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Chief Editor,

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**Subject : Housing Development Act Amendment Not Addressing Housing Woes**

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In response to the articles published on the 24<sup>th</sup> and 25<sup>th</sup> April 2012 regarding the recently amended Housing Development Act (Control and Licensing) 1966 [Act 118], the Ministry through the National Housing Department (JPN) have taken measures in ensuring that the relevant parties involved in unlicensed housing development projects are penalized in accordance to Section 5 (1) of the Act whereby, *"No housing development shall be engaged in, carried on, undertaken or caused to be undertaken except by a housing developer in possession of a license issued under this Act."* Therefore, upon conviction these unlicensed developers will be liable to a fine of not less than RM250, 000.00 but not exceeding RM500, 000.00 or to imprisonment for a term not exceeding five (5) years or both.

The Ministry has also found that several unlicensed housing projects are do not have approved Development Orders (D.O.)s, approved building plans and have also been developed on either agricultural or industrial land. Unfortunately, several professionals i.e. lawyers, engineers, architects and

financial institutions have been aiding these unlicensed developers. Hence, as a preliminary measure the Ministry is taking measures by obtaining cooperation from professional bodies to assist in the penalizing of these so called professionals. As such, potential developers must obtain licensing, advertising and sale permits from the Ministry before the execution of any Sale and Purchase (S&P) Agreements, certifications or approval for funding.

As of now, profiles of unlicensed housing projects have been forwarded to the Association of Banks in Malaysia (ABM), the Association of Islamic Banking Institutions of Malaysia (AIBIM), the Real Estate & Housing Developers Association (REHDA), Bank Negara Malaysia (BNM), the Board of Engineers (IEM), the Board of Architects Malaysia (LAM) and the Malaysian Bar Council for further actions. With regards to the increase of the developers deposit from RM200,000 to three percent (3%) of the estimated construction cost (excluding land cost); under Regulation 11A of the Act, the Housing Controller may use the money in the Housing Development Account (HDA) to assist in the completion of problematic housing projects until the issuance of the Certificate of Completion and Compliance (CCC). Besides this, any developers found to have abandoned a housing project or causes the housing project to be abandoned shall be liable to a fine of not less than RM250,000 not exceeding RM500,00 or not greater than three (3) years imprisonment.

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*Kementerian Perumahan dan Kerajaan Tempatan (KPKT) diterajui oleh Yang Berhormat Dato' Seri Chor Chee Heung. Di bawah Kementerian ini terdapat 9 Jabatan iaitu Jabatan Perumahan Negara, Jabatan Kerajaan Tempatan, Jabatan Bomba dan Penyelamat Malaysia, Jabatan Perancangan Bandar dan Desa, Jabatan Lanskap Negara, Jabatan Pengurusan Sisa Pepejal Negara, Perbadanan Sisa Pepejal dan Pembersihan Awam, Tribunal Tuntutan Pembeli Rumah dan Institut Latihan KPKT.*

Untuk keterangan lanjut sila hubungi Jessylina Mat Lazim Ketua Komunikasi Korporat ([jessy@kpkt.gov.my](mailto:jessy@kpkt.gov.my))

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