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60,000 tenants of rent-controlled buildings may get respite

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PENANG, Sun. - More than 60,000 tenants of rent-controlled buildings in the State can expect a respite if an appeal by the State Government for an extension to the Rent Control (Repeal) Act 1997 grace period is approved.

Chief Minister Tan Sri Dr Koh Tsu Koon said today Prime Minister Datuk Seri Dr Mahathir Mohamad had agreed to consider the appeal by the Penang Government.

The State Government had requested for an extension of the three-year grace period given following the repeal of the Rent Control Act 1966 in 1997.

The implementation of the Act means homeowners can charge market rates effective Jan 1, 2000. Tenants would have to pay or move out. The problem has been complicated by the economic downturn which has affected efforts to provide alternative housing for tenants.

Koh said he had personally conveyed the appeal to Dr Mahathir and Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi during the Menteri Besar and Chief Ministers meeting last Thursday.

The appeal, he said, if approved would cover rent-controlled buildings in other States too.

"The Prime Minister said he will consider the matter," he told reporters after participating in a gotong royong to clean up areas in Tanjung Bunga.

Koh, who is also State Assemblyman for Tanjung Bunga, was asked about the outcome of his appeal which would affect thousands living in Penang's 12,543 rent-controlled premises.

"I have presented our case and we shall wait for Dr Mahathir's decision on the matter," he said.

"I have also submitted our application to Housing and Local Government Minister Datuk Dr Ting Chew Peh."

He said his colleagues at the meeting were also supportive of his appeal and proposal.

Besides the extension, Koh had sought Federal funds to speed up construction of low- and medium-cost housing in Penang.

"This is necessary to ensure smooth implementation of the Act," he said.

"The economic downturn which started in 1997 had affected the construction industry and posed problems to the smooth implementation of the Act."

During the proposed transition period, owners of rent-controlled premises would be allowed to raise their rentals at an "affordable" rate.

Penang is home to the highest number of pre-war buildings in the country and in Southeast Asia. Georgetown alone houses 8,259 such premises.

Earlier, Koh said he was still unhappy with the cleanliness level in the State.

"More can be done and I want all State assemblymen to work closely with the people to initiate a long-term cleanliness campaign to ensure Penang remains clean always," Koh added.

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