



CORRECTIONAL MECHANISM FOR STRATA BUILDINGS

PARCEL RENT SYSTEM TO BEGIN JAN 1

Property owners can will quit rent to Federal Territories Land and Mines office

ESTHER LANDAU
KUALA LUMPUR
news@nsl.com.my

THE quit rent system for strata buildings in the city will be replaced with parcel rent system beginning Jan 1.

Federal Territories Minister Khalid Abdul Samad said the government made the decision

after taking into account public interest.

He said the switch to parcel rent system was needed following a number of issues involving quit rent arrears for registered development strata schemes.

"Based on current records, about 446 strata development schemes out of 3,214 (or almost 15 per cent), here, have quit rent arrears.



Federal Territories Minister Khalid Abdul Samad at the launch of the parcel rent system for strata buildings at the Federal Territories Land and Mines office in Kuala Lumpur yesterday.

BERHAMA PIC

"The implementation of the parcel rent system is seen as a correctional mechanism and to rationalise taxation mechanism to a more systematic, transparent and fair strata development," he said at the launch of the parcel rent system for strata buildings at the Federal Territories Land and Mines office here yesterday.

Khalid said payment through the parcel rent system would be more transparent as the owner would not have to pay quit rent payment to the management committees and joint management bodies, but directly to the Federal Territories Land and Mines office.

He said rent calculation formula under the parcel rent system was based on the total area of the parcel, including the owned ac-

cessory parcel, parcel utilisation category for residential, business or industry, and whether it was leased or freehold.

However, he said the owners of strata residential properties, such as the People's Housing Programme, especially the B40, would enjoy a fixed rate.

Khalid said the fixed rate, irrespective of parcel size, was RM15 a year for leasehold owners and RM20 a year for freehold title holders.

"Based on records, more than 70 per cent of affordable-type apartments measure 1,030 sq ft, or 96 sq metres, and the owners are mostly the M40 group.

"Therefore, the parcel rent rate for such strata development has been drafted to allow the implementation of a minimum rate of

RM20 a year for leasehold title and RM25 for freehold title holders."

Meanwhile, on the Kampung Baru development, Khalid said more than 40 per cent of landowners had returned the feedback forms to the Kampung Baru Development Corporation (PKB).

He said this involved some 2,200 of the 5,374 landowners, where 95.3 per cent of the total had agreed to sell their land for redevelopment.

"PKB will continue to engage with the remaining landowners until June to hear their concerns and they will explain the redevelopment plan.

"Many landowners want to see the area developed and they want to contribute to the value of the land," he added.