

**A SOCIO-LEGAL STUDY ON
A PURCHASER'S INTEREST UNDER
HOUSING DEVELOPERS (CONTROL AND LICENSING) ACT 1966
AND HOUSING DEVELOPERS (CONTROL AND LICENSING)
REGULATIONS 1982**

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HOUSING DEVELOPERS ACT AND REGULATIONS

A. INTRODUCTION

When people think of buying a house, the first category of sellers to come to their mind is the housing developers. In governing and controlling housing development in Malaysia, specific legislation passed by the parliament is The Housing Developers (Control and Licensing) Act 1966¹. This Act was first introduced in 1966 and came into force on the 29th August 1969. The Revised Act came into force on 16th August 1973 with its original form still preserved. In addition with the power stipulated in section 24 of the Act, The Minister of Housing and Local Government, has introduced various subsidiary legislations. The present subsidiary legislation promulgated by The Minister is Housing Developers (Control and Licensing) Regulations 1982² which came into force on June 1st, 1982 and were gazetted on April 29th. By virtue of Regulation 16 of the said Regulations, The Housing Developers (Control and Licensing) Rules 1970³ are hereby repealed. Apparently when the 1982 Regulations were introduced, there were some mixed reactions from the members of The Legal Profession engaged in conveyancing practice, Housing Developers and Consumers' Associations.⁴

B. PURPOSE OF THE ACT AND REGULATIONS

The main thrust of the Act and the Regulations is to provide adequate protection to the purchasers of property comprised in a housing scheme. In rejecting contention by the developer's counsel that the developer shall not be liable to purchaser for the delay in completing the said shop building owing to the circumstances beyond the control of the developer, Suffian LP (as he was then) in the Federal Court decision of **SEA Housing Corporation Sdn. Bhd v. Lee Poh Choo**⁵ observed that:

"It is common knowledge that in recent years especially when government started giving housing loans making it possible for public servants to borrow money at 4% interest per annum to buy homes, there was an upsurge in demand for housing, and that to protect home buyers, most of whom are people of modest means, from rich and powerful developers, parliament found it necessary to regulate the sale of houses and protect buyers by enacting the Act."⁶

It was further said by George J in the case of **Khau Daw Yau v Kin Nam Realty Development Sdn. Bhd**⁷ that:

"The scheme of the Housing Developers (Control and Licensing) Act 1966 and of The Rules of 1970 is to provide a measure of