

## About 1.9 million houses in the country are vacant, but youths still cannot afford them

While youngsters in the country are struggling to pay the down payment for their very first home, it was reported that about 1.9 million houses are currently uninhabited.

According to Berita Harian, **Chief Statistician, Datuk Seri Mohd Uzir Mahidin** said the data was collected in the 2020 Malaysia Census, where it showed an increase of 700,00 unoccupied homes in the country compared to 2010.

“The statistics also showed that 18% of the houses purchased in Pahang were completely uninhabited while there are 30% unoccupied homes in Melaka,” Mohd Uzir said in a press conference held in conjunction with the Malaysia Census Tour: Pahang Program yesterday (15 June).

“Among the factors that contributed to the statistic are home-buyers treated these houses as weekend-houses, or transformed them into home-stay and etcetera as they were working in other areas,” he added.

Nonetheless, if we work out the math, it seems that income and expensive house prices are the main reasons why youths in the country are unable to afford a house.

In a hypothetical situation where Jason, who is currently 25 and is earning a monthly salary of RM3,000, came across a unit close to his workplace, located next to an LRT station and shopping mall.

The unit is 600 sq ft with an asking price of RM230,000 with similar properties ranging between RM1,000 and RM1,300 a month.

Assuming that Jason is a first-time home buyer, he would be required to place a 10% down payment, pay for different types of transaction costs, and set aside some cash for renovation and refurbishment.

In addition, he would also need at least 12 months’ worth of mortgage payments set aside just to be safe.

With all of these, the initial capital outlay for this unit would be about RM60,000 to RM70,000 in cash, and this includes a 10% down payment of RM23,000; an estimated legal fee and stamp duty of RM7,000; the 12 months’ worth of mortgage payments of RM13,000; and RM20,000 for minimal furniture.

Upon handing over the keys, Jason would have to serve the full instalment and assuming that the loan instalment amounts to RM1,100, this would be about 30-35% of his monthly salary of RM3,000.

Left with close to RM2,000, Jason would have to juggle his daily expenses for food, entertainment and other necessities.

Not to even mention that house prices are on the rise nowadays as the property market recovers, the increasing cost of living and stagnant wages.

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