



Abandoned Housing Workshop

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Rehda Institute: Abandoned Housing Projects Still Prevalent, Many by Unlicensed Developers

By Chin Wai Lun



Rehda Institute's by-invitation abandoned housing workshop was attended by over 20 industry stakeholders including banking institutions, academicians, liquidators and developers (Photo by Shahrill Basri/The Edge)

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Abandoned private housing projects are still plaguing the local real estate industry. According to the -Rehda Institute, there were 289 abandoned private housing projects as at Aug 31, equivalent to 42,757 housing units worth more than RM12 billion. The number of such projects has steadily increased since 2019, exacerbated by the Covid-19-related movement restrictions from 2020 to 1Q2022.

The figures were presented during Rehda Institute's abandoned housing workshop at Wisma Rehda in Petaling Jaya on Oct 11. Over 20 industry stakeholders from the Ministry of Housing and Local Government, local authorities, liquidators, architects, academicians, lawyers, bankers and developers attended the by-invitation workshop.

Of the 289 projects, 55% or 10,770 housing units are in Selangor. High-rise developments (condominiums and apartments) make up the bulk of the abandoned projects at 66% (41% apartments, 25% condominiums). This is followed by terraced homes (22%), SoHo (6%), semi-detached homes (4%) and detached homes (2%).

In terms of the selling price, 66% of the abandoned houses are priced at less than RM200,000.

Interestingly, the Rehda Institute noted that out of the 289 projects, 175 or 12,378 housing units were built by unlicensed developers, comprising nearly 30% of the total abandoned housing units (42,757) in the country. Once again, Selangor has the most of such units at about 59% or 7,302, followed by Negeri Sembilan (17% or 2,152 units) and Kelantan (15% or 1,817 units).

The majority of abandoned housing projects were built by developers who are not members of Rehda. Two present and four former members were involved in 10 projects or 5,199 units.



Ng: The billions of ringgit lost due to project abandonment could be better utilised for nation-building by providing affordable and secure housing for the rakyat (Photo by Shahrill Basri/The Edge)

“Many homebuyers have faced immense challenges due to abandoned housing projects. This has led to frustration, financial losses and the erosion of trust between stakeholders in the housing sector,” said Rehda Institute chairman Datuk Jeffrey Ng Tiong Lip during his opening address at the workshop.

He added that the workshop was set up to discuss and present Rehda Institute’s findings in its upcoming report *Abandoned Housing Projects: Challenges and Resolutions* and offer actionable solutions to prevent or reduce the risks of future

occurrence of abandoned housing. The report is expected to be launched in 2Q2025.

“The billions of ringgit lost due to project abandonment could be better utilised for nation-building by providing affordable and secure housing for the rakyat. By advocating for greater accountability from all stakeholders, the report calls for a more proactive role in sustainable development practices that prioritise social welfare through ethically responsible practices, restoring trust in the industry and promoting community well-being,” said Ng.

He also mentioned that Rehda Institute would also pay attention to “sick projects” — which are a step away from abandonment — and incorporate data from such projects into the report.

Meanwhile, the workshop highlighted a few challenges in addressing the issue of abandoned housing. These include developers’ reluctance to revive such projects, challenges faced by white knight developers, legal obstacles and the fact that the original building structure is no longer fit for occupancy.

Several solutions were proposed to mitigate such challenges and risks, such as more proactive oversight and strategic planning, reviewing existing development laws and planning policies, and engaging reputable developers.

The workshop was moderated by Rehda Malaysia immediate past president Datuk N K Tong.