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Errant developers fined but still get to keep deposit

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REFER to the reports, "50 developers to face charges for breaching rules" (NST, July 17) and "Offence to collect deposit or booking fee, developers told" (NST, May 30).

The Housing and Local Government Minister keeps telling the public and house buyers that it is an offence for developers to collect booking fees and errant developers will be charged and fined if they breach provisions in the Housing Developers Act 1966 and the Housing Developers (Control and Licensing) Regulations 1980.

What is the use of all these warnings when they are of no help to the poor house buyers? For instance, if a developer collects a deposit or booking fee before the signing of the sale and purchase agreement, it is of course an offence under the Developers Act, and the developer will be charged and fined not more than RM1,000 in most cases.

The developer pays the fine and gets to keep the illegally collected fat deposit or booking fee of between RM10,000 and RM30,000 because the illegally collected deposit or booking fee is not refunded to the house buyers.

The Ministry of Housing and Local Government does nothing to help house buyers get back this money. Even the politicians and the professionals keep silent on this matter.

The house buyers, in order to get back their deposit or booking fee, must then engage counsel and cough up more money to meet all legal expenses. The case may drag on for years.

In the end, the developers and the lawyers get richer, but the house buyers become poorer and some even become bankrupt.

Therefore, it is no use use just amending the Developers Act, when it does not give maximum protection to house buyers.

Please do something positive to protect the house buyers from these "housing sharks", as they were once referred to by our Prime Minister Datuk Seri Dr Mahathir Mohamed.