

# Prefabricated housing PART 1

> Exploring the unconventional process of accelerated house construction

**G**OING back about a decade, who would have imagined the speed and connectivity which internet messaging allows today. What about the microwave which permits cooking and re-heating in minutes, even seconds? In these fast-paced times where quick gets quicker in the blink of an eye, and a new word may need to be coined to describe the span of time faster than a nano-second. Houses which took years to build in an earlier era can now be erected in just a few months.

## PREFAB IN GENERAL

**Prefab is an abbreviation for prefabricated. It is a relevant term in the housing industry referring to prefabricated housing.** The concept of “prefab homes” encompass several types of building techniques. **Technically, it covers a house that has sections of the structure built in a factory and assembled on site.** Industry professionals claim that “modular” and “panel built” houses come under the prefab label. The difference:

- **Panel building** - Accomplished by laying down the floor and then lowering each section of wall in to place, one at a time.
- **Modular building** - The house is constructed in separate box-like modules or sections which are then secured together to form a complete unit.

While modular building does not allow for additional structures like house extensions eg. garages, patios etc., by combining panel and modern-day modular building techniques, home designs can come in a host of options.

According to Daiwa House Group, a globally recognised conglomerate and industry-expert in prefab housing (and other businesses), **the basic principle of prefabricated homes is a home that is fabricated in one location and then delivered to another.**

## WHERE IT'S COMMONPLACE

Talk prefab tech and Japan comes to mind immediately. A country where space is constrained, highly valued and costly (compared to land in Malaysia), its natives try best to conserve and make the most of what is available. Many live in small, compact, yet well-outfitted homes.

According to a research done by Mathew Aitchison for the University of Queensland's school of architecture, “while the idea of factory-made housing failed in the West, the Japanese have made prefab housing work”. The post-doctorate fellow visited the plants of four of the most successful industry manufacturers, Sekisui House, Sekisui Heim, Misawa Homes and Daiwa House. He reported that prefab homes in Japan are customisable and can be tailored to the customer's every need. Yet, he says that to the casual observer, prefab houses may look very much the same, irrespective of which company made them. “Dimensions of rooms can be changed, the footprint of the building can be fitted to different sites within certain tolerances, and finishes and fixtures can be alternated ... but the overall appearance remains the same: an interpretation of a generic western suburban house, clad in ceramic tiling, with a very predictable colour palette ranging from brown to beige.”



## PROS AND CONS

However, Daiwa House chief certified architect Kanta Tokuda says that there are **many advantages in employing the prefab technique of building houses. “First and foremost is the time frame.** Compared to traditionally built houses, prefab units only require a short construction period, less than half the usual time.” Benefits include:

- 1) Short construction period - While modules and panels are manufactured off site, the foundation is laid on site, saving time.
- 2) Lesser manpower required on site - According to Tokuda, it only takes five men and three weeks to erect the main structure of a double storey house. It took four weeks and six workers to assemble the prototype house in Sunway Eastwood. Basically, only nuts and bolts need to be secured once the shell is in place, besides adjoining electrical wiring and plumbing.
- 3) High quality and standardised workmanship - Quality controlled uniformity due to factory-made conditions which produce products made to specifications. The outcome - lesser or very few defects that

- save cost, time, energy etc.
- 4) Responsible building - Environmentally friendly in terms of energy conservation as lesser manpower is required with a shorter and more efficient construction time frame. There is also lesser waste material on site. Materials used are also sustainable (steel and earth-friendly boards) and depending on how the home is put together, some can be dismantled and re-erected at another location.

## AROUND THE GLOBE

Aitchison's paper reported that of the 495,737 detached, privately-owned new houses constructed in Japan in 2013, approximately 64,035 (12.9%) were prefab or modular. It also stated that Sekisui House produces 15,000 detached houses per year, and its manufacturing plant in Shizuoka produces 20 houses per day. His take on **Japanese prefab housing: “the most advanced proponent of its kind in the world.”**

His view on the Australia market - “relatively small but reveals more diversity compared to the Japanese market. Companies like Happy Haus, Prebuilt and Tektum offer a wide range of housing products which are comparable in price to

Japanese models”. Still, **in terms of highly efficient design and production process, he feels there is much one can learn from the Japanese.**

In Malaysia, a memorandum of understanding (MoU) was signed between Japan's Daiwa Group and our Sunway Group. It allowed for a prefab prototype house to be built in the Sunway Eastwood development to facilitate a study on the feasibility, considering feedback from various parties including house buyers and investors and industry personnel. On a separate case, the government also signed an MoU with the Japanese on its PRIMA homes.

Design-wise, prefab houses need not don that homogeneous look, though factory manufactured and machine-driven via a programme, then catalogued. For those who think prefab homes carry an impersonal, cold and emotionless design, log on to <http://www.dwell.com/house-tours/slideshow/best-prefab-7-homes-we-love#1> and be mesmerised.

Read our column next week for more insights on prefab housing.

► Email your feedback and queries to: [propertyqs@thesundaily.com](mailto:propertyqs@thesundaily.com)



## Green Saturdays at Tropicana Metropark Gallery

**TROPICANA'S** Green Carnival launched on Sept 24, garnered much support from the public as well as purchasers of the development. The environment inspired events that took place last Saturday, saw a large turnout converging at the Metropark Property Gallery for a day of fun-filled, informative and energetic activities under the theme “A Start to Green Living”.

The first of four consecutive and exciting green-inspired Saturdays

began with Tropicana marketing and sales executive director Pam Loh addressing the crowd. “Tropicana believes that healthy living starts from home. We always strive to give our customers something that is more than just a home. We deliver a lifestyle to our customers ... one that is balanced, that promotes wellbeing and provides plenty of lush open spaces. Tropicana Metropark aims to do that through an environmental

friendly, and above all, communal approach,” said Loh.

Calling on those at the carnival to partake in the line-up of exciting “green” activities the day had in store, Loh also urged the crowd to consider “not just purchasing a house, but making a home with Tropicana”.

The first of three more inspiring, engaging and informative Saturdays saw 14 of Tropicana Metropark's purchasers planting a tree each - the first to become the green sea of nature that will form the lush 9.2-acre Central Park.

Award-winning design and landscape architectural firm, Walrus, delivered an informational talk. Free health screening and tests were carried out by Klinik Kecheerian staff while individuals representing social enterprises and NGOs delivered inspiring talks on environmental issues and concerns. There was also a presentation by



Beverly Wilshire Medical Centre personnel, titled Beauty Skin Deep. A showcase of vintage cars and “green features” entertained, along with Melony, the carnival mascot and Ixora Ang, the green carnival ambassador.

Many were seen making their way up the modular viewing deck to get a panoramic glimpse of the progress of the Tropicana

Metropark project construction. With 98% of Tropicana Metropark's first phase project Paloma Residences already sold and 65% of its second phase Pandora Residences taken up and going fast, interested parties are urged to visit the gallery for more information or to make a booking. Alternatively, drop by to enjoy a fun-filled and exciting green-inspired Saturday.

TIME	Oct 4 LOVE NATURE
ALL DAY	<ul style="list-style-type: none"> <li>• Upcycling workshop for kids,</li> <li>• Ambulance showcase by St John Ambulance Malaysia</li> <li>• CPR demonstration by St John Ambulance Malaysia</li> </ul>
11am	Green lifestyle starts from home by Wild Asia
Noon	Expensive not to go green, come and learn more about energy efficient home with IEN Consultants
1pm	Social entrepreneurship for environmental impact by Biji-biji
3pm	Let us teach you how to RECYCLE! by CRC

**L**AST week's article explored the basics and fundamentals of what prefabricated houses are all about. This week, we provide deeper insights and a clear, comprehensive picture of a prefab house, complete with floor plan, construction process and the finished product.

# Prefabricated housing **PART 2**

> The nation's first prefabricated prototype house by Daiwa

## QUICK DELIVERY

In this day and age where time is money, speedy delivery of a house would incite a celebration for both the developer and house buyer. For the developer it would lead to a shorter timeframe for recovering his or her investment and generating profits. The buyer in turn, receives the keys to their property faster. Says Daiwa House chief architect Kanta Tokuda: "In the case of Japan, it takes about four months (to erect a prefabricated house) from the signing of the sales and purchase agreement, to completion of a unit (which in Japan is at the average size of 2,200 sq ft)." The processes involved include:

- 1) signing of SPA (sales and purchase agreement);
- 2) beginning of prefabrication at factory;
- 3) commencement of foundation work and construction;
- 4) assembling and erection work;
- 5) wood and plumbing work plus interior fit-out;
- 6) testing after completion; and
- 7) hand over.

Economy of scale is a widely cited benefit in the case of prefabrication as components and entire homes can be produced in large quantities. With prefab, there is also value in faster project schedules, not to mention fewer weather delays and more efficient use of materials. Optimisation and quality control are prefab's biggest and best features. "A primary benefit for the buyer is the predictability, which actually means less defaults and defects after the keys are handed over," shares Tokuda. He adds that the purchaser not only receives the advantage of getting his or her house fast but with a degree of surety of the outcome.

## BETTER QUALITY

With components and parts of the home all manufactured under uniformed control and precision calculations by machines, there is little room for defects. Where Daiwa is concerned, Tokuda assures that steel is used as beams, columns and wall frames. This provides sound stability. "Many homes in Japan are prefabricated. They can withstand the Japanese typhoons and earthquakes and are very secure."

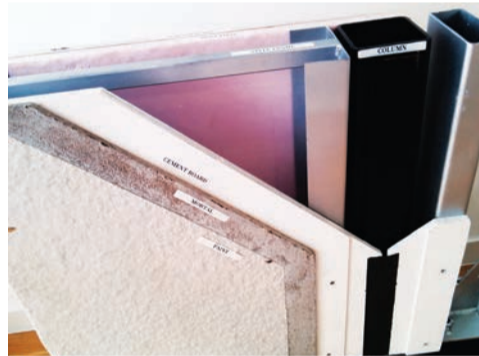
While the metal components are



The modern-inspired living area in the prefab prototype house.

treated with anti-rust and given an electrostatic coating, wooden materials are applied with anti-termite treatment prior to installation. All components are basically "fitted in" or "screwed on" using nuts and bolts. Doors and door frames are also created with much thought put into the design. People-friendly and created with safety, security and innovative design in mind, the doors prevent fingers from getting trapped.

The design of the prefab prototype house by Daiwa House in Malaysia is enhanced with accessories, appliances and fittings of premium quality. Tokuda also makes it a point to inform that the bathroom can be installed in just a couple of days. He highlights the high quality materials, cleverly designed and purposefully created fit-outs used in the modern design lavatory. The plumbing system applied in Daiwa's prefab



Cross section of the many layers of a "wall", modified to suit our climate – the column, pillar, plaster board, insulation panel, steel frame, cement board and paint.

structures are also created to stave off water leakage and such.

## SMART HOUSE AND GREEN TECHNOLOGY

Every room in the prototype house is designed with two windows that allow natural air to flow within. All windows are also fitted with elegant-looking mosquito screens. These allow them to be left open without inviting unwanted insects

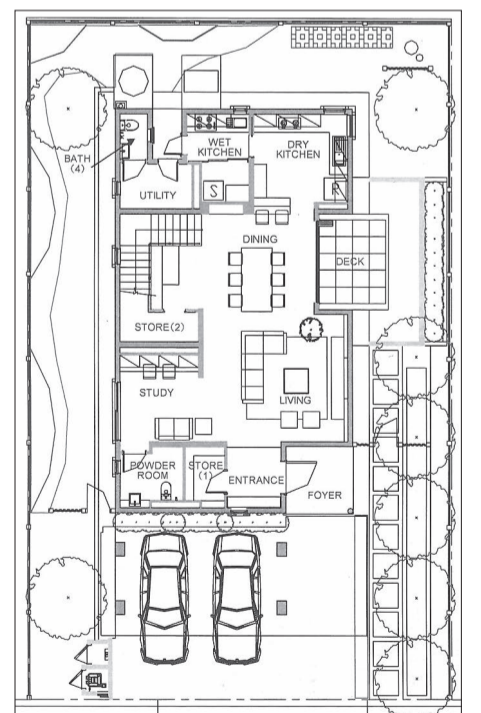


Daiwa House prefab houses in Japan come with after-sales service and a guarantee of up to 50 years. The above picture is of the exterior of the prefab prototype house in Sunway Eastwood, Seri Kembangan.

into the home.

The prototype house is also fitted with a solar water heater system with panels placed on the roof. The house is also equipped with unique features that help reduce electricity usage. Although all five bedrooms are fitted with air-conditioners, Tokuda says that electricity consumption is low as the house "runs" on a smart house technology system called HEMS (Home Energy Management System) that improves overall efficiency, conserves energy and saves costs, as well as the environment. "The system enables more effective energy consumption, reduces carbon dioxide emission and promotes energy savings in the home," explains Tokuda.

Moreover, the exterior walls of prefab houses in Japan are insulated to promote air circulation functions (by filling the interior of the wall with thermal insulating material and adding a dense outer layer of insulating glass wool board). There are also two coats of waterproofing applied, a primary coat to the wall's exterior and a secondary to the wall's interior. What this does is that it allows moisture to escape through the air permeating layers which also inhibits the formation of



Ground floor plan of the Malaysian prefab prototype house.

condensation. Walls of prototype houses in Malaysia have been modified to suit our climate. Quick, clever and clean ... are we now ready for prefab housing?



1) Construction of ground floor pillars and external walls.

2) Construction of first floor beams and external walls.

3) Construction of roof truss and roof panels.

► Email your feedback and queries to: [propertyqs@thesundaily.com](mailto:propertyqs@thesundaily.com)

# Property and housing in Budget 2015

INSIGHTS

**T**HE recent Budget 2015 announcement saw the nation, including industry leaders, regular “Joes” and “Janes”, apprehensive and eager to learn of its content and constitution. Will the changes benefit or burden individuals, industries and factions of society? *theSun* features the views of Real Estate and Housing Developers’ Association Malaysia (REHDA) president Datuk Seri F.D. Iskandar, CH Williams Talhar & Wong (WTW) managing director Foo Gee Jen and National House Buyers Association (HBA) honorary secretary-general Chang Kim Loong.

## REHDA

Iskandar lauds the government’s move in introducing the **Youth Housing Scheme** in Budget 2015. “This smart partnership between the government, Bank Simpanan Nasional, the Employees Provident Fund and Cagamas will certainly benefit young couples who wish to own a home. Apart from the 10% loan guarantee that enables borrowers to obtain full financing (including cost of insurance), the RM200 monthly financial aid will be helpful, especially to those living in urban areas and those struggling to cope with the rising cost of living.”

REHDA welcomes the various incentives and measures, particularly those related to the real estate and property sector. It believes the **new mandates will have a positive impact on the industry, especially in promoting home ownership among the lower and middle income group, as well as improve the quality of life of the rakyat.** “We also appreciate the effort made to raise the ceiling of household income from RM8,000 to RM10,000 for PRiMA homes.

**We believe it will open up further opportunities for more purchasers to own affordable housing.”** Iskandar is also happy with the introduction of the **Rent-To-Own Scheme, which he says will help those without the ability to obtain financing.**

Other applauded projects and programmes include:

- ▶ the extension of 50% stamp duty on instruments of transfer and loan agreements; with an increase of purchase limit from RM400,000 to RM500,000 to Dec 31, 2016, which will spur the growth of the housing and property sector, especially the affordable sector;
- ▶ increase of price limit of the My First Home Scheme to RM500,000, looking at the increased costs of development;
- ▶ borrower’s eligibility raised to 40 years from 35;
- ▶ facilitation fund of up to 25% from the project cost, which will increase private sector developers’ participation in the iMalaysia Civil Servants’ Housing (PPAiM) projects;
- ▶ allocation of RM1.3 billion for building 80,000 units of PRiMA homes, RM644 million for 26,000 units of People’s Housing Programme (PPR) homes and provision of Rumah Mesra Rakyat, Rumah Idaman Rakyat and Rumah Aspirasi Rakyat by Syarikat Perumahan Negara Berhad (SPNB); and



▶ the federal government’s move to spend RM76 billion in infrastructure projects across the country. Pledging its full support in working together with the government in assisting the delivery of more affordable housing, **REHDA hopes the government will consider its appeal to take on the role of social housing.** “On our part, we request that private developers be allowed to pay a certain sum to either the state or federal government, in lieu of not building low cost ... as currently practiced by DBKL.

“We look forward to a level playing field and are keen to engage the government more, for the benefit of the rakyat and the industry,” said Iskandar.

## WTW

Commenting on Datuk Seri Najib Abdul Razak’s announcement that the government has agreed to spend RM279.3 billion, with up to RM9.8 billion aimed at “accelerating growth, ensuring fiscal sustainability and prospering the rakyat”, WTW’s Foo said that **little was mentioned of GST in the budget, although the undercurrent of concern as to its impact on the cost of living in 2015 cannot be ignored.** “Although residential properties are zero-rated for GST, materials and services supplied in the development process will be subject to GST and these costs are likely to be passed on to home buyers. However, the extent of its effects are unclear,” says Foo.



He mentioned the various affordable homes projects that were planned. “Together with the 130,195 homes proposed in 2013, the government will provide new housing to about 1% of the population per annum for the next four years, compared to our current population growth rate of 1.3%. Looking at the population aged 25 to 29 years, which is about 12% of the total population, and the estimate of 30% of these households being potential first time buyers (figures by an established property marketing service), the need for affordable homes was identified at about 330,000 units. The above programmes appear to have adequately addressed the requirements of first time home buyers but plans must be matched by actual deliveries. We note that of the 126,000 units proposed in 2013, only about 10,000 commenced construction in 2014. To bring the plans on track, commencement of affordable homes construction in 2015 will need to be stepped up to 120,000.” Foo’s concerns: **the actual number of affordable homes constructed may fall far below target.**

Like Iskandar, Foo applauds the Youth Housing Scheme but says: “Its availability of only 20,000 units is a major limitation. This number should be doubled.” He adds that an additional condition for eligibility of this financing scheme should be mandated. “Houses bought should be owner-occupied.” However, he feels that the mentioned scheme was a better decision compared to re-introducing DIBS. **Foo is all praise for the many affordable home projects and financing schemes to help**

**home buyers purchase a roof over their heads, but he also points out that buyers should be educated on good financial management, otherwise “the easy terms of loan financing with these schemes may lead to excessive debts and inability to repay loans”.**

On the Rent-To-Own scheme, Foo thinks more details on the operation should be studied ... “especially the implications when the ‘tenant’ requires a bigger home after a few years due to a larger family. The ‘tenant’ may be unable to break the tenancy agreement and risks losing the option to purchase at the end of 20 to 30 years”.

In 2015, Real Property Gains Tax (RPGT) will be self-assessed. Foo cautions prospective sellers to **seek expert advice and guidance on the market value prior to completing a sale. “It will minimise the risk of undervaluing your property and being penalised for under-payment of RPGT.”**

The budget has much planned for East Malaysia. Foo believes these will cater to the expected increased traffic in view of the Year of Festivals. It will also help the country achieve its 29.4 million visitor target and RM89 billion tourists receipts. **“The budget also announced tax exemptions of 70% to 100% for a period of five years, for the management of industrial estates. This should encourage better management and gated and guarded industrial parks, and attract more logistics operators. Better managed industrial estates will also encourage more industrial developments and investments in general,”** he adds. On the many infrastructure developments, Foo believes that these will create additional wealth and spur new opportunities for residential developments.

Follow our column next week for comments from the National House Buyers Association (HBA) honorary secretary-general.



▶ Email your feedback and queries to: [propertyqs@thesundaily.com](mailto:propertyqs@thesundaily.com)

# Property and housing

## in Budget 2015 PART 2

> Opinion and comments gleaned from the National House Buyers Association

**H**BA honorary secretary-general Chang Kim Loong's views and stance on several measures are detailed below. He appreciates the prime minister's wisdom in prohibiting the Developers Interest Bearing Scheme (DIBS) and his leading the government in the decisions announced under Budget 2014.

**► DIBS**  
More than happy with the government and the prime minister's decision to ban DIBS "or any permutation that entails interest capitalisation," says Chang. He adds that developers, as entrepreneurs, should be responsible and bear the risks that are generated from their investment. "They should not be allowed to enjoy profits at the expense of house-buyers bearing the risks on their behalf. After all, if developers claim that DIBS 'assists new purchasers', they should be asked to use the Build-Then-Sell (BTS) 10:90 concept ... if they are sincere in not wanting to shift the risks to the house-buyer."



**► Youth Housing Scheme and benefits for young buyers**  
The smart partnership between the government, BSN, EPF and Cagamas offering a funding limit for a first home not exceeding RM500,000 for married youth between 25 and 40 years old, with household income not exceeding RM10,000. The maximum load period is 35 years. Chang feels that under this scheme where the government will provide monthly financial assistance of RM200 to borrowers for the first two years will help reduce the burden of these young families just starting out. "I urge the government to impose a restriction that properties under this Youth Scheme cannot be sold for the first 10 years, similar to PR1MA properties. Borrowers can also withdraw from their EPF Account 2 to top up their monthly instalment and other related costs. "I urge the youth to grab this opportunity, offered on a first-come, first-served basis, for 20,000 units only."

**CAUTION:** However, Chang advises young buyers not to forget that the RM200 subsidy is only for the first two years. "Take heed with regards to Zero Entry Cost properties," says Chang, as it encourages unnecessary speculation.

**► Building of more affordable housing**  
PR1MA to build 80,000 affordable homes with eligibility raised from monthly income of RM8k to RM10k; National Housing Department (JPN) to build 26,000 units under People's Housing Programme (PPR) with allocation of RM644 million; Syarikat



Perumahan Negara Berhad (SPNB) to build 12,000 units of Rumah Mesra Rakyat (RMR) and 5,000 units of Rumah Aspirasi Rakyat on privately-owned land.

**CAUTION:** "Ensure the right implementation reaches the appropriate market. Affordable housing must be built at the right location and priced reasonably between RM150k and RM300k and not more than RM400k in prime locations. These should only be meant for first-time home buyers and not second-time house buyers in which PR1MA is allowing with conditions. The allocated land must also be used to build, and only build affordable housing, and not partner with private developers where only about 40% of the land (from what we understand from the market) is likely to be allocated for affordable housing, and the

balance used for lifestyle properties, commercial and high-end developments."

**SUGGESTION:** The best delivery agents for private affordable housing are private developers, Chang feels. "The government can boost the delivery of affordable housing if they give incentives and rebates to private developers to build affordable homes – such as lower corporate tax rates, lower land conversion premiums and/or fast track release of unsold bumiputra units."

**► Extension of 50% stamp duty exemption on the instrument of transfer and loan agreements until December 2016 + increased purchase limit from RM400,000 to RM500,000**

"HBA agrees with the measures to assist the lower- and mid-income group to acquire their own properties."

**CAUTION:** "To ensure that benefits and compensations are not abused, these should only be available for first time home buyers."

**► Improvement of the Skim Rumah Pertamaku under the purview of Cagamas**  
The government has agreed to raise the ceiling price to RM500,000 in line with the stamp duty exemption. The age of the borrowers to qualify for the scheme has also been increased from 35 to 40 years.

**SUGGESTION:** Though HBA agrees with the above mentioned measures, it recommends that there should not be any cap on age limit. "There are many older low and middle income earners who have yet to own their first property."

## Dream homes and more

**FROM** chic nest eggs for one's golden years to cozy cul-de-sacs for growing families, the Uniquely Property Showcase 2014 offers property enthusiasts of all ages and income groups an affordable route towards purchasing their ideal dream homes.

Taking place from Oct 30 till Nov 2 at Penang's popular shopping haunt, Queensbay Mall, the second instalment of this property extravaganza will feature close to a dozen of the industry's movers and shakers of the property industry. These include Alor Vista, Best World Realty, Gold Mart Development, Handle Property Group, KL Metropolitan, Oriental Max, TFDC Asiacorps as well as the Sunway Group and others. Not-to-be-missed deals, promotions and exclusive rebates will be offered at the fair.

The brainchild of Penang-based Unico Events Management, project manager Michael Chow believes that the wide range of developers on show, will help set the showcase apart from other such fairs and

exhibitions and will certainly appeal to a broader target audience of both local and foreign property investors alike.

"The main aim of the 2014 Uniquely Property Showcase is to present and make known the array of projects and developments that would appeal to those from all walks of life. Whether you are newly-weds in search of your first home or an expatriate seeking an abode for retirement, there is something on offer for everyone."

Some of the more prominent projects and developments include Best World Realty's Mines Waterfront Designer Suites and the Woodsbury projects in Klang Valley and Butterworth. The much lauded Sunway Group will also be showcasing its eagerly anticipated Bukit Mertajam and Batu Maung projects, as well as the Sunway Wellesley and Sunway Cassia developments.

There are also a variety of up and coming property projects in hot spots such as the isle's rapidly developing Ayer Itam, Balik Pulau

and Sungai Ara areas. Visitors with deeper pockets, seeking foreign property investments should check out exhibitions by TFDC and Handle Property Group for the low down on the Canadian and Australian markets respectively.

Previews aside, the showcase also offers patrons a plethora of information on the ins and outs of today's property including advice, tips and consultancy on just how to go about making the most of your investment. These talks and forums are delivered by some of the industry's leading experts.

"We are well aware that many Malaysians, particularly middle income earners have their concerns over the consequences of next year's GST implementation and how it will affect the market. The showcase is a great opportunity to learn more about it, as well as grab the best deals on your dream property prior to its implementation,"

Penang TRADE EVENTS 2014

### UNIQUELY PROPERTY SHOWCASE 2014

UNIQUELY for you

30 OCT - 2 NOV  
Queensbay Mall  
10.30AM - 10.30 PM

**Event Highlights:**

- Lucky Draw
- Contest
- Early Bird
- Visitors Giveaway

Official Venue: **Queensbay Mall** | Organizer: **UNICO** | Online Media Partner: **PenangPropertyTalk.com**

**018 9898 707**  
[www.unicoevents.com.my](http://www.unicoevents.com.my)

\* Bring this flyer to redeem a free a mystery gift  
\* While stocks last  
\* Valid Thursday 30th Oct & Friday 31st Oct between 10.30am to 12.30pm



States Chang: "The curb measures announced and implemented for next year's budget [real property gains tax (RPGT) exit costs, loan-to-value ratio (margin of finance/LTV) and prohibition of DIBS] have achieved their objectives in partially deterring speculators and 'bogus' house buyers. It has also brought some sense of orderliness to the housing arena." However, further measures have been prompted by HBA, which it hopes will be implemented in Budget 2015. These will be discussed in a subsequent feature.

**► Email your feedback and queries to: [propertyqs@thesundaily.com](mailto:propertyqs@thesundaily.com)**

adds Chow.  
Visitors to the fair will also be in the running for exclusive prizes and gifts as the organiser, Unico Events Management, has set about crafting an array of lucky draws, contests, early-bird giveaways and pre-event Facebook offers.

# Trust in the tribunal

> Fast, affordable dispute resolution for homebuyers

**W**HEN Viannie Lim, bought her dream house in Selayang two years ago, she had not anticipated the nightmare it would turn into. "I could only move in five months ago, instead of the original handover date in October 2013. I also had to fork out RM18,000 for rental due to this delay by the property developer," she informs.

Scenarios like this are ubiquitous, leaving homebuyers victimised by additional and unnecessary costs, for years. While taking errant developers to court is an option, many aggrieved buyers struggle later, when pursuing the legal route as property developers often have a host of savvy lawyers at their disposal. As court cases can take months, if not years, to resolve and with money and time an issue, who can a homebuyer turn to for dispute resolution?

## THE SOLUTION

Established on Dec 1, 2002, the Tribunal for Homebuyer's Claim (tribunal), was set up by the Ministry of Housing and Local Government. Its main purpose is to hear out homebuyer's claims on losses and other related matters pertaining to

purchase of a home, in a fast, inexpensive and direct manner.

"This is done in accordance with the Housing Development (Control and Licensing) Act of 1966 (Act 118)," says lawyer Andrew Wong. "Since its establishment, the Tribunal for Homebuyer's Claims has played a significant and effective role in the adjudication of disputes between housing developers and homebuyers. As an informal venue for these disputes, the tribunal observes no hard-pressed procedures and can adopt the procedure it thinks is most appropriate for a case."

To keep the process affordable to all homebuyers, the filing fee is kept at RM10. "Legal representation is also not allowed unless the tribunal feels that the matter involves complex issues of law or that one party will suffer severe financial hardship if he is not represented by an advocate and solicitor. If one party is allowed to have legal representation, then the other party will also be entitled," he adds.

## THE CLAIMS

"Once a claim is filed with the tribunal, the hearing date will be fixed within 21 to 30 days," says Tribunal for Homebuyer's Claim deputy chairman Jamhirah Ali. Unlike court cases which can take years to resolve, the tribunal is different. "Cases are resolved within 120 working days from the date of filing," Jamhirah says. The efficacy of the tribunal is also seen in its promising statistics. Until Sept 30, 2014, 37,635 cases have been filed in the tribunal. Of these, 37,388 cases have been resolved. The balance (247 cases) are still pending for hearing," Jamhirah reveals.

There are two types of claims that can be filed at the tribunal - technical and non-technical.

► **Technical claims cover:**  
\* defective workmanship,  
\* defective materials and  
\* properties that are not constructed in accordance with the approved plans stated in the S&P agreement

► **Non-technical claims comprise:**  
\* late delivery and  
\* refund of deposit concerns.

"Late delivery of vacant possession is the most common reason for a case to be filed," Jamhirah adds

compliance Claims (CCC) - Non-Technical & Technical Claims

iv) Quotation from contractor - Technical Claims

v) Photographs of the defects - Technical Claims

• A copy of Form 1 should also be served on the developer and an acknowledgment from the developer has to be obtained as proof of service.

The developer will then have to file a defence in Form 2 (four copies) along with the prescribed fee of RM10 within 14 days after the service of Form 1, which has to be served to the homebuyer.

Source: www.kpkt.gov.my



## THE SOONER THE BETTER

The tribunal official website states that a housebuyer must bring the claim before the Tribunal no later than 12 months from:

- The date of issuance of the certificate of completion or compliance (CCC) for the housing accommodation or the common facilities, whichever is later;
- The expiry date of the defects liability period; or
- The date of termination of the S&P agreement by either party and such termination occurred before the date of issuance of the CCC for the housing accommodation or common facilities, whichever is later.

## THE DECISION MAKERS

"Cases filed with the tribunal will be heard by members of the tribunal, as appointed by the minister, under the Housing Development (Control and Licensing) Act 1966 [Act 118]," says Jamhirah. This includes a chairman, deputy chairman and presidents.

## AFTER THE HEARING

The decision of the tribunal is called an award. "Under Act 118, the tribunal is required to make its award without delay and where practicable, within 60 days from the first day of hearing. Hence, much time is saved by homebuyers," explains Wong.

However, the maximum claim amount for cases heard by the tribunal is usually kept at RM50,000. Claims exceeding RM50,000 may be heard and determined by the tribunal, only if both the parties agree in writing to submit to the jurisdiction of the tribunal. If not, the case can be filed with the sessions court.

"An award made by the tribunal is considered final and binding on all parties. It is deemed to be an order of the magistrate's court or a sessions court accordingly. Any person who fails to comply with an award within the period specified by the tribunal, commits an offence and shall on conviction be liable to a fine which shall not be less than RM5,000 but which shall not exceed RM10,000 or imprisonment for a term not exceeding two years or both. An additional fine of up to RM1,000 for each day or part of a day during the offence, if it continues after conviction, may be imposed on the offender," he adds.

## LIMITATIONS OF THE TRIBUNAL

The Tribunal has no jurisdiction or claims for recovery of land and in which there is a dispute concerning entitlement under a will or on intestacy, or concerning goodwill or choice in action or concerning any trade secret or intellectual property right.

Source: www.kpkt.gov.my

## DID YOU KNOW?

Previously the tribunal could only hear cases involving licensed property developers. In order to help aggrieved homebuyers seek redress with less hassle, an amendment has been made, that also allows the tribunal hear cases involving sale and purchase agreements between homebuyers and unlicensed housing developers.

[Retrieved from National Housing Policy (NHP)]

► Please email your feedback and queries to: [propertyqs@thesundaily.com](mailto:propertyqs@thesundaily.com)

## FILING A CLAIM AT THE TRIBUNAL

The homebuyer has to file four copies of the Statement of Claim (Form 1) at the Tribunal's Registry and pay a fee of RM10.

• The amount and particulars as stated in Form 1 has to be signed or thumb-printed by the homebuyer.

• The following documents have to be attached to Form 1:

- i) A copy of sale and purchase agreement - Non-Technical & Technical Claims
- ii) A copy of Letter of Vacant Possession - Non-Technical & Technical Claims
- iii) A copy of certificate of completion and