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**WAQF-BASED AFFORDABLE HOUSING MODEL: A SUSTAINABLE
ISLAMIC PROPERTY DEVELOPMENT FRAMEWORK FOR URBAN
MALAYSIA**

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Abstract

The persistent gap between urban housing prices and household income in Malaysia has rendered homeownership increasingly unattainable for the B40 and M40 income groups. Despite numerous government-led initiatives, including PR1MA and the People's Housing Programme (PPR), structural limitations in public financing capacity and land availability continue to constrain meaningful progress. This article proposes a waqf-based affordable housing model as a sustainable Islamic property development framework for Malaysian urban contexts. Drawing upon a systematic review of existing literature, institutional reports, and comparative case analyses, this study critically examines the theoretical foundations of productive waqf, its financing instruments including Sukuk Ijarah and Cash Waqf Linked Sukuk (CWLS), and the governance structures of State Islamic Religious Councils (Majlis Agama Islam Negeri, MAIN) and the Department of Awqaf, Zakat and Hajj (JAWHAR). The proposed model integrates the principles of Maqasid al-Shariah with contemporary urban planning imperatives, particularly in alignment with Sustainable Development Goal 11 (SDG 11). The analysis reveals that while waqf land represents a significant and underutilised asset base exceeding 30,000 hectares nationally, institutional fragmentation, legislative constraints, and limited professional capacity among MAIN have impeded productive development. This article argues that a reformed governance architecture, combining centralised oversight with decentralised project delivery through public-private partnerships, offers the most viable pathway for scaling waqf-based housing in urban Malaysia.

Keywords: waqf, affordable housing, Islamic property development, urban Malaysia, sustainable development

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INTRODUCTION

The housing affordability crisis in Malaysia is neither new nor narrowly defined. For several decades, the nation's urbanisation trajectory has been accompanied by a structural divergence between the pace of house price appreciation and median household income growth. Bank Negara Malaysia acknowledged as early as 2019 that Malaysian homes are "seriously unaffordable" by international benchmarks, with the median house price exceeding three times the threshold typically associated with housing stress (Kamal & Ating, 2020). The consequences of this divergence are not merely economic; they extend into dimensions of social equity, intergenerational mobility, and the spatial organisation of cities.

Urbanisation in Malaysia accelerated sharply from 34.2% in 1980 to approximately 75% by 2020, generating sustained pressure on urban housing markets (Abidin & Basrah, 2019; Arif et al., 2021). This demographic trajectory has been matched by an increase in the demand for affordable housing units that neither the private sector, bound by profit maximisation imperatives, nor the public sector, constrained by fiscal limitations, has been able to satisfy adequately. Government programmes such as PRIMA, MyHome, and PPR have provided partial relief, yet their scope remains limited to first-time buyers or households within specific income thresholds, leaving a large and structurally vulnerable segment of the urban population inadequately served (Kamal & Ating, 2020).

It is within this context that waqf, the Islamic institution of philanthropic endowment, presents itself as a theoretically and practically compelling alternative mechanism. Waqf involves the permanent dedication of an asset, typically land or property, for charitable, religious, or social purposes, with its corpus remaining inalienable and its usufruct directed toward beneficiaries (Qurrata et al., 2025). In Malaysia, an estimated 30,000 hectares of land are registered under waqf, yet according to YWM and JAWHAR data, only approximately 13% of this total has been productively developed (Productive Waqf Development Model, 2023). This represents both a governance failure and an extraordinary untapped resource.

This article proceeds from the premise that the underutilisation of waqf land in Malaysia is not primarily a problem of asset scarcity but of institutional design, legislative architecture, and financing innovation. The article develops three interconnected arguments. First, the principles of Maqasid al-Shariah provide a normative foundation that aligns waqf-based housing provision with broader sustainable urban development objectives. Second, contemporary Islamic financial instruments, particularly Sukuk Ijarah and CWLS, offer viable mechanisms for mobilising capital toward waqf housing development without compromising the perpetual and inalienable character of waqf assets. Third, the

existing governance structures of MAIN and JAWHAR require significant reform to enable effective delivery at scale, with a particular emphasis on professionalisation, transparency, and inter-institutional coordination.

Maqasid al-Shariah and Housing as a Public Good

The normative foundation of this study is grounded in the classical Islamic jurisprudential framework of Maqasid al-Shariah, which refers to the higher objectives or essential purposes underlying Islamic law. These objectives, as systematised by al-Ghazali, al-Shatibi, and Ibn Ashur, encompass five primary domains: the preservation of religion (*hifz al-din*), life (*hifz al-nafs*), intellect (*hifz al-aql*), progeny (*hifz al-nasl*), and property or wealth (*hifz al-mal*) (Yazid et al., 2025; Chapra, 2008). Contemporary scholars such as Jasser Auda have extended this framework into a systems-oriented model capable of addressing complex socio-economic challenges (Auda, 2008, as cited in Aziz et al., 2024).

Table 1 maps the five dimensions of Maqasid al-Shariah to their specific housing imperatives and corresponding SDG 11 targets. This mapping is not merely rhetorical. It operationalises the Maqasid framework as an evaluative tool for housing policy, providing concrete criteria against which any proposed model may be assessed for normative adequacy.

Table 1: Maqasid al-Shariah Dimensions and Their Correspondence to Affordable Housing Imperatives

Maqasid Dimension	Arabic Term	Housing Imperative	SDG 11 Alignment
Preservation of Life	Hifz al-Nafs	Safe, structurally sound, and hazard-free shelter for all income groups	Target 11.1: Adequate and safe housing
Preservation of Progeny	Hifz al-Nasl	Family-appropriate unit size; proximity to schools and social services	Target 11.7: Inclusive and safe public spaces
Preservation of Wealth	Hifz al-Mal	Affordable pricing; elimination of speculative and exclusionary land use	Target 11.3: Sustainable urbanisation and land management
Preservation of Intellect	Hifz al-Aql	Access to educational and community facilities within housing precinct	Target 11.4: Safeguarding cultural and natural heritage
Preservation of Religion	Hifz al-Din	Communal prayer facilities; halal built environment governance	Target 11.b: Inclusive, integrated, and sustainable policies

Sources: Yazid et al. (2025); Aziz et al. (2024); Chapra (2008); United Nations SDG 11 Framework.

The relevance of Maqasid al-Shariah to housing policy is most explicitly articulated through *hifz al-nasl*, which encompasses the protection of family and progeny, and *hifz al-nafs*, the preservation of human life and dignity.

Adequate and secure shelter is a precondition for the realisation of both objectives; without stable housing, the conditions necessary for family formation, child development, and dignified human life are systematically undermined (Yazid et al., 2025). Scholars surveying the integration of Maqasid al-Shariah into sustainable development frameworks have also noted strong convergences between these objectives and the principles enshrined in the United Nations' 2030 Agenda, particularly SDG 11, which targets inclusive, safe, resilient, and sustainable cities and communities (Aziz et al., 2024; Hasan & Zulkifli, 2021).

Critically, however, this framework does more than assert the moral importance of housing. It articulates a set of substantive standards against which housing policies and development models may be evaluated. Housing that is financially inaccessible to large segments of the urban population violates *hifz al-mal* insofar as it concentrates wealth among property owners and developers while denying the majority of citizens access to a fundamental asset class. Housing that is structurally insecure, poorly maintained, or located without regard for community services undermines *hifz al-nafs* and *hifz al-aql*. A Maqasid-informed approach therefore demands not only that housing be physically available but that it be affordable, dignified, durable, and embedded within functional urban communities (Sarkawi et al., 2006, as cited in *Investigating Islamic Urban Development*, 2024). This multi-dimensional standard places the proposed waqf housing model under considerable normative pressure that purely economic models of housing provision are not designed to bear.

LITERATURE REVIEW

The Affordable Housing Deficit in Urban Malaysia

The academic literature on housing affordability in Malaysia consistently documents a structural imbalance between supply and demand that is particularly acute in major urban agglomerations. Khazanah Research Institute data cited in multiple studies indicates that the median house price to income ratio in Kuala Lumpur and its environs has reached levels that classify the market as “severely unaffordable” under internationally recognised thresholds (Ali et al., 2024). This condition is most damaging for the M40 group, households earning between RM4,851 and RM10,971 per month, who are typically ineligible for social housing programmes yet unable to service mortgages at prevailing market prices (Kamal & Ating, 2020). The M40 thus occupies a structural lacuna in Malaysian housing policy, too wealthy for the state and too poor for the market.

Government programmes have delivered outputs in absolute terms, with 458 public affordable housing projects recorded as constructed on waqf land through JAWHAR cooperation with state governments and local authorities (Arif et al., 2021). However, comparative analyses of PR1MA, PPR, and MyHome suggest that their limited eligibility criteria, concentration in non-strategic urban

locations, and reliance on direct government financing constrain their long-term scalability and distributional reach (Ali et al., 2024). There is broad consensus in the literature that alternative institutional arrangements, particularly those engaging the Islamic social finance sector, are needed to complement state-led provision (Kamal & Ating, 2020; Abidin & Basrah, 2019). Critically, however, few studies have offered a sufficiently operationalised model capable of bridging the gap between conceptual advocacy for waqf and the complex institutional realities of Malaysian property development. This article directly addresses that gap.

Waqf as a Property Development Instrument

The historical record of waqf as a mechanism for urban development is extensive. In classical Islamic civilisations, waqf endowments funded hospitals, schools, markets, and housing in cities from Baghdad to Istanbul, providing infrastructure that combined religious obligation with social utility (Qurrata et al., 2025). The Ottoman waqf system, in particular, has attracted scholarly attention as a model of integrated urban financing in which revenues from commercial waqf properties cross-subsidised social services including housing for the poor (Productive Waqf Development Model, 2023).

In the Malaysian context, the literature distinguishes between traditional waqf, which is largely immovable and directed toward mosques or graveyards, and productive or contemporary waqf, which seeks to generate income from endowed assets through development, leasing, or investment (Productive Waqf Development Model, 2023). The distinction is analytically important because productive waqf introduces a fundamentally different institutional logic. Rather than simply holding an asset in perpetuity, productive waqf requires active management, capital mobilisation, and revenue generation, capacities that have historically been underdeveloped in Malaysian MAIN (Ismail et al., 2015, as cited in Governance, Location, Size and Waqf Efficiency in Malaysia, 2020).

Table 2 presents the current status of waqf land in Malaysia, illustrating both the scale of the asset base and the magnitude of the governance failure in its utilisation.

Table 2: Status and Development Potential of Waqf Land in Malaysia

Category	Area (Hectares)	Share of Total (%)	Estimated Potential if Developed (RM Billion)	Revenue	Current Status
Wakaf Am (General Waqf)	4,317.88	38.9	8.5 – 12.0		Partially active
Wakaf Khas (Specific Waqf)	4,543.27	40.9	9.0 – 13.5		Largely restricted
Other Registered Waqf	~21,138	20.2	7.5 – 14.5		Predominantly idle
Total Registered Waqf Land	~30,000	100	25 – 40		—
Productively Developed	~3,900	~13	Already generating		Active
Underdeveloped / Idle	~26,100	~87	Unrealised		Dormant

Note: Revenue potential estimates are based on conservative urban land yield calculations assuming mixed-use development at prevailing market rates. Sources: JAWHAR Annual Report (2013); Governance, Location, Size and Waqf Efficiency in Malaysia (2020); Productive Waqf Development Model (2023).

Abidin and Basrah (2019) proposed a development framework for affordable housing on waqf land identifying five critical elements: concept, sources of funding, participants, structural arrangement, and social impact. Their conceptual model highlighted the potential of waqf land as a foundation for low-cost housing development, particularly in urban areas where land prices form the primary barrier to affordability. Ali et al. (2016) similarly argued that waqf real estate development represents a viable social welfare alternative to market-led housing provision. Kamal and Ating (2020) extended this analysis by proposing a collective waqf framework that integrates earning sustainability, resilient management, and social impact dimensions, noting that existing waqf models in Malaysia largely fail to embed investment channels for income generation or long-term fund sustainability. What the existing literature has not adequately addressed, however, is the political economy of reform: why institutional inertia has persisted despite decades of scholarly advocacy, and what specific reform pathway is needed to overcome it.

Islamic Financial Instruments for Waqf Development

A significant strand of recent literature focuses on the Islamic financial instruments available for developing waqf properties. Ijarah, broadly translated as a lease or rental contract, allows the development of waqf land by enabling investors to provide capital in exchange for rental returns, with the waqf asset remaining the property of the endowment and thus preserving its perpetual character (BIX Malaysia, 2024). Under the Sukuk Ijarah structure, a Special Purpose Vehicle (SPV) can raise funds through sukuk issuance, use those funds

to develop housing units on waqf land, and lease the completed units to beneficiaries, with rental income servicing the sukuk and residual revenue flowing back to the waqf institution (Hussin & Muhammed, 2012).

Abdullah and Meera (2018, as cited in Kamal & Ating, 2020) explored the adoption of al-hikr, a long-term lease financing instrument, for waqf and state lands in Malaysia as a mechanism to provide affordable public housing. This instrument is particularly relevant because it allows structured long-term occupancy without transferring ownership of the underlying land, preserving the integrity of the waqf corpus while delivering housing to end users. The Cash Waqf Linked Sukuk (CWLS) model, pioneered in Indonesia and gaining traction in Malaysia through initiatives such as the Makmur myWakaf Fund, combines cash waqf contributions with sukuk investment structures to generate sustainable income streams for socio-economic projects including housing (IIUM Journal of Islamic Social Finance, 2024).

Critically, the literature also identifies substantive limitations in these instruments. Bureaucratic constraints within State Islamic Religious Council (SIRC) regulations impose restrictions on permissible financial instruments for waqf purposes, limiting institutional flexibility in accessing the full range of Shariah-compliant capital markets products (IIUM Journal of Islamic Social Finance, 2024). Moreover, public familiarity with investment-based waqf models remains low, with many potential donors viewing structured financial instruments as inconsistent with traditional waqf principles. This perception problem is not merely a communication challenge; it reflects a genuine tension between the communal, non-transactional ethos of classical waqf and the commercial logic of contemporary Islamic capital markets that policymakers have not adequately resolved.

Governance Challenges in Malaysian Waqf Institutions

The governance literature on Malaysian waqf institutions is largely critical, documenting persistent deficits in capacity, transparency, coordination, and accountability. According to JAWHAR data from 2013, Malaysia held 8,861.15 hectares of waqf land, yet empirical studies consistently report that only approximately 10% to 13% of total waqf assets have been productively developed (Governance, Location, Size and Waqf Efficiency in Malaysia, 2020; Productive Waqf Development Model, 2023). The establishment of JAWHAR in 2004 and Yayasan Wakaf Malaysia (YWM) in 2008 represented significant steps toward centralising and professionalising waqf administration (JAWHAR Governance, 2023). However, the constitutional arrangement in Malaysia, which places waqf administration under state jurisdiction through the Ninth Schedule of the Federal Constitution, creates inherent tensions between federal coordination ambitions and state-level institutional autonomy.

This constitutional fragmentation is analytically important and deserves emphasis beyond the perfunctory acknowledgement it typically receives in the waqf literature. It means that JAWHAR, despite its federal mandate, possesses no enforcement power over MAIN. Its role is advisory, coordinative, and capacity-building, not directive. This structural weakness has persisted across multiple Malaysia Plans and successive government administrations, suggesting that it cannot be overcome by policy commitment alone but requires a constitutional or legislative framework that has thus far been politically untenable.

FINDINGS

A Waqf-Based Affordable Housing Model for Urban Malaysia

The proposed model conceptualises waqf-based affordable housing as a four-stage system integrating asset activation, financing, delivery, and sustainability. Figure 1 illustrates the complete conceptual architecture of this model, grounded in the normative foundation of Maqasid al-Shariah and aligned with SDG 11 imperatives.

Figure 1: Four-Stage Waqf-Based Affordable Housing Model

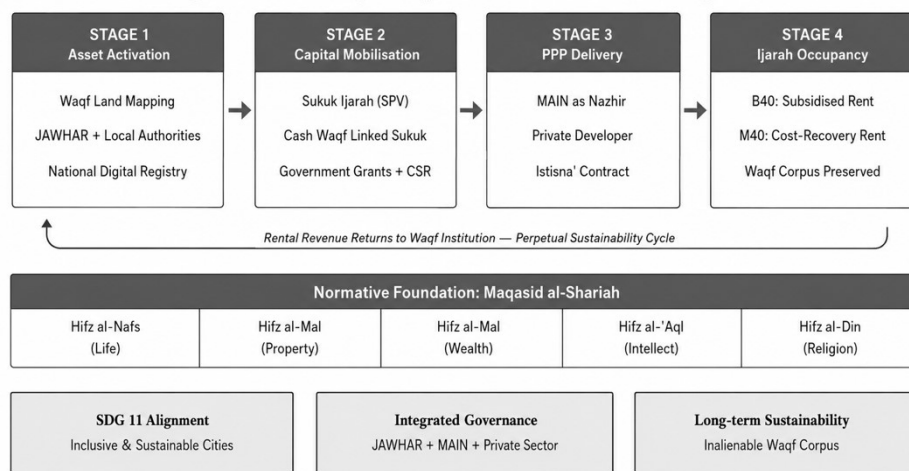


Figure 1: Four-Stage Waqf-Based Affordable Housing Model.

Source: Authors' compilation adapted from Kamal & Ating (2020); Abidin & Basrah (2019); Qurrata et al. (2025).

Stage 1 involves systematic mapping and classification of urban waqf land by JAWHAR in coordination with state planning authorities and local governments. This mapping exercise must prioritise strategic urban locations with access to public transport, employment centres, and community services, since the Maqasid principle of *hifz al-nafs* demands that housing provision serve

not only physical shelter but also the broader conditions of dignified urban life. A national waqf digital registry, potentially underpinned by blockchain technology, would provide the transparency and accountability infrastructure necessary for productive development (Qurrata et al., 2025).

Stage 2 concerns capital mobilisation through Sukuk Ijarah or CWLS structures, enabling development without requiring MAIN to bear the full financial burden. Stage 3 delivers construction and management through public-private partnerships (PPP), in which MAIN as nadzhir retains ownership of the waqf land while engaging professional property developers under istisna (construction contract) arrangements. The UDA Waqf joint venture with Kedah Islamic Religious Council (MAIK) at Telok Chengai, Alor Star, provides a Malaysian precedent for this model (Kamal & Ating, 2020). Stage 4 makes housing units available on ijarah or long-term lease arrangements rather than for sale, preserving the waqf corpus across generations. Figure 2 presents the complete financing architecture underpinning Stages 2 and 3.

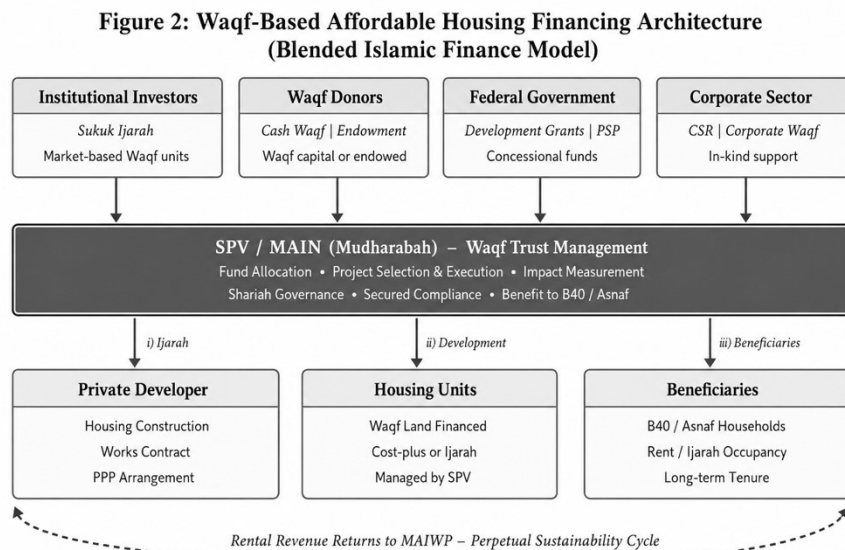


**Figure 2: Waqf-Based Affordable Housing Financing Architecture
(Blended Islamic Finance Model).**

Source: Hussin & Muhammed (2012); IIUM Journal of Islamic Social Finance (2024); Kamal & Ating (2020).

Financing Architecture

The financing architecture of the proposed model requires careful design to balance Islamic jurisprudential requirements with commercial viability. Three primary instruments are proposed in combination. First, Sukuk Ijarah bonds issued through a dedicated SPV provide the primary capital for housing construction, with investors receiving rental yields from the ijarah contracts with occupants. Second, CWLS instruments mobilise philanthropic capital from retail and institutional donors, with the waqf corpus preserved and the income directed toward project development. Third, government grants and development bank financing, particularly from Bank Pembangunan Malaysia Berhad and the Ministry of Housing and Local Government, provide concessional capital to reduce the cost of housing below market rates.

This blended finance approach distributes risk across multiple institutional actors while aligning incentive structures with the social mission of affordable housing provision. Private investors in the sukuk receive market-competitive returns from rental income, removing the charity premium that often restricts institutional investment in social housing. The government's fiscal contribution is reduced relative to direct housing development programmes, since public funds serve a catalytic or gap-filling function rather than providing the totality of project finance. MAIN, as nadzhir, receives a residual income stream that can finance institutional capacity-building and further asset development.

DISCUSSION

Structural Constraints and Contested Assumptions

The most fundamental structural constraint on the proposed model is the documented institutional weakness of MAIN as property development and asset management entities. As the data in Table 2 illustrates, only approximately 13% of waqf land in Malaysia is productively developed, a statistic that reflects not merely resource constraints but a profound deficit in professional capacity, strategic vision, and organisational culture (Governance, Location, Size and Waqf Efficiency in Malaysia, 2020; Productive Waqf Development Model, 2023). MAIN were established primarily as religious administrative bodies, and their transformation into sophisticated property development institutions capable of structuring sukuk transactions, managing PPP contracts, and overseeing large-scale housing projects represents a qualitative organisational transformation that goes far beyond incremental capacity building.

This challenge is compounded by a structural problem that the literature has acknowledged but not sufficiently interrogated: the absence of a competitive market mechanism to discipline waqf institutions into better performance. Private property developers face market sanctions for poor project delivery; MAIN do not. Their revenues, to the extent they exist, are not contingent on development

performance, and their political accountability is directed toward state religious authorities rather than toward the Muslim communities whose assets they administer. This accountability deficit is arguably the core governance problem, and it cannot be resolved by technical assistance or training programmes alone. It requires institutional restructuring that creates genuine performance accountability, whether through independent nadzhir oversight boards, public reporting requirements, or competitive tendering for waqf development mandates.

The Legislative Fragmentation Problem

A second critical constraint involves the legal status of waqf land within Malaysia's dual land administration system. Waqf land is registered under the National Land Code, but the waqf restriction creates significant complications for developers seeking project financing, since lenders typically require the land title to serve as collateral. The perpetual and inalienable nature of waqf land, which is precisely its most valuable social characteristic, becomes a financial liability under conventional and even Islamic property finance logic. This creates a genuine structural tension: the very feature that makes waqf normatively superior to market housing as a mechanism for intergenerational equity simultaneously impedes its integration into contemporary capital markets.

The resolution of this tension requires legislative innovation that goes beyond the current framework. The introduction of a waqf development easement, a legal instrument that separates development rights from the underlying corpus while preserving the inalienability of the land itself, would enable structured financing without compromising waqf doctrine. Alternatively, a state or federal guarantee mechanism that replaces land title as collateral in waqf sukuk transactions could unlock capital market access without requiring legislative amendment of the National Land Code. Neither option has been seriously pursued at the policy level, reflecting a broader pattern in which legal innovation in the waqf sector lags considerably behind financial and institutional innovation.

The constitutional dimension compounds this problem. Since waqf is a state matter, each of Malaysia's 13 states operates under its own State Islamic Administration Enactment, producing significant variation in what types of development, financing, and beneficiary arrangements are legally permissible. A developer or sukuk arranger working across multiple states must navigate 13 different regulatory environments, none of which are designed with large-scale affordable housing development in mind. This regulatory fragmentation imposes transaction costs that effectively price many potential development partners out of the waqf housing market.

The Ownership Culture Problem

A third constraint, frequently underestimated in policy-focused analyses, concerns the deep cultural embedding of homeownership as a life goal in Malaysian society. The aspiration for homeownership is not simply an economic preference; it is a social and familial imperative reinforced by decades of government policy, parental expectation, and institutional infrastructure, including the Employees Provident Fund withdrawal facility for housing, which implicitly treats ownership as the normative housing outcome. A model that offers long-term ijarah occupancy rather than ownership asks urban households to reorient their housing aspirations in a direction that has few social precedents and limited cultural legitimacy.

This challenge is more profound than the communication problem it is sometimes reduced to in the waqf literature. It is not merely a matter of educating potential beneficiaries about the virtues of secure tenancy under Islamic principles. It is a matter of addressing the legitimate rational preferences of households for whom ownership represents asset accumulation, collateral value, and inter-generational wealth transfer that a waqf ijarah arrangement cannot replicate. The model must therefore offer compensating benefits sufficiently attractive to override these ownership preferences, particularly among the M40 households it primarily targets. Possible compensating mechanisms include tenure security through long-term irrevocable ijarah contracts, community governance rights, priority in allocation to family members, and the spiritual dimension of residing within a waqf community. Whether these benefits will prove sufficient in practice is an empirical question that the existing literature has not addressed.

POLICY IMPLICATIONS

The foregoing analysis generates a set of policy implications addressed to multiple institutional actors within Malaysia's waqf and housing governance landscape. These implications are deliberately sequenced to reflect institutional prerequisites: governance reform must precede financing innovation, and both must precede scaled project delivery.

For the federal government and JAWHAR, the most urgent priority is the development and implementation of a national waqf asset registry that provides comprehensive, publicly accessible information on the location, tenure status, development potential, and current use of all registered waqf land in Malaysia. Without this informational infrastructure, strategic development planning remains impossible. JAWHAR should simultaneously lead the development of a model waqf housing enactment in collaboration with state governments and the Council of Rulers, establishing minimum standards for project governance, financial reporting, and beneficiary targeting. The political

obstacles to this reform are not trivial: state governments and their MAIN have historically resisted federal encroachment on Islamic affairs. A negotiated framework that provides federal technical and financial support in exchange for state compliance with minimum standards, rather than direct federal oversight, may be more politically achievable.

For state governments and MAIN, the critical investment is in professional capacity in the form of dedicated property development units staffed by qualified planners, property managers, financial analysts, and legal professionals, operating distinctly from religious administrative functions. The evidence from MAIPP Penang and MAIS Selangor suggests that MAIN with adequate professional capacity can deliver viable waqf housing projects; the challenge is replicating this capacity in less-resourced states. Federal-state matching grant arrangements for institutional capacity-building, drawing on Tenth Malaysia Plan precedents, provide a feasible funding mechanism.

For the Securities Commission Malaysia and Bank Negara Malaysia, the regulatory priority is the development of a framework specifically designed for waqf-linked sukuk and CWLS instruments that addresses credit enhancement, collateral substitution for waqf land, and investor protection requirements. Tax incentives for corporate donors to waqf housing trusts, analogous to those available for approved charitable donations under the Income Tax Act, would significantly expand the philanthropic capital base available to MAIN.

For urban planners and local authorities, the integration of waqf land into strategic development plans and local plans represents both an obligation and an opportunity. Waqf parcels located within areas of high housing demand should be designated for affordable housing development through local plan provisions that facilitate expeditious planning approval, infrastructure provision, and density uplift. The failure to integrate waqf land into statutory planning frameworks means that its development potential is frequently overlooked in urban growth management, resulting in waqf parcels being surrounded by private development in ways that reduce their accessibility and attractiveness for housing purposes.

CONCLUSION

This article has argued that waqf represents an underutilised institutional resource of significant potential for addressing Malaysia's urban affordable housing deficit, but that its realisation depends on a suite of institutional, legislative, and cultural reforms that go substantially beyond the financing and normative innovations emphasised in the existing literature.

The normative case for waqf-based housing, grounded in the principles of Maqasid al-Shariah and operationalised provides a legitimating framework for policy reform within Malaysia's Islamic governance context. The empirical case, demonstrates that the asset base exists at the scale required for meaningful

impact. Meanwhile, the financing architecture proposed drawing on Sukuk Ijarah, CWLS, and blended government-philanthropic finance, offers a technically viable pathway for mobilising capital without compromising the perpetual character of waqf endowments.

However, the critical analysis has established that the implementation barriers to this model are not primarily technical or financial. They are institutional, constitutional, and cultural. The institutional capacity deficits of MAIN, the constitutional fragmentation of Islamic affairs governance, the legal incompatibility between waqf inalienability and conventional collateral requirements, and the cultural primacy of homeownership in Malaysian housing aspiration collectively constitute a structural environment that is deeply resistant to the kind of waqf housing model proposed here.

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