

16 JUN 1999

Koh-Rent

STATE GOVERNMENT TO APPEAL FOR EXTENSION OF RENT CONTROL ACT REPEAL

PULAU PINANG, June 16 (Bernama) -- The state government of Pulau Pinang is appealing to the federal government to extend the date for the complete repeal of the Rent Control Act by three years from Jan 2000 to Jan 2003 in order to allow time for the revival and completion of a number of low-medium cost housing (LMCH) projects.

Chief Minister Tan Sri Dr Koh Tsu Koon in his statement today said the extension is necessary since the LMCH projects in Pulau Pinang are also meant for the resettlement of tenants affected by the rent control repeal, especially in Georgetown and the north-east district here.

He said a thorough review conducted in the last two months revealed that these LMCH projects, many of which are components of larger property development projects, had been stalled and even abandoned as a result of the economic downturn which adversely affected the property market in Pulau Pinang.

Koh said he would soon present a detailed memorandum on the impact of the rent control repeal act pertaining to the housing situation in Pulau Pinang to the Prime Minister Datuk Seri Dr Mahathir Mohamad, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi and Housing and Local Government Minister Datuk Dr Ting Chew Peh.

"It will contain suggestion on amending the Rent Control (repeal) Act 1997 and request for the federal government's assistance," he said.

Based on the survey conducted jointly by the state government and Universiti Sains Malaysia in 1992-1993, there are 16,116 households in 12,577 rent-control premises in Pulau Pinang and out of these, 10,350 households are staying in 8,284 premises in Georgetown and north-east district.

In order to encourage developers to build more LMCH priced at RM50,000 amid the implementation of the rent control repeal, the state government introduced the LMCH scheme in 1994 with higher permissible density and other incentives.

He said, based on the 1,758 units in six LMCH housing projects approved, the state government was at that time quite confident of adequate alternative housing for those affected by the rent-control repeal.

However, out of these six projects, three had ground to a halt while the other two had yet to start work due to financing and other problems, he said.

Koh also said another nine approved private LMCH projects in the north-east district with a total of 2,695 units have yet to commence work, while five other projects with 4,401 units have been confirmed as abandoned.

As the revival of these private-sector projects and their completion will take three years or so, the complete repeal of rent control must be extended, otherwise many of the affected tenants will not be able to find alternative accommodation in time, he added.

-- BERNAMA

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