

Welcome Remarks

By Dato' Jeffrey Ng Tiong Lip, Chairman of REHDA Institute

At the International Strata Symposium 2025 (8th April 2025)

- YB Tuan Nga Kor Ming, Minister of Housing & Local Government;
- RI Trustees;
- Patrons of REHDA;
- YBhg Datuk Ir. Ho Hon Sang, President of REHDA Malaysia;
- Distinguished speakers, industry leaders and valued stakeholders;

Ladies and Gentlemen.

Good morning. It's an honour to welcome all of you to our RI's International Strata Symposium 2025. Today, we gather as experts, policymakers and industry leaders, united in our commitment to advancing the real estate sector.

An International Perspective on Strata Issues

It was highlighted earlier that in 2024, there were 2.89 million strata titles issued in West Malaysia. Kuala Lumpur, the Capital of Malaysia, is an urban city. Strata developments are a vital component of urban living, with approximately 925,000 properties in Kuala Lumpur, 85% of which—around 784,355 properties—are part of stratified development schemes. The Commissioner of Buildings Kuala Lumpur (COBKL) oversees these developments and receives an average of 7,000 to 8,000 complaints annually between 2017 and April 2024, underscoring the need for effective strata management and laws, a key focus of this symposium.

What makes this event unique is its international scope. Experts from Singapore, Australia, Vietnam, Indonesia and Hong Kong are here to offer their valuable insights on strata laws, management and urban redevelopment. By engaging with global best practices, we have the opportunity to gain fresh perspectives and innovative solutions to improve strata management, legislation and community governance, ultimately benefiting homeowners, policymakers and industry stakeholders.

Strata Laws and Their Impact on Urban Renewal

As Malaysia celebrates 68 years of independence, our cities continue to evolve, necessitating updates to urban development policies. Strata laws play a crucial role in urban renewal, especially as many pre-independence buildings age and require restoration. Updating these laws is essential to address the challenges posed by outdated, unsafe and dilapidated buildings that contribute to urban decay, strain infrastructure and worsen land scarcity. Urban renewal can help meet housing needs and improve the quality of urban living.

Some argue that properties under 30 years old shouldn't be redeveloped or that homeowners with unpaid mortgages could be negatively impacted. However, poorly maintained properties naturally lose value and the owners ultimately bear the asset valuation burden and high maintenance costs. On the contrary, financial institutions may take actions against borrowers to address potential "Loan to Value" covenant breaches. In contrast, urban renewal offers fair and equitable compensation, allowing property owners and the Country to benefit from the economic prosperity and progressive sustainable modern living environment generated through the property redevelopment ecosystem.

Article 13 of Malaysia's Federal Constitution guarantees the right to property, stating that no one shall be deprived of property except in accordance with the law and that no law shall permit compulsory acquisition without adequate compensation. These constitutional safeguards are central to our legal framework.

The proposed urban renewal laws include provisions for property acquisition in the public interest, which are consistent with the Constitution's requirements. The Land Acquisition Act (1960) already provides a legal basis for compulsory acquisition, specifically when it serves the public interest and offers mechanisms for compensation. Moreover, the proposed urban renewal laws aim to enhance these existing compensation mechanisms, ensuring fair, equitable and professionally determined compensation for affected property owners. Thus, the argument that urban renewal laws would be unconstitutional is without merit, as they are aligned with the protections outlined in Article 13.

A key factor often overlooked is the vital role of property owners in urban renewal. Their participation is essential for urban redevelopment to proceed. Property owners who engage in the process benefit from fair compensation and a higher standard of living, contributing to broader economic and social advancement. Developers play a secondary role, adding value through comprehensive master planning, creative sustainable development concepts and infrastructure investments, all of which are important steps towards achieving a developed nation status.

Countries like Singapore, Hong Kong and Australia have successfully used legal frameworks to encourage property owners' participation in urban renewal, bypassing lengthy land acquisition processes. These examples show that, with the right legal frameworks, urban redevelopment is a high-impact contributor to the social-economic advancement of the Country.

Today's symposium is timely, offering an opportunity to learn from our international experts on how strata laws impact urban renewal. These discussions will explore how legal frameworks can balance between the redevelopment of dilapidated unproductive properties and eyesore slum locations with the preservation of urban heritage and historical buildings, ensuring our urban renewal efforts foster both socio-economic growth and cultural identity.

Launch of the Report on Abandoned Housing

Beyond strata governance, we must also confront a long-standing issue: abandoned housing projects in Malaysia. As of the end of 2024, over 111,000 abandoned or “sick” housing units have been recorded across 726 projects, leaving thousands of homebuyers in financial and emotional distress. While licensed developers maintain a strong track record, many abandoned projects arise from unlicensed or financially unstable developers, creating immense challenges for homebuyers and damaging the industry’s reputation.

Today, we are honoured to witness the launch of our REHDA Institute’s Research Report on Abandoned Housing by YB Nga Kor Ming, the Minister of Housing and Local Government. This comprehensive research report, developed in collaboration with the University of Malaya, represents a significant milestone in understanding the root causes of project abandonment. Extensive research and engagement with stakeholders—including government bodies, liquidators, bankers, lawyers and architects—have shaped its findings.

This research report is not just a retrospective analysis; it offers forward-thinking solutions, including enhanced regulatory frameworks, stricter financial oversight and improved enforcement mechanisms. It serves as a roadmap for policymakers, developers and industry players, guiding the way toward a more resilient and responsible housing sector.

Closing Remarks

The REHDA Institute is an independent, not-for-profit foundation dedicated to training, research and education within the real estate sector. As a leader in human resources and talent development, the Institute also tackles pressing real estate issues that directly affect both the rakyat and the nation. Through its work, the Institute plays a crucial role in shaping a more sustainable and resilient property market.

I would like to express my gratitude to all our speakers, partners and stakeholders for your invaluable contributions to the success of this event. Your expertise, commitment to policy advocacy and adherence to industry best practices are essential in driving the future of strata development and housing.

As we proceed with today’s discussions, I encourage everyone to actively engage, share your insights and seek out new avenues for collaboration. Let this symposium serve as a platform for meaningful dialogue and a catalyst for progressive change, paving the way for a stronger, more sustainable strata property sector.

Thank you.

Dato’ Jeffrey Ng Tiong Lip
REHDA Institute Chairman
8th April 2025