

**Parliament: Abandonment Of Housing Projects To Be Deemed As Criminal Offence  
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KUALA KUMPUR, Nov 16 (Bernama) -- All licensed housing developers who failed to complete a housing project or have caused the abandonment of the project shall be deemed to have committed a criminal offence under the amendments to the Housing Development (Control and Licensing) Act 1966.

Upon conviction, such a developer is liable to a fine of not less than RM250,000 and not more than RM500,000, or to be jailed up to three years, or both.

This is provided under a new section in Clause 9 of the Housing Development (Control and Licensing) (Amendment) Bill 2011.

The new section is among several amendments made to the Housing Development (Control and Licensing) 1966 (Act 118), which will provide more protections and rights to house buyers and to prevent the occurrence of abandoned projects.

According to the bill, Clause 9 is aimed at inserting a new Section 18A into Act 118 to overcome abandoned projects and provide house buyers the rights to take legal action against errant developers.

This provision applies to all developers who refused to continue or have postponed or suspended or stopped the project for a period of six months or more, or surpassing the original scheduled date of completion as stated in the sale and purchase agreement.

The bill was read for the first time in the Dewan Rakyat today by Housing and Local Government Datuk Seri Chor Chee Heung. Once passed, it will be known as Housing Development (Control and Licensing) (Amendment) Act 2011.

Apart from that, Clause 5 in the bill, which is aimed at replacing Section 8A of Act 118, will also give the buyer the rights to terminate the sale and purchase agreement if the developer refused to continue implementing the project after six months from the date of the agreement.

The bill will also insert Clause 3, which is aimed at amending Section 6 of Act 118, which stated that the deposit to obtain housing development licence to be increased from RM200,000 to three per cent of the estimated cost of the project.

This is to ensure that only developers who have sufficient financial ability will be allowed to implement housing projects.

Meanwhile, Clause 8 is aimed at amending Section 16AD of Act 118 to increase the minimum penalty of RM10,000 for non-compliance of tribunal award to a maximum of RM50,000.

Clause 6, on the other hand, is aimed at amending sub-section 16N (1) of Act 118 to give more power for the tribunal to hear claims on a sale and purchase agreement involving unlicensed housing developer.

The proposed Clause 10, however, aimed at amending Section 24 of Act 118 to increase the maximum fines for any violations of the law to RM50,000 from RM20,000 previously.

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