

05/07/1997

Low-cost house exemptions: Developers under probe

Annie Freeda Cruetz

KLANG, Fri. - The Selangor Government has begun investigations into three companies which were allegedly exempted from building low-cost houses in their projects in Hulu Klang, Subang and Petaling.

Selangor Local Authority, Urbanisation and Squatters Committee chairman, Datuk Fuad Hassan, said one of the companies, Konsortium Ikatan Rapi Sdn Bhd, had been called to give an explanation.

"I am discussing with the company management as to why they do not have low-cost houses in their development projects," he added.

He said he would stress the need to build low-cost houses in line with the policy which requires developers to allocate 30 per cent of their projects for low-cost houses.

As to the other two companies, Fuad, who declined to name them, said they would be called up soon to give their explanations.

"I will have to hear their explanations before stressing the need to build low-cost houses."

He was commenting on Acting Prime Minister Datuk Seri Anwar Ibrahim's statement yesterday that State Governments which have exempted developers from building low-cost houses in their projects would be asked to explain their decisions.

Anwar said yesterday that the policy requiring developers to allocate 30 per cent of their projects for low-cost units was clear, adding there was no reason for them to be exempted from it.

It is understood that former Mentri Besar Tan Sri Muhammad Muhammad Taib had exempted the three companies from building the low-cost houses.

Konsortium Ikatan Rapi Sdn Bhd, the developer which is undertaking earthworks on 138ha of land in Hulu Klang, was ordered by the State Government to stop all land-clearing activities on March 26.

The order was issued following the Cabinet's instruction to the Housing and Local Government Ministry to investigate a case of land clearing in Selangor.

The Cabinet instruction came after Prime Minister Datuk Seri Dr Mahathir Mohamad spotted the clearing work from a helicopter a week before the stop-work order.

Housing and Local Government Minister Datuk Dr Ting Chew Peh was quoted as saying Dr Mahathir had noticed all the trees in that particular area felled, and a hill had been levelled when he flew over it in a helicopter.

The area earmarked for mixed development was being cleared by Konsortium Ikatan Rapi.

The Ampang Jaya Municipal Council ordered the developer to stop work effective March 26 under section 75 (a) of the Road and Drainage Act 1994.

Fuad said today the State Government was also monitoring the activities of 14 other companies which were given approval to build low-cost houses on State land for the purpose of relocating squatters.

He said initial investigations revealed that only four out of the 14 had interest in building the low-cost houses while the others showed no interest.

"Many of the companies gave the excuse that the building plans were not approved by the relevant local authorities, while some projects changed hands from one developer to another," he added.

He said from what he understood, the approval to build low-cost houses was given to them in 1991 but so far none have started building them.

"I am collecting the data on the companies and have formed a technical committee to look into clearing all red-tape affecting them."
(END)