

ANALYSIS ON LAW ISSUES TOWARD  
ABANDONED BUILDING HOUSING AND  
PROJECT IN PENINSULAR, MALAYSIA

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B. ENG (HONS.) CIVIL ENGINEERING

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ANALYSIS ON LAW ISSUES TOWARD ABANDONED BUILDING HOUSING  
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## **ABSTRAK**

Projek bangunan terbengkalai menjadi masalah serius di Malaysia kerana peningkatan kes setiap tahun. Ramai pihak awam kurang kesedaran mengenai masalah projek bangunan yang terbengkalai melainkan kerajaan kita untuk berusaha menyedarkan orang ramai sama ada yang terlibat dalam projek bangunan yang terbengkalai atau tidak. Selain itu, kerajaan juga sudah mempunyai undang-undang yang tersendiri berkaitan sektor perumahan tetapi masalah rumah terbengkalai itu masih berlaku. Tujuan kajian ini adalah untuk menganalisis isu undang-undang terhadap projek bangunan terbengkalai dan kesan yang berlaku disebabkan oleh projek bangunan terbengkalai di Semenanjung, Malaysia. Kaji selidik dalam kajian ini untuk mengenalpasti masalah undang-undang terhadap projek bangunan yang terbengkalai. Kaedah yang digunakan dalam kajian ini ialah dengan mengumpulkan data daripada hasil pengagihan borang kaji selidik dan temuramah dengan 5 orang yang terlibat dalam industri pembinaan. Sebanyak 53 responden telah dikumpulkan yang mewakili pihak pemaju, kontraktor, perunding, kerajaan dan pihak-pihak lain yang terlibat secara langsung atau tidak langsung dalam pembinaan. Hasil daripada penyebaran borang kaji selidik tersebut, sebab berlakunya bangunan terbengkalai di Semenanjung Malaysia terhadap undang-undang yang ditetapkan ialah berdasarkan Akta oleh kerajaan adalah Seksyen 3 dalam Peraturan Pembangunan Perumahan (Kawalan dan Pelesenan) 1989 dan klausa 69 dalam Borang P.W.D 203A (Rev 1/2010). Projek bangunan terbengkalai boleh memberi kesan yang buruk kepada negara kerana mempunyai kekurangan dalam tindakan undang-undang terhadap projek bangunan terbengkalai. Kajian ini dapat membantu pihak-pihak dalam industri pembinaan untuk mendapatkan pemahaman yang lebih baik mengenai masalah projek semasa peringkat pembinaan.

## **ABSTRACT**

The abandoned building projects became seriousness problem in Malaysia because this problem became increase over the year. Therefore, lack of awareness of the distressing problem of abandoned unless our government to enlighten the public either involved in the project was abandoned or not. Moreover, the government also already has their own legal about housing sector but that problem still happens. The purpose of this study is to analysis on law issues toward abandoned building project and the impact that caused by abandoned building project in Peninsular, Malaysia. The literature review in this study is to identified the law issues toward abandoned building project. The method used in this study to collect the data is distributing the questionnaire survey and interviews with five (5) person that involve in construction industry. A total of 53 respondents was collected are representing developers, contractors, consultants, government and other that are related in construction industry. From the respondent's point of view, the causes toward abandoned building due to Act is based on Act by government is Section 3 in Housing Development (Control and Licensing) Regulation 1989 and clause 69 in P.W.D Form 203A (Rev. 1/2010). The abandoned building project can give impact to the country because of Malaysia have a lack of legal action to abandoned building project. The finding could help the practitioners in construction industry to gain better understanding about the problems time of projects during construction stage.



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## **LIST OF SYMBOLS**

MHLG	Ministry of Housing and Local Government
KPKT	Kementerian Perumahan dan Kerajaan Tempatan
UBBL	Uniform Building By Laws
RII	Relative Importance Indec
JPN	Jabatan Perumahan Negara

## LIST OF ABBREVIATIONS

etc	other similar things
No.	Number



## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Background of Study**

Nowadays, the construction industry plays an important role in generating the economy of a developing country such as Malaysia (Look and Policy, 2016). Housing is the construction and assigned usage of houses or buildings collectively for the purpose of sheltering people. Since the population in Malaysia is growing, the demand for having a house is getting increasing. Because of that situation, the authorities provide a lot of tender to build a housing lot in Malaysia. However, not all the construction project is completed at the designed time. There are not impossible for construction projects to be delayed or become abandoned building due to various causes.

The issues of the abandoned building were not new issues in Malaysia. Based on Ministry of Housing and Local Government (MHLG), an abandoned project is defined as uncomplete project or a project that has been delay in several days. Abandoned building projects also projects that are left without care in abandoned constructions sites either temporarily or permanently for a long period of time (Nagamany, 2016). The causes of abandoned housing projects are related to develop of housing project such as business termination or bankruptcy, misuse of deposits, conflicts and feuds among stakeholders and non-conformance with construction specification (Khalid M.S., 2010). The abandonment of project happen because of the contractor fails to complete the work because not have enough time or failing to resume work in a reasonable amount of time.

The abandoned housing building project has been suffering by Malaysian housing sector since early 1980s up to date (Abdul-Rahman, Alashwal and Abdullah, 2017). In 2018, there were 66 abandoned housing projects in peninsular Malaysia (excluding Sabah and Sarawak) that comprising 13,581 housing units and 8,523 buyers (KPKT, 2018a).

State	No. of project	No. of house units	No. of buyers
Johor	44	8,839	5,807
Kedah	14	2,097	1,228
Kelantan	19	1,961	1,662
Melaka	8	1,503	1,072
Negeri Sembilan	25	4,340	3,110
Pahang	17	3,458	2,549
Perak	18	2,327	1,407
Perlis	0	0	0
Pulau Pinang	14	6,660	3,715
Selangor	82	29,483	20,788
Terengganu	4	340	293
Kuala Lumpur	9	3,632	2,010
<b>Total</b>	<b>254</b>	<b>64,640</b>	<b>43,686</b>

Table 1.1 Housing Project Statistic Peninsular Malaysia between each state

Source: (KPKT, 2018a)

Based on figure 1.1, there are many housing projects that have been built in Selangor and followed by Johor. Data from Jabatan Perumahan Negara (JPN) showed that the stated of Selangor and Johor were among the highest states experiencing abandoned housing projects compared to other states since 2009 (MUSTAFA, 2015) This is because Johor and Selangor are the most active states housing development. When there are many housing projects developing, the housing that does not have buyers can became abandoned housing projects. Hence, the number of abandoned projects is equal with the number of housing development in the area (MUSTAFA, 2015).

Besides that, abandoned housing project and abandoned housing is different. For an abandoned housing project, the project is partially complete which mean the project is not fully complete but already stopped. And for an abandoned housing, the construction was fully completed but that house does not occupy by people. In conclusion, both of this problem also left over the building structure exist and there have a lack of maintenance whether is fully being constructed or partially constructed. Because of the abandoned housing project, they bought a lot of issues toward public such as social issues which the drug person gather in the entire abandoned place and it will give negative impact to our country. Therefore, there is need to determine what the factor of abandoned housing project and how to purpose the suitable solution to overcome abandoned housing building project since this problem became worst time to time.

## **1.2 Problem Statement**

The abandoned project is the project that officially stopped where no more work is carrying on the entire project. Main reason that because abandoned housing appears, when the development they conduct is not suit to the market need such as wrong location, limited in choices for choosing and so on. This problem has happened until now and it getting bigger issues. Moreover, the government also already has their own legal about housing sector but that problem still happens. Therefore, the questionnaire survey will be used to access several of the opinion about the abandoned housing.

## **1.3 Objective**

The purpose of this research is to look into the law issues toward abandoned building housing project in Malaysia. This goal will be achieved through the following objective:

1. To analyse issues of Malaysia's Act towards abandoned building housing and project.
2. To investigate the cause and factor contribute to the abandoned building based on Act by government.
3. To propose the suitable solutions to overcome abandoned housing building project.

## **1.4 Scope of Research**

The survey has focused on peninsular Malaysia exclude Sabah and Sarawak. This study applied the literature review on the law issues that lead abandoned housing building project. While, the questionnaires survey is applied to investigate the cause and factor contribute to the abandoned building based on Act by government. This study on abandoned housing building project by any sector that participate in housing project activity because there are few sources or producing the housing unit in Malaysia. These include contractor, developer, consultant, government and others. Others means people that involved in construction industry such as plumber, electrical construction and etc.

### **1.5 Signification of Study**

Main objective of this study was to investigate the cause and factor that contribute to the abandoned building based on Act by government. In addition, it also conducted detailed evaluation of the abandoned building housing and project regarding law issues in Peninsular, Malaysia. Therefore, the result of this study will help the government to make and implement policies that will reduce the rate of abandoned housing in Peninsular, Malaysia. This research also to provide the detailed analysis on the causes of abandoned building housing and project. So, to achieve the objective, the questionnaires will have distributed to collect the respondent's opinion regarding this research.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Background of abandoned building project

The construction industry in Malaysia has been tarnished the problem of abandoned building projects (Yap and Tan, 2018). Abandoned building projects are projects that are left without care in abandoned constructions sites either temporarily or permanently for a long period of time. The abandoned building projects became seriousness problem in Malaysia because this problem became increase over the year. Therefore, lack of awareness of the distressing problem of abandoned unleash our government to enlighten the public either involved in the project was abandoned or not. There are about 187 company has been blacklisted that shown from table 2.1 from Kementerian Perumahan dan Kerajaan Tempatan (KPKT) 2018 because of abandoned building project. From that, it was proof that developer is the one causes of abandoned building project happen in Peninsular, Malaysia.

There are few lists regarding the company who has blacklist:

No.	Developer	Project	Date abandoned
1	AGA Development Sdn Bhd	Gombak Perdana Villa, Selangor	31.12.2003
2	Akrab Properties Sdn Bhd	Kariah Sri Akrab, Juaseh, Kuala Pilah, Negeri Sembilan	31.12.2003
3	Antara Vista Sdn Bhd	Vista Damansara (RPKS)	31.12.2005
4	Arah Cipta Sdn Bhd	Cahaya Kota Puteri F.2C, F. 2D, F. 2E, F. 2G, F. 2H, F. 4C, F. 4D, Plentong Johor	13.4.2007
5	Aras Dimensi Sdn Bhd	Taman Desa Utama dan Taman Desa Rahimah, Sepang, Selangor	1.12.2016
6	Arch Realty Sdn Bhd	Taman Emas Surya, Batu Pahat, Johor	31.12.1999

7	Aset Nusantara Development Sdn Bhd	Taman Bayu Tebrau, Plentong, Johor	16.3.2012
8	Asian Lion Enterprise Sdn Bhd	Taman Tapah Permai, Tapah, Perak	18.2.2013
9	Astana Land Sdn Bhd	Casa Melati, Gombak, Selangor	28.9.2018
10	Austral Development Sdn Bhd (Mexaland Sdn Bhd)	Taman Metro Puchong, Selangor	18.2.2013
11	Bactra Properties Sdn Bhd	Taman Desa Surda, Kajang, Selangor	31.12.2000
12	Bahagia Indah Properties Sdn Bhd	Taman Bahagia Indah, Kajang, Selangor	1.12.2016
13	Bandar Murni Sdn Bhd	Taman Salak Maju, Sepang, Selangor	18.9.2013
14	Barisan Julang Sdn Bhd	Taman Sentosa, Baling, Kedah	9.1.2013
15	Barisan Tenaga Perancang Sdn Bhd	Selayang Springs, Gombak, Selangor	22.4.2014
16	Batu Gajah Development Sdn Bhd	Taman Gading, Sungai Terap, Daerah Kinta, Perak	31.12.2004
17	Bench Win Sdn Bhd	Sri Dahlia, Timur Laut, Pulau Pinang	31.12.2003
18	Bersatu Maju Properties Sdn Bhd	Taman Crystal, Port Dickson, Negeri Sembilan	31.12.2003
19	Binanusa Sdn Bhd	Taman Desa Aman, Timur Laut, Pulau Pinang	31.12.2005
20	BSC Development Sdn Bhd	Perkampungan Bukit Setongkol Perdana, Pahang	28.9.2018

Table 2.1 Blacklist Company that causes abandoned building

Source: (KPKT, 2018b)

The definition of abandoned housing project should have been legally provided for and statutorily interpreted. It is suggested that the administrative definitions given by the Division of Supervision and Enforcement, MHLG may be used as the statutory and legal definition of abandoned housing projects. In addition, statutory provision especially the Housing Development (Control and Licensing) Act 1966 and its Regulations made thereunder (Act 118), if it were to be passed, must define the stage or point in time when abandonment is said to occur.

## 2.2 Parties that involved in abandoned building project

Many projects fail and become abandoned because of the unforeseen factor which effect upon the initial calculation of the development. Tan A.L (2008) stated that it is an

indisputable fact that at home turf, project failures thus adversely affects our nation's economic health. Many projects become an abandoned building because of the unforeseen factor. When there are many abandoned building projects happen, it might affect our nation's economic (Hadi, A.N.A., Salleh, N.H., and Mei, T.G., 2015). There is several of the factor for each types of project and which usually happens is due to project management in term of the time, cost and quality of the project.

### **2.2.1 Developer**

Abandoned building project mostly happen because of developers. The problem that come from developers might cause the project became abandoned building project. The common mistake made by developer is fail to secure the targeted demand to break even due to unsuitable pricing of the product and the lack of feasibility study in choosing the site for development, the type of development and precise in supply and demand. Based on New Straits Times, one which will see light at the end of the tunnel is the Highland Towers site in Ampang that had been abandoned since the 1993 landslide tragedy (Kaur, 2011). Highland Towers is located on a premium land in a high-income location in Taman Hillview, Ulu Klang. On 11 December 1993, a landslide was occurred at the area after 10 days of rainfall. The hill was cleared of trees and other land-covering plants, exposing the soil to land erosion that is the leading factor of causing landslides (Nalley, 1993). Due to the accidents, one of the three apartment blocks were collapsed and claimed 48 lives. Based on the incident, it happened because of the developers failed to ensure that the place was truly appropriate for developing the development.

Developers also have lack of a feasibility study to gauge its economic and technical viability for the very onset (Hadi, A.N.A., Salleh, N.H., and Mei, T.G., 2015). Developer usually stuck in a project due to poor cash flow because that developer rush into a development without comprehensive market study. This is because developer may come from poor planning and researches about the project. Before develop the development, developer need to choose a strategic location and make sure that it will influence the interested for the client to buy the product. Developer also need to do a research about living standards in the area before develop the development. For example, the project at Indera Mahkota, Kuantan which is Mahkota Triangle did not get a response from buyers because the price that offered by developer is very expensive and the residents could not afford to buy the product.



Figure 2.1 Project Mahkota Triangle at Indera Mahkota, Kuantan

### 2.2.2 Government Body

The government should prevent the issue of abandoned building project from being grow up. All law has been written but the issue remains happen. The negligence of the government makes this problem unfinished until today. As can see, according to Housing Development (Licensing and Control) Act 1966 (Act 118) and its regulations, it stated that only RM 200,000 as a deposit for the housing development (*Housing Development (Control & Licensing) Act*, no date). The deposit is considered minor and little for recovery if they were an abandoned housing project. The prescribed law is explicitly ignored by the developer without any penalties imposed and the legal action taken by the authorities against them.

According to Sufian.A and Rahman.R (2008) the Street, Drainage and Building Act 1976 and the UBBL, it stated that the authorities do not impose any special obligation on local authorities to inspect the construction work done by the contractor (Azlinor Sufian and Rozanah AB. Rahman, 2008). The authorities will inspect the construction if there any complaint about the construction. Because of abandoned building project are getting increase, the authorities should always aware and inspect the construction area and keep in touch with the contractor or developer about the progress of the project. In addition, local authorities should investigate the purpose of the project because of many abandoned buildings was happen.



### **2.2.3 Contractor**

Contractor failure also one of reason the abandoned building project exists. According to New Straits Time (2017), the developer said to the buyers from housing project at Serendah that the project delay because of the contractor's licence is dead. Because of the careless contractor affects the building became abandoned building. Moreover, to find the new contractor to continue the project is difficult. Therefore, many contractors in Malaysia have a lack of experience and management. Mostly they do not know exactly how to manage the project and it causes the occurrence of the project cannot be completed within the specified time and make project delay. The contractor also forced to stop midway through the project when facing financial problem.

### **2.2.4 Consultant**

Consultant is one of the major persons who that responsible for the successful of the construction project. If the consultant has lack of experience and knowledge, it can lead to abandonment of the project. Some of the consultant lack of experience on the part of the consultant's site staff such as managerial and supervisory personnel (Alaghbari *et al.*, 2007). The professional consultant can manage to avoid some problems that can lead the project became unsuccessful in the future and how to prevent it.

## **2.3 Causes of Abandoned Building Project**

There are several building projects which has been seen to be having good potentials are abandoned at different stages of the design and construction process. The abandonment of a project gives an adverse effect on parties such as developer, contractor, consultant and client (Doraisamy, Akasah and Yunus, no date). Therefore, the abandoned building project in Peninsular, Malaysia rooted from many factors such as mismanagement, financial problem, unfavourable economic conditions and unfavourable government policies.

Mismanagement is one of causes the abandoned building project in Peninsular. Mismanagement may happen due to the lack of experience of the developer (Ibrahim, 2006). The developer has a lack of feasibility studies which particularly inaccurate market research. Because of that, in an inaccurate forecast of demand and supply for certain types of properties as well as an unsuitable project scheme to be undertaken for the

prevailing market (Yap, 2013). If the sales percentage is less than 80%, the developer will face problems in obtaining bridging loans from financial institutions to continue with a project (Khalid M.S., 2010). Mismanagement also happen because of fraud which means non-payments or arbitrarily reduced payments of progress billings which can result in cash flow problem of contractor, subcontractors and suppliers and eventually late delivery or abandonment of projects.

Increases in project costs may be due to mismanagement and the lack of proper feasibility study hence lead to the financial problem. Financial problem are the main factor in causing abandoned building project because the contractor not have a strong finance and at the same time not wanting to bear high debt burdens to continue their operations (Bernama, 2017). A well-managed cash flow is important in a regular basis to identify cash flow problem is to enable delivery successful (Hamzah *et al.*, 2011). Without well-managed cash flow will lead to project became abandoned building projects. In addition, the economic crisis also one of the causes of abandoned building project. The unfavourable economic conditions such as the rise of the prices of raw material such as steel and cement, higher interest charge that discourages potential home buyers to buy residential properties and reduces the profitability of a project and competition of new projects that affects the sales and hence the cash flow of a project.

## **2.4 Impacts that caused by Abandoned Building Project**

The impacts of the abandoned building projects are referring to the negative effects or problems occur while a development project is becoming as abandoned building. There are varies in many aspects of impacts which is personal and company impacts, social and economic impacts, environment impacts and country impacts. The abandoned building will affect in many thing, so that we need to make sure the abandoned building can be reduced.

### **2.4.1 Personal and Company Impact**

The first impacts cause by abandoned building is personal and company impact. The personal here referred to the individual party who that influenced by the abandoned building project. The house buyers having monetary loss where there are a monthly repayments and deal with financial institution for the entire abandoned building project (Hadi, A.N.A., Salleh, N.H., and Mei, T.G., 2015). Buyers also might lead to the

bankruptcy because the house buyers are not capable for repayment loan. Due to the bankruptcy, the image of personal was no longer acceptable to applying loan from any financial institutions and might be blacklist from getting loan.

For company might give a big impact to the company because once their company name is list in abandoned building project, the company will be blacklisted by the government in applying other development. The company image toward public might be more affected because while there is abandoned building mean that the company are not work diligent until failure or delay in delivery their products. The company will be bankruptcy due to unable to pay debt left behind by abandoned building and also the company will suffer losses because the people who wish to purchase a house will not be purchase from them due the disappointing to the company.

#### **2.4.2 Social and Economic Impact**

Other than personal and company impacts, the social life of public also being affected where the abandoned building become the place for illegal gambling, illegal sexual activity, drug addict, gangster activity and homelessness encampment. Based on The Star (2017), there have an abandoned building in 15 years at Bukit Rimau Indah, Section 32, Shah Alam. The residents around that area claimed the abandoned building had also become a den of drug addicts (The Star, 2017). Due to this situation, it will influence the neighbourhood security because will be an increasing of chances in stealing cases by the drug addicts.



Figure 2.2 Drug addicts in abandoned building at Bukit Rimau Indah, Section 32, Shah Alam

Source: The Star, 2017

Therefore, the unemployment rate is increasing and causes the economic quality of life decrease upon people loss their job. In addition, while the project became abandoned building project there will be left behind uncompleted or unfurnished building structure and cause negative values, pleasures and contribution toward the public become eyesore to the vicinity.

### **2.4.3 Environment Impact**

The abandoned building also gives environment impact to the surrounding. It is because when the building being abandoned, there are no more maintenance for the project. The project will have left in the bush and it promote the habitat for the dangerous animals such as reptiles like snake and rat, mammals like lion and insect like flies and mosquito. Those dangerous animals might be threatened to the public surrounding abandoned building area. It might lead to people died and the public healthy in poor situation.

#### **2.4.4 Country Impact**

Based on all the impact cause by abandoned building project that stated above, it may destroy the image of our country because of poor management skill of our country lead a lot of abandoned building project. Malaysia is one of the countries that attract tourists and the environment impact which may cause loss on the tourism sector. When there are many abandoned building projects in Malaysia, it affects our nation's economic (Malaysia, 2004). In addition, the overall market value collapse due to the abandoned building project will lead to the country economic collapse as well because there are too much unemployment cases in our country.

#### **2.5 Law Issues toward Abandoned Building Projects in Peninsular**

When it is come with construction project, many parties usually involve with construction project which is developer, contractor, supplier and buyers. Once the project identified as an abandoned building project, all the parties will be affected by it. There are a several of reason that why a project becomes abandoned building project such as inexperienced developer, poor marketing and sales strategies, financial problems, challenging economic conditions, disputes between shareholders, mismanagement of the company and business affairs and lack of enforcement and monitoring by the authorities (New Straits Times, 2018).

There are several of law are made to ensure no deviations or to avoid the issues of abandoned building project. But, the issues of abandoned building still happen until now and the existing laws does not reduce the issue. Therefore, the different and complicated Act policies on construction cause the building abandonment. According to Housing Development (Control and Licensing) Regulation 1989, Section 3 stated that the licence for upon every application is very easy. The laws can lead to any unexperienced developer apply the licence. Buyers are also faced with problems which is the house being unable to complete because the developer do not have a valid Housing Development License and Advertising and Sales Permit (MalaysiaKini, 2017). Besides that, the authorities must check whether the developer is qualified or not to control a project. The developer must have a purpose for do a development and the authorities need to qualified either the purpose of development can be successful or not. For example, based on Housing Development (Control & Licensing) Act 1966 (Act 118) in section 6 which is

Conditions or restrictions for the grant of a licensing stated that the developer's deposit has now been increased to three per cent of the estimated cost of construction. This means that only developers with a strong financial backing are able to be granted a licensing for development to avoid abandoned building project because there are many financial issues that causes by developer.

A small interview has been handled to get some information regarding the Act policies that parties does not follow and it also can bring a lot of complacency to some parties if the policies does not amend. Regarding to interview from developer organization, there are several policies that might be harm to their business. For the first Act Policies is based on P.W.D Form 203A (Rev. 1/2010) in clause 30 which is fluctuation of price. It is stated that net total of payment that should be pay to the contractor shall be increased or decreased accordingly (PWD203A, 2010). That policies should be amended because of it will give loss to the developer. The net total of payment can be increase or decrease according to the contractor. So that, that policies will give advance to the contractor. The developer wishes to pay the appropriate amount if the contractor has completed about 25% or 50% of the development to avoid the occurrence of the contractor who escaped after paying without complete the project. If the contractor walks away and does not complete the project, the developer will have suffered huge losses. Moreover, it is complicated to find new contractor to run again the project and it can cause the developer let the project became abandoned building project.

From that interview also, the policies that should be amendment is based on P.W.D Form 203A (Rev. 1/2010) in clause 69 which advance payment. The clause stated that the advance payment shall be recouped when the cumulative total value of Builder's work executed and certified reaches 25% and the advance payment on the contract amounts to 25% that developer need to pay to contractor should be amendment because of 25% of Builder's work is just beginning work. The advance payment should be 50% Builder's work and at least the developer see the improvement of the project. However, clause 69 give the profit to the contractor because it can help their financial to invest for that project.

## 2.6 Summary

The literature reviews from had been listed some the law issues toward abandoned building project in Peninsular Malaysia. . Based on the literature review studies in this research, the common causes of law issues toward abandoned building projects in Peninsular, Malaysia which is Clause 30 and Clause 69 in P.W.D Form 203A (Rev. 1/2010) also Section 3 in Housing Development (Control and Licensing) Regulation 1989. The table shows some of literature review of this study.

<b>Authors</b>	<b>Title</b>	<b>Abstract</b>
Nuarrual Hilal Md. Dahlan 2008	The Need to Define 'Abandoned Housing Project' in Peninsular Malaysia: An Analysis	Construction and development works on site of the project, has been terminated for the preceding six (6) months or more.
Arni Nadhirah bt Abdul Hadi, Nurul Huda bt Mohd Salleh & Tan Gim Mei 2015	Abandoned Housing Project: Issues and Challenge	The developer has lack of experience and knowledge to handle the project.
Mohamad Sukeri Khalid 2010	Abandoned Housing Development: The Malaysian Experience	The findings will also significantly assist the federal government to revise the present housing provision in Malaysia from the 'Sell then Build' to the 'Build then Sell' systems.

Table 2.2 Literature Review

This abandoned building gives so many negative impacts to the individual, parties involved and country. However, the information gathered is not enough as the main factor that can causes abandoned building project is not identified yet. To get the result, a questionnaire will be distributed to collect the data.

## **CHAPTER 3**

### **METHODOLOGY**

#### **3.1 Introduction**

For this chapter is about the method that will use in this research to achieve the objectives outlined that has been discuss in chapter 1. The methodologies adopted for this research are literature search and questionnaire survey.

#### **3.2 Literature Review**

Literature review has been finalized with the different of information sources which is book, journal, article and internet article. The review already explained in chapter 2. The purpose of this review is to understand the theory regarding the law issues toward abandoned building project in Malaysia.

#### **3.3 Questionnaire Survey**

Questionnaire survey will conduct as data collection for this study. The questionnaire is distributed randomly about 60 questionnaires and also distributed to the respondent to get the feedback and appropriate data to achieve the objective of this study. Furthermore, the distributions of the questionnaires are done through social network, e-mail and by hand using questionnaire form. The questionnaires will be spread to contractor, consultant, developer, government and others. Others mean who that work in civil environment.



### 3.3.1 Questionnaires Structures

The questionnaire will be in the form of multiple choice questions and answers. The questionnaire is divided into four sections as follows:

- i. Section A: Establish respondent's background.
- ii. Section B: This section is about the respondent's knowledge about abandoned building project.
- iii. Section C: This section is about the impacts that causes by abandoned building project in Malaysia (Peninsular).
- iv. Section D: This section is about law issues toward abandoned building project in Malaysia (Peninsular).
- v. Section E: This section is about the opinion to solve the abandoned building project in Malaysia (Peninsular).

Likert scale will be used in the multiple-choice question which is five ordinal measure of agreement for each statement from 1 to 5.

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
1	2	3	4	5

Table 3.1 Five ordinal measure of agreement of Likert's Scale

The advantages that use this scale as follow:

- i. To ease the respondent to answer the questionnaires.
- ii. Easier to evaluate the data collection.
- iii. Numerous of information can be generated and obtained.

### 3.3.2 Data Analysis

The data analysis made on the data that obtained from the questionnaires so that these data can be processed and converted into easily understood form of information. The questionnaires were distributed evenly to the expertise and were analysed by using Relative Importance Index (RII) technique. The data obtain from the questionnaire was analysed using the average index method and the multiple-choice question is made based on Likert's Scale for five ordinal measure of agreement (Ariffin *et al.*, 2018). The Relative Important Index (RII) is as Equation 3.1;

$$RII = [(5n_5 + 4n_4 + 3n_3 + 2n_2 + 1n_1) / 5N] \quad 3.1$$

Where;

$n_5$  = Strongly Agree (SA);  $n_4$  = Agree (A);  $n_3$  = Undecided (UD);  $n_4$  = Disagree (DA);  $n_1$  = Strongly Disagree (SD); and N = Number of respondents.

### 3.4 Research Methodology Flow Chart

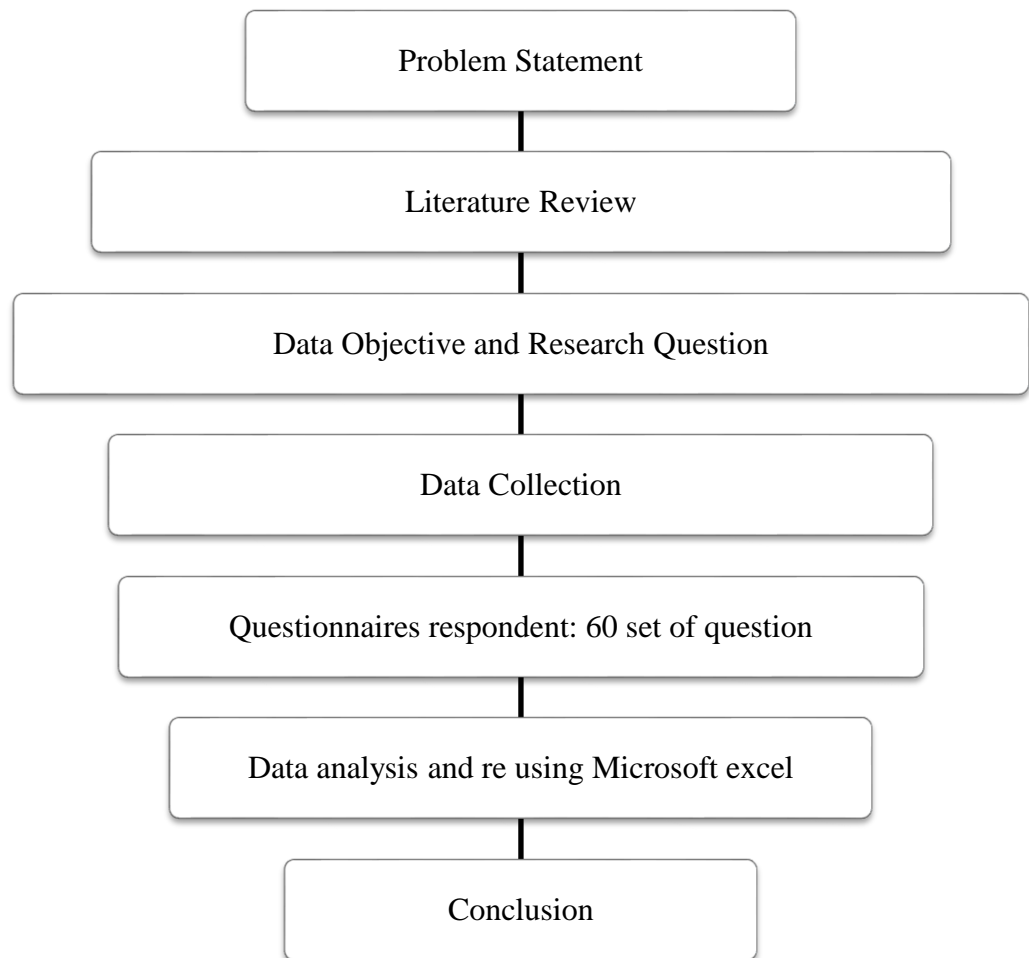


Figure 3.1 Flow Chart

## **CHAPTER 4**

### **RESULTS AND DISCUSSION**

#### **4.1 Introduction**

The chapter shows the research result and analysis. The data will process and analysed from the questionnaire survey that has been distributed. The data received will generate the result which will then be tabulated and chart that will use for further discussion. The first section will explain about the respondent's background in simple analysis. The second section is about the knowledge of respondent about abandoned building project. The third section is about the impacts caused by abandoned building project. The next section display result on the law issues toward abandoned building project and also the opinion of solution regarding how to avoid abandoned building project in Malaysia.

#### **4.2 Data Collection**

The qualitative data generated from the questionnaire survey was analysed using the relative important index as a preliminary technique as explanation would simple to understand. This method shows the percentages or average index. The average relative important index is then represented in the form of tables, pie chart and bar charts. A total questionnaire was managed to be is 53 and hence only that will used as the analysis of this research.

#### **4.3 Section A: Background of respondent**

For the first question in background of responses which is about gender. Based on the literature review studies in this research, the common causes of law issues toward abandoned building projects in Peninsular, Malaysia which is Clause 30 and Clause 69

in P.W.D Form 203A (Rev. 1/2010) also Section 3 in Housing Development (Control and Licensing) Regulation 1989. The table shows some of literature review of this study.

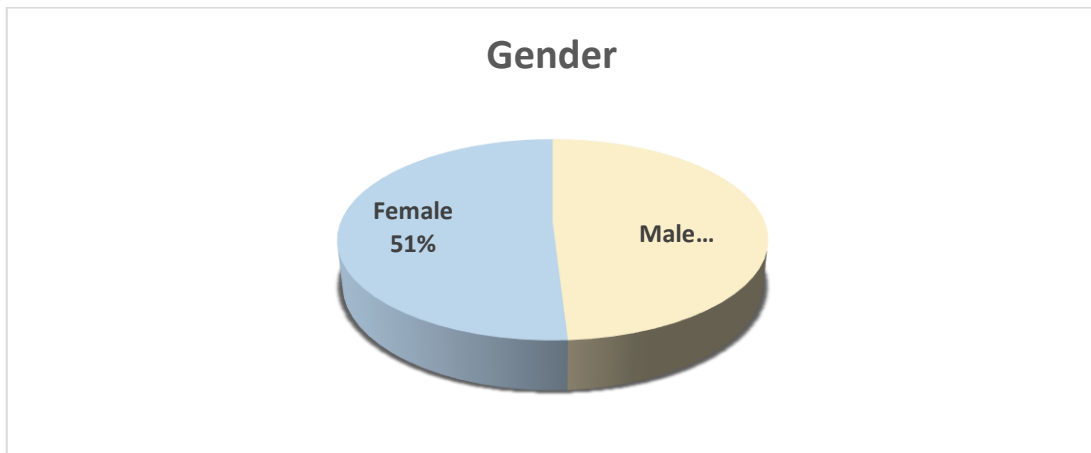


Figure 4.1 Gender of respondent

Based on figure 4.2, the majority of the respondents are from the age group 20-29 years with 79%, 11% from the age group 40-49 years old which start to be senior in the construction organization. The senior respondent is more important to show how the respondents understand the questionnaire that is distributed. This is because some of the senior have many experiences in abandoned building issues compare to the junior. The junior must know about the abandoned building because that issues was current issues in Malaysia and no solution the reduced the issues but they do not have an experience how to handle that issues.

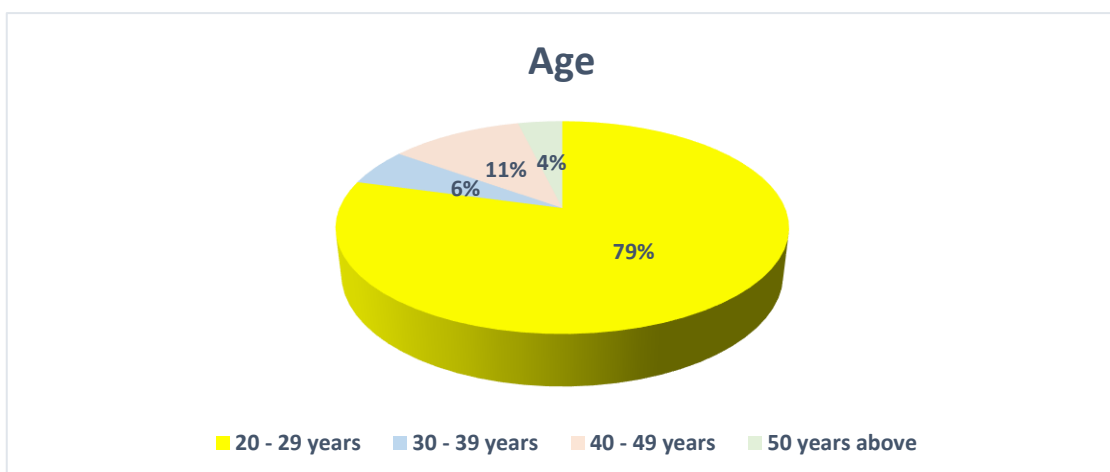


Figure 4.2 Age of respondent

The location that respondent's works are mostly at Johor with the highest percentage 23%, followed by Kuala Lumpur which is 17% are shown in figure 4.3. This may be easy to get the respondent at Johor and Kuala Lumpur because development activities are more at the capital cities. It is related with table 1.1 which is the most housing project developing in Johor and Selangor. So that, the mostly respondents are from Johor and it was easily respondent to answer the questionnaire.

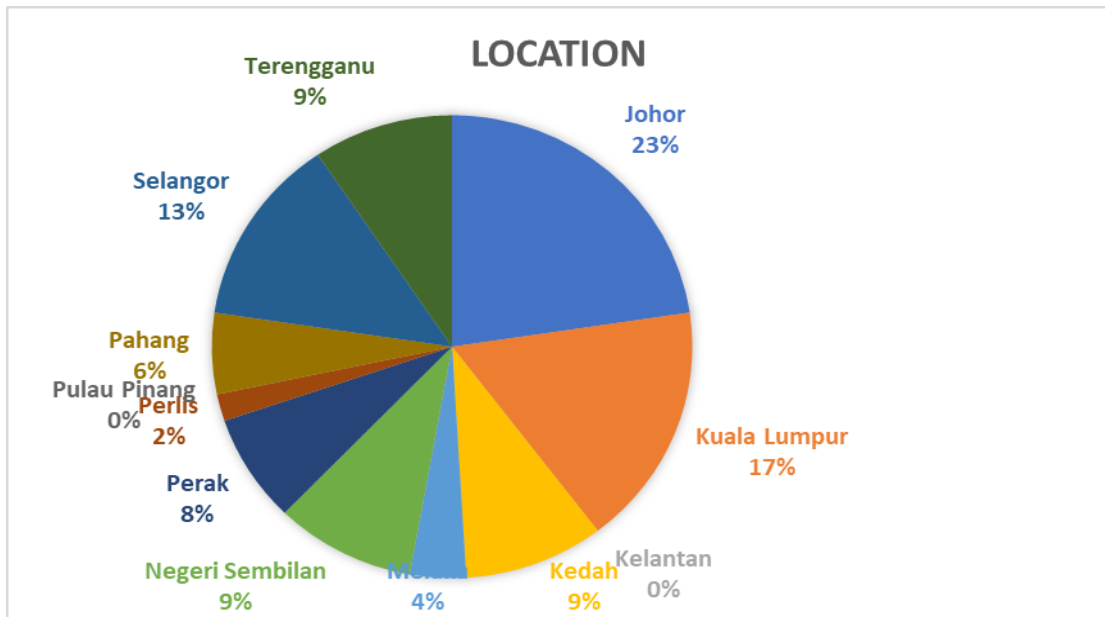


Figure 4.3 Location of the respondent

From figure 4.4, mostly respondent that respond the questionnaire are from degree which is 68% and followed by other is 6%. Other here mean the respondent must from Technical Institute or etc. This is because of nowadays, Malaysians are well educated so that the people need to have certain qualification at least diploma to work especially in construction industry. Because of that, mostly respondent may be understanding the objective of questionnaire were distributed.

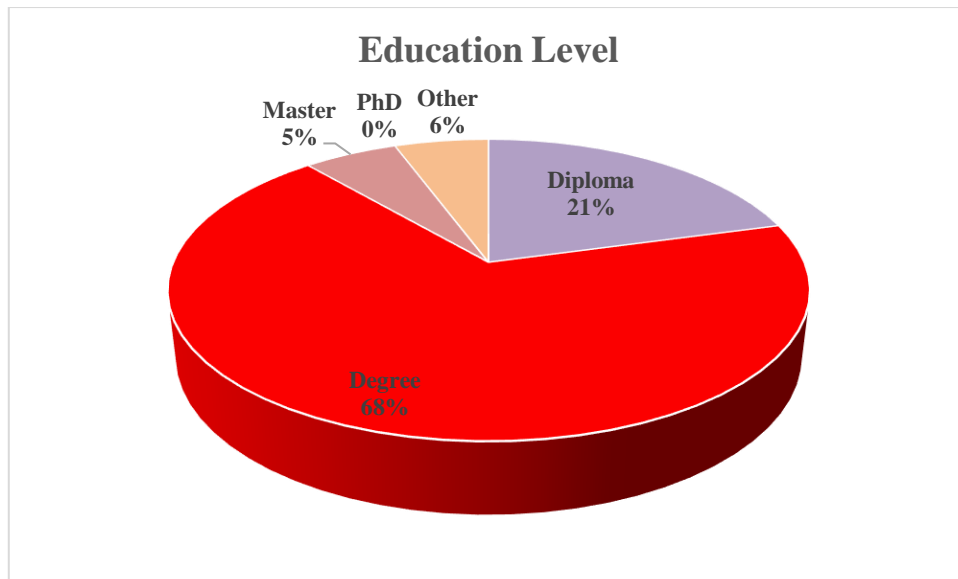


Figure 4.4 Education Level of Respondent

#### 4.3.1 Response Occupation

Based on the table 4.1, majority of respondents is contractor 55%. The number of respondents working as developer 17% and government 13%, followed by consultant 11% and other is 17%. The others group consists of the people who involve in construction site. The occupation of the respondent is important in this survey to show how much respondents with different type of work understand the questionnaire. Mostly in government, developer and consultant sector, they know what the policies that used and the important policies about abandoned building project. It can make the result become more exact to analyse.

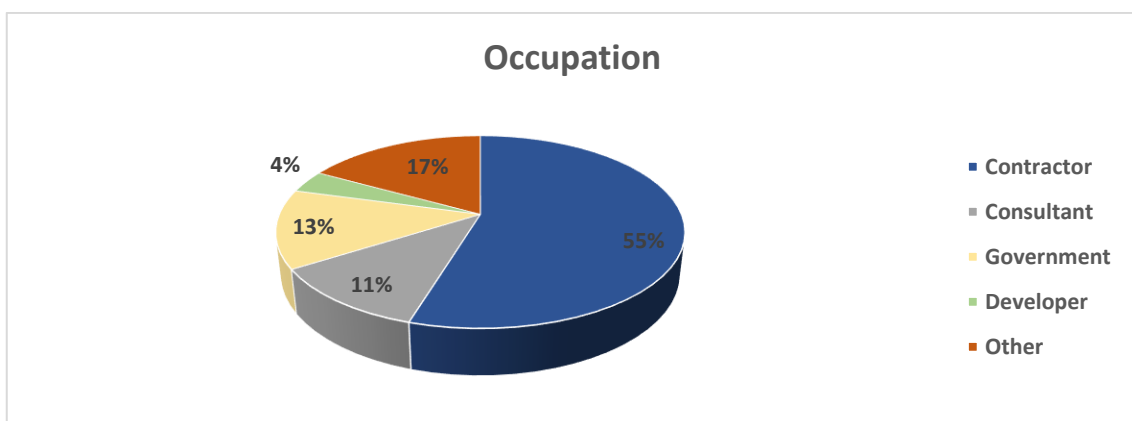


Figure 4.5 Respondent's Occupation

#### 4.4 Section B: Responses about Knowledge of Abandoned Building

Based on table 4.2 shows the result of respondent's knowledge of abandoned building in Malaysia that made from the percentage. For the section will as either yes or no. About 96% have heard about abandoned building and 4% do not heard about abandoned building in Malaysia. Mostly heard about abandoned building because the news on television. Moreover, according to (The Rakyat Post, 2017) there was about 253 abandoned private housing project were recorded in Peninsular Malaysia until now. So, it is being impossible if the respondent does not hear about abandoned building in Malaysia.

For next question is 'have you experienced in housing development' and mostly the respondent experienced in housing development which is 51%. There is because many respondents that answer this survey are contractor. The contractor usually will involve with building or housing development. Followed by the question which is 'have you experience in abandoned building' and mostly does not influenced in abandoned building which is 70%. 30% of have experience in abandoned building must be contractor or developer.

The abandoned building had happened at all location in Malaysia and people must have seen abandoned building surrounding them. There are about 89% have seen the abandoned building. The abandoned building mostly happens in major cities and maybe 11% that never seen the abandoned building stay in minor cities where that does not have an abandoned building project. Abandoned building are easily to locate and accessible to public especially in urban area (Footprint, 2014).

Abandoned building is building that has no identifiable owner and an empty building that is not in use (Eder, D., 2018). There were about 91% agreed with 'abandoned building is a building where there are no occupants in long time'. When the contractor or developer decided to walk away for that building, there no more maintenance will conduct at that area. So that, the building does not have an occupant in long time.

Furthermore, there are 77% agreed with 'abandoned building is residential left without buyer'. It is due to the owner not being able to maintain or pay the building and decided to walk away (Eder, D., 2018). Residential left without buyer maybe because the



developer has a poor planning and research about the project. The developer promotes the product with highest value and the resident not able to buy the product. At the end, the project does not have a buyer and became abandoned building.

The last question is ‘abandoned building happens when the contractor fails to complete the work due to limited time of failing to resume work in allocated time’. 91% respond agreed with that statement. Which means, the contractor fails to complete the work became one of the causes abandoned building.

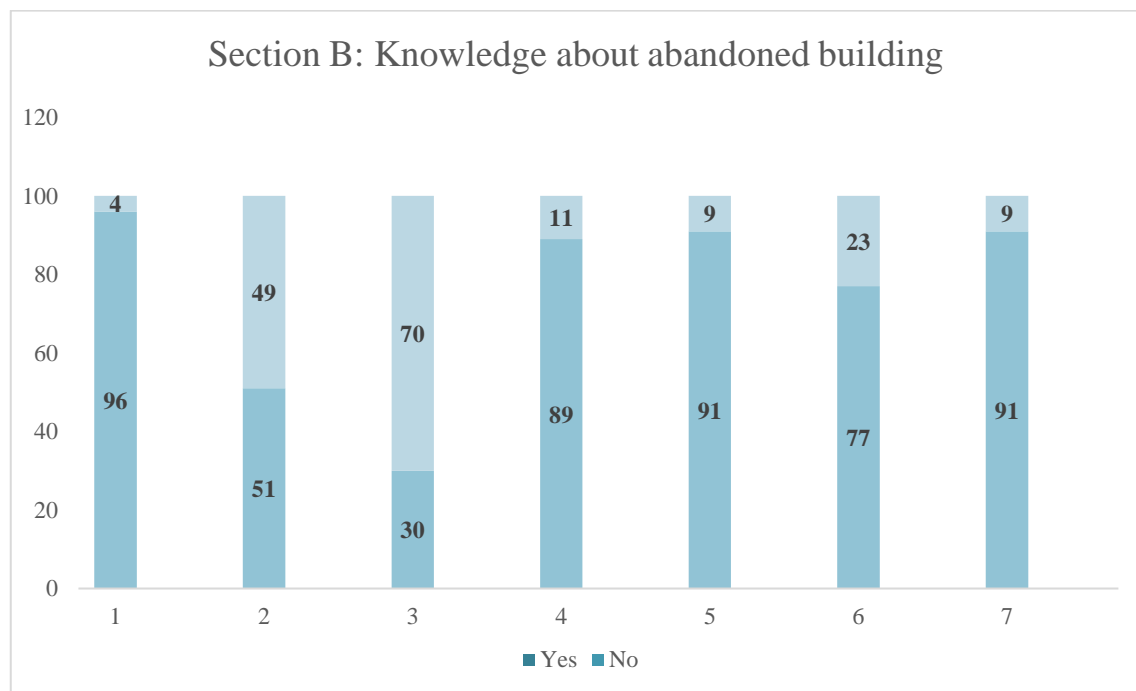


Figure 4.6 Respondent’s knowledge about abandoned building project

#### 4.5 Section C: Impacts caused by abandoned building project in Malaysia

Figure 4.7, show the ranking about the impact caused by abandoned building that made from the value relative index inequality at table 4.3. From figure 4.7, the result show that the highest rank 1 which is 0.85 of Relative Important Index (RII) of the impact caused by abandoned building project is the abandoned building project can destroy the image of our country toward other country. Mostly agree with this statement because Malaysia is one of the country that attract many tourists come to Malaysia. the overall market value collapse due to the abandoned building project will lead to the country economic collapse as well because there are too much unemployment cases in our country. Usually abandoned building happen in major cities and the tourist will see clearly the abandoned building project in front of them.

The second ranking which is 0.80 of RII is about the employment rate is increase and economic quality of life decrease upon people loss their job and the individual party that have influenced by the abandoned building project having monetary loss. If there are the project identified as abandoned building project, the current employer will lose their works and it make employment rate in our country became increase. Furthermore, some of buyers are not come from high income families. They usually apply loan from bank to pay the deposit of house that being abandoned building project. To get the refund it took quite a while and the loan must be pay before getting blacklist name. Followed by third ranking which have 0.78 of RII is about the social life of public being affected and the company might be bankruptcy due to unable to pay debt left behind by the abandoned building project. The social life of public will interrupt because the abandoned building project became a drug addict. It may be dangerous to the resident surrounding the abandoned building area and it will influence the neighborhood security because will be an increasing of chances in stealing cases by the drug addicts. Therefore, the company that involve with abandoned building might be suffer harm losses and it might dropped company image badly and the public will be seeing that the company have poor management and poor planning so that the abandoned building project was happened.

In addition, mostly respondent does not agree with 'abandoned building promote the habitat for dangerous animals. It is because the abandoned building project often occur in the middle of the city not in bush or forest. So that the dangerous animals would not come in abandoned building. It will be the habitat for animals but only insect. If the abandoned building project are cannot reduce, it might be public poor healthy in poor situation. So that, the biggest impact caused by abandoned building project is it will destroy our country image.

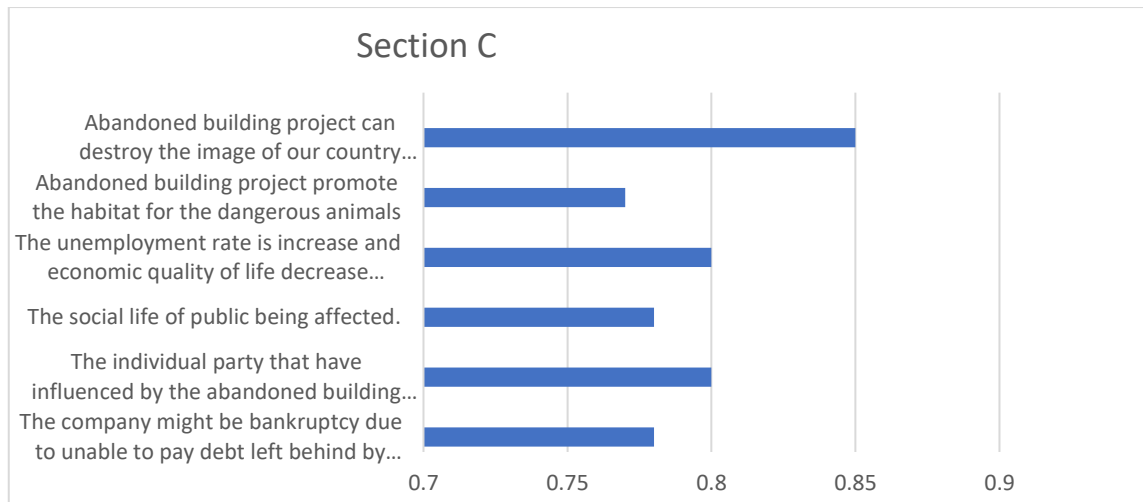


Figure 4.7 Impact caused by abandoned building project.

#### 4.6 Section D: Law issues toward abandoned building

This section has eight questions as show at figure 4.8. This section focused on the law issues toward abandoned building project in Peninsular Malaysia. The data show how the law issues toward abandoned building project. For example, in question 4 the analysis show that law from section 3 of Housing Development (Control and Licensing) Regulation 1989 should be amended or not. It also discusses about opinion from the respondent on Act policies towards abandoned building project. This is necessary as abandoned building project involve various parties such as house buyers, contractor, supplier and developer. All of the analysis will discuss in this section.

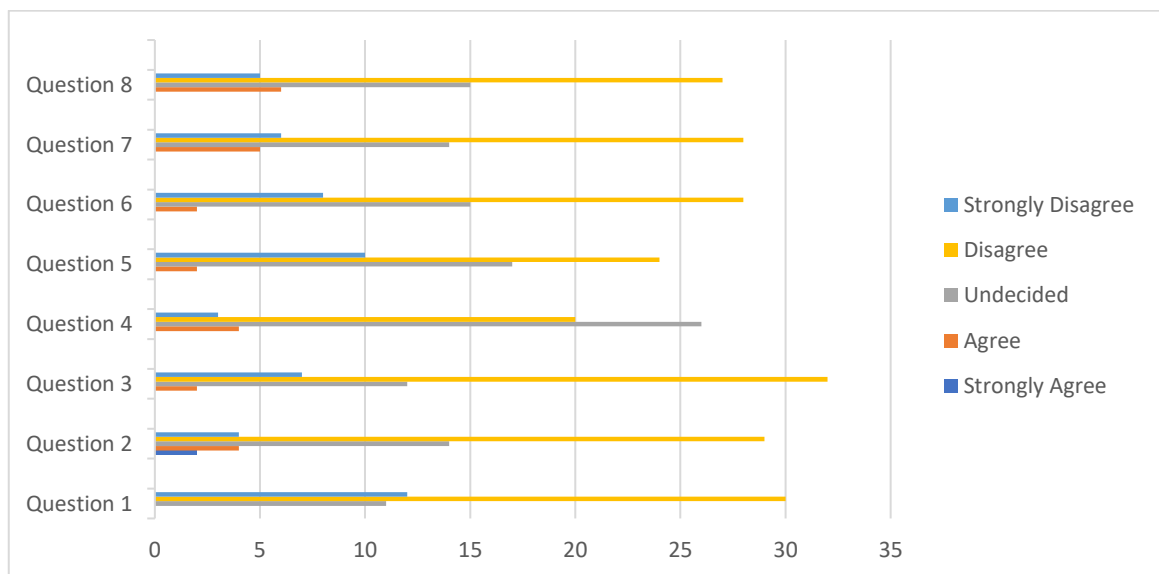


Figure 4.8 Analysis of law issues toward abandoned building project.

This question is about the respondent's knowledge either there is some law practice for avoid the abandoned building. Mostly the respondent chooses agree with that statement there are some law applied to the abandoned building project but the problem still occur in Malaysia.

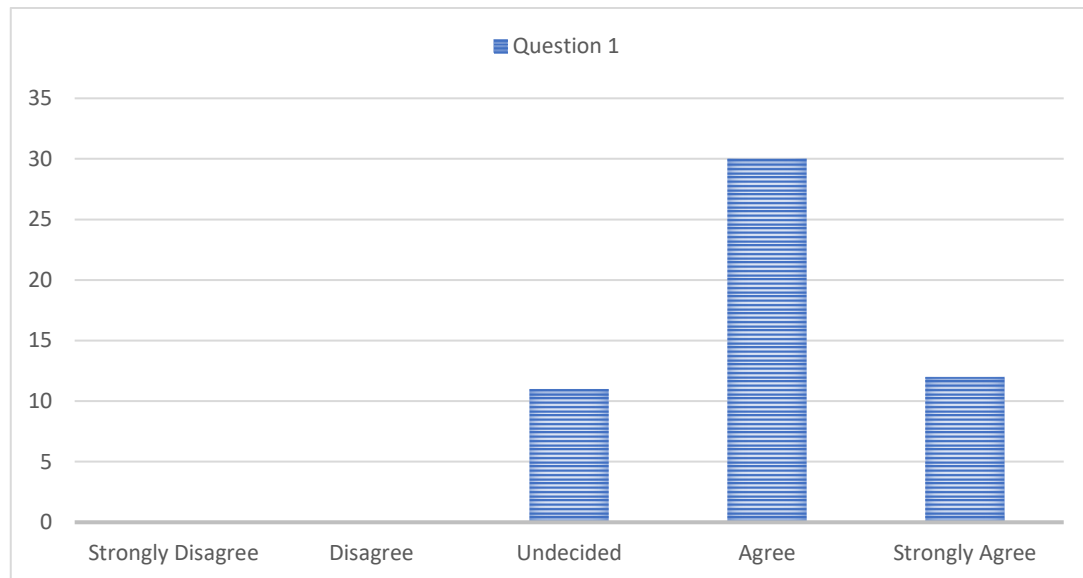


Figure 4.9 Analysis on there are some law applied to the abandoned building.

Based on question 2, there are the result in figure 4.10 regarding the different and complicated Act policies in construction cause the building abandonment and for question 3, there are the result show in figure 4.11 which the analysis of existing Act is did not solve the current problem o abandoned building project. For both question, mostly agree with that statement. The result show that many parties that involve in construction industry did not understand about the Act policies because it is very complicated, so that the current problem which is abandoned building does not solve either the existing law is practice in construction industry or not.

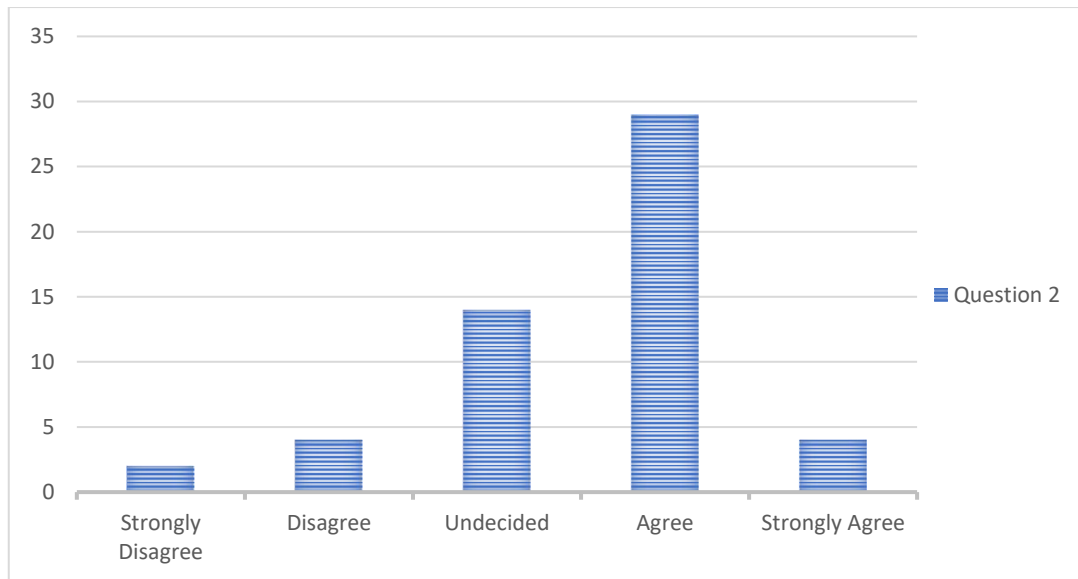


Figure 4.10 Analysis on the different and complicated Act policies in construction cause building abandonment

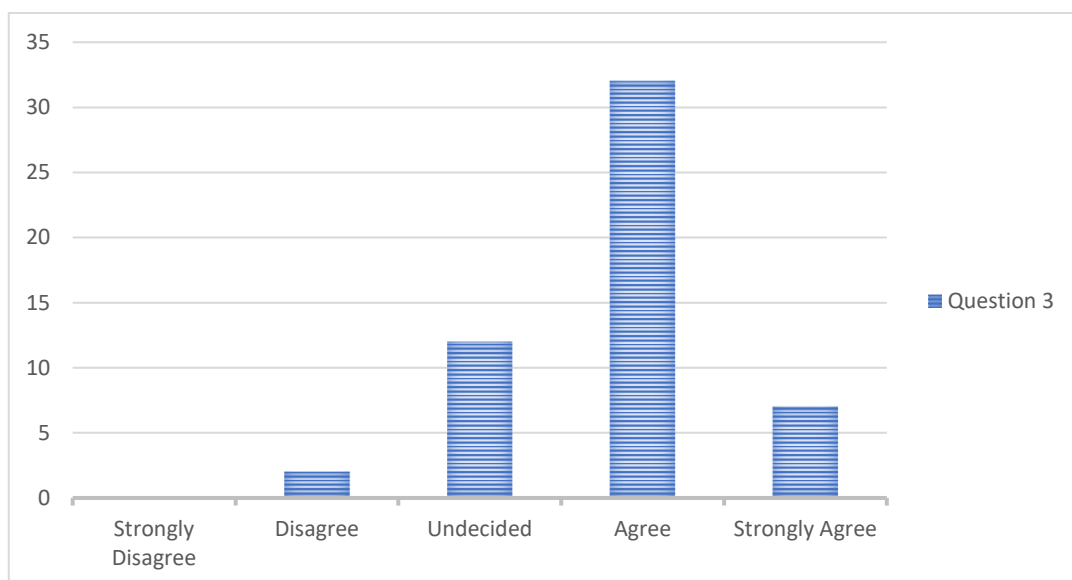


Figure 4.11 Analysis on the existing Act did not solve the current problem of abandoned building project

For the result shown in figure 4.12, which is from question 4 regarding Section 3 in Housing Development (Control and Licensing) Regulation 1989, it stated that the application for licensing is very easy to apply. There are no tight in terms and condition for apply the licensing. The laws can lead to any unexperienced developer apply the license. Besides that, the authorities must check whether the developer is qualified or not to control a project. The developer must have a purpose for do a development and the authorities need to qualified either the purpose of development can be successful or not.

Mostly respondent choosing undecided. It is because the half of the respondent is contractor and did not about the terms and condition to developer get the licensing. Based on figure 4.13, which is from question 5 it is related to the section 3 of Housing Development (Control and Licensing) Regulation 1989. This question is about to ask whether the law should be amended or not. Mostly the respondent answer agrees, so that the law should be amended to avoid any developer that involve construction who is not qualified to control the project.

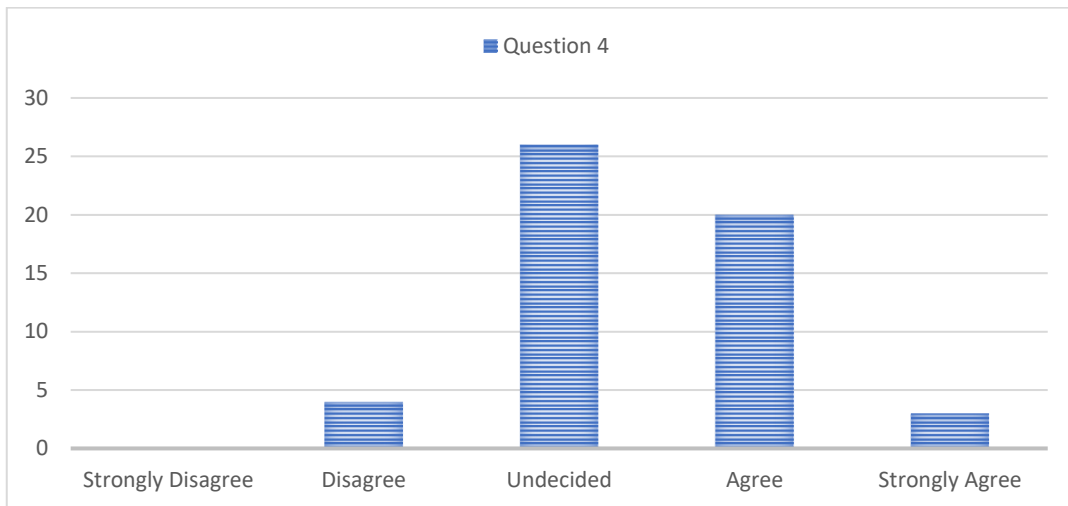


Figure 4.12 Analysis about Housing Development (Control and Licensing) Regulation 1989, the application for a license in section 3 is easy to apply.

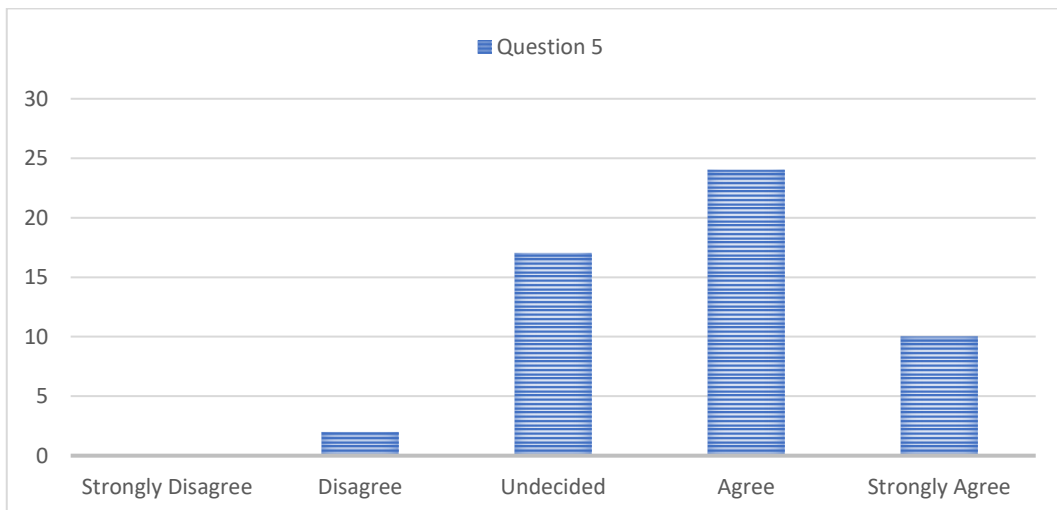


Figure 4.13 Analysis about the amended of Section 3 in Housing Development (Control and Licensing) Regulation 1989.

From figure 4.15, the result shown as a question 7 which the analysis of the advance payment on the Contract is amounting to 25% that developer need to pay to contractor regarding P.W.D Form 203A (Rev. 1/2010). The clause stated that the advance payment shall be recouped when the cumulative total value of Builder's work executed and certified reaches 25% and the advance payment on the contract amounts to 25% that developer need to pay to contractor should be amendment because of 25% of Builder's work is just beginning work. Mostly respondent agree with that statement and for the result shown in figure 4.14 is about the law should be amended or not. Regarding the respondent in this survey, mostly answer this questionnaire is contractor. The policies are given losses also to the contractor because 25% is a little amount and cannot backup the modal to construct the development.

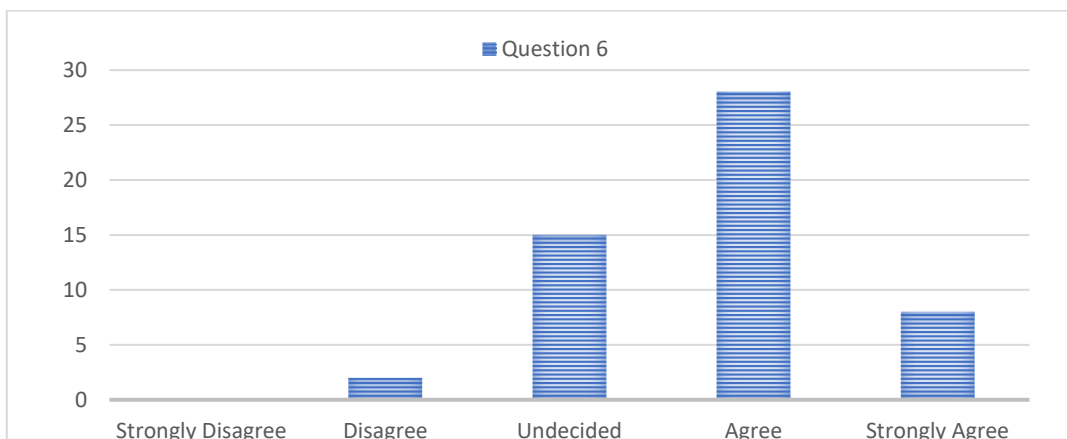


Figure 4.14 The analysis of the clause 69 in P.W.D Form 203A (Rev. 1/2010) should be amended or not

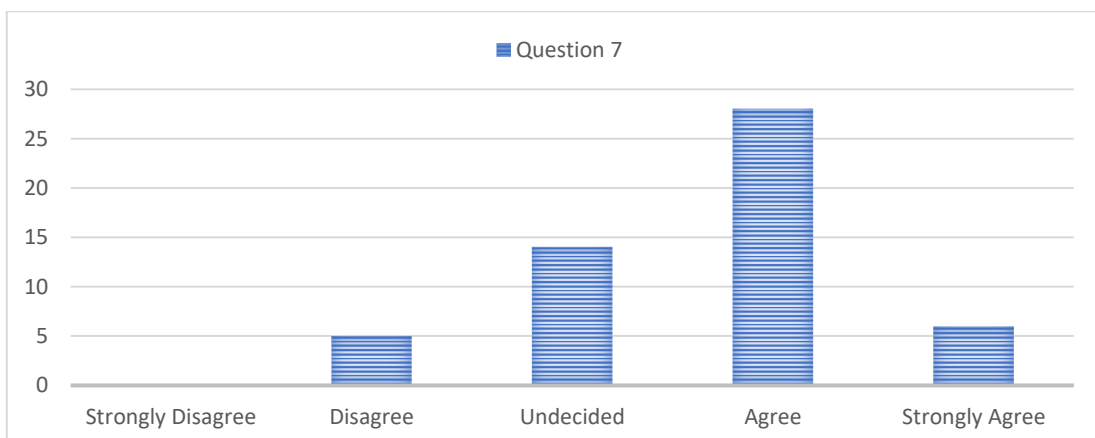


Figure 4.15 The analysis of the advance payment on the Contract amounting to 25% that developer need to pay to contractor regarding P.W.D Form 203A (Rev. 1/2010)

For the figure 4.16 shown the result for question 8 which the analysis on the net total of payment that is need to pay to the contractor shall be increased or decreased accordingly stated in clause 30 of P.W.D Form 203A (Rev. 1/2010). The data shown that the respondent agree to amended this clause because that policies will give advance to the contractor. The developer wishes to pay the appropriate amount if the contractor has completed about 25% or 50% of the development to avoid the occurrence of the contractor who escaped after paying without complete the project. If the contractor walks away and does not complete the project, the developer will have suffered huge losses.

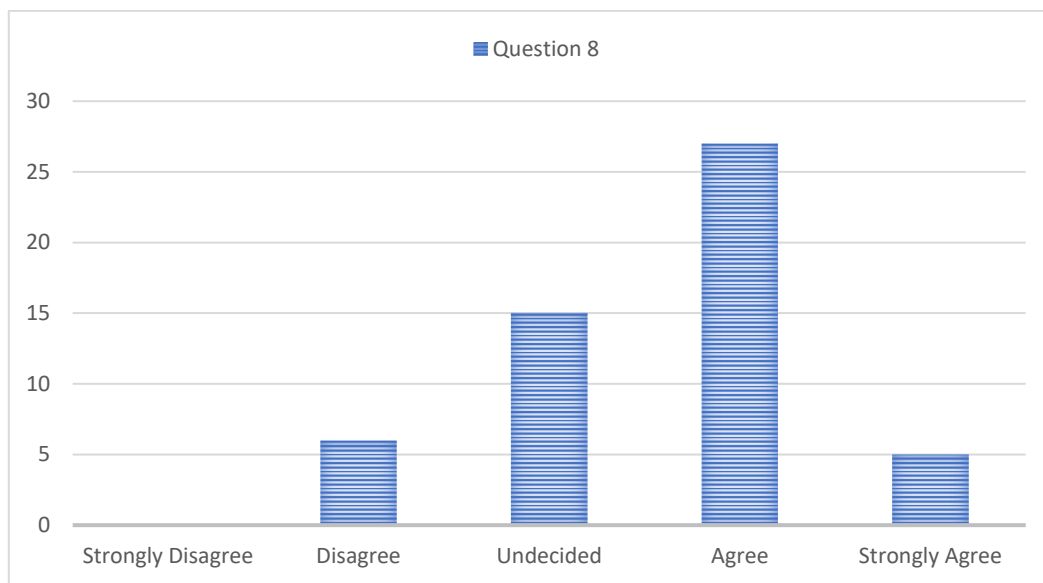


Figure 4.16 The analysis about the net total of payment that need to pay to the contractor shall be increased or decreased accordingly stated in clause 30 of P.W.D Form 203A (Rev. 1/2010)

Based on the figure 4.17, the top rank is the analysis of the advance payment on the Contract is amounting to 25% that developer need to pay to contractor regarding P.W.D Form 203A (Rev. 1/2010) with RII value which is 0.76. The clause stated that the advance payment shall be recouped when the cumulative total value of Builder's work executed and certified reaches 25% and the advance payment on the contract amounts to 25% that developer need to pay to contractor should be amendment because of 25% of Builder's work is just beginning work. Mostly respondent agree with that the law should be amended or not. Regarding the respondent in this survey, mostly answer this questionnaire is contractor. The policies are given losses also to the contractor because 25% is a little amount and cannot backup the modal to construct the development. Therefore, followed by Section 3 in Housing Development (Control and Licensing)



Regulation 1989, it stated that the application for licensing is very easy to apply with RII value which is 0.73. There are no tight in terms and condition for apply the licensing. The laws can lead to any unexperienced developer apply the license. Mostly the respondent answer agrees, so that the law should be amended to avoid any developer that involve construction who is not qualified to control the project.

Based on previous study, the Act issues toward abandoned building project is sell the build system. As the name implies, houses can be sold before the houses are being built, therefore there is more cash flow from the start of the construction phase and less requirement for the developer's own capital (Hadi, A.N.A., Salleh, N.H., and Mei, T.G., 2015). Consequently, Teoh & Lim stated that the projects may be delayed and eventually some might become abandoned. The sell-then-build system is also less risky than a build-then-sell system from bankers' point of view. The previous study has a solution which is change the concept sell then build to build then sell. The benefits of this concept are that the rights and responsibilities of the buyers and developers will be stated clearly, while banks and financial institutions are able to fund projects, as there is proof of sales transactions (The Star, 2007).

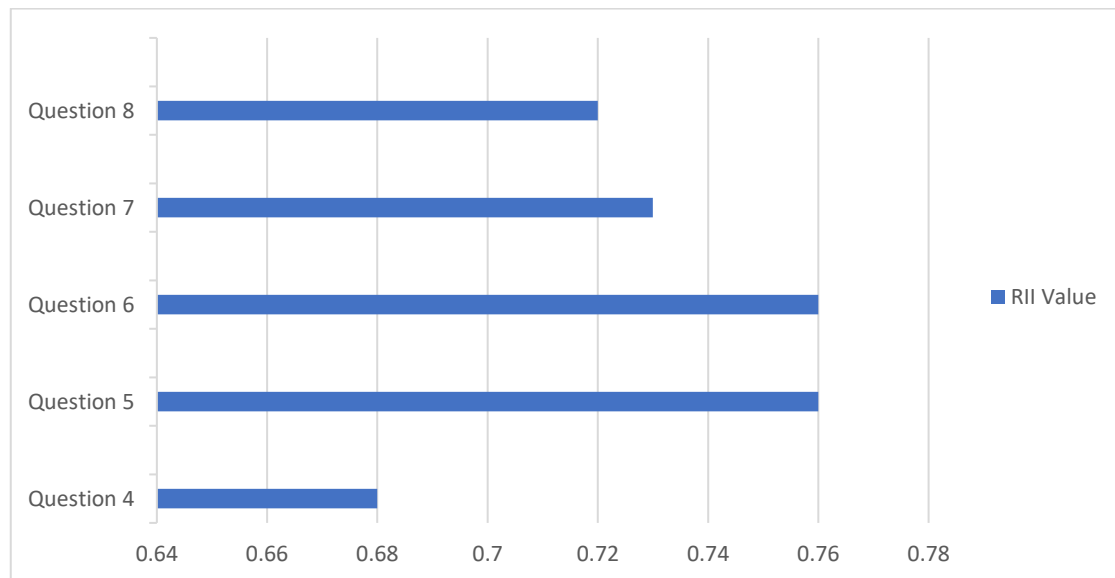


Figure 4.17 Rank between question section D regarding Relative Importance Index

#### 4.7 Section E: Solution of the abandoned building project

All this section is an important to gather the information in this questionnaire was distributed in order to achieve the research objective of solution and precaution step of abandoned building. In figure 4.18 below show the highest opinion of the respondent to solve the abandoned building project is select potential developer or contractor to execute the project which 49%. The authorities need to make sure all the project will have handled by the potential developer or contractor. The potential developer and contractor here means they did not have a common problem which is financial problem or mismanagement problem that end up make the project became abandoned building project. Rehabilitation is the lowest choice for the solution of the abandoned building project with 8%. This is because the respondent must know the process before get rehabilitation is difficult and took quite a while progress.

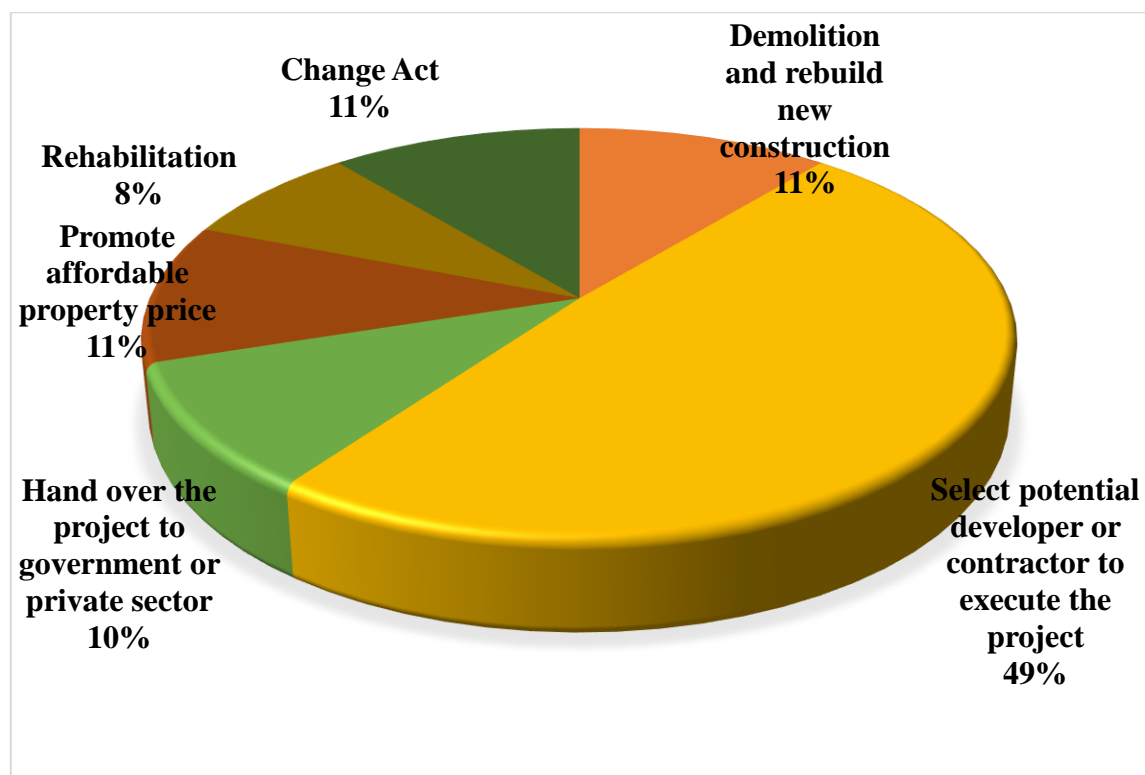


Figure 4.18 The analysis of solution for the abandoned building project

#### 4.8 **Summary**

By conducting analysis and discussion in this chapter, various findings and result are obtained. The government has a responsibility in providing quality housing and adequate for all its citizens. This can be done through policies enacted and housing programs. However, it was beyond the responsibility of the government to rehabilitate abandoned private sector housing projects because the house purchase was a transaction between the buyers and a private company. It is the responsibility of the original developer. However, being a responsive government for the public, the government of Malaysia has worked out a method to revive abandoned housing projects as a special additional measure of the government. The right policy has to be enacted to overcome the repetition of this endless abandoned issue.

There are focusing on do the analysis and discussion related to the objective for this study. The analysis of law issues toward abandoned building project is identify with ranked and compare. The solution of the abandoned building is identified but choosing the highest choice using pie chart. In addition, the following chapter will comprise of conclusion of the study and recommendation for further study about analysis on law issues toward abandoned building project in Peninsular Malaysia.

## **CHAPTER 5**

### **CONCLUSION**

#### **5.1 Introduction**

This chapter about the conclusions of this research, the proposals to manage the problem of abandoned building project that grow up in Peninsular Malaysia. It started with the explanation of the impact caused by abandoned building project as the appropriate statistical test for analyzing the data in order to achieve the research objective. The all data of this research gathered from the survey questionnaire. It is useful for data reduction and summarization of the set of observed variables which contained variables for identifying in this study.

#### **5.2 Conclusions**

Based on the result that has been analyzed, this study has come out with the conclusion based on the objectives that need to be achieve in this research. Those three objectives are to analyze issues of Malaysia's Act toward abandoned building project, to investigate the cause and factor contribute to the abandoned building based on Act by government and to purpose the suitable solution to overcome abandoned building project due to Act.

##### **5.2.1 Objective 1: To analyze issues of Malaysia's Act toward abandoned building project**

The first objectives have been achieved. The law issues have been obtained from the literature review or known as the secondary data. There was law in section 3 of Housing Development (Control and Licensing) Regulation 1989, clause 30 and clause 69 in P.W.D Form 203A (Rev. 1/2010). These 3 law issues toward abandoned building project in Peninsular Malaysia.

### **5.2.2 Objective 2: To investigate cause and factor contribute to the abandoned building based on Act by government**

The second objective of this study has been identified where the cause and factor contribute to the abandoned building based on Act by government is Section 3 in Housing Development (Control and Licensing) Regulation 1989 and clause 69 in P.W.D Form 203A (Rev. 1/2010). There were about 64% is agree about this statement and about 36% were disagree that the law policies were the cause and factor that lead to abandoned building project.

### **5.2.3 Objective 3: To identify the suitable solution for the abandoned building project.**

The third objective has been successfully achieved. There were 6 suggestion of suitable solution that can be choose for this problem. The possible solution is demolition and rebuild new construction, select potential developer or contractor to execute the project, hand over the project to government or private sector, promote affordable property price, rehabilitation and change Act. Therefore, the preferable solution is by select potential developer or contractor to execute the project.

In conclusion, any construction management who has involved in the abandoned building, they need to finish the project even though the project has been abandoned. The effect of the abandoned building does not only occur the company but also the surrounding and house buyers. The construction organization must have a good strategy and a good planning to avoid the project become abandoned building.

## **5.3 Recommendations**

Further studies on the research need to be conducted in the future in order to come out with better result. Several recommendation are proposed for the future studies of this analysis the law issues toward abandoned building project in Peninsular Malaysia. The following recommendations might be useful for future investigation to achieve the objectives of this research:

1. For research regarding legal issues, the interview session between the parties that involve in the problem more appropriate.

2. A study that focuses on investigating the potential solutions to abandonment of project to complement the lack of this research.
3. Increase the number of respondents and questionnaire for the site in order to obtain more accurate and precise data.
4. Search more relevant journal or the related information about the performance of parties involved in the project. So, the researcher can really prepare a very good search.

The finding could help the practitioners in construction industry to gain better understanding about the problems time of projects during construction stage. By taking care of these potential causes in their present and future projects, construction participants can reduce and control the extend of delay and cost overruns.

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## APPENDIX A

### SAMPLE APPENDIX 1

5/29/2019 ANALYSIS ON LAW ISSUES TOWARD ABANDONED BUILDING HOUSING AND PROJECTS IN MALAYSIA

ANALYSIS ON LAW ISSUES TOWARD ABANDONED BUILDING HOUSING AND PROJECTS IN MALAYSIA

INTRODUCTION

Hi. I am currently final year student Bachelor of Civil Engineering in Universiti Malaysia Pahang. I am conducting a survey on Analysis on Law Issues toward Abandoned Building Housing and Projects in Malaysia (Peninsular).

The objective of this survey:

- 1.To analyze issues of Malaysia's Act towards abandoned building housing and projects.
2. To investigate the cause and factor contribute to the abandoned building based on Act by Government.
3. To purpose the suitable solution to overcome abandoned building due to Act.

I highly appreciate if you could answer the survey wisely and reliably. Thank you for your time and involvement that may affect the accuracy and success of the research.

Sincerely,

Nor Zuraiha binti Mohd Zaki  
Final Year Student  
Bachelor of Civil Engineering  
Universiti Malaysia Pahang, Gambang.

SECTION A: RESPONDENT'S BACKGROUND

Gender \*

☐ Female

☒ Male

<https://docs.google.com/forms/d/14Nes56GwDERH6t2-NPX3TYJKJPQn2-q41XSK7CrSFgledtI#response=ACYDBNg-SuhTWK1-2DgK964xkM-InJL0...> 1/12

**Age \***

- ☒ 20 - 29 years
- ☐ 30 - 39 years
- ☐ 40 - 49 years
- ☐ 50 above

**Ethnic/Race \***

- ☒ Malay
- ☐ Chinese
- ☐ Indian
- ☐ Other

**Type of Organization \***

- ☐ Contractor
- ☒ Consultant
- ☐ Government
- ☐ Developer
- ☐ Other

**Education Level \***

- ☐ Diploma
- ☐ Degree
- ☒ Master
- ☐ PHD
- ☐ Other

**Location \***

- ☒ Johor
- ☐ Kuala Lumpur
- ☐ Kelantan
- ☐ Kedah
- ☐ Melaka
- ☐ Negeri Sembilan
- ☐ Perak
- ☐ Perlis
- ☐ Pulau Pinang
- ☐ Pahang
- ☐ Selangor
- ☐ Terengganu

## SECTION B: KNOWLEDGE ABOUT ABANDONED BUILDING

Side Notes: Act used in Malaysia (Peninsular)

1. Peninsular Malaysia (Act 118 Housing Development Control and Licensing Act 1966)

2. P.W.D Form 203A (Rev. 1/2010)

Have you heard about abandoned building? \*

☒ Yes☐ No

Have you experienced in housing development? \*

☒ Yes☐ No

Have you experienced in abandoned building? \*

☒ Yes☐ No

Have you seen abandoned building surrounding you? \*

☒ Yes☐ No

Abandoned building is a building where there are no occupants in a long time. \*

☒ Yes☐ No

Abandoned building is a residential left without buyer. \*

☐ Yes

☒ No

Abandoned building happen when the contractor fails to complete the work due to limited time or failing to resume work in allocated time. \*

☒ Yes

☐ No

---

#### SECTION C: IMPACTS THAT CAUSED BY ABANDONED BUILDING PROJECT IN MALAYSIA (PENINSULAR)

The company might be bankruptcy due to unable to pay the debt left behind by the abandoned building. \*

☐ Strongly disagree

☐ Disagree

☐ Undecided

☐ Agree

☒ Strongly agree

The individual party that have influenced by the abandoned building project having monetary loss. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☒ Undecided
- ☐ Agree
- ☐ Strongly agree

The social life of public being affected. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☒ Agree
- ☐ Strongly agree

The unemployment rate is increase and economic quality of life decrease upon people loss their job. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☒ Undecided
- ☐ Agree
- ☐ Strongly agree

Abandoned building project promote the habitat for the dangerous animals.

\*

☐ Strongly disagree

☐ Disagree

☐ Undecide

☒ Agree

☐ Strongly agree

Abandoned building project can destroy the image of our country toward other country. \*

☐ Strongly disagree

☐ Disagree

☐ Undecided

☐ Agree

☒ Strongly agree

---

SECTION D: LAW ISSUES TOWARD ABANDONED BUILDING PROJECT IN MALAYSIA (PENINSULAR)



**There are some law applied to the abandoned building. \***

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☒ Agree
- ☐ Strongly agree

**The different and complicated Act policies in construction cause the building abandonment. \***

- ☐ Strongly disagree
- ☐ Disagree
- ☒ Undecided
- ☐ Agree
- ☐ Strongly agree

**The existing Act did not solve the current problem of abandoned building project. \***

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☒ Agree
- ☐ Strongly agree

☐ Strongly disagree

☐ Disagree

☒ Undecided

☐ Agree

☐ Strongly agree

☐ Strongly disagree

☐ Disagree

☒ Undecided

☐ Agree

☐ Strongly Agree

The Clause 69 in P.W.D Form 203A (Rev. 1/2010) should be amended to avoid abandoned building project by developer and contractor. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☒ Agree
- ☐ Strongly Agree

Based on P.W.D Form 203A (Rev. 1/2010), the advance payment on the Contract amounting to 25% that developer need to pay to contractor should be amendment. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☐ Agree
- ☒ Strongly Agree

The Clause 30 in P.W.D Form 203A (Rev. 1/2010) stated net total of payment that government pay to the contractor shall be increased or decreased accordingly should be amended. \*

- ☐ Strongly disagree
  - ☐ Disagree
  - ☒ Undecided
  - ☐ Agree
  - ☐ Strongly Agree
- 
- 

#### SECTION E: OPINION TO SOLVE THE ABANDONED BUILDING PROJECT IN MALAYSIA (PENINSULAR)

In your opinion, what is the best solution to solve the issues of abandoned building in Malaysia (Peninsular). \*

- ☐ Demolition and rebuild new construction.
- ☒ Select potential developer or contractor to execute the project.
- ☐ Hand over the project to government or private sector.
- ☐ Promote affordable property price.
- ☐ Rehabilitation
- ☐ Change Act

## APPENDIX B

### SAMPLE APPENDIX 2

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- ☐ Kuala Lumpur
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Have you seen abandoned building surrounding you? \*

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Abandoned building is a building where there are no occupants in a long time. \*

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☐ No



Abandoned building is a residential left without buyer. \*

☐ Yes

☒ No

Abandoned building happen when the contractor fails to complete the work due to limited time or failing to resume work in allocated time. \*

☒ Yes

☐ No

---

#### SECTION C: IMPACTS THAT CAUSED BY ABANDONED BUILDING PROJECT IN MALAYSIA (PENINSULAR)

The company might be bankruptcy due to unable to pay the debt left behind by the abandoned building. \*

☐ Strongly disagree

☐ Disagree

☐ Undecided

☐ Agree

☒ Strongly agree

The individual party that have influenced by the abandoned building project having monetary loss. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☐ Agree
- ☒ Strongly agree

The social life of public being affected. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☐ Agree
- ☒ Strongly agree

The unemployment rate is increase and economic quality of life decrease upon people loss their job. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☐ Agree
- ☒ Strongly agree

Abandoned building project promote the habitat for the dangerous animals.

\*

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecide
- ☐ Agree
- ☒ Strongly agree

Abandoned building project can destroy the image of our country toward other country. \*

- ☐ Strongly disagree
- ☒ Disagree
- ☐ Undecided
- ☐ Agree
- ☐ Strongly agree

---

SECTION D: LAW ISSUES TOWARD ABANDONED BUILDING PROJECT IN MALAYSIA (PENINSULAR)

**There are some law applied to the abandoned building. \***

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☐ Agree
- ☒ Strongly agree

**The different and complicated Act policies in construction cause the building abandonment. \***

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☒ Agree
- ☐ Strongly agree

**The existing Act did not solve the current problem of abandoned building project. \***

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☒ Agree
- ☐ Strongly agree

Based on Housing Development (Control and Licensing) Regulation 1989, the application for a licence in Section 3 is easy to apply. \*

- ☐ Strongly disagree
- ☒ Disagree
- ☐ Undecided
- ☐ Agree
- ☐ Strongly agree

Section 3 of Housing Development (Control and Licensing) Regulation 1989 should be amended to avoid any contractor, developer or any organization that involve construction who is not qualified to control a project. \*

- ☐ Strongly disagree
- ☒ Disagree
- ☐ Undecided
- ☐ Agree
- ☐ Strongly Agree

The Clause 69 in P.W.D Form 203A (Rev. 1/2010) should be amended to avoid abandoned building project by developer and contractor. \*

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided
- ☐ Agree
- ☒ Strongly Agree

Based on P.W.D Form 203A (Rev. 1/2010), the advance payment on the Contract amounting to 25% that developer need to pay to contractor should be amendment. \*

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- ☒ Disagree
- ☐ Undecided
- ☐ Agree
- ☐ Strongly Agree

The Clause 30 in P.W.D Form 203A (Rev. 1/2010) stated net total of payment that government pay to the contractor shall be increased or decreased accordingly should be amended. \*

- ☐ Strongly disagree
- ☒ Disagree
- ☐ Undecided
- ☐ Agree
- ☐ Strongly Agree

---

#### SECTION E: OPINION TO SOLVE THE ABANDONED BUILDING PROJECT IN MALAYSIA (PENINSULAR)

In your opinion, what is the best solution to solve the issues of abandoned building in Malaysia (Peninsular). \*

- ☐ Demolition and rebuild new construction.
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- ☐ Hand over the project to government or private sector.
- ☐ Promote affordable property price.
- ☐ Rehabilitation
- ☐ Change Act