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MAHATHIR-CONSTRUCTION

MAHATHIR: GOVT NOW MORE CAREFUL IN APPROVING PROPERTY PROJECTS

KUALA LUMPUR, April 22 (Bernama) -- The government is now more careful in approving applications by property developers to build new property space, especially around Kuala Lumpur, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said that this was to prevent the recurrence of a property glut which occurred during the economic downturn.

The government has to be cautious so that property developers would not find themselves in trouble again when they could not sell or rent up property space.

The prime minister said this time, property developers would need to explain to the government whether or not they could sell their properties, before their applications could be approved.

Dr Mahathir said this to newsmen after officiating the ground breaking ceremony of Sri Rakyat Apartment project in Bandar Bukit Jalil, here.

"When they (property developers) make applications (to build property) they are now required to show that they can sell, that they have actual bookings and whether they have fixed sales," he said.

Citing an example, he said that in certain cases in Kuala Lumpur there have already been oversupply of shopping malls.

"So I think, Datuk Bandar (Kuala Lumpur) will not allow (such plans to build new shopping malls)," he said.

However, he pointed out that while the (federal) government could control the building up of shopping malls in Kuala Lumpur or the Federal Territory, it had no say in areas in the states bordering Kuala Lumpur.

"So, sometimes when we refuse (to give the go ahead to build property) here (in Kuala Lumpur) and they (states) construct there, they create an oversupply situation," he said.

Due to this, "already we are seeing shopping malls which have lost their patrons because of new shopping malls being built," Dr Mahathir said.

Earlier, Dr Mahathir said that the government had seen more signs of the local construction industry picking up.

"We see the return of activities in every sphere of the economy, including the revival in the construction industry," he said.

The prime minister said it is good to see unfinished buildings and abandoned projects being revived, with tower cranes actively at work.

This is also positively affecting other supporting industries like the building material industry, sub-construction industry and transportation which were badly affected when there was a slowdown in the construction industry.

Dr Mahathir also sees the return of confidence as indicated by more people buying shops and houses.

"As we can see, special promotions like the property or home ownership campaigns held previously for example, managed to sell RM800 million worth of properties," he said. -- BERNAMA

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