

# SPNB new CEO determined to deliver affordable homes for B40

*The agency has tied up with banks to provide solutions for homeownership, assisting customers in getting financing*

by HARIZAH KAMEL

SYARIKAT Perumahan Negara Bhd (SPNB) is refocusing on its core mission to provide good homes for the least advantaged Malaysians.

In an interview with *The Malaysian Reserve* (TMR) recently, CEO Datuk Hasleen Isnin, who took over the lead in September last year, said the agency is returning to its core function of providing affordable homes and conducive living conditions for the bottom 40% (B40) of the population.

"We want to rebuild our brand and position. We have moved from trying to be a normal developer to be an affordable developer.

"We are really focusing back to serve the B40 group or, due to the Covid-19 pandemic, the B50 group, through our Rumah Mesra Rakyat (RMR) and our Kediaman SPNB to make sure that not only we build homes, but also assist in getting buyers to own a house through financial packages," he said.

In the short term, Hasleen said SPNB is cleaning up its inventory, namely the unsold houses that the company has been holding on for a long time.

"We also want to make sure that we are monetising all our inventory and try to restructure our receivable, so that maybe we will issue investors long-term notes of paper for them to subscribe because on RMR alone, we have about RM3.4 billion worth of receivable to date for the next 15 to 20 years.

"More importantly, we are trying to rebrand by moving into areas where people can see us and we want to be more reachable on social media, so that people are aware of our presence," he said.

## Assisting Homeownership

Recently, SPNB has tied up with some banks to provide solutions for homeownership, not just by building houses, but also by assisting customers in getting financing.

"We are here to assist buyers to own assets that increased in value by giving them options to change their cashflow or priority. We know the difficulty of the B40 group is to cross over 10%, meaning if the house is RM300,000, they have to pay RM30,000.

"For homebuyers who are still young, most of them do not have that kind of savings. So, what we do is provide options where they don't have to pay the 10%, but instead, they can just pay instalments," said Hasleen.

On SPNB's part, it strives to provide a complete environment for homeownership and living. At the same time, all its units that will be delivered to the public will be on average below RM300,000.



I believe in what I call 'sprinkle project' where everyone is living together, says Hasleen

Pic by Muhd Amin Naharul

Hasleen pointed out that it is never too late to own a home and encourages young people to own an asset that has an increasing value rather than a depreciating value.

"From the financial point of view, although leasing properties is the go-to in this age, eventually one has to settle somewhere and by that time, maybe the house is beyond one's reach. But if you start early and you buy a house, maybe you can rent it out, so at least you have an extra income to support your current income," he said.

## Building Homes in Outskirts

SPNB is focusing on providing homes in the outskirts of key towns and cities, but not too deep in the rural area, as it views that as the pattern of living eventually.

"Due to the pandemic, SPNB is getting a clear direction of the market. People are more intuitive and innovative to get by, some of them have moved to the outskirts of town and we see that if they want to do business, they don't have to be in Kuala Lumpur, they can be in Ipoh, Seremban or Melaka and do online business.

"People who used to work in offices have to dabble in entrepreneurship and come up with their own business and enterprise, such as selling food, merchandise and various services," said Hasleen.

He believes that people find it more conducive to live in the outskirts because the quality of living is better.

Additionally, the government is also moving towards investing in infrastructure to make outskirts and rural areas reachable through public transportation.

"We believe we are serving the right market because we are trying to deliver more homes in the outskirts. It is more affordable to live outside of the city because

land is a factor that makes the house more affordable," he said.

## Blending Communities

Hasleen told TMR that he does not believe in building a big township and house one specific group in one area, "I believe in what I call 'sprinkle project' where everyone is living together".

As far as expanding, SPNB is also placing its focus on small-scale projects, building only 50 or 60 units to blend the B40 group with the rest of the society. There are common features in all of SPNB's projects.

"We try to provide the best facilities even for our homes that are below RM200,000 and RM100,000. We believe that the B40 group deserves a home that they can be proud of and I don't believe they should be confined in the same area.

"Hence the sprinkle project, that's why in our development rules, we combine the apartment together with medium housing development, so they can interact," he said.

SPNB has been in the industry for 24 years and has an inventory of about 70,000 people waiting to receive their RMR houses.

Hasleen said in terms of volume, SPNB has built 47,310 RMR units and aims to complete at least 3,000 units this year. The company is planning to build approximately 11,331 RMR units.

As for Kediaman SPNB, the company has already completed 28,403 units and has 4,380 units in progress this year, while another 8,088 units are in the pipeline.

SPNB is aiming for a 100% take-up rate for all its products going forward.

## Improving Take-up, New Projects

Previously, SPNB was positioned to behave like a normal developer and served pro-

ducts priced not just for the B40 group, and this resulted in low take-up among buyers.

Forging ahead, for every single project that SPNB embarks on, the company will assess first its target market's capability to buy houses via a thorough survey.

"We call it 'demand driven'. We also do a financial assessment in terms of pre-empting the project and we do a survey to know how many people are interested to register.

"Afterwards, we bring in the financial sector to identify the type of borrowing facility our potential customers can get. So, we will launch a project based on the statistics, if a majority can afford RM300,000, then we make sure we find a locality that they want with that price range," Hasleen said.

There are three projects that SPNB plans to launch this year, the most prominent is Kediaman SPNB in Sentul, a full condominium facility that has 916 home units and 806 sq ft, at a price of RM300,000 and below.

"This project goes well with SPNB's goal to serve the B40 group, we are not deviating anymore from serving our focus group throughout Malaysia. We try to get 100% financing for our buyers, which means they do not have to put up a deposit, so that they only pay progressively after a certain period of time.

"That way, they can manage their finances without being burdened and they have a lot of time to adjust their cashflow to make sure they can own the house," he said.

Two more projects are in Putatan, located in Kota Kinabalu, Sabah, set to be the company's maiden project for the frontliners and Kuala Nerus in Terengganu, which is a collaboration with the state government.

## Market Outlook

When asked about his personal outlook on the country's property market, Hasleen expressed that there is still a demand for properties priced under RM300,000.

"If we're talking about anything below RM300,000, I think there is still big demand for it, but if we're talking about properties that are above RM300,000, that would be a tough challenge, especially given the fact that prices of construction materials such as steel has increased by 30%," he insinuated.

Despite the pandemic, he noted that the government has been very helpful in SPNB's programme and has given full support in funding to build RMR, so that the company can carry out its mandate to deliver about 3,000 homes for the B40.

"We also received a lot of cooperation from banks looking to support our projects and are more open towards financial assistance because they believe in providing for this market demand. Nonetheless, we would like to see more participation from states to work with us to deliver affordable and decent homes to the public," he concluded.