

## The Causes and Effects of Housing Project Abandonment in Malaysia

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**Abstract :** One of the major sectors which contribute significant growth to socio-economic development is the construction and development industry. This industry is most badly hurt during the 1997 and 2008 economic crisis thus causing many government and private projects to be deferred and abandoned. The purpose of this study is to examine the causes and effects of housing project abandonment in Malaysia. This objective is achieved through rigorous review of literatures and documents related to housing and abandoned housing project. The finding revealed there are several causes of housing project abandonment. The significant causes are: economic recession, inadequacy of finance, poor marketing and sales strategies, technical problems faced during construction, problems caused by compensations demanded by squatters for resettlement, insolvency of contractor, cost overrun and currency fluctuation amongst others. However the alarming effect of housing project is: house buyers of abandoned project have the monthly payment although the house is delivered to house buy. In other case house buyers have to entangle in many legal action with the financial institution. This finding provides the various ministries in the Government some insights on real causes and effects of abandoned project. Perhaps this finding can enhance the current solution the Ministry of Housing Local Government on addressing the prevailing issue of reviving existing abandoned project in the country.

**Keywords :** abandoned project, abandonment, housing project, ministry of housing and local government, causes and effect

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