

The Malay Mail - Rent, Instead Of Buying Properties, Advises Finance Minister

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Finance Minister II, Datuk Johari Abdul Ghani.

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By Rachael Ray

PUTRAJAYA April 2017 — Malaysians in particular the younger generation have been advised to rent properties instead of buying them to avoid hefty long-term debts, said Finance Minister II Datuk Johari Abdul Ghani.

"It has become a culture that we do not subscribe to renting (a property) for the next 20 to 30 years. This mindset has to change.

"When one goes to UK or

Australia and speak to families there, they just rent the property until they have enough to make a commitment," he said during a special dialogue session on the 2050 National Transformation (TN50) at the Finance Ministry at the end of March.

Now, early April, Johari says that that particular broadcast at the end of March had wrongly portrayed him as urging Malaysians not to purchase homes but to subscribe to long term leases instead.

He stated that he was merely suggesting that the younger generation not rush into such

a large long term commitment but wait until their finances are more stable before committing themselves to the huge responsibility of paying for a property.

"While the financial commitment for a car may last up to nine years, the financial commitment for a home can last up to 30 years," he said.

"Thus, Malaysian's tie themselves up to such a financial burden at such an early stage in their life when they should actually and ideally concentrate in developing their careers instead."

The minister also noted that in Europe, the number of house buyers and owners are much lower than in Malaysia. Johari also stated that there is no stigma overseas should a family decide to live in a rented home throughout their lives instead of burdening themselves with the financial repayment responsibilities of owning a home.

He said in Switzerland, the population of home owners stand at 38 percent and Germany just slightly higher at 41 percent. Johari also pointed out that in Greece, a much higher percentage of the population (73 percent) are

home owners, citing possibilities of this being a contributing factor to the countries economic woes.

"At the end of the day, Malaysians themselves should evaluate their own living situation to see what will work best to be part of the progress of the nation" he stated.

"Those who can afford to buy their own home at an early age, by all means, no one can stop you from doing that" he added.

He carried on to say that the government will continue to encourage developers to create more affordable housing and embark on a rent-to-own concept.