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Bridging the Housing Affordability Gap: Evaluating Government Housing Schemes for Low- and Middle-Income Homeownership in Malaysia

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Abstract

Housing affordability and accessibility remain critical policy challenges in Malaysia, particularly for low-income (B40: Bottom 40% income group) and middle-income (M40: Middle 40% income group) households facing financial constraints and a persistent mismatch between housing supply and demand. This study evaluates the effectiveness of government housing schemes through a mixed-method approach, integrating survey data from 416 respondents with qualitative insights from focus group discussions (FGDs) involving key stakeholders. The findings highlight significant barriers to homeownership, including rigid mortgage structures, high deposit requirements, and inefficiencies in policy implementation. Regression analysis confirms that while government housing schemes have a statistically significant impact on homeownership rates ($p < 0.05$), affordability remains the predominant concern. Policy recommendations include the adoption of demand-driven housing supply models, enhanced financing mechanisms, and improved governance structures. Specifically, the study advocates for the introduction of Built-To-Order (BTO) schemes, the expansion of Rent-to-Own (RTO) initiatives, and the establishment of a centralised digital housing application system to enhance transparency and streamline accessibility. These findings contribute to ongoing discourse on sustainable housing strategies and provide an evidence-based framework for improving housing affordability and accessibility in emerging economies.

Keywords: affordable housing schemes; financing and accessibility; homeownership challenges; housing supply and demand mismatch; policy implementation