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Our Ref Your Ref : 48 /MUDeNR.P/100-1/1

Date: 13/1/2025

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SPA CIRCULAR NO.1/2025 - SARAWAK AFFORDABLE HOUSING POLICY

The above subject refers

- 2. Please be informed that the above subject has been deliberated during the State Planning Authority meeting. The Authority has decided that developers are no longer required to build the affordable houses (SPEKTRA Lite, SPEKTRA Medium and PUTERA House). The developers are required to contribute financially to The Sarawak Housing Contribution Trust Fund.
- Attached herewith is the SPA Circular No.1/2025 Sarawak Affordable Housing 3. Policy for your reference and actions. This circular is to take immediate effect from 17th October 2024.

Thank you

"BERSATU BERUSAHA BERBAKTI" "AN HONOUR TO SERVE"

(Datu Haji Abdullah Bin Julaihi) Secretary, State Planning Authority /

Permanent Secretary, Ministry of Natural Resources and Urban Development

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STATE PLANNING AUTHORITY

SPA CIRCULAR NO.1/2025

SARAWAK AFFORDABLE HOUSING POLICY

HOUSING FOR A PROSPEROUS FUTURE

Ministry of Natural Resources and Urban Development SARAWAK

1.0 Introduction

The aspiration to be a developed State has been outlined in the Post COVID-19 Development Strategy 2030 (PCDS). Sarawak will be a thriving society driven by data and innovation where everyone enjoys economic prosperity, social inclusivity and sustainable environment by 2030. The vision for social inclusivity provides the foundation for all Sarawakian to have equal opportunities and enjoys equitable distribution of wealth particularly through provision of affordable housing.

In order to realise the vision of the economic sector, the social services require unprejudiced policy and collaborative effort to steer the development growth which remarkably housing industry inline with Sustainable Development Goals (SDGs).

The objectives for affordable housing policy are mainly to address the need of first-time home buyers within the income groups of B40 and M40. Furthermore, to increase the home ownership of respective income affordability and ultimately to provide a roof over every Sarawakian's head.

2.0 Background

The State Planning Authority (SPA) was established in accordance with Section 227, Part X of the Land Code [Cap.81 1958 Ed.]. In exercising the functions as stipulated under Section 229, Land Code [Cap.81 1958 Ed.], the Authority has formulated the policies and plans to guide as well as to control the development and sub-division of land in Sarawak

The policy requirement for provision of affordable housing in Sarawak was initiated in 1999. Hence, the imposition of planning approval conditions for the private developers to build a certain percentage of the development for low-cost in order to support the government's own initiative to supply affordable houses for the low-income families. The policy strictly imposed the sales price not exceeding RM40,000.00 and RM47,000.00 for both landed and high-rise development.

In 2003, the policy on affordable housing was further strengthened for residential development involving Reclassification of Native Area Land (NAL) to Mixed Zone Land (MZL). The imposition of the requirement for a provision of Low-Cost-Plus (LCP) Houses consists of at least 30% of the total number of residential units within the scheme. Thus, the control sales

price of the LCP houses shall not exceed RM80,000 for intermediate units and not more than RM100,000 for corner units with permitted density controlled at 12 units per acre or 29.7 units per hectare.

The Sarawak Government through the State Planning Authority also formulated the Policies and Standards for PR1MA and PPA1M Housing for the development in the State. This is mainly to complement the effort of the Federal Government for the implementation of affordable housing programme accordingly.

As a collaborative effort to support the key players in housing industry, the affordable housing policy have undergone major reviews in 2016 including rebranding and expanding from the terms of Low-Cost house and Low-Cost Plus house to Skim Perumahan Khas Rakyat which divided into (SPEKTRA Lite, SPEKTRA Medium and SPEKTRA Plus). Therefore, the control ceiling for the sales price also increased to RM100,000-(Affordable (SPEKTRA RM120,000 Lite), RM1200.000 (SPEKTRA Medium) and RM150,000-RM135.000-RM168.000 RM198,000 (SPEKTRA Plus). Additionally, the SPEKTRA Plus was further rebranded to PUTERA Houses in 2018.

3.0 New Affordable Housing Policy

The State Planning Authority (SPA) has decided on 3rd April 2024 on the new policy direction for the provision of affordable housing in Sarawak. This policy direction aims to enable Sarawak Government to execute prominent role in providing the anticipated affordable houses with better control of location, type and quality of houses as well as to ensure just allocation of the development.

3.1 Affordable Housing Contribution

In exercising the functions of the State Planning Authority for development and sub-division of land as provided under Section 229, Part X of the Land Code [Cap.81 1958 Ed.], the Authority has decided on the execution of the new policy for imposition of planning approval conditions, which is Housing Contribution. The Financial Housing Contribution is statutory and mandatory in lieu of the planning requirement for provision of affordable housing units for specific residential development.

In accordance with The Financial Procedure (Contingencies and Trust Fund) Ordinance 1963, the housing developers are obligatorily required to make payment for Financial Housing Contribution to the Sarawak Housing Contribution Trust Fund.

The payment of the financial housing contribution is to be made in the stages of the following manner;

- (i) Stage 1 requires mandatory payment of 10% of approved amount of the contribution upon the Planning Approval granted by the State Planning Authority (SPA);
- (ii) Stage 2 requires mandatory payment of 20% of the contribution prior to the submission of Building Plan to Local Authorities;
- (iii) Stage 3 requires mandatory payment of 20% of the contribution prior to the approval of Sales and Advertisement Permit; and
- (iv) Stage 4 requires mandatory payment of 50% of the contribution prior to the issuance of Occupation Permit (OP).

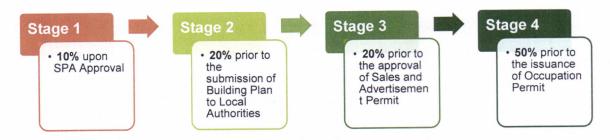


Diagram 1: Stages for Payment of Housing Contribution

3.2 Rate of the Contribution



3.3 Guidelines for Calculation of Financial Housing Contribution

The guidelines for the imposition of housing contribution are based on the requirements as follows:

3.3.1 Area of Land Under Development

a. Normal Housing Development

The developers are required to contribute financially in lieu of the affordable housing units if the land under development is 10 acres (4.0468 hectares) and above. The guidelines for calculation of the affordable housing requirements are as shown in the Table below.

Land Area Under Application / Development	Number of Affordable Houses (Terraced) To Be Provided Per Acre (Per Hectare)	Total Number of Affordable Houses To Be (Terraced) Provided	Amount for Housing Contribution Per Unit in lieu of provision
10 acres to 13.5 acres or (4.0468 ha to 5.4632 ha)	1.3 units or (3.2 units)	13 units to 18 units (Approximately 15%)	RM110,000 per unit of SPEKTRA Lite
13.6 acres to 17 acres or (5.5036 ha to 6.8795 ha)	1.8 units or (4.5 units)	25 units to 31 units (Approximately 20%)	RM110,000 per unit of SPEKTRA Lite
17.1 acres to 20 acres Or (6.9200 ha to 8.0936 ha)	2.3 units or (5.7 units)	39 units to 46 units (Approximately 25%) Requirement of 50% of each of SPEKTRA Lite and SPEKTRA Medium	RM110,000 per unit of SPEKTRA Lite; and RM150,000 per unit of SPEKTRA Medium
20 acres above (8.0936 ha and above)	2.9 units or (7.1 units)	From 58 units (Approximately 30%) Requirement of 50% of each of SPEKTRA Lite and SPEKTRA Medium	RM110,000 per unit of SPEKTRA Lite; and RM150,000 per unit of SPEKTRA Medium

Example of Calculation:

LAND AREA	17.7 acres (7.1628 ha)
Rate of affordable houses (terraced) to be provided per acre (per hectare)	2.3 units or (5.7 units)
	17.7 acres (7.1628 ha) x 2.3 units (5.7 units) = 40.71 units Say = 41 units
Financial Housing Contribution - For development more than 17 acres, the	20.5 units x RM110,000 (SPEKTRA Lite) = RM2,255,000.00 20.5 units x RM150,000 (SPEKTRA Medium)

b. Highrise Development

The developers are required to contribute financially in lieu of the affordable housing units if the land under development is 4 acres (1.6187 hectares) and above. The guidelines for calculation of the affordable housing requirements are as shown in the Table below.

Land Area Under Application / Development	Rate of Affordable Units (Terraced houses instead of flats, preferred, where possible) To be provided per acre (per hectare)	Total Number of Affordable Units (Terraced houses instead of flats, preferred, where possible) To be provided	Housing Contribution Per Unit in lieu of
4 acres to 6 acres (1.6187 ha. to 2.4281 ha.)	3.5 units (8.6 units)	14 units to 21 units (Approximately 15%)	RM110,000 per unit of SPEKTRA Lite
6.1 acres to 8 acres (2.4685 ha. to 3.2374 ha.)	4.5 units (11.1 units)	28 units to 36 units (Approximately 20%)	RM110,000 per unit of SPEKTRA Lite

8.1 acres to 10	5.5 units (13.6	45 units to 55	RM110,000
acres	units)	units	per unit of
(3.2779 ha. to	•	(Approximately	SPEKTRA
4.0468 ha.)		25%)	Lite; and
		Requirement of	RM150,000
		50% of each of	per unit of
		SPEKTRA Lite	SPEKTRA
1		and SPEKTRA	Medium
		Medium	
10 acres and above	6.6 units (16.3	From 67 units	RM110,000
(4.0468 ha.)	units)	(Approximately	per unit of
	·	30%)	SPEKTRA
			Lite; and
		Requirement of	RM150,000
		50% of each of	per unit of
		SPEKTRA Lite	SPEKTRA
		and SPEKTRA	Medium
	, i	Medium	

Example of Calculation:

LAND AREA	9.2 acres (3.7231 ha.)	
Rate of affordable houses (terraced) to be provided per acre (per hectare)	5.5 units (13.6 units)	
Total number of affordable houses (terraced) to be provided	1	
Financial Housing Contribution For development more than 8 acres, the requirement of 50% of each of SPEKTRA Lite and SPEKTRA Medium shall be fulfilled.	= RM2,805,000.00 25.5 units x RM150,000 (SPEKTRA Medium)	

3.4 Planning Approval Condition

The payment of the housing contribution in lieu of affordable housing provision is mandatorily made to the Sarawak Housing Trust Fund in the manner as prescribed; to the Controlling Officer of the Sarawak Housing Trust Fund that shall be the Permanent Secretary for Ministry of Public Health, Housing and Local Government Sarawak.

The new subdivided titles for the subject development can only be considered when the condition for payment of the housing contribution has been fulfilled and fully satisfied.

3.5 Administration of Sarawak Housing Contribution Trust Fund

The administration and management of the Sarawak Housing Contribution Trust Fund is under the purview of the Ministry of Public Health, Housing and Local Government (MPHLG) Sarawak. In that regard, the housing developers shall make a financial contribution to the Trust Fund through Ministry of Public Health, Housing and Local Government (MPHLG) Sarawak. Therefore, the requirement under specific procedures and processes that shall be imposed by the MPHLG shall be adhered to by respective housing developers.

4.0 Effective Date and Application

This policy will take immediate effect from the date of the State Planning Authority decision on **17 October 2024**. Therefore, all new applications for sub-division and development are to be processed according to this policy.

Furthermore, this policy is also applicable to all development applications that are currently under process and pending decision of the Authority as at the effective date.

On the other hand, the developers who intend to opt for payment of housing contribution for "The Approved" development with conditions for provision of affordable housing may submit their application through Land and Survey Department for State Planning Authority's consideration.

The developers are still required to abide to the conditions and technical requirements that are stated in SPA Circular No.2/2016 and SPA Circular No.4/2016 *EXCEPT* for the followings:-

- (i) The conditions that require the developers to build the affordable housing of SPEKTRA Lite, SPEKTRA Medium and PUTERA House (landed, flats, apartment, condominium and townhouses); and
- (ii) The maximum price for SPEKTRA Lite, SPEKTRA Medium & PUTERA House (landed, flats, apartment, condominium and townhouses).