

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Background Study**

Abandonment of housing projects right now has become a serious problem. Many problems may arise while the construction was on going. In this situation, this may disturb the progress of the construction and if it seem impossible to complete, then the project will stop completely. Thus, it can be seen that there were many building that was left without completing it. The abandonment of development projects is the act of discontinuing any activities or maintenance works on such development project within a time frame of the contract agreement and with no intention of returning back to the development (Spelman, 1993). If it has passed its promised delivery date by 10%, it is considered late; if the delay stretches beyond 10% - 30%, then it is considered 'sick'; and finally, if no work has been carried out or no workers are on the project site for up to six months, then it is deemed abandoned (The star, 2009). The building can become abandoned when the location has experience a natural disaster, so it become unsuitable for the project to be continue. Other than that, problems might also come from the inaction or action on the part of owner, contractor, subcontractors, consultants or the government. When the project of the building has become abandoned, this can gives an adverse effect on parties such as the developer, contractor, consultant as well as client.

This study is being carried out to study the reason of the housing projects become abandoned and cause for this cases to be happen. This research may come out with the ideas on prevention and solutions on this issue. This can save a lot of money from being wasted and also can save the environment of the location from being decay.

## **1.2 Problem Statement**

The growth of Malaysia's economy was influenced by the construction industry. But, nowadays, there were a lot of case regarding the abandonment of housing projects. This kind of cases is actually getting serious. As we know, when the housing project becomes abandoned it can give negative effect on both parties involved and also to the surrounding environment. For the parties involved, they may loss the profit and also loss the belief from the citizen especially for the project that was funded by the government. As a developer company, they should know the objectives of the project so that the completion of the projects can be achieved. Besides that, some of the project was abandoned due to the problem arise from the design and structural aspect. The longer the building become abandoned, the cost of the project will also increases. From the perspective view of the society, the abandonment of building can also become the place for the crimes to occur.

In Malaysia, the impact of this issue has become an unbearable to this state. Figure 1.1 and table 1.1 shows the number of abandoned projects in the span of 20 years in Malaysia and the statistics of abandoned housing projects.

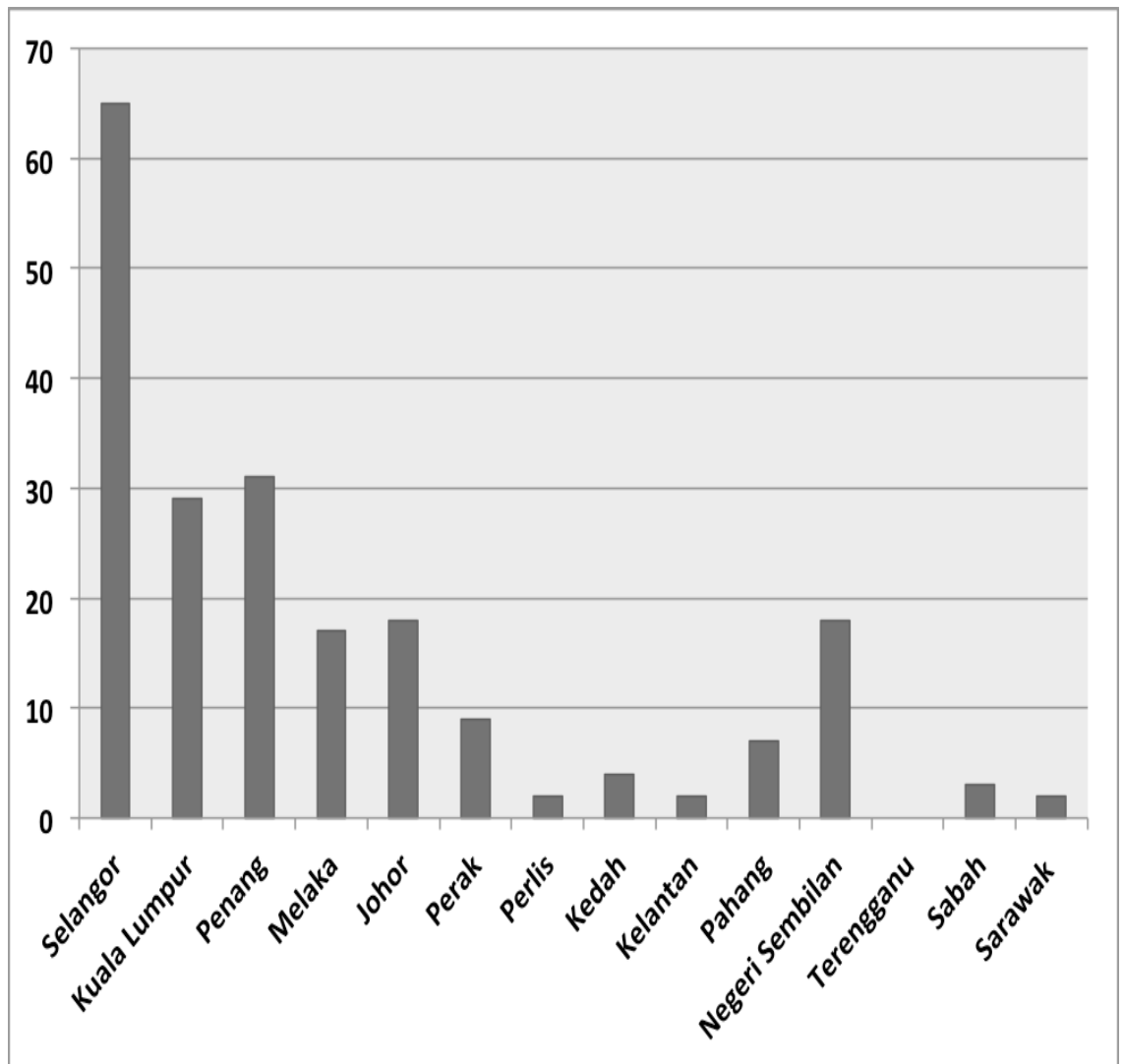


Figure 1-1 Malaysia's Abandoned Building Projects in the span of 20 years, with the comparison of number of projects in each state.

Source: National House Buyers Association, 2009, Abandoned, Stalled, Revived Projects Database