



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Letter to the Editor

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PENANG'S LOW-COST HOUSING SCAM

CAP refers to the recent claim by the Penang Ex-Co for housing and local government YB Jagdeep Singh Deo that the renovation packages are voluntary.

Responding to recent complaints, he retorted that "if the buyer wants an empty unit, with absolutely nothing, and wants to take his own mattress and one pillow to go and sleep there, then the developer must sell it to them at either RM42,000 or RM72,500".

A good low-cost housing policy that CAP fully supports (30% compliance clause) when left to the developers to implement at the sales level, turns into a scam that bleeds the low income groups who are arm-twisted into paying double, or even more, than the state's controlled prices of RM42,000 (2-room units) and RM72,500 (3-room units) on pain of not getting a house for which they had waited 10, 15 or even 20 years if they do not purchase "renovation packages".

YB Jagdeep is defending the developers who it would seem have misrepresented to him that those who buy the "renovation packages" get fully furnished units into which purchasers can walk in and sleep on the mattresses and pillows already provided by the developers.

This is far from the truth. Complaints we have received are that the "renovation packages" are just the laying of cheap tiles on the floor which otherwise are just cement rendered.

YB Jagdeep is also on record as having said that developers lose money when they sell at the controlled prices. Can he name the developers of successful projects who lost money?

He is also reported to have said that the process of buying and selling is voluntary, and if the purchasers feel cheated or coerced, they need not buy.

We are taken aback by such advice coming from someone charged with the responsibility of ensuring that the low income groups can purchase housing units at the controlled prices after being on the waiting list for years and years. He must remember that housing is a basic human right and it is the responsibility of the government to ensure that our citizens enjoy such rights.

CAP therefore re-iterates that the 30% compliance clause does not just mean ensuring developers build this number of low cost and low medium cost units, but that it also means that the state has a concurrent responsibility to ensure those offered the houses after a long wait can actually buy at the controlled prices. The state has, however, abdicated the latter responsibility.

To ensure that developers do not make a charade of the 30% compliance clause, the state housing department has to walk the talk and act pro-actively. It should take on the responsibility of overseeing the balloting and signing of the S&Ps at its office. This would be done by the developers and their solicitors, observed by officers of the department.

Special consideration should be given to persons with disabilities, e.g. units on the lower floors and near lifts; and in the case of car parks, on the ground floor. Surely this is not asking too much in a caring society.

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