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# Government urged to gazette local plans

➤ The move ensures predictability of incoming supply, says Metro Homes Realty ED

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**PETALING JAYA:** While land related matters fall under the jurisdiction of state governments, the federal government can play its part by monitoring incoming supply of houses by gazetting local plans.

“By gazetting the local plan, incoming supply is predictable and every several years, the local government spends millions to engage consultants for the drafting of local plans. But what is the point if local plans are drafted but not gazetted?” said Metro Homes Realty Bhd executive director See Kok Loong (*pix*).

According to See, it is almost impossible to control the incoming supply of houses due to the power of state governments over land issues as well as political reasons.

As such, the federal government or Housing and Local Government Ministry can only manage the housing supply via acts and policies such as the Housing Development Act and Town and Country Planning Act.

See said the impact of not gazetting local plans can be seen at the Tun Razak Exchange (TRX) project, which has a higher than usual plot ratio.

“Because the DBKL Draft Plan 2000-2020



*Property Take.*

In addition to gazetting local plans, See recommends the introduction of the build-then-sell (BTS) concept, which has been promoted by the National House Buyers Association, to tackle the record high number of unsold properties.

“By introducing BTS, we will reduce the incoming supply for a few years and at the same time, resolve other housing issues such as project delays, poor workmanship, inferior products and abandoned projects,” he said.

He added that cash and resources are wasted in legal battles and tribunals while the government has to shoulder the burden of

was not gazetted, TRX land obtained higher than normal plot ratio of 1:15 compared with the plot ratio of 1:8 in the draft plan. The higher plot ratio would create social problems such as traffic congestion and poor living quality,” he told

rescuing abandoned projects every year.

Commenting on concerns over BTS leading to a shortage of homes and higher house prices, See said this is unlikely, as selling prices are determined by demand and supply, not cost.

As for the “crowding out” of smaller developers, he said this concern is not valid as developers, whether big or small, should not be protected at the expense of house buyers.

“Furthermore, I believe our banking system is dynamic enough to come out with new ways of financing for developers and land owners (under the BTS concept),” he added.

Ultimately, See said the government should not interfere in the housing market but instead, maintain its role as the “gate keeper”, ensuring that all stakeholders abide by the law.

He said the current situation of oversupply or mismatch in demand and supply was created by the previous government by entering the market to add on supply through various schemes such as 1Malaysia People’s Housing Programme (PR1MA), Federal Territories Affordable Housing Scheme (Rumawip) and 1Malaysia Civil Servants Housing Project (PPA1M).

For example, when PR1MA set the benchmark of RM300,000 per home with basic facilities, private developers raised selling prices to circa RM500,000 by providing more facilities.

“When the government starts supplying these houses, it creates an unfair competition and affects the equilibrium. Due to the previous government’s attempts to produce millions of units under PR1MA and other schemes, house prices have increased,” said See.