



**THE REHABILITATION OF ABANDONED HOUSING  
PROJECT : AN OVERVIEW AND CASE STUDY OF THE  
PROCESS AND THE PROBLEMS FACED**

**By**

**LEE DIN WEE**

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**SCHOOL OF HOUSING, BUILDING AND PLANNING,  
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## **ABSTRACT**

Abandoned housing project is a serious problem in Malaysia. The abandonment of houses has brought huge impact to our economy as well as to those suffered purchaser as they had already paid for house loan but their house is uncompleted. Subsequently, the incident will bring mentally influence and blow their confidence upon the housing scheme in Malaysia.

However, with the economic growth, many of developers are involve in rehabilitation of abandoned housing project. The authorities are taking action upon these abandoned projects, too, to help out those suffered purchasers. This phenomenon has brought positive effect to the economy of our country as well as the existing purchasers. Rehabilitation of abandonment also brings impact where it meets the market's demand upon new houses.

Thus, based on this issue, this study will look into the problems faced during the revival of abandoned housing project and will identify the procedure of revival of abandoned project taken by the private developer and the government in order to understand the rehabilitation of abandoned project in Malaysia. Following this, the researcher will suggests certain idea to accelerate the process of taking over the abandoned housing project as well as to ensure the success of any revival.

## **ABSTRAK**

Projek perumahan terbengkalai merupakan satu masalah yang serius di Malaysia. Akibatnya, pembeli-pembeli yang telah membayar tidak dapat rumah dan menyebabkan mereka merasa tertekan dan kecewa atas kejadian ini. Projek perumahan terbengkalai ini juga menjejaskan imej negara kita.

Akan tetapi, dengan ekonomi yang semakin berkembang di Malaysia, banyak projek rumah terbengkalai telah dipulih oleh pihak kerajaan serta pemaju swasta. Dan semakin ramai pemaju swasta ingin memulihkan projek yang dibengkalai kerana projek-projek tersebut akan membawa pendapatan kepada mereka. Keadaan ini telah membawa impak yang positif kepada ekonomi negara serta pembeli-pembeli yang terlibat. Pemulihan projek perumahan terbengkalai ini juga memenuhi permintaan terhadap rumah-rumah baru di pasaran.

Sehubungan dengan ini, pengajian ini akan menyiasatkan dengan lebih mendalam mengenai proses pemulihan projek perumahan terbengkalai serta masalah-masalah yang dihadapi oleh pihak-pihak yang terlibat, terutamanya pemaju swasta dan pihak kerajaan.



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## **CHAPTER ONE : INTRODUCTION**

### **1.1 RESEARCH BACKGROUND**

Housing sector has played an important part of the government's policy in Malaysia. Government has focused on many of housing programmes to provide affordable houses. Hence, local government has invited the private sector to participate in constructing houses. During the recession period of our country, many private companies went bust and left the projects been abandoned. Since 1986, government started to revive the abandoned projects through the Ministry of Housing and Local Government (MHLC).

However, some of the surveys found that many of the people are not understand the process of rehabilitation of abandoned project. Most of them do not know how the process of revival does and what kind of problems that the developer will face. According to latest information, there are total 93 housing projects had successfully been revived, which involving 16,864 of units, 12,033 purchasers and estimated value RM 1,858.10 million.

Hence, the process of reviving abandoned project is a very important part in helping the housing sector. Hopefully this research will provide a very good delivering of the study to enhance the understanding for the readers about the process of rehabilitation of abandoned housing project and the problems that encountered by those parties involved.

## **1.2 RESEARCH AIM**

The aim of this research is to understand the rehabilitation of abandoned project in Malaysia.

## **1.3 RESEARCH OBJECTIVE**

In order to accomplish the aim of this research, few objectives were determined to be achieved by the researcher. These objectives are:

- To examine how the abandoned project that had been successfully revived.
- To examine the factor and problem encountered when reviving the abandoned project.
- To identify the procedure of revival of abandoned project taken by the private developer and the government.

## **1.4 RESEARCH SCOPE**

This research will be based on the developers, government departments and financial institutions that involve in reviving the abandoned project in local construction industry. The parties which chosen by the researcher for survey are only from Peninsular Malaysia.

The scope of research will only concentrate on:

- The process of rehabilitating the abandoned housing project;
- The factors and problems encountered while reviving the abandonment of housing project;
- The roles and involvement of certain parties in rehabilitation of abandoned project.

## **1.5 RESEARCH LIMITATIONS**

This research posed a few limitations, which are:

- The developers have already wound up their company and ran away, this is one of the difficulty when we looking for the information.
- Financial institutions are filing the information of developers, who are the loanees as confidential information and hence, the researcher is difficult to find relevant information about the developers.

## **1.6 RESEARCH METHODOLOGY**

The survey will undertake by semi-structured interview or unstructured interview or both. The survey will involve a selected sample that involves in the revival of abandoned housing project in Malaysia. This selected sample will focus on government departments, developers or the project managers. The details of research methodology for this dissertation will be discussed in chapter three (3), and it will summarise in a chart for easy understanding to the readers.



## **CHAPTER TWO : LITERATURE REVIEWS**

### **2.1 HOUSING SECTOR IN MALAYSIA – AN OVERVIEW**

Malaysia, as a developing country, has considered housing as a basic need and important sector in contributing huge profit in national development (Mohamad Sukeri Khalid, 2005). In the year of 1994, the housing industry in Malaysia contributed to 12 per cent of the national income producing more than RM 7 billion in outputs as well as forms part of the productive economic sector and contributes to Gross Domestic Product (GDP). In developing countries, housing investment can comprise up to 2 to 8 per cent of the GDP and from 10 to 30 per cent of gross capital information (Grujit, 1992).

Even though housing provision is significantly contributes to the national growth, the government aims is mainly to meet housing needs and ensure all citizens are provided with affordable housing especially for lower income group (Mohamad Sukeri Khalid, 2005). That is why the government of Malaysia has made great strides in meeting the requirements of its citizen in relation to housing through the Malaysia Plan, and it shown the government has actively commenced numerous housing programmes, both in rural and urban areas.

In the Eighth Malaysia Plan, the implementation of housing development programmes were aimed at improving the quality of life and well-being of the population. The overall performance of housing programmes undertaken by the public and private sectors was encouraging, which total of 844,043 units was constructed as shown *Table 2.1.1*, surpassing the plan target. From the total, 77.6 per cent was constructed by the private sector while the remaining by the public sector (Eighth Malaysia Plan 2001-05).

The overall performance of houses built under the low-cost housing category was encouraging with 200,513 units completed or 86.4 per cent of the plan target. Of this total, 103,219 units or 51.5 per cent was constructed by the public sector including state economic development corporations (SEDCs), where 30 per cent low-cost housing policy requirement was implemented to any mixed-development projects undertaken by private developers. Apart from that, a total of 27,006 low-cost houses was constructed involving 70 projects under the Public Low-cost Housing Programme (PLHP) during the plan period.

In the low-medium-cost housing category, a total of 83,910 units was completed, achieving 63.9 per cent of the plan target. Of this total, the private sector constructed 61,084 units or 72.8 per cent while the remaining by the public sector. The total number of medium-cost and high-cost houses constructed by the private sector during the plan period was far exceeded its target. It shows that a huge demand for this category of houses in Malaysia. In this respect, a total of 222,023 units of medium-cost and

274,973 units of high-cost houses were constructed. The public sector constructed 30,098 medium-cost houses and 22,510 high-cost houses, which met 64.4 per cent and 112.6 per cent of the plan target, respectively.

TABLE 2.1.1: PUBLIC AND PRIVATE SECTOR HOUSING TARGETS AND ACHIEVEMENTS, 2001-2005

Programme	Housing for the poor				Low-cost				Low medium-cost				Medium-cost				High-cost				Total			
	Target (units)	Achieved (units)	% of target		Target (units)	Achieved (units)	% of target		Target (units)	Achieved (units)	% of target		Target (units)	Achieved (units)	% of target		Target (units)	Achieved (units)	% of target		Target (units)	Achieved (units)	% of target	
<b>Public Sector</b>	16,000	10,016	62.6		192,000	103,219	53.9		37,300	22,826	61.2		46,700	30,098	64.4		20,000	22,510	112.6		312,000	188,669	60.5	
Low-cost Housing	-	-	-		175,000	81,108	46.3		-	-	-		-	-	-		-	-	-		175,000	81,108	46.3	
Housing for the hardcore poor	15,000	9,536	63.6		-	-	-		-	-	-		-	-	-		-	-	-		15,000	9,536	63.6	
Sites and Services	1,000	480	48.0		-	-	-		-	-	-		-	-	-		-	-	-		1,000	480	48.0	
Housing by commercial agencies	-	-	-		15,000	16,366	109.2		10,000	15,442	154.4		16,000	9,924	62.0		15,000	5,753	38.4		56,000	47,505	84.8	
Housing by land schemes	-	-	-		2,000	5,725	286.3		1,000	695	69.5		-	-	-		-	-	-		3,000	6,420	214.0	
Institutional quarters and staff accommodation	-	-	-		-	-	-		26,300	6,689	25.4		30,700	20,174	65.7		5,000	16,757	335.1		62,000	43,620	70.4	
<b>Private Sector</b>	-	-	-		40,000	97,294	243.2		94,000	61,084	65.0		64,000	222,023	346.9		105,000	274,973	261.9		303,000	655,374	216.3	
Private developers	-	-	-		39,000	94,029	241.1		90,000	53,607	59.6		60,000	215,267	358.8		100,000	269,320	269.3		289,000	632,223	218.8	
Cooperative societies	-	-	-		1,000	3,265	326.5		4,000	7,477	186.9		4,000	6,756	168.9		5,000	5,653	113.1		14,000	23,151	165.4	
<b>Total</b>	16,000	10,016	62.6		232,000	200,513	86.4		131,300	83,910	63.9		110,700	252,121	227.8		125,000	297,483	238.0		615,000	844,043	137.2	

Source: Ministry of Housing and Local Government

However, during the Ninth Malaysia Plan period, continuous efforts be undertaken to ensure that Malaysians of all income levels will have access to adequate, quality and affordable homes, particularly the low-income group. In this regard, the private sector is encouraged to build more low-cost and low-medium-cost houses in their mixed-development projects while the public sector will concentrate on building low-cost houses as well as houses for public sector employees, the disadvantaged and the poor in urban and rural areas.

**TABLE 2.1.2: HOUSING REQUIREMENTS BY STATE, 2006 TO 2010**  
**(UNIT)**

State	New Requirements	Replacement	Total Needs
Johor	86,100	5,400	91,500
Kedah	51,800	5,000	56,800
Kelantan	40,600	5,600	46,200
Melaka	19,100	1,700	20,800
Negeri Sembilan	23,000	3,700	26,700
Pahang	41,100	3,300	44,400
Perak	48,600	9,600	58,200
Perlis	6,100	500	6,600
Pulau Pinang	30,900	1,900	32,800
Sabah	50,800	5,300	56,100
Sarawak	62,400	4,600	67,000
Selangor (including Putrajaya)	135,200	800	136,000
Terengganu	30,000	2,800	32,800
W.P. Kuala Lumpur	31,800	600	32,400
W.P. Labuan	1,000	100	1,100
<b>Total</b>	<b>658,500</b>	<b>50,900</b>	<b>709,400</b>
<b>%</b>	<b>92.8</b>	<b>7.2</b>	<b>100.0</b>

*Source: Ministry of Housing and Local Government.*

Towards this end, the private sector will undertake the lead role while the public sector will provide the necessary support and regulatory measures to ensure efficiency. To meet the needs of the low-income group, emphasis will continue to be given to the development of low and low-medium cost houses at suitable locations provided with adequate public amenities. To improve the quality of life of the urban population, the provision of urban services will focus on expanding the scope of coverage of the local authorities, creating a safe living environment, increasing people participation as well as ensuring sustainable urban planning and development.

**TABLE 2.1.3: PUBLIC AND PRIVATE SECTOR HOUSING TARGETS, 2006  
TO 2010**

Programme	Number of Units					Total	
	Housing for the Poor	Low-Cost	Low Medium -Cost	Medium -Cost	High-Cost	Number of Units	% of Total
<b>Public Sector</b>	<b>20,000</b>	<b>85,000</b>	<b>37,005</b>	<b>27,100</b>	<b>28,700</b>	<b>197,805</b>	<b>27.9</b>
Low-cost housing	-	67,000	-	-	-	67,000	9.5
Housing for the hardcore poor	20,000	-	-	-	-	20,000	2.8
Housing by commercial agencies	-	13,500	31,005	8,200	4,700	57,405	8.1
Housing by land schemes	-	4,500	500	-	-	5,000	0.7
Institutional quarters staff accomodation	-	-	5,500	18,900	24,000	48,400	6.8
<b>Private Sector</b>	<b>-</b>	<b>80,400</b>	<b>48,500</b>	<b>183,600</b>	<b>199,095</b>	<b>511,595</b>	<b>72.1</b>
Private developers	-	77,700	42,400	178,000	194,495	492,595	69.4
Cooperative societies	-	2,700	6,100	5,600	4,600	19,000	2.7
<b>Total</b>	<b>20,000</b>	<b>165,400</b>	<b>85,505</b>	<b>210,700</b>	<b>227,795</b>	<b>709,400</b>	<b>100.0</b>
<b>%</b>	<b>2.8</b>	<b>23.3</b>	<b>12.1</b>	<b>29.7</b>	<b>32.1</b>	<b>100.0</b>	

*Source: Ministry of Housing and Local Government.*

In the recent five-year plan, requirement for new houses is expected to be about 709,400 units, of which 19.2 per cent will be in Selangor followed by Johor at 12.9 per cent, Sarawak 9.4 per cent and Perak 8.2 per cent, as shown in *Table 2.1.2*. Of the total requirement, 92.8 per cent will be for new houses while 7.2 per cent for replacement. The private sector is expected to supply 72.1 per cent of the total requirement, as shown in *Table 2.1.3*. In terms of the housing category, 38.2 per cent will be a combination of low and low-medium-cost houses as well as houses for the poor while 61.8 per cent in the category of medium and high-cost houses.

Because of an inadequate work force and funding, the government could not provide sufficient housing for everyone. Due to these inadequacies, the Malaysian government has allowed more opportunity for the private sector to play a role in providing housing. The private sector that responsible for providing housing has become a key in overcoming the burden of obligation in housing provision, even though private housing developers are construct houses for profit. However, the existence of abandoned housing projects was occurred due to the failure by private developers to complete the housing projects.



## **2.2 DEFINITION OF ABANDONED HOUSING PROJECT**

The word “abandoned” means, “to give up or to leave completely, especially in spite of duty, allegiance, or responsibility”. In the construction field, a contract is signed and the commencement date as well as completion date, which stated in the contract, are agreed by signed parties. The contractors, therefore, have the obligation to complete the project within the required construction period. When a project could not be complete within the period, that project can be classified as abandoned project.

A housing project is classified as “abandoned” by the Ministry of Housing and Local Government (MHLG) when:

- There is no activity at the project site, continuously, for more than six months after the scheduled date of delivery of vacant possession had agreed in the contract signed between the developer and purchaser, or
- The developer has been wound-up and the company taken over by an official receiver or private liquidator, or
- The developer confesses that, or the Ministry of Housing and Local Government feels that, the developer himself had insufficiency of capacity and ability to complete the project and developer failed to fulfill his obligation as a developer.



The Ministry of Housing and Local Government has also divide the abandoned housing projects in various stages, which are:

- Project that just been classified as abandoned project;
- Project that feasibility study been carried out;
- Project that been ready for rehabilitation, and;
- Project that under reviving construction.

However, the existence of abandoned housing projects due to the failure by private developers to complete the housing projects that had been approved by local government has led to the predictable under-performance of private developers in the construction of housing project. In 1986, the Ministry of Housing and Local Government reported that up to 31 December, there were 126 housing schemes that could not be completed as scheduled. Some of these projects have been left totally abandoned by private developers. The total number of housing units concerned at that time was 14,568, involving 6,834 buyers. That was a beginning of abandonment of housing project. Recently, the Ministry of Housing and Local Government reported that the accumulative figure of the total projects involved up to 31st December 2005 were 261 projects. The total number of housing involved at that time was 88,410 units involving 58,685 homebuyers in Peninsular Malaysia, as shonw in the *Table 2.2.1*.

**TABLE 2.2.1: THE NUMBER OF THE ABANDONED HOUSING PROJECT  
(PENINSULAR MALAYSIA) BY STATES AS AT DECEMBER 2005**

State	Number of Project	Percentage (%)	Number of Units	Number of Buyers	Estimated Value (RM Million)
Perlis	3	2	181	132	5.48
Kedah	18	7	2,791	1,499	255.00
Pulau Pinang	26	10	12,596	10,196	1,089.90
Perak	20	8	3,052	1,811	151.57
Selangor	63	24	32,987	22,480	2,820.98
W. Persekutuan	18	7	10,838	6,604	2,021.63
N. Sembilan	27	10	5,240	2,727	267.41
Melaka	12	4	1,374	791	190.50
Johor	36	14	11,150	7,173	763.10
Kelantan	9	3	1,006	688	32.16
Terengganu	8	3	636	501	30.09
Pahang	21	8	6,559	4,083	415.35
<b>Total</b>	<b>261</b>	<b>100</b>	<b>88,410</b>	<b>58,685</b>	<b>8,043.17</b>

*Source: Ministry of Housing and Local Government.*

The situation is even worse by the fact that a down payment of 10% by buyers is required prior to completion, and many buyers have already made payments for houses that have not been built. At the same time they also have to pay for rent for their existing accommodation. The financial burden has been significant; especially some of

the projects have been abandoned for more than 7 years. In some cases buyers are now deceased.

Due to the fact outlined, the high performance of private developers in completing housing units over the target has been questioned in relation to the existence of abandoned housing projects. However, at the same time, it is unfair to blame developers directly, because there are many reasons that could have led to the existence of the abandonment of housing projects.

There are a number of factors behind the abandonment of housing projects. One is the financial problem of a developer caused by incidences such as the 1997-98 economic crisis. The other reasons for the existence of abandonment of housing projects might be related to planning and land policy, market instability, site characteristics and marketing and sales strategies.

According to researches made by Rodziah Idris and Che Ani Muhamad amongst the causes are:

- Legal problems and its incomprehensive, which warrant abandonment of the projects by the developer;
- Financial problems faced by the developers. The cause of this problem is due to the developer's own financial mismanagement, lacking of experience and skills

in handling projects, irresponsible and some had absconded after realizing that they could not complete the projects;

- Loose approval of the applications for license by the MHLG. The MHLG fails to obtain advices from economists, legal experts, property experts and other experts in approving the applications;
- The illegal squatters' problems faced by the developers and this would include the difficult challenges and problems caused to the harm of the developers concerned in getting rid of them from the site of projects;
- Conflicts, disputes and argues caused between and among the developers, land proprietors, purchasers, contractors, consultants and financiers ensuing further difficulty to coordinate and streamline the development and construction activities.

In regard to this issue, the local authority has make a lot of effort to overcome it. These are some of the steps taken by the government to prevent housing projects from becoming abandoned:

- The amendment of Housing Development (Control and Licensing) Act 1966, Housing Development (Tribunal for Homebuyer Claims) Regulations 2002 for governing the tribunal to hear claims from buyers against the developers;

- Tightening the procedures in issuing the housing development licenses and focusing on developers' financial capacity;
- Taking legal action, under the Act and its Regulations, against developers for offences;
- Ensuring developers submit their annual audited financial reports and physical progress report had submit every 6 months to the local authority;
- Visits to the project site and developer's premises regularly to counter-check information provided in the form they submitted;
- Excercising greater control over the Housing Development Account to ensure compliance with the Housing Development Regulations;
- Establish National Housing Company Bhd. (SPNB) and Danaharta Bhd. to rehabilitate the abandoned housing project.

The consequences of abandoned housing projects are many. Some of them are, first, on part of the purchasers, they surely unable to occupy the houses on time as promised by the developers as purported in the Sale and Purchase agreement (Nuarrual Hilal, 2006). The constructions of the houses are terminated and partly completed resulting them to be useless for occupation for a long duration of time, unless they could, expeditiously be revived. Apart from the inability to occupy the houses, the

purchasers too have to pay monthly installments to their banks. This is pathetic as the purchasers have to part with their monies but they could not get the houses. There are not uncommon cases, where banks had made the purchasers bankrupt on the ground that they failed to pay monthly installment.

Further to aggravate and worsen the situations, in the event there are plans for rehabilitation, the plans and attempts to rehabilitate are not easy. Many impending problems and difficulties, subtle nor obvious, would be awaiting the purchasers and the developers. Among the traumatic problems are the impossibility to revive the projects as the projects have been too long overdue without any prospects of reviving and to rehabilitate them, need additional and substantial costs and expenditures. Cases show that most of the purchasers are reluctant to take additional money out from their own pocket. Thus, the developers concerned should advance their own money to revive the projects.

## **2.3 REVIVAL OF ABANDONED HOUSING PROJECT**

Since housing projects are abandoned at various stages of construction for a variety of reasons, the local government has adopted several approaches in the revival process. Firstly, it is important to clarify that the abandoned project in this research is referring to the housing project. The Ministry of Housing and Local Government classified the abandoned projects into 4 classifications: projects that have been revived; projects that have been identified as having the potential to be revived; projects taken over by other developers; and projects totally abandoned with no chance of revival.

The Ministry of Housing and Local Government has play a important role in reviving the abandoned housing project, he responsible to determine the direction of the revival scheme; to ensure that the project revivers are commit to revive the project and request National Housing Company Berhad to conduct feasibility studies to revive and complete the abandoned project.

Generally, all the abandoned housing projects are first classified as having the potential for revival. Thereafter, a viability study will be carried out on the project. When find out that the projects are really profitable to revive, the revival work will start with managing by Ministry of Housing and Local Government. Recently, some private developers are appointed to revive the abandoned project and recommend the Rescue Package with the financier. It is a good starting as barely private party is successful in revival the project.



**TABLE 2.3.1: THE NUMBER OF REVIVED AND COMPLETED ABANDONED HOUSING PROJECT FROM 1990 TO DECEMBER 2005**

Year	Number of Project (Successfully Revived) <i>*With CFO</i>	Number of Units	Number of Buyers	Estimated Value (RM Million)
1990	104	17,803	12,760	994.58
1991	152	25,386	18,304	1,471.61
1992	190	32,686	22,850	1,854.11
1993	216	40,364	28,517	2,153.15
1994	242	45,464	32,850	2,346.70
1995	265	50,366	36,744	2,588.67
1996	285	52,418	38,936	2,745.32
1997	295	55,323	40,690	2,866.46
1998	311	57,650	42,215	3,042.36
1999	317	58,371	42,791	3,079.57
2000	324	59,616	43,448	3,164.72
2001	342	63,731	46,115	3,461.48
2002	359	67,792	47,887	4,116.58
2003	77	12,972	9,209	1,228.18
2004	86	14,869	10,844	1,422.63
2005	93	16,864	12,033	1,858.10

*Source: Ministry of Housing and Local Government.*

The Table 2.3.1 shows the abandoned project that successfully been rehabilitated from 1990 to 2005. From the schedule, the number of revived abandoned project was increasing until the year of 2002. A total of 359 project had been rehabilitated which involving 67,792 units of houses, 47,887 homebuyers and estimated value of RM4,116.58 million in 2002. However, the number of rehabilitated abandoned project was declined at the year of 2003 but slightly raise in 2004 and 2005. In 2005, there are total of 93 project had been revived with 16,864 units of house involving 12,033 buyers and RM1,858.10 million of estimated value.



Since 1986, the Ministry of Housing and Local Government has monitored the abandoned housing projects. The Table 2.3.2 shows the number of project that identified by the ministry as having potential for revival. In 2005, a total of 149 projects have potential to be revived, which involve 63,903 units of houses, 42,706 buyers and RM5,401.87 million of estimated value.

**TABLE 2.3.2: THE NUMBER OF ABANDONED PROJECT THAT HAVING POTENTIAL TO BE REVIVED FROM 1990 TO DECEMBER 2005**

Year	Number of Project	Number of Units	Number of Buyers	Estimated Value (RM Million)
1990	277	63,558	36,131	2,629.50
1991	173	40,363	26,129	1,918.40
1992	118	27,833	18,786	1,285.40
1993	94	20,371	13,122	955.53
1994	87	21,056	13,209	1,014.50
1995	63	14,171	9,435	673.15
1996	52	12,979	8,625	491.12
1997	43	10,027	7,201	491.17
1998	42	10,258	6,944	605.48
1999	46	13,855	9,331	1,313.19
2000	56	21,182	13,514	2,823.69
2001	59	27,164	16,652	3,177.37
2002	82	38,049	22,685	4,032.57
2003	99	48,073	30,797	4,497.47
2004	121	55,126	36,815	5,058.54
2005	149	63,903	42,706	5,401.87

*Source: Ministry of Housing and Local Government.*

**TABLE 2.3.3: THE NUMBER OF ABANDONED HOUSING PROJECTS FROM  
2000 TO DECEMBER 2005**

<b>Year</b>	<b>Number of Projects</b>	<b>Number of Units</b>	<b>Number of Buyers</b>	<b>Estimated Value (RM Million)</b>
2000	514	107,702	68,340	7,524.41
2001	526	114,553	72,543	7,956.81
2002	544	125,649	80,070	9,496.68
2004	227	75,356	50,813	7,033.08
2005	261	88,410	58,685	8,043.00

*Source: Ministry of Housing and Local Government.*

However, managing and reviving an abandoned project is a complicated affair. It involves the developer, purchasers, bridging financier, landowner and other parties. Reviving the abandonment of the project will take time for all parties to reach a consensus, since each wants to protect its interest.

There are some of the difficulties that Ministry of Housing and Local Government faces in reviving abandoned projects include:

- The involvement of the developer in other business activities or in a company with a diversified business portfolio. Though a Housing Development Account has been opened for the project, the receivers will take stock of all the developer's financial accounts when it goes into receivership. While project revival and debt settlement remain a priority, at times there would be very little left in the account to complete the project and settle liabilities.

- When a developer is wound-up, the master chargee get the first priority for debt repayment - and it usually wants the project foreclosed.
- Developers also impose conditions in their consent for project revival in order to get returns for the effort they have put in from the parties reviving the projects.
- Some developers don't own the land they are developing, so the rights of the landowners cannot be denied, especially if they have imposed conditions to protect their rights.
- Consultants of developers who are in possession of detailed or amended building plans often refuse to cooperate with receivers or liquidators until their dues are paid.
- Purchasers often insist that the late delivery clause in a SPA be honoured, or that no additional payment be imposed on them to revive the scheme.
- Drawn-out court battles against developers by squatters, landowners, bridging financiers or contractors over contractual matters may further delay the revival of a project.

In addition to these hinderences the development plans or orders as well as approved layout and building plans could have expired and technical requirements changed. All these would require amendments to be made before fresh approval can be obtained and construction recommenced. Over and above these, MHLG also has to negotiate with all the relevant authorities for waiving of assessments and quit rents or for special priority to be given in order to speed up the approval of the amended plans.