

Maintain or Demolish? Rethinking Urban Renewal Priorities

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Introduction

According to the UN, “to be adequately housed means having secure tenure—not having to worry about being evicted or having your home or lands taken away”¹.

Yet, this very concern may soon weigh heavily on residents of older buildings with the introduction of the proposed Urban Renewal Act (URA). The URA aims to provide a regulatory framework to redevelop, regenerate and revitalise ageing and abandoned buildings, thereby preventing urban decay. A draft bill was published for public consultation in February 2025 and is currently awaiting its first reading in Parliament.

The proposal has garnered mixed responses from various stakeholders. While some acknowledge its potential in rejuvenating deteriorating areas, others have raised concerns

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¹ UN (n.d.)

about the bill's vague guidelines. If poorly implemented, it could lead to overdevelopment, gentrification, and the displacement of existing residents.

This article examines some of the concerns surrounding the proposed URA and explains why its adoption must be guided by a needs-based and community-focused regulatory framework to ensure fair implementation and truly benefit the communities.

URA risks overdevelopment and displacement

The proposed URA guidelines allow redevelopment with just 75% owner consent and use a 30-year benchmark to demolish old buildings². This raises concerns over increased risks of overdevelopment and residents' displacement, especially if not planned and implemented carefully.

Imagine you bought a home and took out a 35-year mortgage. Years later, your building turns 30 and is suddenly deemed unfit for living by your city hall. You end up paying for a home longer than you actually live in it, even though buildings can last 50 – 60 years with proper maintenance³. The proposed 30-year benchmark is highly questionable. It risks promoting poor-quality developments that last only for 30 – 40 years, enough to qualify for redevelopment under URA guidelines. It also undervalues the importance of building maintenance practice.

Take another example. You and 75% of your neighbours agreed to redevelop your 4-storey walk-up flats into 40-storey condominiums. You are promised a one-to-one replacement unit. But previously, you paid less than RM100 (or even RM30 – RM50) for monthly maintenance. Now, in a high-rise with lifts, pools, and security which you did not request, your fees have tripled or quadrupled. Can you actually afford that? Some might manage, but many would struggle and eventually be forced to move out of the community they have long called home to just find something more affordable.

Prioritize maintenance over demolition

Before we rush into demolition, we need to ask: Is it truly necessary? Can the building be revitalised or refurbished instead?

The root cause of needing renewal is our weak maintenance culture. Many buildings are nearing dilapidation, not because of age but because they were never properly maintained. They lack long-term building maintenance plans, periodic building condition surveys, and life-cycle costing assessments⁴. These tools are essential to managing wear and tear and prolonging a building's lifespan.

The challenge is even greater for low-cost high-rise flats. When poorly maintained, these buildings can quickly deteriorate into urban slums. There is often a mismatch between the design of high-rise living and the financial ability of low-income residents to maintain them. High-rise

² Urban Renewal Bill Draft

³ New Straits Times (2025)

⁴ KRI (2023)

buildings require more complex and costly maintenance, from lifts to shared facilities. Do low-income residents have sufficient funds to sustain these maintenance costs?

Ironically, it is the walk-up flats, the ones that are more affordable, easier to maintain and better suited to this income group, that are now being targeted for demolition and replaced with expensive high-rises, with the aim to boost property values.

So, why not prioritize maintenance first over demolition? We should begin by properly assessing whether the issues can be solved with façade upgrades, repainting, lift repairs, or roof replacement. Demolition should only be considered as a last resort and only when refurbishment is no longer cost-effective or safe.

URA should not incentivize poor planning

One justification for introducing the proposed URA is that it could help address the persistent issue of abandoned and overhang housing in Malaysia. Under the URA provisions, abandoned and neglected buildings can also be earmarked as potential sites for urban renewal. However, to tackle the issue effectively, we must first understand the root cause of such phenomena, which lies in the current Sell-then-Build housing delivery system.

Under this system, houses are sold to buyers before construction begins. Developers rely on buyers' mortgage payments, along with their initial capital, as cash flow to finance the construction. Problems arise when developers face financial difficulties or go bankrupt, leaving projects abandoned and buyers stranded. Overhang units, on the other hand, often stem from poor feasibility studies, where developers fail to properly assess whether local demand can support their projects financially.

This raises an important question: Why should the government step in through URA to solve problems caused by developers' mismanagement? Shouldn't developers be held fully accountable, instead of shifting the burden to the government? Even so, the government has already intervened through the Task Force on Sick and Abandoned Private Housing Projects (TFST), which works to revive projects that still have potential.

URA should not become a convenient solution that rewards poor planning. It must not create an expectation that poorly planned housing projects in the future can simply be rescued later through URA mechanisms.

URA needs to adopt a community-centred approach; prioritize people over profit gain

It is agreed that redeveloping ageing and underutilized areas is essential to generate local economic development. However, the current proposal seems to favour developers more than the communities.

Redevelopment should not be driven by profit alone. It must prioritize protecting existing residents and delivering long-term benefits to communities living there. Therefore, the adoption

of URA must be anchored to households, with a vision to improve the quality of life for households and neighbourhoods⁵.

If URA is adopted, we must ask what kind of development it is encouraging. As highlighted earlier, if low-cost flats are demolished and replaced with high-end apartments, will these homes remain affordable to the original communities over time, especially when it comes to maintenance? Poor workmanship and inadequate maintenance led to buildings needing renewal in the first place. We cannot afford to repeat the cycle.

There are also other concerns. Will the original communities be retained or displaced? Are their voices and lived experiences being genuinely heard and respected? Most importantly, are we planning for what happens post-redevelopment, such as ensuring that there is adequate infrastructure to support increased population density?

If the URA is to create long-term value, it must be backed by strong regulation and genuine, early-stage community involvement. More efforts must be made to safeguard residents' interests. Where redevelopment does proceed with community consent, residents must receive adequate compensation, better relocation options, and clear guarantees that housing will remain affordable and maintainable in the long term.

Local authorities including mayors and councils must also play a stronger role in identifying appropriate areas and projects and ensuring fair implementation. Without these protections, redevelopment risks benefiting mainly developers and leaving vulnerable communities behind.

URA: Redevelop only when necessary and return the financial and societal gains to the communities

The social costs of urban renewal should never outweigh the benefits. Financial and societal gains from urban renewal should be retained or returned to the families and communities within the designated renewal areas⁶. Past experiences have shown how things can go wrong, with cases of forced evictions, rising property prices and gentrification pushing long-time residents out of their neighbourhoods⁷.

This is why any redevelopment initiative must begin with a rigorous, needs-based assessment. Not every ageing building needs to be demolished. In many cases, a well-planned maintenance or refurbishment programme could be sufficient. Redevelopment should only be pursued when clearly necessary, when refurbishment is no longer cost-effective or safe. Importantly, it must be carried out in a way that places communities at the centre, treating residents as active partners in shaping the future of their desired neighbourhoods.

⁵ Nur Fareza Mustapha (2025)

⁶ Ibid.

⁷ The redevelopment of Flat Kampung Kerinchi into Residensi Kerinchi in Bangsar and Flat Pekeliling into 1Razak Mansion has revealed some concerning post-redevelopment impacts. In several cases, residents were forced to vacate despite opposing the project. Those who agreed on the other hand faced long waiting periods (between 6 to 8 years) to get their new units, and faced increased maintenance fees. Surrounding property values and rental yields have surged and areas like Bangsar have undergone gentrification, thus raising the overall cost of living. Source: Sinar Harian (2022) and The Star (2024).

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