Delay in the Completion of a New Residential Property: Rights of the Purchaser

DELAY IN THE COMPLETION OF A NEW RESIDENTIAL PROPERTY: RIGHTS OF THE PURCHASER

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Introduction

According to the statistics issued by the Monitoring and Enforcement Division of the Ministry of Housing and Local Government, there were 261 abandoned housing projects in West Malaysia for the period commencing from the year 1990 to December 2005. 58,685 purchasers were affected. This paper discusses the rights of a purchaser of a residential property that are conferred on him by the Housing Development (Control and Licensing) Act 1966 (Act 118) and its subsidiary legislation. For ease of reference, the Housing Development (Control and Licensing) Act 1966 will be referred to as 'the Housing Development Act 1966' in this paper.

In this paper, the writers will emphasis on the issues whether the purchaser has the right to claim for damages and to terminate the sale and purchase agreement when there is a delay in the delivery of vacant possession of the property. The writers will also examine the avenues available to the purchaser if he wishes to initiate legal action against the developer. It will be shown that the position of the purchaser is vulnerable and thus, the writers will conclude this paper with some recommendations to strengthen the purchaser’s position.