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Mahathir-Property

DON'T ALWAYS GIVE IN TO DEVELOPERS, PM TELLS STATE GOVTS

PUTRAJAYA, June 10 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today state governments and local authorities should not be carried away by the requests from developers to approve new development projects indiscriminately without taking into account the demand factor.

The Prime Minister said this was to avoid the problem of imbalanced real estate development with the demand.

He said latest report showed the property overhang situation was still serious for office space and business premises.

"I hope the specific measures introduced to reduce the property overhang under the New Stimulus Strategy Package unveiled by the government on May 21 will succeed," he said when chairing the fourth and final dialogue session of the 2004 Budget at the Finance Ministry.

Dr Mahathir also said all quarters must give serious attention to the criticisms and complaints from the people.

He said an efficient administrative machinery could reduce the business operational cost and stimulate economic growth.

Speaking at a media conference later, Dr Mahathir said the property overhang problem occurred not only in Kuala Lumpur but throughout the country, including in places like Johor Baharu and Serdang.

"The local governments merely approve without thinking whether the property has a market or not. As a result, there is a big property overhang in some towns and around Kuala Lumpur," he said.

He said the authorities seemed to be only concerned with their small area and not thinking of the big picture.

"Local authorities should not approve unless there is a market," he said.

In the case of Kuala Lumpur, he said, the problem was compounded by the fact that many people working in the capital city choosing to buy houses outside Kuala Lumpur.

"Suddenly, we find that we have too many houses, shops and office spaces in Kuala Lumpur," he said.

He said some buildings, including one in Serdang, could not be completed due to the lack of demand.

"There is one whole town almost built in Serdang which is empty now," he added without specifying the location of the project.

-- BERNAMA

SHI MAM TS