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MAHATHIR-CFO

MAHATHIR CONCERNED LOCAL AUTHORITIES NOT FOLLOWING CFO GUIDELINES

KUALA LUMPUR, Nov 8 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has expressed concern over the failure by some local authorities to adhere to the Certificate of Fitness for Occupation (CFO) guidelines which was agreed to by the Cabinet and state governments in 1995.

This was stated by Housing and Local Government Minister Datuk Seri Ong Ka Ting, who said Dr Mahathir viewed the matter seriously and would give the appropriate advice through suitable channels.

Speaking to reporters after opening the Malaysian Property Expo (MAPEX) 2000 here today, he reminded local authorities to adhere to the CFO requirements that refers to only the seven technical factors as stipulated.

He said some local authorities imposed non-technical requirements for the issuing of CFO such as requiring developers to contribute funds to build additional roads and drainage.

Ong said Dr Mahathir expressed his concern at today's Cabinet meeting.

On the ministry's part, it would be issuing reminders soon, he said.

On the amendment of the Housing and Developers Act, Ong said its preliminary draft was more or less ready.

"We are fine-tuning it and waiting for feedback from the relevant parties to ensure that we will come up with a balance and fair act that covers everybody," he added.

To a question, Ong said the supply overhang in the commercial property sector could be overcome only through a continued growth in the economy.

He said low market absorption and the increase in new supply would likely worsen the lacklustre performance of the office, retail and industrial properties.

"Half of the incoming of supply will be in the Klang Valley followed by Penang with 25 percent, presently under various stages of construction," added Ong.

He also said that the number of unsold residential units dropped 14.2 percent or fell 2.6 percent in value term for the period December 1999 to June 2000.

"The overhang in shopping complexes and purpose-built office space is more worrisome, estimated at RM20.01 billion, remaining almost unchanged over the same period," stressed Ong.

MAPEX 2000 is organised by the Real Estate and Housing Developers' Association (REHDA), the national representative body of property and housing developers.

A total of 67,098 units of properties worth RM11.217 billion is offered for sale during the nationwide held MAPEX 2000 (Nov 8 - Nov 26).

The main event is held from Nov 8-12, at the Putra World Trade Centre here.

-- BERNAMA

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