

Summary of National Housing Department

The National Housing Department (JPN) of Ministry of Urban Wellbeing, Housing and Local Government, recently released its Annual Statistics Report 2013 in the effort to provide comprehensive and useful information for the benefit of the housing development industry. A summary of the report is presented below:

Licensing of Private Housing

In 2013, a total of 3,660 housing development licenses and advertising and sales permit were issued with 42.5% (1,555) of the total figure are new applications and the balance of 57.5% (2,105) are renewals. Total new applications and renewal of licenses issued in 2013 declined as compared in 2012 at 44.9% and 5.2% respectively.

Issuance of Housing Development License and Advertising and Sales Permit from 2009 to 2013			
Year	New	Renewal	Total
2009	1,858	2,061	3,919
2010	2,264	1,899	4,163
2011	2,499	1,921	4,420
2012	2,822	2,220	5,042
2013	1,555	2,105	3,660
Total	10,998	10,206	21,204

Housing Units Approved for Construction

A total of 177,568 housing units were approved for construction in 2013, out of which 93.6% (166,156 units) were for housing development in the high cost category, 3.3% (5,832 units) for medium cost houses and low cost at 2.2% (3,900 units). Applications for development of low medium cost houses was the lowest recorded at 0.9% (1,680 units).

No of Housing Units Approved for Constructions in 2013					
Month	Low Cost	Low Medium Cost	Medium Cost	High Cost	Total
January	430	247	681	13,442	14,800
February	306	239	225	11,696	12,466
March	1,346	693	977	16,438	19,454
April	229	149	1,707	20,185	22,270
May	78	77	446	11,375	11,976
June	36	34	32	13,875	13,977
July	330	226	54	9,354	9,964
August	358	0	390	17,392	18,140
September	417	0	174	17,253	17,844
October	215	0	1,024	17,854	19,093
November	14	15	54	7,567	7,650
December	141	0	68	9,725	9,934
Total	3,900	1,680	5,832	166,156	177,568

Note: House categories according to price

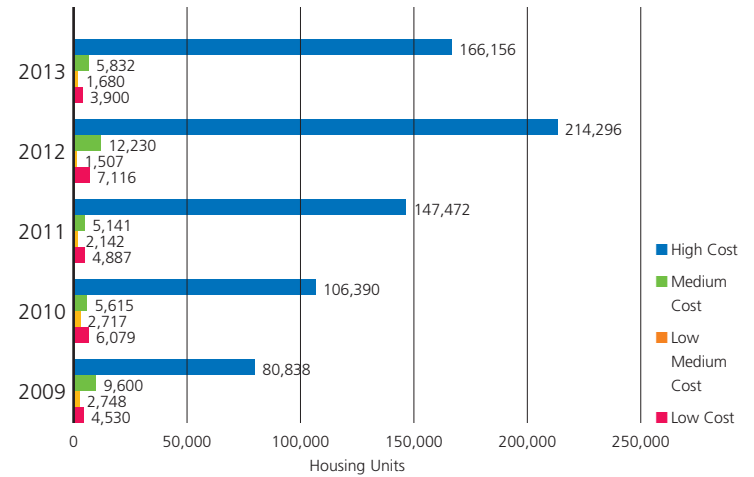
Low Cost (less than RM42,000)

Medium Low Cost (RM42,001 – RM70,000)

Medium Cost (RM70,001 – RM100,000)

High Cost (more than RM100,000)

Number of Housing Units Approved for Construction from 2009 to 2013



Private Housing Projects – On Track, Late and Sick

As at 31 December 2013, JPN issued licenses to 3,767 private housing projects comprising 511,982 housing units developed in Peninsular Malaysia. Out of the total of 3,767 projects, 93.4% (3,520 projects) was in the on track category followed by sick category at 5.4% (204 projects) while late category recorded 1.2% (43 projects).

Overall, majority of the private housing projects developed in Peninsular Malaysia were on track while the late and sick category recorded only 247 projects against the total of 3,767 private housing development projects being developed.

Selangor recorded the highest private housing projects with 999 projects which include total development of 170,565 housing units, out of which, 55.85% (95,258 units) have been sold. Johor and Perak were also among the states recording the highest private housing development projects with 634 and 489 projects respectively.

Private Housing Projects – Launch, Late and Sick According to States 2013									
States	On Track			Late			Sick		
	Projects	Units Built	Units Sold	Projects	Units Built	Units Sold	Projects	Units Built	Units Sold
Johor	589	83,343	47,752	17	5,612	4,253	28	4,197	3,141
Kedah	252	38,347	21,942	0	0	0	11	1,232	1,086
Kelantan	158	9,520	5,322	0	0	0	17	1,155	812
Melaka	183	25,870	12,845	0	0	0	2	145	135
Negeri Sembilan	171	24,332	12,414	0	0	0	7	1,031	765
Pahang	227	9,552	3,794	0	0	0	10	683	412
Perak	453	48,988	31,944	4	318	129	32	2,830	1,876
Perlis	29	1,180	692	0	0	0	2	36	27
Pulau Pinang	200	22,315	11,478	0	0	0	14	1,666	1,432
Selangor	916	154,888	84,646	18	3,325	2,575	65	12,352	8,037
Terengganu	142	9,563	7,650	0	0	0	11	928	876
WPKL	200	46,245	30,934	4	1,407	1,196	5	922	417
Total	3,520	474,143	271,413	43	10,662	8,153	204	27,177	19,016

Source: Private Housing Monitoring Department, JPN 2013

Enforcement's Annual Statistics Report 2013

Revival of Abandoned Projects

The number of abandoned projects increased to 87 projects in the year 2013 as compared to 60 projects earlier listed in January 2013. Out of the 87 projects, 27.5% (24 projects) were in the early planning stages of revival, 37.9% (33 projects) were in the process of revival and the remaining 34.5% (30 projects) had been successfully revived and completed and removed from the list of abandoned projects.

The number of abandoned projects has been on the decline every year with 2013 recording the lowest number of abandonment. Total abandoned projects carried forward to 2014 was 57 projects.

Selangor has the highest abandoned projects at 34 projects with 17,529 housing units involving 13,492 buyers followed by Johor at 16 projects (5,851 units) involving 3,811 buyers.

Abandoned Projects According to States 2013

Month	Projects	Housing Units	Buyers
Johor	16	5,851	3,811
Kedah	8	1,654	965
Kelantan	4	436	233
Melaka	2	714	662
Negeri Sembilan	7	1,739	1,358
Pahang	3	543	428
Perak	7	913	450
Pulau Pinang	4	2,261	1,600
Selangor	34	17,529	13,492
WPKL	2	1,070	573
Total	87	32,710	23,572

Source: Revival of Abandoned Projects Department, JPN 2013

Enforcement Activities on Private Housing Developers

A declining trend of number of developers being compounded was seen in 2013 whereby only 697 developers were compounded compared to 921 developers in 2012. A total of 761 offenses were committed under various Acts and Regulations with compounds collected worth RM3,514,000.

Amongst the most common offences committed by developers fall under Section 7(e) and Section 7(f) of the Housing Development Act (Control and Licensing) Act 1966 (Act 118), namely:

- Section 7(e) – failure to submit audited report and copy of balance sheet and profit and loss account to the Housing Controller
- Section 7(f) – failure to submit housing project progress report to the Housing Controller

Number of Compounds According to Type of Offence from 2009 to 2013

Year	Offense under Acts and Regulations				Total
	R5(1A)	R6(1)	S7(e)	S7(f)	
2009	17	157	331	81	586
2010	8	201	500	311	1,020
2011	3	197	1,073	231	1,504
2012	2	146	372	486	1,006
2013	0	115	387	259	761
Total	30	816	2,663	1,368	4,877

Under Prosecution, a total of 2,298 new cases were registered in court for various offences under the provision of Act 118 and related Regulations committed by developers from 2009 to 2013. A total of 2,167 cases had been settled and 131 cases are still pending.

From 2009 to 2013, a total of 3,868 investigation papers were prepared and out of that figure, 2,928 investigation papers were for the offence under Section 165AD(1); non-compliance of Tribunal awards and the remaining investigation papers concerned various related offences.

Investigation Papers According to Offences (2009 – 2013)

Year	S5(1)	S16AD(1)	R11(1)	R11(2)	Others	Total
2009	5	612	0	0	170	787
2010	104	914	2	0	180	1,200
2011	29	580	0	1	226	836
2012	13	372	1	1	121	508
2013	3	450	2	2	80	537
Total	154	2,928	5	4	777	3,868

Source: Enforcement Department, JPN 2013

Notes:

S	Subsection		
R	Regulation		
R5(1A)	Offence relating to sale and advertising of housing development not following the Advertising and Sales Permit approved by Housing Controller	S7(f)	Failure to submit housing project progress report to the Housing Controller
R6(1)	Advertising offence not following the required advertisement details	S5(1)	Housing developers without license
S7(e)	Failure to submit audited report and copy of balance sheet and profit and loss account to the Housing Controller	S16AD(1)	Non-compliance to Homebuyers Tribunal awards
		R11(1)	Failure to follow the Sales and Purchase Agreement format under Act 118
		R11(2)	Collecting deposit without signing the Sales and Purchase Agreement

In 2013, a total of 1,256 developers and 4,208 board of directors were black listed mainly due to failure to settle the compound charged.

Black Listed Developers and Board of Directors 2013

Type of Offense	Developers	Board of Directors
Failure to pay compound*	474	1,593
Failure to award Homebuyers Tribunal's claims*	283	971
Sick Project	282	991
Abandoned Project	117	414
Development without License	83	188
Developer charged and convicted in court (more than RM10,000)*	17	51
Total	1,256	4,208

Source: Enforcement Department, JPN 2013

Notes:

- * Failure to pay compound
Developers blacklisted at the Department level for failure to clear the compound issued by JPN.
- * Failure to award Homebuyers Tribunal's claims
Developers blacklisted at the Department level for failure to comply to the Homebuyers Tribunal.
- * Developer charged and convicted in court (more than RM10,000)
Developers blacklisted at the Department level for exceeding fine of more than RM10,000 by the court.