the use of foreign currency in trade transactions, Najib said. Meanwhile, Najib said, Malaysia has so far signed 13 free trade agreements comprising six regional agreements through Asean and seven bilateral agreements.

As for the Trans-Pacific Partnership Agreement (TPPA), Najib said, the Government has agreed in principle, however, final decision will be made by Parliament. The 12 TPPA nations have a combined population of 800 million people and total GDP of US\$27.5 trillion will open more new markets and opportunities for Malaysia. In formulating appropriate policies for the current economic situation, Najib said, the government has proposed several tax incentive for food production be extended until 2020. Among the incentives are companies that invest in subsidiaries that undertake food production project will be given tax deduction equivalent to the amount invested. Companies that undertake new food production projects will also be given 100 per cent income tax exemption for 10 years.

Najib said the government would also promote and encourage companies to increase the use of technology such as adopting the Industrialised Building System in the construction sector. Malaysian Communication and Multimedia Commission will also be provided with RM1.2 billion for rural

broadband project; National Fibre Backbone Infrastructure; high-speed broadband and undersea cable system to improve the country's telecommunications infrastructure. — Bernama

Read more: <http://www.theborneopost.com/2015/10/24/najib-unveils-slew-of-incentives-to-boost-business-sector-in-budget-2016/#ixzz3wuoyqluZ>

## **REHDA seeks review of cooling measures in Budget 2016**

October 21, 2015, Wednesday

KUALA LUMPUR: A call to review the cooling measures on sales of properties in Malaysia was submitted by the Real Estate and Housing Developers' Association Malaysia (REHDA) in the form of a wish list for Budget 2016. To facilitate home acquisition in the country, REHDA said banks should introduce a new homebuyer-friendly scheme especially for first-time buyers of houses priced up to RM500,000. Its president, Datuk Seri Fateh Iskandar Mohamed Mansor, said some of the cooling measures announced by the government in Budget 2014 have negatively impacted buyers' ability to secure financing. "Banks should allow some form of flexibility. "The criteria for loan approvals should be more relaxed, and flexibility should be allowed, especially for first-time home buyers and houses up to RM500,000," he told reporters after a press conference held in conjunction with the annual general meeting of Glomac Bhd, of which he is Group Managing Director and Chief Executive Officer.

REHDA also submitted five other suggestions — adoption of industrialised building system (IBS), Goods and Services Tax (GST) relief for affordable housing and controlled properties, revision of the Bumiputera quota policy, reduction in the cost of doing business for the industry, and increase in affordable housing supply. — Bernama

Read more: <http://www.theborneopost.com/2015/10/21/rehda-seeks-review-of-cooling-measures-in-budget-2016/#ixzz3wuolYIUD>

## **Mitrajaya opens first East Malaysia branch**

October 20, 2015, Tuesday Jeremy Veno, reporters@theborneopost.com

KUCHING: Mitrajaya Holdings Berhad has opened their first subsidiary branch in East Malaysia to explore the construction opportunities that Sarawak has to offer. According to Mitrajaya Holdings Berhad managing director Tan Eng Piow, the company has more than RM1.5 billion worth of projects in the peninsula and this branch in Kuching will function as an entry point in Sarawak. "Maybe in time we will expand to other areas in the state," said Tan when met at the launch of their branch on the second floor of Lot 75 Tabuan Tranquility, Jalan Canna last Saturday.

Through its construction arm Pembinaan Mitrajaya Sdn Bhd, Mitrajaya Holdings will be looking forward to working together in the construction and property development industry with local Sarawakian companies as their core business. Mitrajaya Holdings intends to bring in the latest construction technology used especially for high rise buildings and infrastructure works. All projects

will be managed with Building Information Modelling (BIM) and with the aid of Industrialised Building System (IBS) in line with government policy.

Mitrajaya Group will be open to developments in East Malaysia either on their own or with local joint venture partners in the future. Sarawak Building and Civil Engineering Contractors Association (SBCECA) president Andy Lai Lim Fah was also present during the function.

Read more: <http://www.theborneopost.com/2015/10/20/mitrajaya-opens-first-east-malaysia-branch/#ixzz3wuoZ0qKJ>

## **Private construction projects costing more than RM50 million to use IBS, effective next year**

October 13, 2015, Tuesday

PETALING JAYA: Effective next year, private construction projects which cost more than RM50 million, and more than RM10 million for government projects, will be required to be implemented using the Industrialised Building Systems (IBS). Works Minister Datuk Seri Fadillah Yusof said this was to ensure a more standard building design, to reduce construction period and improve quality of buildings in the country. "Any projects costing RM50 million and above for the private sector, we have agreed in principle, to make compulsory the use of IBS. "With this IBS technology, we can have standard design, pre-approved plan, especially for government buildings, where IBS can save time and cost," he said after a closed-door dialogue with High Performing Companies (TERAS) in Damansara here yesterday.

IBS is a construction process that uses techniques, product, component or building system which involve prefabricated with onsite installation. On the 2016 Budget, scheduled to be tabled this Oct 23, Fadillah said the ministry hoped that priority would be on providing allocation for infrastructure to bridge the development gap between the peninsula, Sabah and Sarawak. He said efforts were being made by the ministry to ensure implementation of projects could be completed within the stipulated period, including the West Coast Expressway which started last April.

On the Trans-Pacific Partnership Agreement (TPPA) which might affect the construction companies in Malaysia, he said it should be looked at positively. "This is where we want to strategise under the Construction Industry Transformation programme, where we want to introduce our professionals and expertise to the world," he added.

Meanwhile, Fadillah, during the dialogue, urged Bumiputera companies to elevate their capabilities and quality of services to greater heights. Unit Peneraju Agenda Bumiputera (Teraju), in a statement issued after the dialogue, said the minister also urged the companies to understand the government's roadmap and policies to empower Bumiputera companies. Teraju chief executive officer Datuk Husni Salleh said the dialogue session served as a business networking platform for Teras companies to open doors of opportunities through knowledge-sharing with renowned industry players, share their business challenges and identify relevant solution in facing current economic environment. — Bernama



Read more: <http://www.theborneopost.com/2015/10/13/private-construction-projects-costing-more-than-rm50-million-to-use-ibs-effective-next-year/#ixzz3wuo4gNiY>

## **Upgrading Malaysia's construction sector**

October 3, 2015, Saturday Paulius Kuncinas

Short to medium-term prospects for Malaysia's construction sector remain promising, with state and private sector spending on the rise as the government launches initiatives to spur industry growth.

In mid-September the government issued a five-year blueprint to overhaul the nation's construction sector. The scheme, known as the Construction Industry Transformation Programme (CITP), outlines measures to professionalise the industry, improve environmental sustainability at the design and construction stages, and increase overall productivity and competitiveness.

### **Stricter standards**

According to Malaysia's Prime Minister Datuk Seri Najib Tun Razak, these goals are to be achieved through more stringent industrial standards, formalising professional training and promoting greater use of advanced technology.

Among the standards to be implemented is the Quality Assessment System in Construction, also known as QCLASSIC, which will create a unified system for measuring the quality of construction workmanship. "The CITP targets to make QCLASSIC a mandatory element in all government projects by 2018," Najib said.

During the launch, the prime minister emphasised the need for Malaysia to boost productivity in the sector and reduce the country's dependence on low-skilled foreign labour. To achieve this, the plan's 18 initiatives will focus on key productivity drivers, such as the workforce, technology and processes, with a specialist apprenticeship programme on the horizon to bolster local talent.

The new blueprint will also focus on effect multipliers such as building information modelling and industrialised building systems, which the country's Construction Industry Development Board (CIDB) expects will keep sector growth in the double digits for a third consecutive year. The construction industry is forecast to expand by 10.3 per cent this year, according to the CIDB, after posting average annual growth of 13.5 per cent over the last three years.

### **Infrastructure support**

Medium-term prospects for the sector have been buoyed by a series of large-scale transport infrastructure projects rolled out by the government as part of the latest five-year development plan, the 11th Malaysia Plan (11MP). These include road, rail and port developments, as well as new affordable housing schemes, which could further accelerate the industry's growth rate over the coming years.

According to Hong Leong Investment Bank (HLIB), “The current construction sector’s data on contract awards [shows] that the momentum of job wins remains strong for contractors. 11MP has witnessed a 13 per cent allocation increase to RM260 billion (US\$59 billion).”

The industry’s strong project pipeline and state commitments to boost funding for infrastructure development prompted the research division of HLIB to issue an ‘overweight’ outlook for Malaysia’s construction sector, noting that higher levels of spending under the latest five-year plan will result in a constant flow of new contracts for the industry.

As large construction firms reach capacity, smaller contractors are likely to benefit in the years ahead. “Given the fairly limited supply of capacity from some of the bigger players, we think that the smaller contractors should enjoy a much bigger spill-over effect compared to the last two to three years,” research firm CIMB Research predicted earlier this year. With the opportunity to broaden their bases, smaller firms could potentially gain capacity to bid on larger projects in the future.

Higher demand may also lead to a rise in technology and equipment purchases in the coming years, though, at least in the shorter term, any investment in imported equipment will be more costly due to the weaker ringgit.

### **Competition and costs**

The industry as a whole is facing higher input costs, which could impact margins going forward. Like many of Malaysia’s import-dependant industries, the building sector has been affected by the declining ringgit, which slipped to a 17-year low against the US dollar in mid-August. This depreciation has eroded much of the positive impact of declining prices for steel and other dollar-denominated inputs.

According to the CIDB, another key area of concern is foreign competition, with the potential for global players to eat into the market share of local firms. With the Asean Economic Community scheduled to launch in December, lower trade barriers across the 10-nation bloc could see an increase in competition as regional contractors enter the market, making government efforts to improve the local construction industry’s competitiveness all the more important.

Read more: <http://www.theborneopost.com/2015/10/03/upgrading-malaysias-construction-sector/#ixzz3nyr6EmAA>

**Najib: Government enhancing human capital development to curb foreign labour**

September 11, 2015, Friday



Najib (centre) being briefed by Fadillah (left) at the International Construction Week (ICW) 2015 themed 'Building A Greener Future' theme in Kuala Lumpur. — Bernama photo

KUALA LUMPUR: Enhancing human capital development is one of the initiatives outlined under the Construction Industry Transformation Plan (CITP) to reduce dependence on foreign labour, Datuk Seri Najib Tun Razak said.

The prime minister said the proposed measures included streamlining construction-related courses, creating a training map to chart progress towards a skill trade, conducting curricula reviews, and ensuring up-to-date industry training content. "A specialist apprenticeship programme would be initiated," he said at the launch of the five-day International Construction Week (ICW) 2015 themed 'Building A Greener Future' theme here, yesterday.

Najib, who is also finance minister, said the programme would be a collaboration between the governing body and industry players. It will serve as a platform for graduates from Akademi Binaan Malaysia, technical and vocational education training institutes to be hired as apprentices by industry players undertaking large projects.

One of the CITP's initiatives is the introduction of a more stringent requirement to significantly reduce accidents and fatalities in the construction industry, he added. "This will ensure that all contractors bidding for a particular project to estimate adequately the costs to meet the safety and health requirement," he said. As part of the CITP's thrusts, he said a Centre of Excellence (CoE) for Sustainable Construction would be established to promote and implement sustainable construction systems and practices.

Najib said the centre was part of the government's targets to showcase the Malaysian construction industry as a low carbon, sustainable building and infrastructure model, especially to Asean countries. The CITP is also aimed at inducing faster adoption of Industrialised Building System (IBS), mechanisation and modern practices, he added. "This, together with the use of other technologies already available, as well as, with a healthy dose of innovation, will place Malaysia's construction industry in good stead to achieve continuous growth whilst providing a good foundation for Malaysia's construction players to expand internationally," he said.

The prime minister expects the construction industry to gain a bigger number in the coming 11th Malaysia Plan as it recorded RM102 billion worth of projects in 2011 and grew incrementally to RM157 billion in 2014. He said the CITP, formed part of the 11th Malaysia Plan, was aimed at creating construction industry players that were sustainable at home and able to compete in the international arena.

The CITP is a comprehensive implementation plan, encompassing 18 initiatives from four strategic thrusts, namely quality, safety and professionalism; environment sustainability; productivity; and internalisation. "Each of the four strategic thrusts seeks to transform and improve the public and international image of the industry," he said.

Present were Works Minister Datuk Seri Fadillah Yusof, his deputy, Datuk Rosnah Abdul Rashid Shirlin, and Construction Industry Development Board chief executive Datuk Seri Judin Abdul Karim.  
— Bernama

Read more: <http://www.theborneopost.com/2015/09/11/najib-government-enhancing-human-capital-development-to-curb-foreign-labour/#ixzz3nyrIC290>

## 'Taman Beverly drain successfully upgraded'

July 11, 2015, Saturday Irene C, reporters@theborneopost.com



Lau (left) says HSL has been improving their implementation methods and at the same time, undertaking all necessary efforts to ensure success of the project.

KUCHING: Upgrading works on the drain in Taman Beverly has been completed within the stipulated time, thanks to the collaborative input from various professionals. Hock Seng Lee Bhd executive director Simon Lau, who is also a local expert on flood mitigation works, said although the project was primarily on upgrading the 50m drain, which is 7.2m in width, its complexity made the entire work 'a little tough'. "The drain is not only located right in the middle of two rows of terraced houses, it is also surrounded by steep slope. "In this case, project planning matters a lot. We have been having numerous discussions and improving our implementation methods, and at the same time undertaking all the necessary efforts to ensure success (of the project)," the engineer said in a press statement.

Lau opined that it was unfair for the project team to take accusations since they had sought professional advice apart from having experienced engineers to keep track of the project. "There were a lot of ideas on how to construct this big monsoon drain in tight working areas, in ensuring that the drain would be of good quality and also safe. We want to provide a drain that will see better flow of water which in turn, would bring down the risk of flood. "After numerous brainstorming sessions, we have come up with this method which we believe will minimise the risk of slope collapsing at any time during constitution period, as well as provide enough temporary pipes to allow normal flow of water during constitution period.

In any unlikely event of flash floods, we can remove all obstructions within one hour and provide fastest on-site construction time (completion within a week) to minimise inconveniences to residents, alongside risks to the surrounding neighbourhoods. "To us, a good planning is already half of the success." Still, Lau insisted that embedding stones at the bottom of the drain architecture would not cause any blockage. "What many people see is just the surface, without knowing what lies beneath. We have already laid two big pipes before the stones – a mechanism that would be effective in helping water flow. "The L-shape concrete precast drain units need to be laid starting from far end, after temporary access way is constructed. A concrete precast unit weighs

approximately two tonnes, and we need at least 100 of such units. Hence, we need a temporary heavy machinery access to bring in the unit.”

This brought Lau to further explain that just because there were not many workers at the site, it was right to assume that works had come to a halt. “Those engaged in the project had been working hard on producing the L-shape concrete precast unit at the factory, and then transported those materials to the site. “The project has been carried out according to schedule, without any delay. In addition, we installed the concrete precast units during the last three days. The project went on well, and was already completed by Monday night. The rest is just some finishing touches.” Lau hoped that elected representatives and local communities would give their support to such project by coming together to solve problems, avoiding misconceptions and causing unwarranted worries. “The drain has been transformed from a simple and narrow structure, to a wider and more reliable channel for the water to flow smoothly. This will certainly offer greater convenience to residents of Taman Beverly. The developer appreciates the patience and understanding shown by them during the project period,” he said.

Taman Beverly resident Jinbai Ganing, who met Lau during the latter’s recent site inspection, commended the contractors for the a job well-done. Jinbai, who formerly worked in the building renovation industry, said the hard work those workers put in during the last couple of days and nights would not go unnoticed.

“I am very grateful that the government cares about us. As the (drain) project was being implemented, I could see the positive working attitude of the workers and the commitment of the developer to get the work done.” It is learned later that it took the contractor four days to complete the installation of L-shape concrete. The project reached completion on July 6.

Read more: <http://www.theborneopost.com/2015/07/11/taman-beverly-drain-successfully-upgraded/#ixzz3nzMWOPUU>

## **Company to build 35,000 houses for Sabah poor**

July 4, 2015, Saturday

KOTA KINABALU: Braxton Technology Sdn Bhd, a subsidiary of HMD International Group, will hold an Integrated Building System (IBS) exhibition in Keningau on August 28 to showcase building materials needed to build houses for the poor in Sabah.

President of HMD Group, Dr. Harrey Duawai, said the company would build about 35,000 units, costing RM250,000 each in Sabah, and the recipients have been identified by the group. “The materials to be used in the construction of the houses would be the IBS materials. These materials will be imported from China to construct the two-storey humanitarian houses. It is sourced from a firm in Chandong, which is an affiliated government linked company (GLC),” Dr. Harrey told a news conference here, yesterday. He said, among the places identified for the project are Paitan, Tenom, Kemabong, Sook, Tawau, Sandakan, Kota Marudu and many more. “The project will start in Kota Marudu as soon as the first shipment of IBS materials arrives,” he divulged.

He said in order for the recipient to get the house, he or she must have a land to build the house on. "Secondly, the recipient must be a Sabahan and has a family. In order to verify the authenticity of the applicants, HMD staff, comprising of unit managers, field supervisors and zone supervisors, will liaise with the village development and security committee (JKKK) in the respective areas. Then, application forms would be given to them (applicants) to fill in.

He also said that if the land of the recipient is large (apart from the house), it will be jointly developed between the Group and the land owner to plant tapioca on a 20-80 basis, which means the owner would get 20 per cent of the profit and the Group gets 80 per cent. "The the land will not be charged so there is no risk involved," he said, adding that the funds to build the houses come from corporate donations. Dr. Harrey said, to realise the project would take at least ten years. Also in attendance were the deputy president of HMD International Group, Bernadette P. Lantai, president of Tinungkusan PDik Ganai and Group officials.

Read more: <http://www.theborneopost.com/2015/07/04/company-to-build-35000-houses-for-sabah-poor/#ixzz3nxVo4zzB>

### **133 new permanent houses to be handed over before Aidilfitri**

June 13, 2015, Saturday

KUALA LUMPUR: The federal government is confident that 133 units of the new permanent houses (RKB) will be handed over to flood victims across the country before Aidilfitri. To date, 546 RKB units are under construction and 34 units have been completed, according to a statement by the Post-Flood Recovery Unit (UPPB), Prime Minister's Department (JPM), here, yesterday. It pointed out that the government was committed to its promise to build a total of 1,415 units of RKB for flood victims nationwide. "The government is concerned about the difficulties faced by flood victims who are staying in tents while waiting for completion of the new houses, especially in Gua Musang, Kelantan. "Hence, the transferring of the victims to the National Service Training Programme (PLKN) Ethnobotany Camp is carried worked out in stages and is expected to be completed before Ramadan," it said.

The statement was issued to clarify allegation by DAP advisor Lim Kit Siang that the federal government had failed to keep its promise to build houses for the Kelantan flood victims. UPPB also refuted Lim's allegation that the federal government was doing nothing while the victims were still living in tents. "In order to expedite the construction period, the new houses will be built under the Industrialised Building System (IBS) and Modular which enables a house to be completed in 30 days compared with 75 days, if implemented conventionally," it said.

The statement said that the federal government remained committed to its promise despite various constraints including finding suitable land to accommodate 835 victims. However, with the cooperation from the state government and other options, the federal government was confident that such issues could be resolved promptly. — Bernama

Read more: <http://www.theborneopost.com/2015/06/13/133-new-permanent-houses-to-be-handed-over-before-aidilfitri/#ixzz3nyrmUxsi>

## Lend Lease eyes setting up training academy for workforce in TRX project

March 26, 2015, Thursday

KUALA LUMPUR: Property developer, Lend Lease Projects (M) Sdn Bhd, will explore the setting up of a training academy for its major project, the lifestyle quarter of the Tun Razak Exchange (TRX), as part of its evolving partnership with the Construction Industry Development Board (CIDB). Its managing director, Dinesh K. Nambiar, said the academy will be a pilot project for the Asian region and aimed to advance the skills and competencies of key workers with the introduction of its flagship Safety Supervisor Apprenticeship Programme. "So we have got this training curriculum, and TRX is going to be the first major project that we will use to commit as a training ground, the 'classroom' that is to be translated into a project," he told Bernama recently.

On innovation and improving the productivity, Dinesh said Lend Lease will also be working on the Industrialised Building System in TRX and set a new benchmark in the construction industry while hoping to reduce the dependency on foreign labour in Malaysia. TRX will be one of the largest developments in Lend Lease's current portfolio of global projects, where it has a 60 per cent partnership in the lifestyle quarter with TRX's master developer, 1MDB Real Estate. The TRX lifestyle quarter, a retail-led mixed-use development of over 6.88 hectares, aimed to become a global hub for international finance and business. It is forecast to have a gross development value of RM8 billion upon completion.

Since Lend Lease inked an agreement with CIDB in April last year, the Australian-headquartered company has hosted many CIDB seminars on construction safety practices. It also continued to participate in key events to promote the adoption of international best practices in construction safety methods for the industry, among them in plant and crane operations, scaffolding and welding. Lend Lease is also working to enhance work site safety training in all six CIDB-owned Malaysian Construction Academy (Akademi Binaan Malaysia – ABM).

CIDB chief executive Datuk Seri Dr Judin Abdul Karim, said TRX will be made a showcase and centre of excellence for the safety standards in construction industry in the country, with the expertise of Lend Lease. "Having an international experts like Lend Lease to collaborate with CIDB, we would learn more and able to enhance the image as well as able to offer opportunities for youths to join the construction industry.

Meanwhile, chief executive officer, Asia, Lend Lease Asia Holdings Pte Ltd, Rod Leaver, said in TRX, the workforce will experience a difference in developing the project as they would be upskilled, thus helping them to build a better career in the industry. "We are committed to upskill workers in safety training, quality and also thinking holistically about health and well-being. They are not just here to be used as workforce, but will also be our partners and grow together. "As one of the largest infrastructure property developers and investment managers in Australia, we see the opportunities to replicate our business here in Malaysia over a long period of time," said Leaver.

The company, which has over 40 years' experience in developing, building, owning and operating successful retail centres, has completed over 10,000 projects around the world. It pledged to operate incident- and injury-free in all its construction projects in the Americas, Australia, Asia and Europe. — Bernama



Read more: <http://www.theborneopost.com/2015/03/26/lend-lease-eyes-setting-up-training-academy-for-workforce-in-trx-project/#ixzz3nyrdQXT6>

## Don't allow illegal extensions, councils told

January 22, 2015, Thursday Mohamad Abdullah, [reporters@theborneopost.com](mailto:reporters@theborneopost.com)



Abang Johari (left) pointing to the drainage system of the new Sungai Rait PPR. Also seen are Abdul Karim (second left) and Ripin (right).

MIRI: Local councils must strictly enforce their laws against illegal extension of houses, especially those in housing areas that are renovated to become shops and business premises. According to Minister of Housing Datuk Amar Abang Johari Tun Openg, such acts were a breach of their agreement when they purchased the houses as residential premises.

“The extensions are not only illegal but are also disrupting the livelihood of other residents in the housing areas,” Abang Johari told members of the press after making a site visit to the Sungai Rait Public Housing Project (PPR) in Lambir yesterday.

Present were assistant ministers for housing Datuk Abdul Karim Rahman Hamzah and Datuk Francis Harden Hollis, Assistant Minister of Sports Datuk Lee Kim Shin, Lambir assemblyman Ripin Lamat, former SUPP president Tan Sri Peter Chin Fah Kui and SUPP secretary general Datuk Sebastian Ting.

According to Abang Johari, the Ministry of Housing would monitor housing estates for any illegal extension. He was responding to complaints by residents in Permyjaya, Tudan that many low-cost houses there were extended and renovated into business premises.

On PPR, he said another project for 400 houses would be built here this year to meet the demand for houses. He said the Sungai Rait PPR was expected to be completed ahead of schedule in October because it used the Industrialised Building System (IBS). “It is a good thing that the contractor uses

the Industrialised Building System as it enables the project to be completed in time and it also saves cost,” he said.

He disclosed that the PPR houses cost RM50,000 each and were as good as houses priced at over RM100,000 each in the private sector. He encouraged private developers in the state to adopt the IBS, saying it helps to cut cost and manpower. So far, the Sungai Rait PRR is the third in the state to be developed under the IBS.

Read more: <http://www.theborneopost.com/2015/01/22/dont-allow-illegal-extensions-councils-told/#ixzz3nxXXxHP8>