

# HIGHER COMPENSATION FOR HOMEOWNERS

**PM: Urban renewal Law will help them regain ownership of redeveloped homes**

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Homeowners will receive their redeveloped properties, compensation, and living benefits during and after the construction phases, under the proposed Urban Renewal Act.

Prime Minister Datuk Seri Anwar Ibrahim said the residential renewal project must be carried out in consultation with homeowners, ensuring their agreement to take part in the initiative.

This was conveyed by his senior press secretary, Tunku Nashrul Abaidah, during the Prime Minister's Office (PMO) daily briefing yesterday.

Anwar said the Urban Renewal Bill would ensure that residents could remain on the redeveloped site, as the compensation value for their property would be based on its future market value.

This approach, he explained, would help owners regain ownership of their redeveloped homes.

"This is different from the current situation, where compensation determined by consultants or the court is based on the current market value. This makes it difficult for owners to afford new homes, which are priced significantly higher than the compensation they receive," he said.

He added that, to support homeowners throughout the reconstruction process, they would receive various forms of compensation, including transit housing rental payments, ex-gratia payments for renovations to existing properties, and other financial assistance.

Anwar also addressed misconceptions about the bill, dismissing claims that it would result in Malays and Bumiputera losing their place in the city, or that the law solely prioritised developers.

He said it aimed to protect and uphold the dignity of the people, especially Malays in urban areas, enabling them to live with greater dignity.



According to Prime Minister Datuk Seri Anwar Ibrahim, homeowners can expect various forms of compensation throughout the redevelopment process. NSTP PIC BY AIZUDDIN SAAD

"This bill is a solution to the long-standing struggle between the people and developers."

Last month, Anwar said the proposed Act would establish a consensus threshold for redevelopment. For buildings less than 30 years old, 80 per cent of residents must agree before negotiations can begin.

For buildings over 30 years old, the threshold is 75 per cent, while for abandoned or derelict housing, a simple majority of 51 per cent is required.

Meanwhile, a real estate expert said the redeveloped properties, along with compensation and living benefits offered to homeowners under the proposed Act, would alleviate the problem of inadequate compensation and address homeowners' concerns about being forced out of their properties.

Consilz Tan, a fellow at the Centre for Market Education, said the announcement provided a clearer legal framework for negotiations, compensation mechanisms, and guidelines to support homeowners during the reconstruction process.

She also suggested that the Act require all renewal projects to include low- and middle-income housing units.

"The homeowners should take part in the resident advisory committees to co-develop renewal plans rather than having decisions made solely by developers," Tan told the *New Straits Times*.

On the compensation value being based on the property's future market value, Tan said this approach benefited homeowners by easing fears of exploitation.

However, she said forecasting the future market value was complex, as it depended on factors such as economic conditions, market trends, and demand.

"This is highly speculative.

"Future-value compensation would require a long-term contractual agreement, which could lead to legal disputes if residents and developers disagree," Tan said.

During the briefing, Tunku Nashrul also said the government was monitoring attempts by certain quarters to spread continuous slander against the prime minister.

However, he said Anwar did not specify the slander directed at him.

He said the attempts reflected the desperation of certain quarters seeking to influence the public while attempting to conceal their inability to contribute ideas for national development.

"Spreading slander, especially during Ramadan, is the lowest form of conduct and is strongly prohibited in Islam.

"However, we will continue to closely monitor the situation to ensure that it never threatens or weakens our spirit and determination in safeguarding the nation and the people's wellbeing," said Anwar.



Consilz Tan