

Home Owning Democracy for the Urban Poor: A Case Study of Kuala Lumpur, Malaysia

Faizah Ahmad (Corresponding author)

Centre for Studies of Urban and Regional Real Estate (SURE)

Faculty of the Built Environment, University of Malaya

50603 Kuala Lumpur, Malaysia

Tel: 60-3-79675376 E-mail: faiz@um.edu.my

Wan Nor Azriyati Wan Abd Aziz

Centre for Studies of Urban and Regional Real Estate (SURE)

Faculty of the Built Environment, University of Malaya

50603 Kuala Lumpur, Malaysia

Tel: 60-3-79674499 E-mail: wyati@um.edu.my

Noor Rosly Hanif

Centre for Studies of Urban and Regional Real Estate (SURE)

Faculty of the Built Environment, University of Malaya

50603 Kuala Lumpur, Malaysia

Tel: 60-3-79675395 E-mail: nroslyhanif@gmail.com

Ibrahim Mohd Ahmad

Centre for Studies of Urban and Regional Real Estate (SURE)

Faculty of the Built Environment, University of Malaya

50603 Kuala Lumpur, Malaysia

Tel: 60-3-79674490 E-mail: ibrahimohd@um.edu.my

Received: October 20, 2011

Accepted: December 1, 2011

Published: January 1, 2012

doi:10.5539/jstd.v5n1p13

URL: <http://dx.doi.org/10.5539/jstd.v5n1p13>

Abstract

Home ownership for the urban poor poses a major challenge to metropolitan management and urban governance. The key aim of this study is to determine the role of the state in providing the opportunity for the urban poor to become home owners. Secondly, it also seeks to examine the level of sustainable owner-occupation amongst the urban poor given the opportunity to enter into homeownership. Drawing upon a case study of low-income housing in the capital city of Kuala Lumpur the study establishes that for many decades the governance of Kuala Lumpur has played an active role in designing and implementing a wide range of housing policies to house the low-income groups. The study argued that the establishment of strong institutional capacity is vital towards successful implementation of urban poor housing programs. Further insights into the level of sustainable owner-occupation amongst the households of low-income housing project confirm that the state has been successful in providing decent and affordable housing to its urban poor.

Keywords: Urban poor, Home ownership, Affordable housing, Low-income housing, Housing policies

1. Introduction

It has been widely argued that home ownership is an essential component in social class formation in both developed and developing countries (Malpass, 1990; Saunders, 1990). A home-owning society is no doubt liable

to be one where people are indistinctly pleased of their achievement and intensely defensive of their right and privileges. Home ownership in general, is often characterized as providing important benefits for individuals, governments and economies (Grange & Pretorius, 2000). It has even been presented as an agent of social transformation, intrinsically associated with democracy itself (Malpass, 1990; Hays, 1994; Low, 2003). Thus, many governments pursue a political agenda that promotes home ownership (Kemeny, 1992; Phang, 2009).

In the context of Western countries, the promotion of home ownership is considered as one of the most controversial issues in housing studies (Chan, 2000). For instance, Saunders (1990) argued that home ownership is a form of 'ontological security' which denotes wealth accumulation that cuts across class boundaries. In contrast, in the context of East Asia region, Forrest and Lee (2003) observed that home ownership has been an important ingredient in social class formation for a variety of reasons. In the context of Malaysia, providing housing for the low income people, particularly the urban poor has always been a fundamental part of the state's housing policy to maintain the stability and prosperity of the country. The commitment by the Malaysian government to provide adequate and affordable shelter for its nation was evidently reflected in the government's annual budget and the nation Five Yearly Development plans.

The role of the state as the key housing provider for the low income people is significant (Asian Development Bank, 2009). The state believed that housing provision should be a vehicle for achieving viable and sustainable units of human settlements that not only address the physical needs for shelter but also the particular national need for social, cultural and ethnic integration (Mahathir, 1999; Zainal Abidin, 2010). Nevertheless, questions arise as to what extent has the state provides the opportunity to the urban poor in particular, to enter home ownership. Are the housing policies introduced by the state more focus on the state as the main provider? Or does the private sector also play an equal role in meeting the housing needs of the urban poor? Most importantly, are those urban poor assisted to enter home ownership feel satisfied in becoming the home owners and able to sustain the owner-occupation as intended by the state. These are the main objectives of this paper.

In addressing these questions, the paper then examine Kuala Lumpur city, the capital city of Malaysia as the case study. Kuala Lumpur was specifically chosen to provide a platform of understanding the urban poor issue in Malaysia mainly because the implementation of the New Economic Policy (NEP) has made Kuala Lumpur a focal destination to seek employment and career development. Its population growth therefore is reflective not only of natural increase by births, but is due also to rural-urban migration. Rural-urban migration has created a particular challenge to the City Hall of Kuala Lumpur as the local authority in providing housing for these people which brings along with them the issue of poverty (Fauza & Khairulmaini, 2002). Furthermore, the country's political leaders also believed that the city of Kuala Lumpur would be the key to the future economic success of Malaysia within the context of a highly globalize economy. This reasoning explains the emphasis of numerous state housing policies intended to further strengthen the city's competitive advantage. In doing so, one of the major policies is to provide housing for low income people in this city, and to enable them to enter into home ownership (Kamariah, 1993; Mohd Razali Agus, 2002; Takahashi, 2009). This is perceived as an important agenda not only to fulfil social needs but also to enhance the sense of belonging to the city, which is an important ingredient to achieve economic and social balance.

2. An Overview of Home Ownership

Providing low income housing often requires innovative financing and regulatory mechanisms merged together at the federal, state and local levels. The purchase of a single family home is complex for low income households, yet home ownership has been an important ingredient in social class formation in both developing and developed countries (see for example Saunders, 1978; Forrest & Lee, 2003). Low cost home ownership not only has numerous benefits to the homeowner but to the larger community as well (Rohe et al., 2000).

Rohe et al. (2000) provide a comprehensive review of the social benefits of home ownership. Pride of ownership is a psychological benefit for new homeowners that include increased self-esteem; self-empowerment and heightened satisfaction with the physical environment (Bratt, 1991). Home ownership can also provide benefits to society in a number of ways. Steele (1990) argued that home ownership will lead to community and social stability including increased civic involvement such as voting and volunteering. It also increases a sense of community responsibility such as neighborhood cleanliness and other environmentally conscious beliefs. Most importantly, home ownership will reduce the need for income supplements when home owners become senior citizens. In a similar vein, Saunders (1978) asserted that home ownership might shape people's political values and party alignments.

While there are many benefits from home ownership, there can be disadvantages for both the society as well as individuals. To this, Rohe et al. (2000) commented that depreciation of the value of the home when the economic

cycle is depressed reduced the wealth of home owners. In other words, this capital risk contributes to the disadvantages of home ownership. Furthermore, home ownership also reduced a mobility to respond to employment opportunities. It also encourages urban sprawl which means increased commuting needs and higher costs to the home owners.

In sum, it is evident that even though there are numerous unique advantages of home ownership to individuals and the larger community, there are some inherent disadvantages as well. Yet, the aspiration of low-income groups to enter home ownership cannot be denied. Indeed their aspirations warrant assistance from the state. Thus, the aspirations of those who cannot afford may shape government policies. Indeed, it has been recognized that government policy and analysis has approached the topic of housing need of these people in several ways.

Recognizing the importance of home ownership to the urban poor, City Hall of Kuala Lumpur as the governance of city of Kuala Lumpur has taken the challenge to assist this group to become part of the home owning democracy. Acknowledging that providing housing for the low income people is vital to maintain the stability and prosperity of the country, City Hall of Kuala Lumpur designed a wide range of housing programs to address this issue.

3. Meeting Housing Needs of the Urban Poor

City Hall of Kuala Lumpur (CHKL) has established a wide series of low-income housing programs in meeting the challenge in meeting housing needs of the urban poor. The programs illustrate a mixed strategy rather than relying solely on either the public or private sector.

The establishment of a policy mix has been driven by the experiences as both provider and enabler. Explicitly, the authority in responding to the needs of these urban poor outlined eight key programs (Jabatan Perancangan Ekonomi dan Kemudahan Sosial, 1998). Each of these programs is described as follows.

1) Housing program for hard core poor

This special housing program pioneered by CHKL constituted low cost houses meant for renting at a subsidized rate. This policy of assisting the hard core poor in city of Kuala Lumpur has been supported by the federal government by providing funding and grants aid to CHKL to construct the units provided under this program. The program is introduced under the National Development Policy (1991-2000), a policy established as a continuation of the former New Economic Policy (NEP) with the key aim to reduce the incidence of hardcore poverty to 0.5 percent by 2000. Hard core poor in Kuala Lumpur refer to those households earning a monthly income below RM500.

2) Housing provided by developer through planning permission (30% - 50% low and low medium quota)

The program represents a significant role of state as an enabler rather than provider in meeting the housing needs by the low-income households. The active participation of the private sector in providing housing for the low income group has been made possible by legislation provided under the Federal Territory (Planning) Act 1982 (Act 267) and Town and Country Planning 1976 (Act 172). Section 20 of these acts clearly prohibits any development without planning permission. In terms of the key aim of the program, unlike the houses provided under the earlier program, the low cost units constructed through these programs are designed for sale to those low-income household provided they meet the requirements as an eligible purchaser.

3) Privatization and joint venture project

City Hall of Kuala Lumpur started its privatization of the land development programs in 1983 to coincide with the privatization policy implemented by the federal government in that year. In these programs, the state played both the role as enabler and provider. CHKL provides the sites to be developed whereas the private sector constructs the units. The joint-venture share of CHKL is based on the land value of the sites provided. The project return or profit due to CHKL in most cases is delivered in terms of in-kind rather than cash term. Low-cost housing has always been the priority mode of return in-kind. The key aim of providing low-cost units under this program is to assist the low-income households to enter home ownership.

4) Joint venture project with Employees Provident Fund (EPF)

This program is considered distinct from a normal joint venture project between public and private sector. EPF is a government body, thus this type of joint venture project demonstrate a public-and-public joint venture program undertaken to provide housing. The program comprises not only low-cost housing but also medium and high-cost. EPF provides the site and finances the project with interest rate charged at lower than the market rate. CHKL coordinates and monitors the project including appointing the contractor to construct the housing units. The units constructed are for sale to those eligible. Eligibility refers to those who fulfill the criteria stipulated by

Department of Housing Management which will be discussed in detail in the second part of this chapter.

5) National housing company limited (Syarikat Perumahan Negara Berhad- SPNB)

The federal government set up this state owned housing company in 1997 to expedite the supply of low-cost housing to the market. The key role of SPNB is to identify eligible developers to participate in special low-cost housing program initiated by federal government (Ahmad Zakki, 1997; Goh, 1997). A substantial fund to construct low-cost housing is provided by the federal government to be monitored by this company. The key aim of this program is to assist private developers in terms of financial capability and support them to construct and deliver the low-cost housings according to the plan outlined by the state. In Kuala Lumpur, the Minister of Federal Territory is responsible to monitor the progress of these joint-venture projects between the private developer and the government. However, they do not have the technical capacity to monitor the development. Thus, CHKL being the lowest hierarchy in the governance structure and presumed to comprise proficient technical and professional staffs, carry this responsibility under supervision of the above ministry.

6) Program using City Hall of Kuala Lumpur's own housing fund

This program utilized the CHKL's own funds rather than loans or grants from federal government. CHKL is considered to be financially autonomous since most of its sources of revenue are derived from the property assessment followed by the charges obtained from planning and development control rather than depending upon grant and financial assistance from the Federal government. Thus, CHKL is capable of initiating, planning and developing its own program apart from fulfilling the policies outlined at the federal level. This role as provider witnessed more provision of low-cost housing to the market for sale purpose targeted at first time low-income house buyer.

7) Public housing program

The principal objective of this program is to accommodate the housing needs of the urban poor in Kuala Lumpur on a renting basis. CHKL has been constructing public housing program since 1958 (Chamhuri, 2002). The houses are rented at subsidized rate to the above people whose household monthly income does not exceed RM1,500. They are the people who were perceived as those not eligible to enter home ownership of subsidized housing and at the same time not able to sustain renting in the open market. The rental rate imposed by CHKL for this group is much below the open market rental.

8) Integrated public housing program

This program is a special two-prong project designed to solve the squatters' problem. The thrust of this program is to resettle about 24,000 squatters' families to a formal planned housing. The program, launched in early 1999 is initiated by the federal government with City Hall of Kuala Lumpur participating as one of the many government agencies involved in this integrated program. This program represents another active role of the state as provider in providing housing for the low-income group. Rather than assisting them to enter home ownership, the key aim of this program is to provide them housing for renting only. However, families from squatter settlements are automatically eligible to purchase housing in low-cost home ownership schemes.

In sum, the overall intentions of City Hall of Kuala Lumpur's policies to provide housing to the urban poor suggests that the policies established involves a pattern of action extending over time, and involved many decisions (Anderson, 1975). It also indicates that the establishment of low-cost housing policies is indeed the product of the exercise of political influence (Hill, 1993). Furthermore, the findings also demonstrated that more than half of the programs outlined by the authority were projects designed to provide entry to home ownership for the urban poor. It also illustrates that fifty percent of the programs represent projects initiated by both the federal state and local authority. Through this heavy state intervention, the state intervenes obviously by using the state's own funds to construct, deliver and distribute low-cost housing to lower income households, themselves driven by the objective to accomplish both the economic and social goal of the nation. Additionally, through regulation the private sector contributes to supplement the housing supply to low-income households. CHKL through the planning system influenced the market by imposing a certain percentage of low cost housing to be built by private developers in any proposed residential development. This form of intervention to some extent portrays the housing enabling role leaving the market to construct and deliver (Doling, 1999; Takahashi, 2009), but revert to the state to distribute. The other joint-venture project more specifically aimed to release the financial burden of the state but at the same time demonstrated serious commitment by the state in providing entry to homeownership for the urban poor. Certainly, this mode of development not only portrays a public-private partnership but also a joint effort between public-public organizations to expedite the supply to the market.

Most importantly, the above findings confirm the continuation of support for the urban poor to enter home ownership. Yet, while the focus on sustainability is necessary and should be applauded, the research evidence assembled suggests that the initiatives identified are flawed. Questions arise about sustaining heavily subsidized home ownership. Further field interviews with owner occupiers of selected low cost housing present an excellent opportunity to examine the key reasons for not having absolute satisfaction in becoming assisted home owners. The following section pursues this issue.

4. Findings and Discussions

For the feasibility work, the selection of case studies concerned primarily with the differences in the nature of type of housing projects in order to test any potential different experiences of households in sustaining the heavily subsidized home ownership provided by the state through a wide range of housing programs for the urban poor. The guiding criteria for selection were that they should contain more than 1,000 units of low-cost housing in their area and must possess the commuter link. The Kuala Lumpur city centre is serviced by inter-city Light Rail Transit system in addition to the normal mode of public transportation (i.e., buses and taxis). The schemes studied comprised two different categories of low-cost housing projects are summarized as follows (Table 1).

The populations of interest to this research are those 400 households selected at random in both the two projects. One key criterion was set for this purpose, i.e., the household selected must be willing to spend at least 20 minutes to be interviewed based on the structured questionnaires.

4.1 The State Initiated Project: The Bandar Baru Sentul Project

This residential neighborhood essentially developed to resettle squatters' settlements within Sentul area was undertaken by City Hall of Kuala Lumpur using funding and grants from the state. The neighborhood originally designed to accommodate low and medium income people comprised only two types of development, first the five storey walk-up flat of low and medium cost and second, the multi-storey low cost flat (Jabatan Pelan Induk, 1997).

Sentul was previously a large squatter's settlement occupied mainly by the Indian community. Location wise, Bandar Baru Sentul is situated less than 5 kilometres north of Kuala Lumpur city centre. The project initiated by CHKL commenced in mid 1980s and completed by end of 1980s. Interestingly, the new township of Sentul ("Bandar Baru" literally means new township) contained upon completion new features that contradicted its former identity as an Indian dominant area. For instance, even though the Hindu temples remain in this area, a number of new mosques that are synonymous with the Malay community now exist. However, over the years the township that was initially planned as a new residential neighborhood now changed to a self-contained township. The latest new development within this neighborhood witnessed more medium and high cost housing and more commercial building being developed. The primary aim was to upgrade the township from its previous identity as a 'township for low-income people', to a more balanced residential development accommodating both low and high-income people (Jabatan Perancangan Ekonomidan Kemudahan Sosial, 1998). The latest development is nonetheless undertaken by private developers via joint-venture development with City Hall of Kuala Lumpur rather than by CHKL itself.

A total 3,887 units of low and low-medium cost flats were developed on five (5) different phases in Bandar Baru Sentul (Jabatan Pelan Induk 1997). The low cost flats comprised a total unit of 2,237 units (about 58 percent of the total development units in Bandar Baru Sentul). Two types of design were adopted, 5-storey walk up flat for sale and 17-storey flat which is meant for renting.

4.2 The State-Market Joint Venture Project: The Pantai Hillpark Project

The Pantai Hillpark project is a joint venture development between the Mayor of City Hall of Kuala Lumpur with Syarikat Kemajuan Perumahan Negara Sdn Bhd (SKPN). The joint venture agreement signed on 4th January 1990 involved several contiguous sites having a total land area of approximately 90.09 acres (Joint Venture Agreement, 1990). The sites were formerly state land alienated to the Mayor of Kuala Lumpur by the state authority for squatters upgrading purposes. The sites are located in an area known as Kampong Kerinchi Pantai, about 5 kilometres due south of Kuala Lumpur city centre and located in close proximity to the campus of University Malaya, the matriculation campus of International Islamic University and the locally renowned Mid Valley Megamall, one of the largest shopping complexes in the region. This project initially falls under Seputih Parliamentary seat, a political seat synonymous with a Chinese dominant area (UPU, 1992).

The agreement explicitly stipulated the entitlements of the Mayor from the joint venture development. Section 4.01 of the agreement stated that the Mayor would be given 552 units of low cost flats. These units will be

constructed and delivered to the Mayor without having to make any payment on top of 30% of net profit after tax. The net profit after tax was translated into additional 588 units of low-cost housing which result in total units of 1,140 units of low-cost housing delivered to CHKL. The date of completion of the units was fixed as 62 months from the date of commencement of the respective sites (Joint Venture Agreement, 1990).

All 1,140 units of multi-storey low cost units were completed and delivered to the mayor of Kuala Lumpur in year 2000. All the units were sold to eligible purchasers registered through open registration system with the department of housing management, City Hall of Kuala Lumpur. Nonetheless, all squatters involved in this project site were given an opportunity to purchase the low cost housing within this development. Additionally, squatters involved on the nearby joint-venture development were also given priority to purchase these units.

A summary of the two studied schemes is outlined in Table 2.

4.3 Background of the Households in Studied Schemes

In Pantai Hillpark, more than three quarter of the respondents was Malay. A key aim of this joint venture project was to create a more ethnically balanced community in a Parliamentary seat that was, previously, predominantly Chinese. The findings of this study suggested that this key aim is successfully met. Only a very small sample of 0.5% of sample surveyed claimed they were of ethnic Chinese. Nevertheless, due to its strategic location, which is near the campus of University of Malaya and Foundation College of Islamic International University as well as located within close proximity to the city centre, the scheme has attracted other ethnic (apart from three major ethnic of Malays, Chinese and Indian) to reside in this area.

A similar scenario prevails in Bandar Baru Sentul, a project initiated by the state. The ethnic Malays also dominated the samples surveyed. More than three fifth (60.5%) claimed that they were Malays followed by more than one fifth (22.5%) declared they were of ethnic Chinese. This also suggests that politically the strategy to reside more Malays and Chinese into Sentul area, which previously is an Indian dominance parliamentary area has to some degree were achieved. It also suggested that the provision of low-cost housing initiated by the state has enabled the state to meet the social cohesion policy in which a harmony and balance of races is being met.

These findings reflect the economic and demographic realities of Kuala Lumpur. On the one hand, the Malays form the majority of the poor in society, and thus qualify for access to subsidized home ownership. On the other hand, the Chinese are the dominant ethnic group in the population. Hence, although the Chinese community controlled economic activity in Kuala Lumpur, significant proportions were also poor and were also eligible for low-cost housing. To a certain degree, this also demonstrated that equal opportunity was given to those eligible regardless of races.

In terms of age group, the Kuala Lumpur Structure Plan (City Hall of Kuala Lumpur, 2003) has indicated that the current composition of citizens of this city experienced an increasing rate in the productive age group. The matured working age group of 40-64 has increased from 17% in year 1991 to 23% in year 2000. Indeed the result of this household survey reflects the above. The majority of respondents interviewed comprised mature household's head aged between 40 and 55 years, with less than quarter per cent claimed their household's head aged between 30 and 40 years old (Table 3). The fact that both the public and private initiated projects were occupied more than 10 years has to some extent suggested that home ownership for these people has made them stay in the city. This phenomenon of being owners of property in the city has limited their residential mobility, and thus contributes towards fulfilling the city needs on productive age group.

Table 4 presents the data about the duration of the present housing episode. In Bandar Baru Sentul which was completed more than 10 years ago, the majority of the households interviewed reported having resided in their present unit for more than 10 years. Whilst majority of those resided in the newer joint venture project of Pantai Hillpark claimed they resided more than 5 years but less than 10 years. Given such a length of housing episodes, it is reasonable to expect that during the episode important demographic and employment event may have occurred. Five years for example, is a period in which couples without children may get children, and thus experience a critical change in the make-up of households and the number of members.

The key finding of this study suggests that (Figure 1) almost two third of the households interviewed were owner-occupiers whilst a balance of one third rented privately from individuals given the opportunity to enter home ownership but chose to move out and rent the units. The findings illustrated that the wide range of low cost housing program adopted by the state to meet the housing needs of low income people has produced a satisfactory outcome. Undoubtedly, this indicates the success of the policy in extending opportunity to the low-income households to become property owners. Even though the percentage is not an absolute 100 percent, the encouraging percentage of about 63% owner occupied of 400 households interviewed in all two categories of

projects implemented by CHKL reflects the successfulness of CHKL in implementing the low-cost housing policy to the target group.

Above all, the findings suggest that the majority of the interviewees (owner occupiers group) expressed that they do not wish to move out in the near future. Their desire not to move suggested that home ownership amongst the low income people has increased the sense of belonging to the community. This is perceived as an important achievement in terms of meeting the social and economic balance of which has always been the premier agenda of the state. It also suggested that home ownership has indeed provides a great deal of social benefit as postulated by Rohe et al. (2000) and Bratt (1991).

Indeed, buying a home was the largest financial undertaking that most of the low-cost housing purchasers had so far made in their lives. Majority of the homeowners in the studied sample settled on mortgage loan either from their employer or from financial institution. Some even utilized their own finance rather than borrow to enable them to enter home ownership. Our findings illustrated that more than half of them who opt to borrow obtained their finance from financial institution rather than utilizing the government housing loan. This suggests that majority of them were employed in private sector rather than in public sector. Less than 20 percent of them who used their own finance suggest that they are those who claimed they were self-employed. To some extent, this indicates that low-cost housing indeed has stimulated saving habits to enable them to enter home ownership (Freire, 2002).

Buying a low-cost housing was also a significant commitment made by these low-income people. The study established that majority of them (84%) were very pleased with their decisions to purchase their current dwellings, and none of them claimed they regretted purchasing the low-cost housing. This suggested that the policy of providing housing to the low-income group have assisted them to become homeowners, an aspiration desired by most Malaysian regardless of race and income group. Nevertheless, about 16% of them declared they have mixed feelings on their decision to purchase. Most of this group of 16% stated their reason for not feeling absolutely pleased with their decision to purchase is due to the condition of the low-cost housing. A small percentage claimed they now face difficulties to commute to their work place. Although none declared they face difficulties to access basic amenities such as schools or market, some of them blamed their neighbors for not feeling absolutely pleased with their decision to purchase low-cost housing.

Most importantly, majority of them (87.6%) expressed that they were quite satisfied with their current residence. Even though a relatively small percentage claimed they very satisfied, a negligible percentage of less than 1% professed they indeed not at all satisfied. Table 6 shows the level of satisfaction with the current residence according to their previous housing episode. The finding indicates that majority of those who were quite pleased with the present low cost housing units were those who formerly lived at rented accommodation. Most of the squatters who purchased these low cost units expressed that they are quite satisfied with their units. This level of satisfaction suggests that the units were obviously better than their previous residence. To a certain degree, this also suggests that the current design and layout of the low-cost houses is acceptable by the low-income homeowners.

Despite that only two thirds of the owner occupied households interviewed declared they would continue living at the current address. Another one third professed they were keen to move to new address. Majority of the one-third group who expressed to move out were not satisfied with the current low-cost housing owned by them. They claimed that the size of rooms (which refers to bedroom size) is too small to accommodate their family. To a certain degree, this suggests that the family size should be taken into account when designing a low cost unit rather than remain to the rigid built area of 500 to 650 square feet as outlined by the central government.

5. Conclusion

This study concluded that home ownership initiatives implemented by the state have considerably assisted the urban poor to enter home ownership earlier than they would otherwise have been able to. The state should therefore, continue to provide more opportunity to the urban poor in meeting their housing needs. Most importantly, the programs designed by the state has made them part of the home owning democracy which a key ingredient for the country political stability.

To the key question whether the existing levels of owner-occupation are sustainable the obvious answer is that there is no reason why they should not be. Although one would not perhaps expect the proportion to be absolute at 100 percent. Indeed, the figure of 63 per cent owner occupied from the survey suggested that the objective to provide home ownership opportunity to the urban poor has to a great extent, reached the target group. Certainly the balance of about 30 per cent has good reasons for moving out. Perhaps location of properties does contribute to moving out and renting out the units may lead to better income. Implicitly, this suggested that there are indeed

loopholes in the implementation system which warrants a review or upgrading of the current policy.

The evidence from the survey shows clearly that whilst a high proportion of the owner occupied household feels proud for being part of the owning democracy group, a handful wish to move to other type of housing due to a number of reasons, some wish for bigger space and better quality and some could no longer tolerate their neighbors behaviors. Nevertheless, the wide range of low cost housing programs designed by the state has successfully assisted them to enter home ownership earlier than they would.

References

- Asian Development Bank. (2009). *Low income housing policies: Lessons from international experience*, Manila. Asian Development Bank. [Online] Available: <http://www.adb.org/Documents/PRCM/Low-Income-Housing.pdf> (August 21, 2011)
- Bratt, R. G. (1991). Mutual housing: Community-based empowerment. *Journal of Housing*, 48 (4), 173-184.
- City Hall of Kuala Lumpur. (2004). Kuala Lumpur Structure Plan 2020. Kuala Lumpur, City Hall of Kuala Lumpur.
- Freire, M. (2002). Brazil progressive low-income housing: Alternatives for the poor, World Bank.
- Hays, R. (1994). Housing privatisation: Social goals and policy strategies. *Journal of Urban Affairs*, 16 (4). <http://dx.doi.org/10.1111/j.1467-9906.1994.tb00332.x>
- Jabatan Pelan Induk. (1997). *Senarai projek perumahan kos rendah dan sederhana rendah Wilayah Persekutuan Kuala Lumpur*. Kuala Lumpur: City Hall of Kuala Lumpur.
- Jabatan Perancangan Ekonomi dan Kemudahan Sosial. (1998). *Laporan Tahunan*. Kuala Lumpur, City Hall of Kuala Lumpur.
- Kamariah O. (1993). Meeting housing needs: Issues and policy direction. Kuala Lumpur, ISIS.
- Kemeney, J. (1992). Housing and social theory. London, Routledge.
- Low, S. (2003). Behind the gates: life, security, and the pursuit of happiness in fortress America. New York, Routledge.
- Mahathir, M. (1999). *Jalanke PUNCAK*. Subang Jaya, Pelanduk Publication.
- Malpass, P. (1990). Reshaping housing policy: Subsidies, rents and residualisations. London, Routledge.
- Mohd Razali Agus. (2002). The role of state and market in the Malaysian housing sector. *Journal of Housing and the Built Environment*, 17, 49-67. <http://dx.doi.org/10.1023/A:1014868908840>
- Phang, Yong Sang. (2009). Affordable homeownership policy: Implications for housing market. European Real Estate Society Conference, Stockholm (June 24-27, 2009).
- Rohe, W. R., G. McCarthy. (2000). The social benefits and costs of homeownership: A critical assessment of the research. Working Paper No. 00-01. Washington D.C., Research Institute of Housing.
- Saunders, P. (1990). *A nation of home owners*. London, Unwin Hyman.
- Takahashi, Kaoko. (2009). Evolution of the housing development paradigms for the urban poor: The post-war Southeast Asia context. *Journal of Asia-Pacific Studies*, 13, 67-82. [Online] Available: http://dspace.wul.waseda.ac.jp/dspace/bitstream/2065/29761/1/AjiaTaiheiyoTokyu_13_Takahashi.pdf

Table 1. Profile of the studied schemes

Types of housing project	Name of housing scheme
Project undertaken by City Hall of Kuala Lumpur using grant from Federal Government.	Bandar Baru Sentul
Project undertaken via joint-venture development.	Pantai Hillpark

Table 2. Characteristics of two studied schemes

The studied Scheme	Mode of Development	Year Initiated	Site location	Key aim of development
Bandar Baru Sentul	Public initiated	Mid 1980s	About 5 kilometres north of city centre	Squatters settlement and ethnic balance (formerly an Indian dominant parliamentary seat)
Pantai Hillpark	Joint-venture Between Public and Private sector	Early 1990s	About 5 kilometres south west of city centre. Near to University of Malaya, Kuala Lumpur and Foundation College of Islamic International University	Squatters settlement and ethnic balance (formerly a Chinese dominant parliamentary seat)

Table 3. Age of household's head

Housing schemes /age of household's head	Bandar Baru Sentul (Public Initiated)		Pantai Hillpark (joint venture)	
	Frequency	Percent	Frequency	Percent
below 25	4	2	19	9.5
between 25 and 30	33	16.5	39	19.5
between 30 and 40	42	21	51	25.5
between 40 and 55	104	52	80	40
55 and over	17	8.5	11	5.5
Total	200	100	200	100

Table 4. Duration of the present housing episode

Duration of stay	Bandar Baru Sentul (State initiated)		Pantai Hillpark (Joint venture)	
	Frequency	Percent	Frequency	Percent
less than a year	14	7	23	11.5
1 year, less than 2 years	21	10.5	65	32.5
2 years, less than 5 years	46	23	107	53.5
5 years, less than 10 years	49	24.5	5	2.5
10 years or more	70	35	-	-
Total	200	100	200	100

Table 5. Desire to move out from present address

desire to move from present address	Sentul (public initiated)		Hillpark (joint-venture)	
	Frequency	Percent	Frequency	Percent
yes	44	22.0	51	25.5
No	82	41.0	75	37.5
Total	126	63.0	126	63.0

Table 6. Level of satisfaction with the current residence

previous living	What is your level of satisfaction of your current house					Total
		very satisfied	quite satisfied	not so satisfied	not at all	
squatter area	% of Total	.8%	16.9%	.3%	.0%	17.9%
rented accommodation	% of Total	2.3%	41.7%	3.8%	.3%	48.0%
employer's residence	% of Total	.0%	7.8%	1.0%	.0%	8.8%
own residence outside KL	% of Total	.3%	14.4%	2.5%	.0%	17.2%
squatting	% of Total	.3%	6.3%	1.0%	.0%	7.6%
others	% of Total	.0%	.5%	.0%	.0%	.5%
Total	% of Total	3.5%	87.6%	8.6%	.3%	100.0%

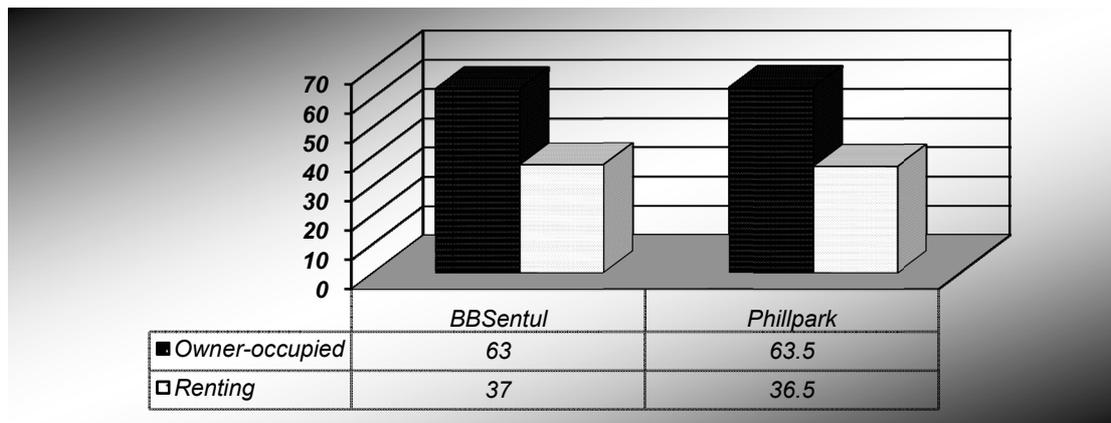


Figure 1. Status of occupancy