# *Ruma Mesra Rakyat (RMR) Program*

**Submitted By:** Syarikat Perumahan Negara Berhad (SPNB)




## Organization Profile

**Organization Name:** Syarikat Perumahan Negara Berhad (SPNB)

**Organization Type:** National government

**Website:** www.spnb.com.my

## Practice Details

**Country(ies):** Malaysia

**City(ies):** Shah Alam

**Start Year:** 2002 **Ongoing:** Yes **End Year:** N/A

**Main Adequate Housing Components:**




**Housing Thematic Areas:**




**Relevant SDGs:**



UN-HABITAT

## Problem & Context

Rumah Mesra Rakyat (RMR)

Lead Agency: Syarikat Perumahan Negara Berhad (SPNB)

Supervising Ministries:

- Ministry of Housing and Local Government (KPKT), Malaysia
- Ministry of Finance (MOF), Malaysia

Malaysia continues to face an affordable housing gap, particularly for the B40 income group and rural/semi-urban communities. Many households earning below RM5,000 monthly struggle to access financing or secure tenure. Rising construction costs, land scarcity in urban centres, and limited financing mechanisms for informal workers worsen the challenge. Climate risks—such as recurrent floods, water scarcity, and high energy costs—further undermine housing security. Policy gaps include eligibility restrictions (land ownership), lack of financial inclusion for gig workers, and limited flexibility in house design and sizes in RMR programs. These issues highlight the need for an innovative, scalable, and climate-resilient housing model that balances affordability with sustainability.

## Solution Developed

SPNB, with the support of KPKT and MOF, enhanced the Rumah Mesra Rakyat (RMR) program to deliver affordable, resilient housing through innovations of Industrialized Building System (IBS): Faster, higher quality, and cost-efficient construction.

The program targets low-income families and marginalized groups, ensuring affordability and resilience. Objectives include:

- Expanding access to affordable and climate-smart housing.
- Reducing household energy and water burdens.
- Improving construction speed, quality, and cost control.
- Enhancing long-term resilience to climate risks.

RMR demonstrates how financial support from MOF, policy direction from KPKT, and technical innovation by SPNB can collectively deliver impactful housing outcomes.

## Implementation

Timeline & Actions:

- 2002: RMR launched to deliver affordable homes with government subsidies.
- 2021: IBS modular construction piloted.
- 2022: Improvement on RMR model using IBS Hybrid System (750 square feet built-up)

- 2025: Target of 15,000 homes under the 12th Malaysia Plan achieved ahead of schedule. By December 2025, a total of 23,000 units will be completed, surpassing 53% of the original target.
- SPNB: Design, financing, construction, beneficiary selection.
- KPKT: Housing policy oversight, regulatory frameworks, and implementation monitoring.
- MOF: Federal funding allocations, subsidies (~RM20,000/unit), and oversight of financial sustainability.
- Financial Institutions (BSN, Bank Islam): Provide low-interest loans with flexible repayment.
- Amanah Raya Berhad: Secure tenure through estate planning.
- Contractors & Suppliers: IBS-certified & CIDB contractors registered with SPNB.
- Communities/NGOs: Beneficiary engagement, awareness, and design feedback.
- Resources & Partnerships:
- RM900 million allocation in 2025 under MOF for affordable housing.
- Public-private partnerships with banks and suppliers.
- State governments provide land approvals and community facilitation.

## Enablers & Obstacles

Enablers:

- Strong political will through KPKT and consistent budgetary support by MOF.
- Modern construction (IBS) reducing delays and costs.
- Financial inclusion measures such as loan guarantees (SJKP) for low-income households.
- Loan methods and collection is provided by SPNB.
- Positive community demand—over 65,000 online applications nationwide.

Obstacles & Responses:

- Rising material costs: mitigated by using IBS Hybrid system.
- Loan defaults: addressed through repayment restructuring and financial literacy programs.
- Contractor delays: minimized with stricter procurement and star-rating systems.
- Urban poor exclusion: eligibility expanded from RM3,000 to RM5,000 income level.

## Results & Impact

Quantitative Results:

- 73,354 homes completed nationwide since 2002.
- 3814 units delivered in Selangor (2002–Now).
- Affordable repayments: RM300/month sustained for 16 years without interest.

Qualitative Results:

- Secure housing for low-income and marginalized households families.
- Improved climate resilience with stilt housing in flood-prone zones.
- Reduced intergenerational poverty through asset ownership and estate planning.

Long-Term Impacts:

- Contributes to Malaysia's Net Zero 2050 goals by embedding renewable energy.
- Strengthens economic opportunities through IBS supply chains and local jobs.
- Builds inclusive, climate-resilient communities across rural and semi-urban Malaysia.

## Replication & Scale Up

Replication:

Replicated nationwide across all Malaysian states with context-specific designs (e.g., stilt houses in Kelantan, compact designs in Johor). Success factors include MOF subsidies, IBS technology, and KPKT policy backing.

Replicability in Other Regions:

The model is suitable for other developing nations with similar affordability challenges, provided there is government subsidy support, community engagement, and modular construction adoption.

Scale-Up Strategy:

Future expansion aims at 100,000 homes by 2030, wider solar energy/rainwater harvesting adoption, and IBS hubs in each region to reduce costs and improve logistics.

## Policy Uptake

This housing practice has informed or been partially integrated into policy discussions, strategies, or pilot-level policy instruments.

The enhanced RMR program is aligned with the 12th Malaysia Plan and supported by KPKT and MOF. Its climate-smart features (solar, rainwater harvesting, IBS) are now part of Malaysia's Low-Carbon City Framework. Recommendation: formalize RMR as a national climate-smart affordable housing policy, mandating renewable systems in future housing.

## Lessons & Takeaways

The RMR program demonstrates that affordability and sustainability can be delivered together through strong institutional partnerships. Lessons include the need to expand financing to gig workers, provide more flexible housing designs, and strengthen post-occupancy homeowner

training. IBS proved critical for cost control, while solar and rainwater harvesting reduced household burdens.