

LAPURAN PROJEK TAHUN AKHIR  
KURSUS DIPLOMA LANJUTAN KEJURUTERAAN AWAM  
KAJIAN KEJURUTERAAN, I.T.M. SHAH ALAM



BY

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## SYNOPSIS

The main objectives of the study are:

- (a) to identify the problems faced by the Housing Developers in getting approval,
  - (i) of their land being converted to industrial, commercial and residential land, and
  - (ii) from the various government and private authorities, for the project.
  
- (b) to relate it with,
  - (i) ONE-STOP agency
  - (ii) UNIFORM BUILDING By-LAW.

The study will emphasise on matters that cause the delay in getting the approvals, which normally take two to five years of processing time. Thus, the delay affects large sum of money which has to be borne by developers and builders.

To achieve the above objectives, the following proposed methods are taken,

- (a) conducting interviews.
- (b) research through articles, newspaper, bulletins.

LIMIT OF STUDY

The study will concentrate only on the housing industry in the State of Selangor and Federal Territory as those are considered to be the most progressive and developed territories in Malaysia. They are also the centre of business activities in the whole country as such the two states employ the most number of workers. This generates a big requirement for residential, commercial and industrial buildings.

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CONTENTS

	<u>Page</u>
Synopsis	ii
Limit of Study	iii
Acknowledgements	iv
List of Tables and Figures	viii
Contents	
 <b>CHAPTER ONE - INTRODUCTION</b>	
1.1 General - Malaysia and its Community Groups in Brief	1
1.2 The Habitat	3
1.3 The Evolution Of Population In Urban Area After 30 Years Of Independent (Case Study - Kuala Lumpur)	3
1.4 History Of Housing	4
1.4.1 General	4
1.4.2 The Malaysia Plans	6
1.4.2.1 First Malaysia Plan (1966-70)	6
1.4.2.2 Second Malaysia Plan (SMP)(1971-75)	7
1.4.2.3 Third Malaysia Plan (TMP)(1976-80)	8
1.4.2.4 Fourth Malaysia Plan (FMP)(1981-85)	13
1.4.3 Financing	13
1.5 Projection of Housing Demand	17
 <b>CHAPTER TWO - HOUSING INDUSTRY IN MALAYSIA</b>	
2.1 The Housing Market	19
2.2 Housing Programme In Malaysia	23
2.2.1 Introduction	23
2.2.1.1. Low Cost Public Housing	23
2.2.1.2. Commercial Housing by Government Agencies	24

2.2.1.3	Housing by Private Developers	25
2.2.2	Function of Each Agencies	25
2.2.3	Type of House Structure	26
2.2.4	Selling Price per Unit	26
2.3	Low-Cost Housing Program	27
2.4	Factors Influencing The Structural Design Of Low-Cost Housing	28
2.4.1	Climate and Site Location	28
2.4.2	Social and Cultural	30
2.4.3	The Role of Administrators	30
2.4.4	Regional and Economics Consideration	31
2.5	Density And Quality	32
2.6	Prefabricated Housing	35
 <b>CHAPTER THREE - HOUSING DEVELOPMENT PROCESS</b>		
3.1	Introduction	37
3.2	Housing Development Process	43
3.2.1	Planning	43
3.2.1.1	Feasibility Study	44
3.2.1.2	Acquisition of Land/Property	45
3.2.1.3	Conversion and Subdivision	45
3.2.1.4	Building Plan Approval	46
3.2.1.5	Application of Developers Licence and Advertising Licence	47
3.2.2	Construction Work	48
3.2.3	Post Construction	48
3.2.4	Issuance of Certificate of Fitness	48

<b>CHAPTER FOUR - IDENTIFICATION OF PROBLEMS IN HOUSING</b>		
4.1	Introduction	50
4.2	General	52
4.2.1	Defination Of Developers	52
4.2.2	Lamentation From Developers	52
4.3	The Problems Of Housing Industry As Seen By Developers And Local Authorities	53
4.3.1	Problems As Encounter By Developers	53
4.3.2	Problems From The View Of Local Authorities	63
<b>CHAPTER FIVE - SOME SOLUTIONS TO THE PROBLEMS</b>		
5.1	General	67
5.2	Solution Proposed By Developers	68
5.3	Solution proposed By Authorities	78
<b>CHAPTER SIX - CONCLUSION</b>		80
<b>BIBLIOGRAPHY</b>		82
<b>Appendix 1</b>		84
<b>Appendix 2</b>		107
<b>Appendix 3</b>		104



LIST OF TABLES AND FIGURES

	<u>Page</u>
CHAPTER ONE	
TABLE 1.1	The Racial Breakdown in Malaysia 1
1.2	Detail Population Breakdown in Malaysia 2
1.3	Public Low Cost Housing Development, West Malaysia 7
1.4	West Malaysia: Housing Performance, 1971-75 8
1.5	West Malaysia: Urban Population, 1970-90 10
1.6	West Malaysia: Distribution of Household Amenities, 1970 10
1.7	Malaysia: Public and Private Sector Housing Programme, 1976-80 11
1.8	Malaysia: Public and Private Sector Housing Performance, 1976-80 12
1.9	Malaysia: Public and Private Sector Progress, 1981-85 14
CHAPTER TWO	
FIGURE 1.0	Kuala Lumpur: Price Movement of Terrace Houses 20
2.0	Penang: Price Movement of Terrace Houses 21
3.0	Petaling Jaya: Price Movement of Double Storey Terrace Houses 22
TABLE 2.1	Peninsular Malaysia: Density by Strata, 1970 32
CHAPTER THREE	
FIGURE 4.0	Selangor: Housing Development Process 38
5.0	Kuala Lumpur: Housing Development Process 40
6.0	Summary of the Housing Development Process 42

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**CHAPTER ONE**

**Introduction**

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## CHAPTER ONE

### 1.0 INTRODUCTION

#### 1.1 General - Malaysia and its Community Groups in brief

Malaysia comprises of West Malaysia or Peninsular Malaysia and the former British Colonies of North Borneo i.e. Sabah and Sarawak. Malaysia is a multi racial country, consists mainly of the following ethnic group, the Malays, Chinese, Indians and others. The Table 1.1 shows the approximate racial breakdown in Malaysia, while table 1.2 shows more detail of the racial breakdown major towns in Malaysia.

TABLE 1.1

PARTICULARS	PENINSULAR	SABAH	SARAWAK
AREA (KM)	131590	73711	12449
*MALAYS (%)	57.3	82.9	69.3
CHINESE (%)	32.1	16.2	29.5
INDIANS (%)	10.0	0.6	0.3
OTHERS (%)	0.6	0.3	1.0
ANNUAL GROWTH (%)	2.2	3.8	2.3

\* Include MALAY, PRIMABUMIS (SABAH) and ABORIGINS  
ABORIGINES (SARAWAK)

Source: Social Statistics Bulletin Malaysia, 1984.

TABLE 1.2

STATES	ADMIN DISTRICT	MALAYS (%)	CHINESE (%)	INDIANS (%)	OTHERS (%)
JOHOR	*J. BARU	50	40	9	1
	BATU PAHAT	62	36	2	-
	MUAR	56	41	3	-
KEDAH	*ALOR SETAR	70	26	4	-
	KULIM	49	28	23	-
KELANTAN	*K. BHARU	90	9	1	-
	PASIR MAS	96	3	1	-
MELAKA	*MELAKA UTARA	64	26	10	-
	MELAKA TENGAH	46	48	6	-
N. SEMBILAN	*SEREMBAN	34	46	20	-
	K. PILAH	73	20	7	-
	REMBAU	74	15	11	-
PAHANG	*KUANTAN	65	29	6	-
	PEKAN	89	9	2	-
	BENTONG	40	48	12	-
PULAU PINANG	*TIMUR LAUT	19	67	12	2
	BUTTERWORTH	48	40	11	1
PERAK	*HILIR PERAK	49	30	21	-
	KINTA	26	60	14	-
	K. KANGSAR	55	32	13	-
PERLIS	*KANGAR	79	15	2	4
SELANGOR	*PETALING	33	47	18	2
	U. LANGAT	50	38	11	1
	SABAK BERNAM	70	25	5	-
	KELANG	38	43	19	-
TERENGGANU	*K. TERENGGANU	95	6	1	-
	KEMAMAN	88	11	1	-
W. PERSEKUTUAN	-	33	52	14	1
SABAH	*SANDAKAN	66	33	1	-
	TAWAU	77	22	1	-
	LABUAN	71	25	2	2
SARAWAK	*KUCING	36	44	1	-
	SRI AMAN	22	14	1	-
	LIMBANG	25	17	1	-

Source: General Report of Population Census Volume 2

## 1.2 The Habitat

The figures in Table 1.2 show that the Chinese were found most in urban areas than the other races especially in Federal Territory, Petaling and Kinta, while the Malays and Indians are in rural areas. The factors that caused such habit are the growth of raw material and mining centre and since colonization the Chinese were brought to work in mines and the Indians were to work in estates while the local population i.e. the Malays do the 'kampung' work example small farming in small plantation and fishing.

## 1.3 The Evolution of Population in Urban Area After 30 Years of Independence. (Case Study - Kuala Lumpur).

Kuala Lumpur in comparison to other major towns in Malaysia grow at a very fast rate of industrial and commercial activities; government project which includes economics, educational, recreational and cultural. These physical activities has attracted a large proportion of the rural people to migrate to urban area over the last 30 years of independence for better working and living opportunities.

The increasing number of migrants from other states beside Selangor enforced them to live in and around Kuala Lumpur and thus the Federal Territory faced an acute shortage of both resident and commercial buildings in the middle 70's. This has encouraged the private sector to increase and speed up their housing projects. In view of this, the cost of both commercial and residential building has escalated to such a magnitude that make it difficult for many low-income workers to own a house. This had lead the Government to form numerous authorities to build cheaper houses on Government land and sell them to the public especially the low-income group of people at a minimum profit.

#### 1.4 History of Housing

##### 1.4.1 General

Malaysia has had three distinct periods i.e. the pattern before independence, the pattern from 1957 and the decade from 1971 to 1980.

Briefly, before 1957 the Malayan Housing mainly developed in major towns ranging along the east coast of the peninsular. The development was very poor in the east coast due to poor transportation.

The housing projects were small with a major tendency among developers to develop plots of sub-divided land and to sell such sub-divided lots for individual house owners to put up their own houses. Land was sold at reasonable levels but housing remained only for the middle class with the ordinary workers only able to rent.

After 1957, Government set up its First Malaysia Plan (1966 - 1970) and the implementation of a system of development to expand and extend the road network and to link the east and west coast so as to promote trade and development. Kedah was the earliest to get development proposals to improve the standard of living of the farmers in the state.

Housing development during this period accelerated and entrepreneurs began to purchase and develop properties with active participation by State Governments through their development corporations. The high demand is due mainly to the rural-urban migration. Kuala Lumpur, Penang, Ipoh and Johor began to get share of housing developers who were interested in developing housing for the local urban population.

1.4.2 The Malaysia Plans

1.4.2.1 First Malaysia Plan (1966 - 1970)

It is estimated that about \$850 million was invested in housing during the last five years (before 1966) by both the public and private sectors. Urban residential construction undertaken by the private sector showed a rising trend. Low Cost House is one of the major effort of the Government to promote the welfare of the lower income groups. Although under the Constitution housing is a State subject, the Federal Government provides financial assistance by way of loan funds on generous terms to State Governments to undertake Low Cost Housing projects. The service of Housing Trust are made available to provide technical aid. Municipalities generally employ their own technical staff, although some use the Housing Trust. The Plan provide larger scale of investment in order to meet the housing needs. Allocation for Low Cost House and housing were \$150.0 million in Peninsular, \$5.0 million in Sabah and \$7.5 million in Sarawak. Table 1.3 shows the performance of Low Cost Housing Development in West Malaysia.



TABLE 1.3

PUBLIC LOW COST HOUSING DEVELOPMENT  
WEST MALAYSIA

Period	Expenditure (\$ Million)	Unit Completed
1956 - 60	9.33	2,983
1961 - 65	33.27	7,568
1966 - 70	99.79	22,522

Source: Second Malaysia Plan

1.4.2.2 Second Malaysia Plan (SMP)(1971 - 1975)

In SMP, the Government emphasis more on housing for low income group, and private developers activities mainly cater for middle and higher income group. The Federal Government focus its attention mainly on Federal Capital which State Government meet the needs of other areas of the country with Federal Financial assistance. The services of Housing Trust was utilised for National Housing Programme. The National Housing

Programme emphasise two important aspects i.e. firstly, the National Housing Programme designed for an intergrated multi-racial community and secondly, planning for housing included the provision of essential community services and other needs. Table 1.4 shows the housing performance under SMP in Peninsular Malaysia.

TABLE 1.4

WEST MALAYSIA: HOUSING PERFORMANCE 1971 - 1975

	<u>Units</u>
Public Sector	86,076
Public housing schemes (Ministry of Housing and Village Development )	13,244
Federal agencies housing project	41,965
Federal Institutional quarters	24,240
SEDC and other State project	6,627
Private sector	173,734
Private developers	64,862
Co-operative societies and individuals	108,872
Total	259,816

\*1 Formerly the Ministry of Housing and New Village

Source: Pg. 332 THIRD MALAYSIA PLAN

1.4.2.3 Third Malaysia Plan (TMP)(1976 - 1980)

During TMP, the Government of Malaysia emphasis the provision of housing as an important component of the programme. The Government continued their effort on low cost housing and private developers

on the supply of housing for middle and higher income group. Joint-venture schemes between the public and private sectors was undertaken to accelerate the pace of construction. Alongside programme for urban low cost housing, equal emphasis was accorded to improving rural living conditions through various public and private housing development scheme. Major land schemes throughout the country continued to give particular emphasise to improves living conditions in the rural areas, whilst major regional development programmes was ensured orderly and systematically implementating rural housing schemes throughout the country, especially in the less developed States.

As urbanization continues, housing problem became acute and the growing pressure forced for provision of adequate housing and basic amenities. Table 1.5 shows the in-migration into existing towns and Table 1.6 shows the proportion of rural households with access to basic amenities such as piped water, electricity and adequate sanitation facilities was much lower than that for urban household. Table 1.7 shows the TMP public and private housing programme while Table 1.8 shows its performance.

TABLE 1.5

WEST MALAYSIA: URBAN POPULATION, 1970 - 90  
(In Million)

	1970	1975	1980	1990
Urban	2.63	3.32	4.15	6.36
Total	9.15	10.39	11.82	15.10
Urban as percentage of total	28.70	32.00	35.10	42.10

TABLE 1.6

WEST MALAYSIA: DISTRIBUTION OF HOUSEHOLD AMENITIES, 1970

Strata	Percentage of Households Facilities				
	Piped Water	Electricity	Toilet	Bathing	Flush Toile
Metropolitan	89.6	85.6	95.1		
Urban large	71.4	79.6	84.6	12.8	42.0
Urban small	61.5	68.1	83.4		
Rural	32.3	24.6	59.7	3.8	11.0
Total	47.5	43.7	69.8	5.9	18.6

Source: pg. 331 and 332 respectively THIRD MALAYSIA PLAN

TABLE 1.7

MALAYSIA: PUBLIC AND PRIVATE SECTOR HOUSING PROGRAMMES, 1976-80

		<u>Units</u>
.Public Sector		220,800
.Public housing schemes	62,200	
.Federal agencies and regional development authorities public housing programmes	53,100	
.Institutional quarters and other staff accommodation	41,300	
.Sarawak and Sabah Land Development Boards, Jabatan Orang Asli	6,900	
.SEDCs commercial housing programme	1,300	
.SEDCs own-funded/joint-venture projects, other State projects, Government Officers' Housing Company and other minor housing programmes	56,000	
.Private Sector		262,000
.Private developers	100,000	
.Co-operative societies	12,000	
.Individuals and groups	150,000	
	TOTAL	482,800

Source: pg. 334 THIRD MALAYSIA PLAN

TABLE 1.8

MALAYSIA: PUBLIC AND PRIVATE SECTOR HOUSING PERFORMANCE, 1976-80

	No. of Units Completed	No. of Units under implementation
<b>Public sector</b>		
.Public low-cost housing scheme	26,250	54,490
.Federal agencies and regional development authorities housing programmes (FELDA, FELCRA, DARA, KEJORA, KETENGAH, Sarawak and Sabah Land Development Boards and Jabatan Orang Asli)	36,770	36,210
.Institutional quaters and other staff accomodation	20,560	27,500
.Medium and high-price housing programmes	37,930	32,380
SUB-TOTAL	121,510	150,580
<b>Private sector</b>		
.Private developers	199,490	49,470
.Cooperative societies	4,120	5,260
.Individual and groups	159,070	-
TOTAL	484,190	

Source: pg. 360 FOURTH MALAYSIA PLAN

1.4.2.4 Fourth Malaysia Plan (FMP) (1981-1985)

In the FMP, the objective to provide access to housing was pursued. It was estimated about 923,300 units of housing were required where out of these, an estimated 365,300 units were required to cater for the increasing population, 273,600 units to meet the needs for replacement and 284,400 units to cover the backlog in housing stock. In the duration of FMP, a number of 406,100 units or 44.0% from its programme were completed as shown in Table 1.9.

1.4.3 Financing

To meet the objective of providing adequate housing, financing at reasonable terms was made available, through the provision of funds to Ministries, agencies and the Malaysia Building Society Berhad (MBSB), mainly for low-cost housing. In addition, finance was provided by banking and financial institutions in accordance with guidelines provided by Bank Negara Malaysia.

The government, through its agencies provided both bridging and end financing for housing at concessionary terms, particularly for low-cost

TABLE 1.9

## MALAYSIA : PUBLIC AND PRIVATE SECTORS HOUSING PROGRESS 1981 - 1985

Programme	No. of unit under programme	No. of unit completed				
		1981	1982	1983	1984	1985
Public sector	398,570	31,010	43,480	35,050	44,480	47,000
Public low cost housing scheme	176,500	12,900	20,100	11,500	12,500	14,000
Federal agencies and regional development authorities housing programme (FELDA, FELCRA, DARA, KEJORA, KETENGAH, Sarawak and Sabah Land Development Boards and Jabatan Orang Asli)	110,010	8,930	10,220	5,780	5,740	4,000
Institutional quarters and other staff accomodation	58,500	3,660	4,000	5,850	5,390	6,000
Medium and high price housing programme	53,560	5,520	9,160	11,920	20,760	22,000
Private Sector	524,730	37,600	44,330	37,710	38,600	45,000
Private developer low cost housing	90,000	5,800	4,860	1,820	4,150	2,000
Private developer medium and high-price housing	259,470	11,690	19,270	15,980	15,020	23,000
Coperative societies	25,360	1,170	1,270	980	500	0
Individual/groups	150,000	18,940	18,930	18,930	18,930	19,000
Total	923,300	68,610	87,810	72,760	83,080	93,000

Source : pg 584 Rancangan Malaysia Kelima