

## Equitable Distribution of Low-Cost Houses in Malaysia: Constraints and Challenges

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### ABSTRACT

The government policies on low-cost housing have transpired from various Malaysian Plans. According to the Tenth Malaysia Plan, continuous efforts will be put into ensuring Malaysian citizens from all level of income to have opportunity to acquire houses that are normally referred to as “adequate, affordable and good quality.” Since issue of housing is more crucial in urban areas, greater emphasis is placed on the low-income group for better urban services and healthy living. (Government of Malaysia, 2010) A study on all Malaysian Plans have shown that the government encourages the private sector to build more low-cost houses and low-medium-cost houses. On the other hand the public sector concentrates on providing houses for lower income group and houses for public sector employees. Despite deep involvement of both public and private sectors in providing low-cost houses to the low-income group, there is still a problem of inadequate supply of low-cost units. This article examine the Open Registration System (“ORS”) established by the Ministry of Housing and Local Government of Malaysia (“MHLG”) in registration of intended purchasers and distribution of low-cost houses to the targeted groups that is the low-income group, identify the constraints and challenges in implementing the system and make suggestions for reforms in terms of legal and institutional frameworks within Peninsula Malaysia

**Keywords:** Housing law, housing policy, low-cost houses, open registration system, equitable distribution

### INTRODUCTION

According to the statistic record as at 25th July 2011, the population of Malaysia is approximately 28.59 million (Department of Statistics, Malaysia) consisting of

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Any remaining errors or omissions rest solely with the author(s) of this paper.

a multitude of ethnicity, race and religion. The Malaysian government's policy on low-cost houses scheme mainly to address one of the essential needs of the lower income bracket of the population, that is to own houses. (Ministry of Housing and Local Government, National Housing Policy).

From the early period of independence until the presentation of Tenth Malaysian Plan, there are several of policies affecting the low-cost houses which have been introduced and implemented. In this article, discussions from the legal perspective will be based on the issue of distribution of low-cost houses under the recent policy of ORS. This article is aim to present the constraints and challenges to achieve the objectives of ORS, in particular in Peninsula Malaysia. In other words this article is only focus on the laws and policies related to the home ownership for low-income Malaysian citizens. Thus it excludes the issues on houses for rental by the local authorities or state governments or provision of houses for government servants or relocation of squatters to long houses upon acquisition of land. These issues have its own merits and need specific discussions on it.

## **BRIEF OVERVIEW ON LAW AND POLICY ON LOW-COST HOUSES**

The Malaysian government through its various Malaysia Plans has continuously addressed the issue of poverty and allocation of houses for the poor or low-income citizens. This is in line with the Istanbul Declaration on Human Settlement and Habitat Agenda (1996) to ensure adequate shelter for all. In this declaration, the term "shelter" is used instead of "house" where in most of the third world countries, shelter is needed as a place to stay. Comparatively in Malaysia, the need for a shelter is not a mere place to stay but it needs other infrastructures or facilities to come together with that accommodation. Through Vision Development Plan 2001 (which would be carried out during 2001-2010), the government will be the main provider of low-cost houses while other categories of houses are left to the private developers. Consequently a significant number of low-cost houses have been constructed both by public and private sectors during various Malaysian Plans. Ismail Omar (2000) has noted that the housing policy should provide the public to own affordable housing that should come with sufficient amenities.

The mechanisms used to implement the Malaysian housing policy are translated through various policies that have been introduced beginning from the colonial period until the Malaysian Development Plan as shown in Table 1. Similar with other developing countries, the Malaysian housing policies were drafted to tackle the need of public housing for the medium and lower income groups (Vincent and Joseph, 2000). Consequently, the Malaysian government has also formulated the uniform price, design and size for the low-cost houses. This is showed in Table 2.

In relation to the ceiling price of houses under the category of low-cost, the Real Estate and Housing Developers Association (REHDA) has forwarded its

memorandum (Memorandum on Budget 2009) dated 21<sup>st</sup> April, 2008 to the Ministry of Finance seeking the government's attention to increase the minimum ceiling price of low-cost houses from RM42,000 (about USD11,865) per unit to RM60,000 (about USD16,950) per unit. In the same memorandum it has also appealed for the government's consideration to allow private developers to concentrate on other categories of houses and the government takes responsibility to provide low-cost houses. Even though Malaysia is not considered as a welfare country, but serious commitment of government is needed in ensuring that its citizens will have a better quality of life by owning affordable houses. Hence the pressure from private developers should not be a reason for Malaysian government to sacrifice this basic need of the lower income groups. Many people found that in the urban areas the prices of houses available in the market are not affordable. (Razali Agus, 2001) In lieu of that, in order to be fair to the three of main stakeholders in the housing industry that comprise of developers, government and citizens, certain incentives should be given to developers that involve in the construction of low-cost houses to enable them to deliver houses at the quality and standard price that are controlled by the Government. The utilization of Industrial Building System (IBS) is one of the methods to minimize the cost of construction of the low-cost houses. Accordingly it would assist developers to increase their profit margin since it is alleged that constructions of low-cost houses are not profitable.

Apart from that there are several sets of statutes, regulations and policies which have been introduced and enforced to govern the development of the housing industry including the development of low-cost houses. For instance as early as 1969 when private developers started to involve themselves actively in the housing industry, the Housing Developers (Control and Licensing) Act, 1966 (now known as the Housing Development (Control and Licensing) Act, 1966) initially has been enacted to govern housing development undertaken by private developers. However at present through the amendment of the Act in 2002, the application of the Act has been extended to public and private developers as well as corporative societies. Following the Act, there are several other regulations which have been enforced to control the business of housing development by developers such as the Housing Development (Control and Licensing) Regulations 1989 and Housing Development (Tribunal for Homebuyers' Claim) Regulations 2002.

Similarly the enforcement of Strata Titles Act, 1985 and Building and Common Property (Management and Maintenance) Act, 2007 to regulate matters pertaining to sub-divided building and management and maintenance of building prior to the issuance of strata title respectively, are also significant since there are many multi-storey buildings comprising of low-cost houses. Besides that other statutes governing land development in general are also significant to the development of low-cost houses. This would include *inter alia* the National Land Code 1965, the Town and Country Planning Act, 1974, the Street, Drainage and Building Act, 1976 and the Uniform Building By Laws, 1984.

In New Economic Policy, since 15<sup>th</sup> August 1982 the federal government has imposed a policy (continuing at present) that at least 30 per cent of the houses developed by private developers under one particular project should consist of low-cost units. This requirement may be considered as a mandatory social obligation imposed by the government towards private developers even though practically developers will cross-subsidise the regulated cost price of low-cost houses by increasing the cost of other categories of houses. However there are certain circumstances that private developers are given exemption to this policy. The exemption may be given when the project is within the “prime and elite area”. This area is normally close to the city centre and the land value is very high. It is therefore not really accurate to state that the government policy on 30 per cent of housing units developed must be low-cost units has been fairly implemented.

One of the focuses in the Tenth Malaysian Plan is to ensure access to “quality and affordable housing,” (this become the common term that is used when referring to the low-cost houses) meeting the needs of a growing population by matching demand and supply for affordable housing and promoting an efficient and sustainable housing industry. (Malaysian Government, 2010) The earlier Ninth Malaysia Plan, there are several special packages to promote homeownership for the lower income group citizens. Among others, purchasers of low-cost houses are given full stamp duty exemption on all instruments, including loan agreements. (Malaysian Government, 2006). On the other hand, in terms of housing provision, an allocation of RM330 millions is provided to the National Housing Department to complete 6,500 units to be rented out or owned under the People’s Housing Programme in 2009. The National Housing Department will also build 33,000 low-cost houses (House of Representative, March 2009).

In order to ensure that the construction of low-cost houses adopt certain minimum standards of design and quality, the Construction Industry Standard 1 and Construction Industry Standard 2 (CIS 1 and CIS 2) have been introduced by the Construction Industry Development Board (CIDB) to provide guidelines of design for single storey low-cost houses and multi-storey building of low-cost units respectively. Nevertheless the application of policies and guidelines issued by the federal level is subjected to the endorsement by the state authority since land (including housing) according to the List II Ninth Schedule of Federal Constitution falls within the power and jurisdiction of the state. In managing the process of delivery of low cost units, the Open Registration System (“ORS”) has been introduced in 1997 as a mechanism to distribute low-cost houses to eligible applicants by registering and assessing applications. (Ministry of Housing and Local Government, 1998) Later, in 2006 the second ORS has been introduced to improve the loopholes of 1997 ORS.

## AN OPEN REGISTRATION SYSTEM (ORS)

### ORS 1997

The computerised ORS for low-cost houses has been established in 1997 by the Ministry of Housing and Local Government. Initially there was a standard application form for low-cost houses but the states later, added with their own criterias and conditions.(Ministry of Housing and Local Government, 2004). It comprised three main data collections. The data is used by the Ministry of Housing and Local Government to ensure only the targeted and eligible buyers will be able to buy and eventually own low-cost houses in Malaysia. (Rashid *et al.* 1997) The data criterion are:-

- (a) The Applicants' monthly income; (should be less than RM1,500)
- (b) The Applicants' background-occupation, size of family, health, etc., and
- (c) The extent of housing needs of the applicants-displaced persons, squatters, etc. (Rashid *et al.* 1997)

The main purpose of ORS among others is to provide a countrywide "waiting list" of eligible low-cost house buyers, to standardised the criterion for the selection of eligible buyers that are considered qualified and therefore be "shortlisted," to avoid misconduct in the selection of eligible low-cost house buyers and to make the selection process more transparent (Ministry of Housing and Local Government, 2004).

In achieving the objectives of the ORS, it's *modus operandi* commenced by imposing certain criteria that shall be considered in determining the eligibility of the applicant to buy the low-cost house. Certain scores (marks) will be given and an applicant then will be registered in the list based on merits that he score. The shortlisted applicant will then be called for an interview. The processes involve several stages that are controlled by the Ministry of Housing and Local Government. The marks scored for each criteria are shown in Table 3 and the process of application is shown in Chart 1.

The administrative framework for the ORS as shown in Chart 1 seemed to be ideal and able to minimise the problem of lack of transparency and political influences in selecting buyers of the low-cost houses. However, as observed by the committee that was formed by the National Land Department to study the implementation of ORS (1997), there are few drawbacks in the system. *Inter alia*, weaknesses in the selection criteria and marking scheme where different criteria are set up by different authority, bureaucracy, lack of transparency and disabled persons (or people with special needs) were not been given any priority.

## **ORS 2006**

In view of the abovementioned drawbacks, the new ORS was launched in 2006 which is aimed at having a uniform system that comprises of the three main features that is (a) year-long open registration; (b) award of points and (c) on-line selection of low-cost housebuyers in all states.

Under this new system, all states would use a standard application form to register for a low-cost house. Among the conditions are the applicant must be a Malaysian aged 18 and above, does not own a low-cost house and has a household income of not more than RM2,500 a month. Besides that, through the Ninth Malaysia Plan, the eligibility to purchase low-cost houses is not mainly for the lower income level but also for other “less advantaged groups” that include single mothers, families with many dependents and those with handicapped members (Malaysian Government, 2006). Thus the ORS now is available for a more wider group of people as compared to when it was first introduced in 1997.

How far that this second system able to achieve its objectives is subjected to the proper implementation by the relevant government agencies either at federal level or state level. It is therefore hoped that it will promote an equitable distribution of the low-cost houses and promoting a sustainable housing policy. It is believed that proper implementation of the ORS will be able to overcome or at least minimise the problem of duplication in data and applications. Hence, it seems that the possibilities of cheating and irregularities could also be minimised.

Nonetheless even after 12 years of the implementation of ORS, there are still about 500,000 applicants who are already registered under the ORS in all states which are still waiting for the low-cost houses ( New Straits Times, 11<sup>th</sup> January 2009). It is quite a surprise to see these figures since all states had imposed 30 per cent requirement on the private developers to develop the low-cost units in each project that they undertake and there was active participation from the government agencies; among others the State Economic Development Corporation and the Department of National Housing. Thus there are certain mechanisms that must be used to improve the situation.

## **CONSTRAINTS AND CHALLENGES**

The legal setting in Peninsula Malaysia that gives authority to the states to deal with land matters (including housing) has led to improper coordination between federal and the state. The main policy is introduced by the federal government but the implementation of the said policy is still depending on the state willingness to adopt it. It has been mentioned earlier that one of the problems of the ORS when it was first introduced is non-uniformity of the practices among the states. The state may add their own criteria that do not comply with the guidelines given by the Ministry of Housing and Local Government. This has contributed to a problem of creating a centralised database. Therefore it can be a situation where one person

is qualified to purchase a low-cost house in Selangor but not in Kelantan. Besides that, in absence of a centralised database, there would be a possibility of one person may register at more than one state and therefore may acquire more than one unit of low-cost house at few different states.

(Wan Nor Azriyati and Nor Rosly Hanif, 2005) alleged that there are few of purchasers of low-cost houses who rent the houses or sell the houses soon after purchasing it. This conduct may cause insufficiency of supply of the low-cost houses because the same purchasers may register again under the ORS. The existence of speculative buyers is considered as a constraint in controlling the ownership of low-cost unit which supposedly be held only by the designated person.

In Peninsula Malaysia the sale and purchase agreement of a house (regardless of category of houses i.e. either low-cost, medium cost or high cost, either landed or strata property) between a purchaser and a licensed housing developer is regulated by the Housing Development (Control and Licensing) Act, 1966. Pursuant thereto a statutory form of contract of sale and purchase of a house is already incorporated therein. Therefore it is clear that the sale and purchase of low-cost units are treated similar to the sale and purchase of other types of houses. Accordingly, a proprietor of a low-cost house in a sub-sale can simply sells the unit at non-control price to a non-qualified buyer. (i.e. a buyer who is not qualified to purchase a low-cost house).

Similarly the loan agreement for purchasing a low-cost house is identical to ordinary loan agreement in which there would be a clause on the right of a financier to foreclose the property upon default of a borrower-purchaser to serve the loan. Under the National Land Code 1965, upon default of a chargor (purchaser), a registered chargee (financier) has two statutory remedies; either to foreclose or take possession of a charged land (in this scenario, a low-cost house). This situation may diminish the purpose of establishing a special system for equitable distribution of low-cost houses itself. This is because purchasers have been assisted in acquiring low-cost houses but they are not given continuous support when they probably have genuine problems in making repayment to the financier.

### **FEW PROPOSALS FOR IMPLEMENTATION OF ORS**

The first proposal is related to enforcement of specific law on distribution of low-cost house. The federal government has a power to impose this standard guideline to the states on the rationale of creating a uniformity of the system. The federal government by virtue of Article 74 of the Federal Constitution can enact any statute to ensure uniformity of certain laws that shall be applied to whole Peninsula Malaysia or Malaysia. The Land Acquisition Act 1960 and Street, Drainage and Building Act 1976 are the two examples of the statutes that have been introduced mainly to create the uniformity of the application of law of the states in Peninsula Malaysia. Therefore any criteria or process or modus operandi of the ORS should not remain as “Guidelines”, but should be incorporated in a proper statute. It is

suggested that a specific statute regulating the low-cost houses (or now is proposed to be called as “affordable houses” by the Housing Research Centre of University Putra Malaysia) is enacted. The “rebranding” of the term of the “low-cost” probably may change the perception of certain quarters who always think that low-cost means low price and low quality.. For instance there is the National Affordable Housing Act enforced by the US Department of Housing and Urban Development mainly to cater to all matters related to affordable housing for instance on mortgage, houses for the disabled, repair and tenancy. If there is a specific statute, then all policies and guidelines relating to low-cost houses or even public housing may be organised in a form of statutory provisions having the force of law. For instance the CIS 1 and CIS 2 that were mentioned earlier can become part of the regulations. This suggestion is based on the author’s concern on practices of certain local authorities which do not include a condition for approval of building plan (for the low-cost or public housing) is subjected to compliance with certain policies and guidelines relating to low-cost houses (and public housing). It is hoped that once the policies and guidelines become law, there is no way for those impositions to be simply lifted out by the respective authority.

The second proposal is imposition of restriction in interest against the title of the low-cost house. Under the law it is possible that speculative buyers may be curbed by specifying a restriction in interest on the title of the low-cost house. “Restriction in interest” is referred to as any limitation imposed by the State Authority on any of the powers conferred on a proprietor or on any of proprietor’s powers of dealing. In this respect the restriction in interest that may be imposed is that no transfer of the low-cost house can be affected unless with the permission granted by the state authority. The transfer may be allowed only when the state authority is satisfied that the new purchaser is also a person that is entitled to own a low-cost house. The new proprietor then shall observe the same restriction in interest that was imposed on the original proprietor. Therefore although a purchaser enjoys indefeasibility of title under section 340 of the National Land Code over the house but there are certain restrictions in interest on his title that he is subjected to.

The third proposal is the imposition of special conditions on the title of the low-cost house. “Condition” under the National Land Code 1965 refers to any conditions attached to the land but it does not include restriction in interest. (National Land Code, 1965). In this respect the low-cost house shall not be allowed to be rented out. In the event of failure by the proprietor to observe the said condition, the State Authority has the power to take action against the proprietor by way of forfeiture. The state authority has a power to forfeit the land from any proprietors in two circumstances i.e. when there is a breach of condition and non-payment of rent. (National Land Code, 1965)

The fourth proposal is equitable consideration on other disadvantaged groups. As already stated earlier, the Ninth Malaysia Plan identified that the ORS 2006 should consider the disadvantaged group to purchase the low-cost houses. However

it is suggested that similar criteria under ORS imposed on others shall be imposed on these groups too, but the priority shall be given to them. This means that disabled persons shall be given priority only when they fulfil the criteria to purchase the low-cost houses. However the privilege given for disabled to get 20% discount when purchasing a low cost house as announced in the budget 2004 should be implemented accordingly.

The fifth proposal is related to the standard sale and purchase agreement between the vendor and the purchaser of the low-cost houses. It is suggested that, the standard form of contract involving the sale and purchase of a low-cost house should be different from others. This standard form may emplace under the proposed specific statute as proposed in the first proposal above. Similarly the loan agreement for financing the purchase of a low-cost house between a financier and a borrower-purchaser should be different from other type of houses. In order to protect the low-cost purchaser, it is suggested that there should be one clause in the loan agreement that provides for the case (default of borrower-purchaser) to be referred to the special tribunal or arbitration before foreclosure action is taken by a financier. Therefore it is suggested also that this standard loan agreement for financing of a low-cost house can be part of the regulation pursuant to the proposed act as mentioned in the first proposal above.

The sixth proposal is related to the process of the ORS. It is suggested that the list of successful applicant should be displayed to the public at a prominent venue. For instance it can be displayed at the land office for a month to enable any person to object. This is to guarantee there will be a transparency in the selection of buyers for the low-cost houses.

## CONCLUSION

The issue of distribution of low-cost house is always alleged to be allied with political influence in which a supporter of the governing party, will have a better chance of purchasing low-cost houses irrespective whether he is qualified or not. The government has to prove that this allegation is false and the ORS is the best model that must be fully implemented. Consequently the government may proudly assert that there is equitable distribution of low-cost houses in Malaysia. Besides that if the government feels that the existing policies and guidelines are inadequate, it is better for the government to consider having a proper statute to regulate all issues and matters under one particular statute.

**Table 1** Synopsis of development of housing policy in Malaysia  
(Main sources: Various Five Year Malaysia Plans)

Stage	Years/Duration	Focus group	Approaches	Law /Policy documents
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Pre-Independence	Prior 1957	Government's servants: Quarters	Quarters were developed upon request of the departments	Houses were mainly provided by the Government
		Villagers in the selected areas during communist uprising: Resettlement to New Village.	More than 500,000 peoples were relocated to New Villages in various parts of the states	Physical oriented Ad-hoc policies
		Qualified Citizens: Resettlement under Felda Scheme	Houses with facilities were provided within the scheme	Eradication of poverty among the rural citizens
		Qualified Urban Poor: Housing scheme	Housing Trust was formed in 1952	Financial assistance to acquire houses to the qualified citizens
Early Period of Independence	1957-1970	<ul style="list-style-type: none"> <li>All policies affected the focus groups above were extended with minor modification</li> <li>Urban poor: Low-cost Housing scheme</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of earlier policy but with limited budget</li> <li>Involvement of Housing Trust in Developing Low-Cost Housing in Urban Areas</li> <li>Medium and high cost housing were developed by private developers</li> <li>Provision of basic facilities &amp; infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Low-cost houses were developed by the government meanwhile the medium and high cost houses were developed by private developers</li> </ul>

Table 1 (Cont'd)

New Economic Policy (NEP)	1971-1990	<ul style="list-style-type: none"> <li>• Low-income citizens: low-cost houses</li> <li>• Urban poor: fair and equal in economic activities</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty reduction and reformation of economic status of the community</li> <li>• Human Settlement Concept in housing development</li> <li>• Required active involvement of private housing developers</li> <li>• Ceiling price for low-cost houses was fixed at RM25,000(1982)</li> </ul>	<ul style="list-style-type: none"> <li>• New Economic Policy 1971</li> <li>• Second to Fifth Malaysia Plan (1971-1990)</li> </ul>	<ul style="list-style-type: none"> <li>• The racial crisis has led the government to formulate the policies that aimed for readjustment of social and economy status of the three main races in Peninsula Malaysia that is Malay, Chinese and Indian.</li> <li>• Migration from rural to urban areas</li> </ul>
National Development Plan	1991-2000	<ul style="list-style-type: none"> <li>• All policies in New Economic Policies that affected the focus groups above were continued.</li> <li>• Citizens of all level of income: must have access to decent houses</li> <li>• Low-income citizen: Affordable housing</li> <li>• Squatters: Zero squatters by 2005</li> </ul>	<ul style="list-style-type: none"> <li>• To develop affordable housing for low and low-medium citizen</li> <li>• To eliminate squatters</li> <li>• Enforcement of new laws and guidelines related to private housing developers</li> </ul>	<ul style="list-style-type: none"> <li>• National Development Plan 1991</li> <li>• Sixth and seventh Malaysia plan</li> <li>• Agenda 21 (UNCHS) 1994</li> <li>• Habitat Agenda 1996</li> </ul>	<ul style="list-style-type: none"> <li>• Active involvement of the private housing developers</li> <li>• New laws and policies were enforced to promote quality housing</li> </ul>

Table 1 (Cont'd)

Vision Development Plan	2001-2010	Citizens from all level of income: policy on adequate housing in which there should be sufficient houses in the market to cater the needs of various level of income	<ul style="list-style-type: none"> <li>• Introduction of guidelines to promote sustainable development</li> <li>• Government focussed on development of low-cost houses and private developers on other categories of houses.</li> </ul>	<ul style="list-style-type: none"> <li>• Vision Development Plan 2001</li> <li>• Eight Malaysia Plan (2001-2005)</li> <li>• Ninth Malaysia Plan (2006-2010)</li> </ul>	Establishment of the Human Settlement Research Institute in order to conduct research and development in housing (MAHSURI)
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The above synopsis is prepared based on reports in various Malaysian Plan and writings of various authors like Shuid, S (nd). *Low medium cost housing in Malaysia: issues and challenges*. Department of Urban and Regional Planning, Kulliyah of Architecture and Environmental Design, International Islamic University Malaysia. Available online: [http://www.iut.nu/Malaysia\\_low%20cost%20housing.pdf](http://www.iut.nu/Malaysia_low%20cost%20housing.pdf) (Accessed on 5<sup>th</sup> May 2009) and Idrus, N & Ho Chin Siong (2008). *Affordable and quality housing through low cost housing provision in Malaysia*, a paper presented at the *Seminar of Sustainable Development and Governance*, Department of Civil Engineering and Architecture, Toyohashi University of Technology, Japan. Organised by Toyohashi University of Technology and University of Technology Malaysia. Available online [http://eprints.utm.my/66241/NoraliIdrus\\_HCSiong2008\\_AffordableAndQualityHousingThrough.pdf](http://eprints.utm.my/66241/NoraliIdrus_HCSiong2008_AffordableAndQualityHousingThrough.pdf) (Retrieved on 5th May 2009)

**Table 2** House Price Structure and Focussed Groups

Type of houses	Price of house per unit	Focussed groups/ Income per month
Before June 98		
Low Cost	Below RM 25,000	Below RM750
Low Medium Cost	RM25,001 – RM60,000	RM750 –RM1,500
Medium Cost	RM60,001 – RM100,000	RM1,501 – RM2,500
High Cost	More than RM100,001	More than RM2,501
After June 98		
Low Cost	Below RM 42,000 (Depend on Location)	Below RM1,500 (Depend on house type)
Low Medium Cost	RM42,001 – RM60,000	RM1,501 –RM2,500
Medium Cost	RM60,001 – RM100,000	Not stated
High Cost	More than RM100,001	Not stated

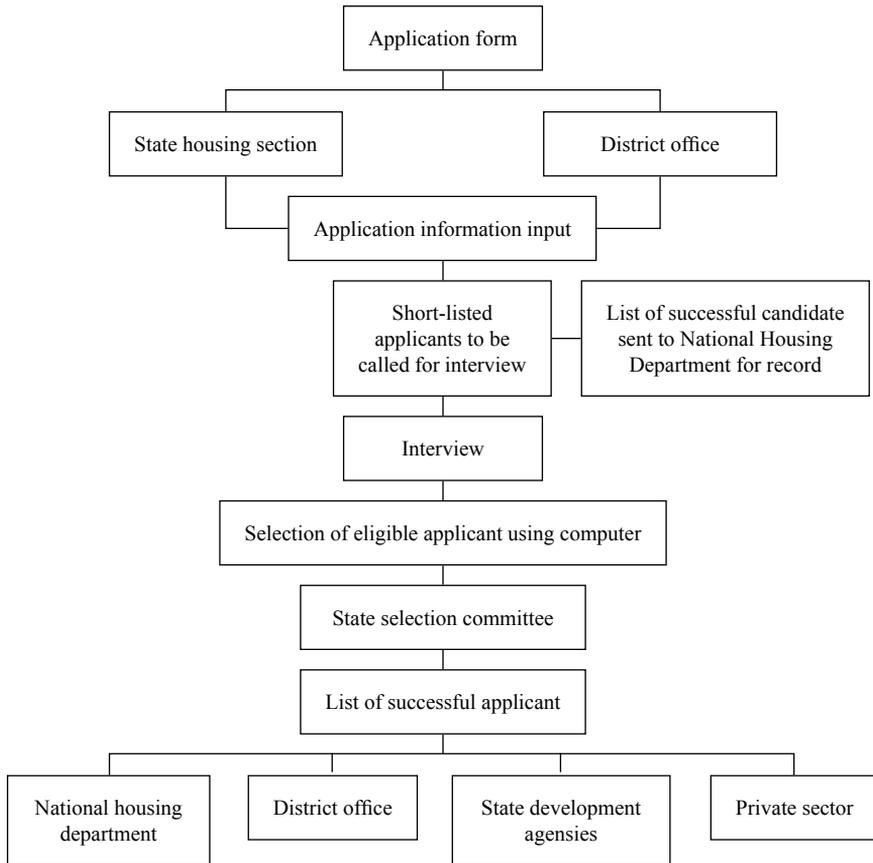
Source: Ministry of Housing and Local Government Malaysia, 1998.

**Table 3** Criteria and Marks for the Computerised ORS

No	Criteria	Marks	Percentage
a.	Lost of house	100	29.85
b.	Monthly household income	50	14.93
c.	Status of current house	50	14.93
d.	Marital status	25	7.47
e.	Occupation	25	7.47
f.	Dependents (child)	25	7.47
g.	Disabled	10	2.98
h.	Other dependents	10	2.98
i.	Age of applicant	10	2.98
j.	Place of work	10	2.98
k.	Duration living in the current house	10	2.98
l.	Place of birth	10	2.98
Total		335	100%

Source: Guidelines for Low-Cost House Buyers Selection under the Computerised ORS, National Housing Department, 1998.

Both Table 3 and Chart 1 adapted from A. Rashid, K, Ibrahim, M, A.Mohit, Mohamad, M, Shuid, S and Dali, AS (2005, Sept). Eligibility and Selection Criteria Under the Open Registration System (ORS) for Low-cost Houses in Malaysia. Paper presented at the Asia-Pacific Network for Housing Research Conference: Housing and Globalization, Kobe University, Kobe, Japan.



Source: National Housing Department, Ministry of Housing and Local Government, 1998

**Chart 1** Process under the computerised ORS

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