

## **COMMENT | Urban renewal for the rich or poor?**

**Malaysiakini**

**10 March 2025**

**Andrew Sia**

COMMENT | Imagine lower cost flats, costing RM200,000 each in the city, being redeveloped into fancy new condominiums.

Sure, the residents are compensated, say RM220,000 each, for what they've lost. But there's probably no way they can afford to buy the posh new condominiums priced RM600,000 and above.

So they end up having to move, probably far away from the city in search of cheap housing. They will then be forced to endure long commutes to work.

This is the biggest fear of the proposed Urban Renewal Act (URA), which will lower consent for rebuilding from 100 to 80 percent of owners.

### **Reverse suburban sprawl**

I support the idea of high density city centre condos near LRT stations. It will reverse endless suburban sprawl that is too car dependent.

As houses are built ever further from the city, traffic jams grow. Pollution and frustration rise while productivity drops.

It's time to stop the conversion of green areas into tar and concrete surfaces that leads to more flash floods.

The goals of the new law are good – to rejuvenate the many rundown flats in our cities. Some are even borderline vertical slums.

But how the URA operates can lead to problems, like the one above about pushing out poorer people. That's why the law should be modified.

When Housing and Local Government Minister Nga Kor Ming announced the proposed law in March 2024, he said it will create “abundant investment opportunities” to change the “city skyline”.

In June, he told The Edge, “Imagine, if we can push for RM322 billion GDV (gross development value), how many jobs can be created, how much profit can be made?”

Forgive me, but did he sound more like a developer?

He added that, “The most important is improving the living quality of our

people.”

But which people? Those forced to relocate? Or the new residents enjoying the “urban rejuvenation”?

Nga had said the URA will consider the social aspects of renewal.

“You take down one block first. Those whom you have paid, you move them out, get them a new house first, then you demolish their block,” he told The Edge.

He added that if their compensation is insufficient, they can take loans for the new classy condominiums.

But excuse me, will the developer really be so good hearted to “get them a new house” elsewhere? And can a low-income person afford the loan for a new deluxe condominium? What about the costly maintenance fees?

National House Buyers Association (HBA) chairperson Chang Kim Loong has pointed out that the URA will lead to urban gentrification, as it pushes out low-income residents.

**Build affordable flats too**

So how do we tackle the problem of dilapidated urban areas? One compromise solution is to build new affordable flats in the same area.

Take 300 units of run down four-storey flats spread out over a large area. The residents can be given flats in high-rise blocks. The rest of the land can then be rebuilt as swanky condominiums for a hefty profit.

To sweeten the deal, the new units should be slightly larger. This will increase the chances of getting the 80 percent consent required.

One example of successful urban regeneration is Razak Mansion at Salak South, KL.

Some 657 units were built there in 1963, each measuring 504sqft. In 2017, it was redeveloped with the same number of flats, but the new units were expanded to 800sqft each. Additionally, 24 shops, 110 market lots and a surau were built.

However, valuer Yap Kian Ann told me that developers do not like placing cheap flats next to posh condominiums because “selling prices will drop”.

I can understand that some atas (high class) folks may not like living near more humble flats. Is there a fear of crime? But condominiums have their own security and parking bays, right?

On the flip side, there can be mutual benefits. For example, the poorer folk can get jobs providing various services to the richer residents next door, including house cleaning, catering, tailoring, plumbing, electrical work and child care.

This helps build bridges and mutual respect between people of different classes and races, rather than turning Malaysia into rich and poor ghettos.

It's not so far fetched. In Petaling Jaya, there are already low-cost flats right next to expensive condominiums in Sungai Kayu Ara, Section 19 and Sea Park.

If the poor are really deemed so unsavoury, the developer can always build roads, green walls or other landscape features to separate them from the rich.

### **It's about class, not race**

PAS deputy president Tuan Ibrahim Tuan Man tried to turn the URA into a racial issue, claiming it's a subtle way to push poor Malays and Indians out from urban areas.

He ridiculously added that the URA will lead to the local council election that will be controlled by one race. Such racial fear mongering led to rebuttals from DAP lawmakers.

Bukit Bendera MP Syerleena Abdul Rashid said, “Do they (PAS) truly want to protect the people, or do they just want to preserve the status quo for their own political gain?”

Kepong MP Lim Lip Eng mocked the Islamist party for saying 100 percent homeowner approval is sufficient: “How do you get full approval when some homeowners are deceased, missing, or caught in ownership disputes?”

Tuan Ibrahim's stance was wrong – it's not a racial issue, it's a class issue. There are also poorer Chinese living in cheap flats and they too will be forced to relocate.

The URA does not make affordable housing compulsory during redevelopment. The Housing and Local Government Ministry claims that this is under state government jurisdiction and thus out of its hands.

Why can't the URA stipulate this before redevelopment can proceed? This will overcome concerns that urban renewal is too pro-big business. It will also dispel rumours that DAP means “Developer Action Party”.

In any case, the ministry promised last month to achieve the target of 500,000 affordable housing units under the 12th Malaysia Plan that ends in 2025.

Since the government lacks funds to build all these, the best way is to force companies that want to do urban renewal to provide them.

After all, private developers are required to build at least 30 percent of affordable housing in new large projects. So why not for redevelopment projects too?

### **Other factors**

The URA is a complex issue and there are other concerns.

For example, authorities have failed to prevent abandonment of projects in the past. So, even if developers promise new affordable flats, what happens when the renewal project fails?

What about other options such as refurbishing old flats instead of knocking them down? This is done for public apartments in Singapore.

Flats are not just assets but homes. Will social impact assessments be done to see how communities and the elderly will be affected?

Yet, the need to rejuvenate decaying flats cannot be denied. Something must be done, but what's the best path? I will examine how we can balance all these factors in another article.

**Copyright © 1999-2025 Mkini Dotcom Sdn. Bhd**

Source: <https://www.malysiakini.com/columns/736796>