

Use Technology, Artificial Intelligence to Keep Construction Costs Low



Kuala Lumpur (April 3, 2019): Sarah Murray, a digital housing developer, founded PLACE Technologies to capture the global demand for 35 million new houses annually after she found herself being alienated by the property market and couldn't afford to buy a home in Sydney.

The outcome is a digital manufacturing social enterprise powered by the PLACE game, a computer game that allows players to design their own homes and have the product delivered to them, Murray shared during a session at the affordable housing conference organised by Cagamas Berhad and The World Bank in Kuala Lumpur today.

“What I’m sharing is not FinTech or property prop-tech. It is urban tech,” Murray said. “Urban innovation is slow and the demand is astronomical. The urgency is now, it’s not theoretical and we shouldn’t think about doing this in five years. 35 million units need to be built every single year, that is an astonishing 4,000 every hour. We need everyone.”

The PLACE model uses advanced technology such as artificial intelligence to let homebuyers track the construction process through a live feed, and gives consumers a better control in price through cost transparency.

The game allows user to visualise the design of their house through virtual reality, while finding allies to help finance their home purchase, Murray said. The digital record that homebuyers keep can be used for a myriad of things, from buying insurance, remodelling, to getting home furnishing at IKEA, she added.

Most importantly, the company managed to lower construction costs and make housing more sustainable by manufacturing the houses offsite in a factory and eliminate environmental waste, according to Murray.

Murray said the technology is available to make housing more affordable and encourages developers elsewhere to replicate and adopt the PLACE's processes according to their local circumstances.

PLACE also has a social element and is committed to donate one home for every 10 that it builds. Some 10,000 people have contacted her since she shared her story through TEDtalks a couple years ago.

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About Cagamas Berhad

Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote homeownership and contribute towards nation development. It contributes towards the growth of the capital markets, Islamic finance and other priority sectors through issuance of innovative instruments. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for houses at an affordable cost.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas has cumulatively issued circa RM319.1 billion worth of corporate bonds and sukuk.

Cagamas' corporate bonds and sukuk continue to be assigned the highest ratings of AAA/Stable/P1 by RAM Rating Services Berhad and AAA/MARC-1 and AAA_{IS}/MARC-1_{IS} by Malaysian Rating Corporation Berhad, denoting its strong credit quality. Cagamas is also well regarded internationally and has been assigned local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.