

Issues Arising from Urban Housing Development: Challenges in Town Planning

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Abstract

The relationship between the availability of land for residential construction and the rules and regulations that govern urban planning has been the subject of a substantial number of academic study. Despite the fact that a large number of people are of the opinion that municipal planning has frequently been a barrier to the construction of new dwellings, the findings of these research give data that contradicts this perception. In the real estate market, there is a widespread misunderstanding regarding the relationship between the number of prospective buyers and the actual number of residences that are available for purchase. One possible explanation for the occurrence of this gap is that there are limitations placed on the rate at which the costs associated with the construction of residential units can increase. As a result of the decision made by the government to delegate the responsibility of resolving housing requirements to the private sector, local planning agencies and planners are now required to carry out obligations relating to home construction with a greater degree of prudence. The objective of this paper is to conduct an analysis of a number of significant urban planning challenges that are associated with the complexities of residential property development in West Malaysia. Face-to-face interviews were done with a representative sample of home contractors in order to acquire the data that was needed for this study. In order to carry out the factor analysis, SPSS was utilised. The findings of the study suggest that it is possible to establish a direct connection between the characteristics of development plans and development control and a number of features of town planning. When it comes to the distribution of land for residential development, the authorization procedure for layout plans, and the compliance with planning standards, these issues are explained in a clear and concise manner.

Keywords: Problems with town planning, housing developers, and growth

INTRODUCTION

In accordance with Murie's (1976) interpretation, a family is entitled to a dwelling if it has been made available to them beforehand. There are three options available to the family: they may either construct a new house on the property they already own, purchase an existing house on a different piece of ground, or relocate to a building with multiple stories. Families living in urban areas are only allowed to construct their own dwellings through the use of self-help housing schemes and informal settlements, such as those found in Salak Selatan and Kuala Lumpur. The possibilities that are accessible to families in urban areas to construct their own dwellings are extremely limited, with the exception of traditional rural villages. In contrast, squatter homes are considered to be unlawful structures due to the fact that they are

located on land that is not approved for their use. The majority of people now have access to a significantly more extensive selection of housing options as a result of the meticulous preparation that went into getting development certifications. These housing projects comprise a variety of architectural styles, including apartments, terraces, semi-detached homes, and detached homes, among others. Roofing tiles and concrete are two of the most frequent building materials utilised in the construction of homes. Unfortunatously, a percentage of the city's population, which includes couples, families, and individuals, is unable to participate in housing programmes due to the excessively high expenses that are associated with the many housing options that are accessible. Individuals are prevented from participating in housing activities due to financial constraints, which in turn restricts their access to chances of this kind. According to the findings of a survey that was carried out by CHKL in the year 2000, about thirty percent of households that are located in large urban areas, such as the informal settlements in Kuala Lumpur, are currently experiencing difficulty in purchasing properties through the regular real estate market. Extensive research has been conducted on this subject, particularly with relation to the variety of affordable hotel options that are available. The notion that town planning has a substantial impact on property values has been debunked by a number of studies (Agus, 1992; Chan, 1997; Marbeck, 1997; Ghani and Lee, 1997; Khairuddin, 2002), among others. The findings of these research invalidate the claim that the layout of a city has a substantial impact on the value of properties. In order to construct a house, it is necessary to satisfy a number of obligations, including the submission of floor plans, schematics, and building blueprints. There was no way around the fact that the manufacturing costs would end up being higher than the initial estimate given the length of time it took to get approval, the limits that were imposed by the approval, and the necessity of making revisions to the plan. The current circumstance can be attributed to the fact that the strategy might require some modifications. Because of this, the rise in the value of real estate would be greater than the costs that were incurred in the process of creating them.

Within the context of the real estate market, the price of a residential property is ultimately determined by the intricate interaction between the availability of properties and the desire of purchasers, as seen from an economic point of view. According to Ghani and Lee (1997), the supply of newly constructed residences is influenced by a number of different factors. When taking these factors into consideration, the costs related with land, construction materials, labour force, and administration are taken into account. The decision made by developers to suspend residential construction projects in response to rising development expenses that are beyond the financial means of prospective buyers results in a decrease in the number of housing units that are available for purchase. Harvey (1992) forecasts that an increase in demand will result in higher prices for a variety of housing providers. During periods of economic expansion, households often have more money available for discretionary spending, which leads to an increase in the demand for dwellings. Among the patterns that can be seen, this is the most prominent one. On the other

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hand, when the economy was in a state of decline, there was a huge drop in the demand for residential homes. Due to the numerous complicated aspects that influence their productivity during the development phase, housing developers confront challenges in fulfilling signs of high housing demand that are linked to economic cycles, such as expansions and contractions (Simon and Henneberry, 2002). These challenges are caused by the fact that housing developers are under pressure to meet the need for housing.

The necessity to exercise control over urban planning has become a key priority in light of the fact that all developments are required to get planning permits. This is as a result of the fact that gaining permission from the planning commission is obligatory for any kind of expansion.

The only entity that has the authority to grant approval for proposals for expansion or development is the municipal planning authority. It is through Act 172, which amends the Town and County Planning Act of 1976, that the authorities in West Malaysia are granted the authority to make decisions. On the other side, the Federal Territory (Planning) Act of 1982 is the law that governs the Federal Territory of Kuala Lumpur. In order to fulfil their legislative responsibilities, the planning authorities are obligated to be accountable for the implementation of applicable policies and the overall achievement of collective planning objectives. Creating an urban environment that ultimately improves both residential and commercial activities is the primary objective of these goals. Additionally, the identification of optimal sites for particular demographic groups at crucial moments is another target of these goals. Furthermore, in order to successfully accomplish these objectives, it is necessary to make effective use of the time available. Obtaining building permits and planning authorizations is necessary in order to determine whether or not a building will contain one or more residential units. The Town and Country Planning Act is not applicable to the subject matter; rather, the Street, Drainage and Building Act of 1974 is the law that governs the subject matter. In the same vein, this Act was passed into law in 1974. Several obstacles have been identified by researchers as being present in the approval process. It is generally agreed upon that the amount of time required to process approvals constitutes a significant barrier. The assertions, on the other hand, do not provide any precise specifics regarding the planning components that lead to the most significant worries or the specific causes that cause issues and increased expenses in the process of home development. In addition, it is of the utmost importance to make it clear that the term "planning problems" does not always refer solely to traditional planning endeavours; rather, it encompasses concerns that are associated with construction rules and are the responsibility of the planning department.

This study has two primary objectives: first, to investigate the difficulties that housing developers in West Malaysia face in relation to town planning control; and second, to identify the numerous interconnected factors that impede housing development in West Malaysia, with a particular emphasis on those that are associated with urban planning control. Both of these objectives are interrelated. To

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begin, we will talk about housing planning, which is the most essential component of the whole system that is responsible for providing and delivering housing. The implementation of this is done in order to accomplish the goals that were given above. In the next section, we will conduct a comprehensive review of the existing literature concerning the limitations that are imposed on the planning of housing developments. In addition to that, the report additionally contains a synopsis of the findings that were obtained from the literature review.

PLANNING TO BUILD A HOME

Particularly in the country's most important urban areas, the government of Malaysia has implemented a number of policies and programs in order to address housing needs and guarantee the availability of housing that is suitable for residents. During the early phases of independence, the government placed a significant amount of stress on the significance of maintaining the availability of public housing for the urban population that was considered to be economically disadvantaged. After that, the government moved through with the process of distributing money to a variety of entities, including municipal governments and financial institutions.

In addition, the topic of discussion included both the interest rates and the conditions of the loan repayment. According to earlier scholarly studies by Ozay (1988) and Johari (1991), significant rates of urban development during the 1960s and 1970s were identified as one of the contributing components that hindered the endeavor to properly address housing needs. This was one of the contributing factors that was identified as one of the contributing elements that hindered the endeavor to effectively address housing needs. The growing prevalence of squatting and other forms of informal dwelling in metropolitan centers prompted intervention from the government. A lofty objective was set for the residential construction sector in Malaysia under the Third Malaysia Plan (1976–1980), which was in effect from 1976–1980.

The primary objective was to make certain that all people living in Malaysia had access to housing options that are suitable for them. In general, a house is seen as having a good reputation if it provides residents with a feeling of safety, excellent health, and a sense of security, in addition to offering appropriate core facilities and simple access to common resources. The government has acknowledged that ensuring that family housing is priced affordably is an essential component in order to accomplish these goals. In light of this, the Malaysian government has proposed a number of initiatives that will be carried out during the course of the subsequent five-year plan.

The procedures that were taken included putting the financial well-being of owner-occupants in the path of potential hazards, locating powerful individuals, and encouraging participation from the private sector. According to the measurements that have been presented, it is possible to deduce that the goals of the government on housing are primarily focused on the traditional housing market. The Seventh Malaysia Plan (1995-2000) defined the target of constructing a total of 800,000

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residential units, with the private sector being responsible for the completion of 71% of these units. The plan was in effect from 1995 until 2000. The fundamental objective of the housing development program that was carried out as part of the Eighth Malaysia Plan (2001-2005) was to increase the number of housing options that were appropriate, affordable, and of a good quality for people of all different economic backgrounds. The construction of low-cost and low-to-moderately priced homes will continue to be given higher priority than other types of housing. It was anticipated that in order to achieve this objective, both the public sector and the private sector would step up their efforts in order to meet the ever-increasing demand for their services. According to the Bank Nevada Annual Report for 2005, it was discovered that the quantity of medium- and high-priced residences built at the end of the defined timeframe exceeded the initial aim. This was proven to be the case when it was discovered that the initial objective had been surpassed. By the end of 2005, a total of 17,000 residential units were still on the market but had not been purchased. Given that the primary objective of the private sector is the maximizing of profits, the participation of the private sector in this scenario creates a number of obstacles. According to Harvey (1992), the purchasers will be responsible for covering the costs involved with the development of the houses, and they will also be responsible for ensuring that the profit margin is higher than that of other industries. The request was presented to the government in order to expedite the construction of inexpensive dwellings (Chan, 1997). The request requested that the government offer additional "state land" to housing developers and to streamline the procedure for the planning approval process. The scarcity of inexpensive premium land or available free land is the primary factor that is driving the movement of urban habitation away from the city center and into the periphery. This change is primarily made possible by the conversion of agricultural land that is located on private holdings. The perspective that was taken into consideration displays a rather casual approach to planning control. The transformation of agricultural lands into residential uses requires the acquisition of a planning permit. This is because there is now more land available for residential development. However, research carried out in the United Kingdom found that the release of large tracts of land for residential development did not have a substantial effect on the pricing of existing homes in that country. As a direct consequence of this, the strategy in question does not guarantee the desired result in terms of property prices (Healey, 1992; Bramley, 1993). In addition, the lack of local government control and the absence of a development plan for the region would have provided further challenges for home builders in their efforts to transform agricultural land into residential communities. In spite of the fact that the property might be subject to the jurisdiction of the local government, it is extremely likely that it was not located inside the boundaries of the residential zone when it was first zoned. The constraints that are inherent to the process of planning are made abundantly clear by the given circumstances.

Problems with urban planning and building homes

Before granting approval, planning may set certain conditions on the request. According to Ghani and Choong (1997), the majority of the increase in manufacturing costs can be attributed to the introduction of new infrastructure as well as design adjustments. Examples of expensive infrastructure include the widening of a road and the elimination of a previously specified viaduct. The majority of the capital expenses might have been paid by the building of these types of infrastructure, which would have left just a minor portion for the other types of construction. In addition to this, this leads in excessive borrowing requirements, which raises the overall amount of interest that must be paid. According to the planning legislation and design guidelines, the design modification must cover both the building design and the distribution of land for community amenities and facilities. This requirement applies to both the interior and exterior of the building. All of the costs will be borne by the developers, who will then pass them on to the purchasers.

The availability of land for housing may be altered by the town planning authority if anticipated production-cost influencing factors are taken into consideration. This is the case even if the development plan does not identify the property in question as a new development area. This takes place when the actual quantity of land necessary for a given settlement is different from the estimated quantity of land required for the settlement. Because of this procedural flaw, land that was both inexpensive and had the potential to be valuable would not be developed (Buang, 1997). The planning officer also has the choice to not recommend to the land office the conversion of agricultural land or the rehabilitation of former mining ponds. This is another option available to them. Whether or not this was the objective of the decision-makers, the result will be a reduction in the total quantity of land that can be developed for residential use. According to Monk (1991), land prices go up when land that has been approved for housing can be sold for a greater price. This leads to an overall increase in land prices.

In light of the ideas that came before, it is feasible that town planning may place constraints on housing building via the development plan. The development plan designates the area for future development and includes restrictions on zoning, density, and design. The local planning authority decides the required procedure, processing needs, planning standards, and duration of its activities through the use of development control. Town planning has broader leeway to develop additional standards, alterations, and upgrades that must be adhered to during the process of decision making. This latitude allows for greater flexibility. In the following conversations, which are going to be based on the data analysis, the scope of the constraints is going to be discussed.

RESULT

The data provided in Table 1 offers multiple possible interpretations. Nevertheless, in order to delineate the significant limitations of the elements, it is possible to overlook a coefficient, commonly referred to as a "loading," that is below 0.3 (Mahzan, 2002). Bold figures in a presentation indicate a strong factor loading and a statistically significant relationship between the item being examined and the factors listed earlier. The remaining item loadings lack the necessary level of consistency to be considered credible indicators of the dimension under investigation. Furthermore, the factors that provide the largest proportion of the variation that can be elucidated provide the most succinct and comprehensible explanation of the items (Nachmias, 1996, p. 472). The table illustrates that the development plan, encompassing the current structure and local plan, accounts for the largest proportion of expenditure at 66.9 percent. Conversely, planning communication and correspondence represent the smallest proportion of expenditure at 3.43 percent, after excluding non-planning factors.

CONCLUSION

There have been multiple instances in which the developers have not provided solutions to the inquiries that are comprehensive, which has resulted in a lack of complete explanation of the data. In addition, due to the potential existence of hidden objectives inside the private sector, the interpretation of the figures should be approached with extreme caution. Nevertheless, the study of the data shows certain indications of the impact that urban planning-related issues have on the development of housing. Despite their tendency toward a more pessimistic perspective, the aforementioned findings highlight how important it is to take into account these essential aspects when making decisions about future planning, growth restrictions, and managing housing demands. The development plan ends up being the major determinant, and as a result, it takes on an essential part in the process of formulating the criteria for housing land development. For this reason, it is very necessary for town planners to exert an increased level of caution in the decision-making processes, guidance giving, and technical assessment execution that take place during the process of formulating the development blueprint.

In addition, it is absolutely necessary for the development plan to be subjected to frequent modifications, such as once every five years, in order to guarantee that it will continue to be relevant within the context of the present economic climate. These findings have significant ramifications because they throw light on new perspectives regarding the effect that planning control has on the spread of housing.

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