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Property projects still being approved

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KUALA LUMPUR, Thurs. - State Governments and local authorities are still approving unnecessary property development projects in spite of Prime Minister Datuk Seri Dr Mahathir Mohamad's directive to stop because of the serious overhang.

Housing and Local Government Deputy Minister Datuk Peter Chin Fah Kui said the ministry only issued licences to developers.

"When the State Government approves the project and the developer complies with the licensing conditions, we have to issue the licence," he said after launching the Fifth Malaysian Surveyors Congress.

He said the ministry had no authority to overrule the State Governments.

A recent report by the National Property Information Centre (NPIC) revealed that the combined value of the property overhang as of the end of last year was RM29.15 billion, which has increased from RM27 billion in 2001.

Unsold property comprises housing, industrial and retail shop units unsold after nine months of their launch dating back to January 1997 as well as vacant shopping complexes and purpose-built office space.

As at the end of last year, the country has close to 60,000 residential units, 2,200 industrial and 9,700 shop units unsold, besides close to 1.38 million square metres of shopping complex space and 2.76 million square metres of purpose-built office space still empty.

Chin said the ministry was studying the NPIC statistics and had also asked the Real Estate and Housing Developers' Association (Rehda) to confirm the figures, so that the Cabinet could be advised on the matter.

On June 10, Dr Mahathir directed State Governments to stop approving unnecessary property development projects as the overhang in the sector was serious.

He also urged local authorities not to be influenced by developers wanting to implement more projects without due consideration for their marketability.

Institution of Surveyors Malaysia vice-president Ong See Lian said developers should not jump onto the bandwagon and put more houses into the already-saturated market without careful evaluation of demand.

He also said that a recent survey by the Board of Quality Surveyors revealed that only 10 per cent of the 270 registered consulting firms had the capacity and the ability to expand their services overseas.