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THE IMPORTANCE TO HAVE BUILDING INSPECTOR FOR NEW HOUSE BUYERS

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Abstract

Purpose: This paper is to identify the problems related to new house buyers. Issues related to low quality houses, defect liability period and purchasers' right to be discussed in this research. In Malaysia the private sector and government agencies are responsible to develop new residential area. In general the government agencies to provide affordable homes for lower income group in considering that every people need a proper shelter for living. While private sector to meet the property market demand. The research adopts comprehensive literature reviews from numerous published sources such as journals, magazines, government reports, unpublished thesis and website document focusing on issues related to new house buyers. Methodology: This paper attempts to establish understanding the importance of right of new house buyers and to engage Building Inspector as third party to advice on building defects and specification. The paper expects that, Building Inspector will be recognised as a competent person to conform on workmanship, materials and building's specification. In addition the paper intends to generate awareness among new house buyers on their rights to receive newly completed houses in acceptable standard, while its a duty of property developer to deliver the best for the purchaser.

Keywords: New House Buyers, Defect Liability Period, Workmanship, Specification, Building Inspector.

1. Introduction

In Malaysia the development of housing industry could be seen as early after independence in year 1957. The introduction of New Economic Policy in year 1971 has earmarked the housing policy in Malaysia. NEP initiated to boost national unity and one of the key issues is to put housing industry as a leading role in stimulating economic growth. It focuses on the new development of housing estates in new areas. The idea is to achieve economic balance between rural and urban areas. The continuous efforts have been carried out in 5 years Malaysia Plan to continuously concentrate on the need to provide adequate and quality housing for every people. The focus will be on the suitability of locations and conduciveness of the living environment in line with the Fourth Strategic Thrust of the Tenth Malaysia Plan (10MP), ensuring access to quality and affordable housing.

The initiative by the Malaysian government is well accepted by the public as well as Private Housing Developers. However the implementation of the said initiative is facing challenges, whereby the number of housing provided is far from meeting the demands for the low income group. It shows that the quality of housing is far better on paper rather than on site.

According to Oh (2000), there are three main qualities –(1) the quality of the dwelling; (2) the quality of the close environment; (3) the quality of the urban site which impact the quality of housing [1]. The research on housing issues has so far not limited to the study of the physical, structural and functional features. More and more researches are now covering the study of how people think of these issues and how they affect their lives.

2. Literature Review

2.1 Overview of Malaysia housing policy

The Malaysian government through its agencies such as State Economic Development Corporation (SEDC), Urban Development Authorities (UDA), Syarikat Perumahan Negara Berhad (SPNB) and Jabatan Perumahan Negara (JPN) are continuously to deliver affordable housing to the people. The 10th Malaysia Plan revealed by the Government in October 2010, outlined the continuous effort by the government to provide 78,000 units of

affordable houses to be built within the next five years. The initiative will be carried out by the federal agency to ensure the interest of every Malaysian will be protected by way of providing sufficient houses to the people. The My First Home Scheme was launched by Prime Minister Dato' Sri Mohd Najib will enable young working adults with earning less than RM3,000 a month to buy a house with 100% financing, The STAR 9 March 2011 [2].

Figure 1.0: Malaysia National Plan (1st -10th) and Housing Policy 2011 [3]

Five Years Malaysia National Plan	Policy	Emphasis on Housing Policy
Before 1957	Colonial	Housing Trust and quarters.
1961-1965	2nd Malaya Plan	Democratic housing ownership and squatters
1966-1970	1st MP	Low cost and public housing
1971-1975	NEP – 2nd MP	Urbanisation, industrialisation, public housing estate. SEDC, UDA, Felda and SPPK.
1976-1980	3rd MP	National Housing Council 1980. Low cost housing, Felda, quarters.
1981-1985	4th MP	Low cost, medium and high – public and private price, qualification, type, design.
1986-1990	5th MP	Population settlement concept, infrastructure and public amenities for public unity.
1991-1995	6th MP	Malaysian privatisation and incorporated concepts in housing construction such as low cost.
1996-2000	7th MP	National Housing Company – RM2 billion and CIDB, smart partnership and housing.
2001-2005	8th MP	Integrated National Housing Policy. Government – Low cost housing. Private – Medium low, medium and high cost housing. Target achieve zero squatter.
2006-2010	9th MP	To provide sufficient quality and affordable housing for all citizens. This will be implemented through Program Perumahan Rakyat
2011-2015	10th MP	Provision of adequate housing as well as ensuring safe, healthy and harmonious living environment complete with public amenities and quality recreational facilities

The above figure has shown the initiative taken by the government through the policies up to 10th Malaysia National Plan. The Government always support the initiative to strengthen the Malaysia housing policy and it could be seen under the Government Transformation Programme (GTP), National Key Results Areas (NKRA) which are “raising living standard of low income households” and “improving rural basic infrastructure” respectively, the government has decided that drastic steps will be taken to overcome problems pertaining to housing especially involving the poor and hardcore poor.

2.2 Quality Houses

To deliver a good quality housing is a challenge to every property developers. Meanwhile for every new house buyers, they are expecting to receive a completed houses with acceptable standard as well as following the building specification as spelled out in the Sales and Purchase Agreement (SPA). The application of Uniform Building By-law 1984 (UBBL 1984) will strictly monitor that every houses to be built in Malaysia to follow the requirements stated in the By-law. The performance measurement related to quality, cost and time have long been used in housing construction industry. Abdul Rahman (1997). A project with poor quality can result in extra cost and time extensions; a project with time and cost poorly controlled can affect the conformance of quality requirements. [4]

2.3 Issuance of Certificate of Completion and Compliance (CCC)

The government has put an effort to ensure that every property developers will only deliver quality houses to the end user by way of implementing Certificate of Completion and Compliance (CCC). It was the Government's aspiration to put in place the practices of self-regulation and self-certification in the building industry. Under the CCC, the responsibility of verifying completed houses has been transferred from Local Authority to the professionals. Those days, Local Authority is fully responsible to carry out final inspection prior to the issuance of Certificate of Fitness (CF). Azlinor Sufian (2001) This CCC seems to be a move towards self-certification, which may remedy the problem of delay in issuance of the Certificate of Fitness (CF), but it may not be an answer to the problem of defective houses [5]. The CCC will be issued by the Professional Architect or

Professional Engineer who are registered with the respective Board of Architect Malaysia (BAM) or Board of Engineers Malaysia (BEM).

2.4 *Project Monitoring*

The application of CCC will not only to speed up the process of verifying completed houses but also improvise project monitoring systems. The respective appointed consultants will carry out self monitoring in order to verify scope of works progressively completed on site. The used of Form G, to determine the completion of every scope of works are really useful as a tool for monitoring and verification. The quality and specification of the projects will be confirmed by the appointed consultants prior to site inspection. Before introduction of CCC, no compulsory progress monitoring will be imposed by consultants and in some cases progress inspection will only be carried out at the end of the project. Thus will led to sub-standard quality of the project.

Many researchers have demonstrated that project management action is a key element in achieving quality performance in construction. Project management play a big roles, as a main key elements in achieving quality performance in construction. Abdul-Rahman (1996) advocated that the success of managing quality in construction should not be just implementing a system; it should also be performed effectively. The success of quality management depends heavily on management practices [6].

2.5 *Defect Liability Period (DLP) – Confirmation on materials and workmanship of the building*

Majority of new house buyers are having little information about the type of building defects and also unable to conform any incompliance with building specification. The building defects are more easier to be identified, however to conform that the completed houses was built in according to the specification as per stated in Sales and Purchase Agreement (SPA) are very difficult for every house buyers. In addition they're also unable to make sure that the completed houses are following the standards that spelled out in Uniform Building-By Law (UBBL) 1984 [10]. In Malaysia UBBL is the minimum requirements to be complied for every houses to be constructed and in some cases, there're property developers who are not following the standard. In addition the property developer is subjected to the Housing Development (Control and Licensing Act) Regulations 1989. The provision of Clause 13 in Schedule H, stated that the property shall be constructed in accordance with the plans approved by the appropriate authority. The law has also highlighted no changes or deviations therefore shall be made without the consent in writing of the purchaser except such as may be required by the appropriate authority. In view of the above matter, most of the vendors, take advantage on buyers who lack technical knowledge and legal rights of their property[7].

2.6 *Skilled workers*

Professional and researchers recognise the need for proper training in delivering quality project. Abdul-Rahman (1996) suggested that education and training in quality management and quality assurance should be extended at least to the foreman level. In Malaysia Construction Industrial Development Board (CIDB), taking a lead in promoting quality assurance in construction industry.

According to CIDB ACT 520, under sub-section 4(1) :

- I. To promote quality assurance in the construction industry.
- II. To provide and promote, review and coordinate training programmed
- III. organised by the public and private construction centres for skilled construction workers and construction site supervisors.
- IV. iii.To accredit and certify skilled construction workers and construction site supervisors.

Under CIDB Act 520 Section 32 (2) Skilled workers are described as concreter, bar-bender, carpenter, bricklayer, masonry, plasterer, paver, tiler, painter, joiner, metal worker, drain layer, glazier, welder, construction plant operator, plumber and electrician. In view to improvise the quality of the completed houses, every property developers to only engage contactor with skilled workers which have been certified by CIDB [8].

2.7 *Defect Liability Period (DLP) - The right of new house buyers*

In Malaysia, any new completed houses are protected under the provision of Defect Liability Period (DLP) as stated in Clause 29 in Schedule H of Housing Development (Control and Licensing Act) Regulations 1989. Any defect, or other faults in the said parcel or in the building or in the common property which shall become apparent within a period of twenty four month (24 months) after the date of vacant possession of the said parcel. Majority of new home buyers are not aware to exercise their rights, that any defects occurred on their property could be claimed to the vendors with defect liability period. The situation even worse when the property developers, is not taking necessary action to rectify the reported defects and the buyers were left uncertain about

their problems. After 30 days have passed since the complaint was filed, they can immediately lodge complaint to Homebuyers Tribunal as the best avenue for purchasers to solve their problems and claims against developers.

3. Data Collection

A structured survey has been carried out to main residential areas at Daerah Perak Tengah. Total respondents gathered for this survey is 200 respondents. Our target respondents for those who staying in newly completed houses within defect liability period. Data collected, the highest is from Taman Cempaka (25%), Taman Sedec Baru (25%), Taman Sedec Lama (25%), Bandar Universiti (15%) dan Taman Gemilang (10%). Most of the respondents consist of UiTM students', public servants, UiTM Staff and local residents. According to the survey, respondents that occupied their house between 3 to 6 months are the highest result which 50% (100 respondents) of the total percentage is came from it. It was followed by the others respondents occupied their house between 6 to 12 months with 23 % (46 respondents) and between 12 to 18 months with 5 % (10 respondents) . Besides that, the respondent that only occupied the house less than 3 months are 5% (10 respondents) and for respondents that occupied the house more than 18 months are 17% (34 respondents).

4. Result

From the survey, we can derive on major issues that concerning new house buyers have been identified and displayed in Figure 1.

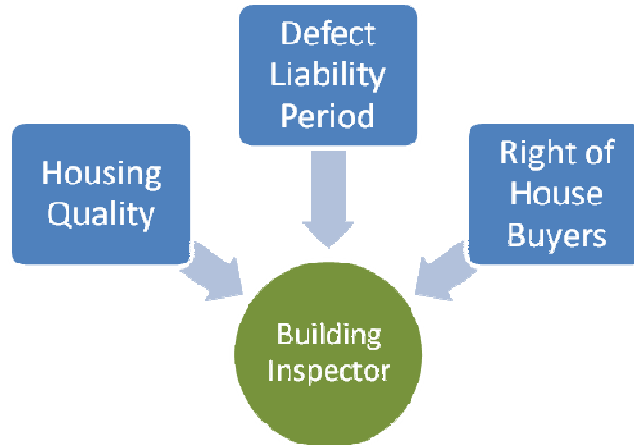


Figure 1: Issues that concerning New House Buyers

5. Discussion

The research found that most of the building defects are caused by low quality of works. The workmanship are not to the standard and led to building defects. Some of the property developers, are using low quality materials and engaged unskilled workers to maximise their profit. The survey also indicated that most of the building defects occurred after the house was occupied more than 3 months. Majority of house buyers are not understanding on items stated in Sales & Purchase Agreement (SPA). The used of legal terms, tend to make house buyers unable to understand on every single items mentioned in SPA. House buyers also responded that, they are not aware on the allowable claim under Housing Tribunal up to amount RM50,000. As result, majority of respondents agreed that Building inspector is required to protect the interest of house buyers, particularly during defect liability period.

6. Conclusion

Based on the finding and analysis, it can be concluded that most of the respondents required the duration of Defect Liability Period to be extended more than 2 years. It is important to ensure that property developers are still responsible to carry out rectification works for any building defects. The research also found that, poor workmanship contribute to low quality houses. It is urgently required to engage only qualified contractor with skilled workers to involve in construction works. Most of the respondents also not really understanding on their rights as per stated in Sales and Purchase Agreement. The appointed lawyer should brief every single clauses

pertaining to purchasers' right. As a result majority of the respondents agreed to engage Building Inspector as a third party to conform on building defects and building specification. A series of public seminar related to new house buyers should be conducted by private and government agencies. Public should be made understand on Sales and Purchase Agreement (SPA), Defect Liability Period and Purchasers' right. It is important to ensure that every new house buyers are having knowledge before signing the SPA. To establish the profession of Building Inspector, as an effort to safeguard the interest of new house buyers. In current scenario, Building Surveyor is a qualified and competent person to act as a Building Inspector. The government should take led in designing relevant act and to immediately approve for public interest.

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