

**Muhyiddin knows why federal housing projects not approved, says Guan Eng**  
**Malaysian Insider**  
**Oct 29, 2014**  
**By HIMANSHU BHATT**

Penang has reiterated its stand of not supporting luxury-priced housing projects built on plots derived through land acquisition, as it is supposed to be for the public and affordable housing.

Chief Minister Lim Guan Eng said this was why the state was reluctant to approve the projects by Penang Regional Development Authority (Perda) and JKP Sdn Bhd, as both federal agencies were planning projects that include luxury-priced units that exceeded the limit set by the state for affordable housing.

He explained this in a letter to Deputy Prime Minister Tan Sri Muhyiddin Yassin dated October 23, which was made available to the press today.

Lim said the prices of the units in question were up to RM1.85 million on the island and RM575,000 on the mainland.

"The state does not have a problem in approving housing projects that are low-cost or low-medium cost, but needs to be careful when they involve luxury housing by Perda and JKP Sdn Bhd," Lim said in the letter.

Of the 15 Perda and JKP projects, 11 are to be built on lands that are obtained through land acquisition for public use, he added.

He said that land acquisitions conducted with the intention to build public and affordable housing projects entail payments for the lands that are relatively lower and should not be altered to accommodate luxury housing.

He urged Muhyiddin to understand the pressures faced by the state government should it approve such project, derived "from the people on the promise that public and affordable housing would be built there".

Lim said the state's own affordable housing projects through the Penang Development Corporation were priced up to a maximum of RM400,000 on the island and RM250,000 in Seberang Perai.

He said the pricing abides by the federal government's guidelines for affordable housing in not exceeding RM400,000 per unit.

He added that there were also other problems related to the Perda and JKP projects, such as relocation of squatters that need to be resolved before approval was given.

Penang Federal Action Council chairman Datuk Zainal Abidin Osman, who is also state Umno chief, had on August 18 written to Lim to appeal for approvals to be given for the housing projects by Perda and JKP.

Penang State Executive Councillor Jagdeep Singh later responded that the pricing for units in the projects included amounts higher than the affordable housing prices stipulated by the state.

He also said the 15 projects would see profits of up to RM149 million.

Zainal's own reply to Jagdeep on September 30 stated that of the seven Perda projects, four had their lands obtained through acquisition for public use, between 1992 and 1993. Whereas for JKP projects, seven required acquisition from 1995 to 2008, and one had its land derived through purchase. – October 29, 2014.

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