



PROGRAM OF ESTATE MANAGEMENT
DEPARTMENT OF BUILT ENVIRONMENT STUDIES AND TECHNOLOGY
FACULTY OF ARCHITECTURE, PLANNING & SURVEYING
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**A STUDY ON THE IMPACT OF ABANDONED PROJECTS TOWARDS
SURROUNDING MARKET VALUE IN KLANG, SELANGOR**

**Academic Project Submitted in Partial Fulfilment of the Requirements
for the award of the Degree
Bachelor of Estate Management (Hons)**

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ABSTRACT

The abandoned projects remain a serious problem in the Malaysia's real estate sector. This is due to the fact that the rate of abandoned project is always increasing in every developing country that frequently undertakes a large amount of property development in order to reach the status of a modern and advanced country. Abandoned projects will be one of the primary causes of land waste which it gives a negative impact on the country's socio-economic and environmental. There are socio-economic impacts such as job loss, area loss, population separation, and cost transfer between the public and private sectors, as well as the effects on the environment including visual effects, landscaping, erosion, loss of biodiversity, and pollution. Furthermore, scholars have long claimed that abandoned projects contribute to neighborhood deterioration by decreasing property values and increasing crime rates. Plus, greater fear of crime discourages commercial and residential investments that will lower neighborhood upkeep and property prices. Therefore, the purpose of this research to identify the impact of abandoned projects on the market value of surrounding properties in Klang and to investigate, does the distance of the abandoned project affects the value of the surrounding property. Qualitative method was adopted in this study towards the real estate expertise. Five respondents were chosen from companies as listed in the Board of Valuers, Appraisers and Estate Agents (BOVEA). As a result of this study, the researcher has determined that the main impact of the abandoned projects towards the surrounding property is the market value becomes decreases but only property that near to the abandoned property. In a nutshell, it is clearly that abandoned project has a negative influence on the real estate market in the area, supply and demand, rental and price declination, as well as property transactions, the situation became even more worse if the government is unable to solve the issue of abandoned projects immediately.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This research has been divided into five chapters which are introduction, literature review, research methodology, data analysis and findings, as well as conclusion and recommendations. Plus, this introduction chapter will clarify the major elements of this research, which are the research background, problem statement, research aim, research question, research objective, scope and limitations of the study, research significant, and thesis structure.

1.1 Research Background

The global construction industry is rapidly expanding. This is due to the fact that the construction industry is one of the most competitive, challenging, and risky sectors not only in Malaysia, but also across the country. The primary factor that has influenced is the growing demand for critical infrastructure, which is viewed as critical to economic growth, development, and societal advancement (Chia et al, 2011). Hence, property sector is a prominent part of the construction industry that has seen tremendous growth as the increasing human population in rural and urban areas. As a result of the world's excessively rapid development, this has created too many abandoned projects.

One of the issues confronting the construction industry is the abandonment of property projects. This is because, the rate of abandoned projects is always increasing in every developing country that frequently undertakes a large amount of property development in order to reach the status of a modern and advanced country. According to (Shane, 2012) typically, three factors are linked with the categorization of an abandoned property. Firstly, the owner no longer has property rights. Secondly the property has been vacant for some time, and the last one, the property is regarded a health hazard or a danger to community welfare. Therefore, it will become a serious issue as it will give an impact on market prices and property values on the surrounding area.