

## URBANIZATION AND HOUSING IN KUALA LUMPUR CITY CENTRE : ISSUES AND FUTURE CHALLENGES

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### ABSTRACT

*Rapid urbanization during the 1970's and 1980's has shown greater impact to urban and housing development in Kuala Lumpur from the previous era. But during the 1990's due to better economic condition and changing urban dwellers' lifestyle had led to counter urbanization of development. According to census in year 2000, population of Kuala Lumpur are at 1.29 million people far below projection by Kuala Lumpur Structure Plan 2000 (1984) at 2.2 million people by year 2000. Draft Kuala Lumpur Structure Plan 2020 (2003) review recently, had acknowledged that the slow population growth as compared to projection was mainly due to out-migration of people for better and cheaper houses outside Kuala Lumpur city.*

*Kuala Lumpur City Centre also known as Central Planning Area (CPA), being the heart of Kuala Lumpur City had experienced the population decline from 156,981 people in 1980 to 128,721 people in 2000. In term of housing in city centre, although the number of units had shown an increase from 29,562 units in the year 1990 to 31,106 units in 2000 but housing land use component had dropped from 390.58 hectares in 1984 to 254.88 hectares in 2000. It seems that the trends will continue in the future and further deteriorate the residential population in city centre if no drastic measures taken by the Kuala Lumpur City Hall (CHKL).*

*Therefore this paper will look into the impacts of urbanization process in Kuala Lumpur with particular reference to housing sector especially in the city centre. Which includes an analysis of the current issues and trends of housing development and recommendations for more sustainable urban growth in Kuala Lumpur.*

**Key words : Urbanization, Housing, Kuala Lumpur city centre, sustainable urban growth, Urbanization and Housing**

## 1.0 Introduction

Urbanization can be defined as the development of the population and cities, so that higher proportion of population live in urban areas (Reynolds, 1989). Urbanization process refers much more than simple population growth and involves an analysis of the related economic, social and political transformations (Drakakis, 1987).

Most countries don't have the official standardized definition of city centre. Therefore it varies from countries to countries or cities to cities. Depending on the city, a city centre can be a several square miles or even several square blocks. But city centre do have something in common, the place of maximum rent for commercial office space and are their city's central business district (CBD). The city centre is often the oldest, most established part of city (Rebecca, 2001).

For decades after the industrial revolution, the city centre or downtown of any city in the world was the simple manifestation of a bounded social and commercial structure. Living in city centre was efficient, functional and desirable (Jennifer, 1999). Families, the elderly, young couples, rich and poor alike all lived in or near the centre to be near where they worked and where the goods and services they need for living were provided. But with the rise of suburbanization, city centre have evolved into employment and entertainment centres only.

In the year 2000, more than 60% of Malaysian lived in urban areas and expected to increase up to 75% in 2020, in line with government vision to become develop country by 2020. Kuala Lumpur, the most developed state in Malaysia experience the lowest average annual population growth at 2.2% as compare to other state like Selangor (5%) and Johor (3.8%). Kuala Lumpur Structure Plan 2020 (2003) Report had indicated lower population growth in the city and population decline especially in the city centre area. In 1989, the Mayor of Kuala Lumpur, also expressed the view that the city is practically dead once the office workers leave for homes in the suburbs.

## 2.0 Urbanization and Housing in City Centre : Learning from America's Experience

The years after World War II brought wholesale change to the organization of American cities. Demand for housing exploded in the late 1940's due to a burgeoning middle class armed with plenty of low interest mortgages (Jennifer, 1999, Jane, 1997 and Roberta, 1998). Newly built highways connecting American cities provided access to cheap acreage and automobile was inexpensive to buy and to operate. The result housing developers chose cheap land and homebuyers happily followed, choosing more land at lower cost, safe neighborhood and a better return on investment than city housing options offered.

The development pattern initiated then have prevailed. By 1970 city center or downtown housing had largely disappeared together with exodus of the population to the suburbs. Public transportation ridership slipped dramatically because the shoppers were gone. City centre were left as centres of employment only and had little else to offer. By the 80's, even the employers and their workers were fleeing to the lower rents and abundant free parking of neatly planned suburban office parks nearer their homes. But city centre was not dead, by the end of 90's American are moving back into the city centre in significant numbers.

Research conducted by The Brookings Institute centre on Urban and Metropolitan Policy and The Fannie Mae Foundation have identified two overarching factors behind the recent increase in city centre housing, the demographic and strong economy. The increase number of households without children is expected to increase. This is precisely the type of household that is driving the interest in city centre living. A strong economy also boosts housing market. The employment growth, low interest rates and stock market wealth have produced rising tide have also lifted home building in city centre. People with money to spend on housing are weighing the travel time and maintenance requirements of the suburban choices with a more skeptical eye.

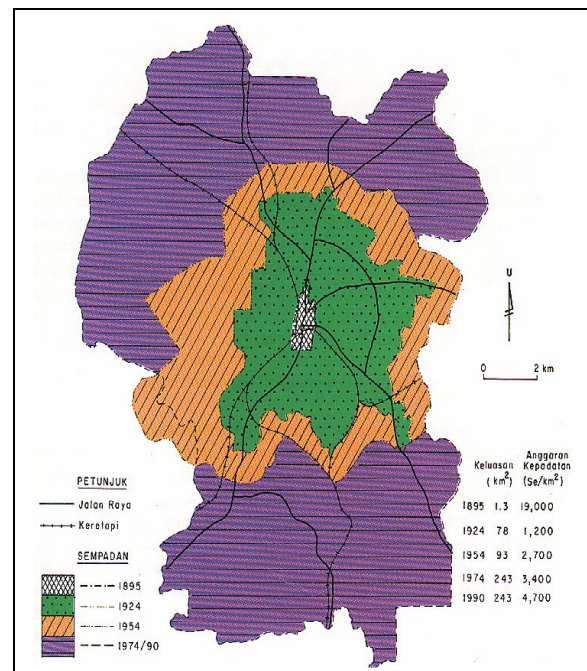
### 3.0 Urbanisation and Housing in Kuala Lumpur

#### 3.1 Kuala Lumpur in General

Kuala Lumpur cover an area of 243 sq km or 24,221 hectares and located in the heart of Peninsular Malaysia. Being Capital City of Malaysia, Kuala Lumpur is the most developed city in Malaysia.

The growth of Kuala Lumpur in term of physical structure and boundary is shown in figure 1. In 1895 the size of Kuala Lumpur is only 1.3 sq. km but after her declaration as Federal Territory in 1974 the size increased to 243 sq. km. Kuala Lumpur is also located at the center of Kuala Lumpur Metropolitan Region (KLMR).

**Figure 1 : Kuala Lumpur Boundary Since 1895 until today**

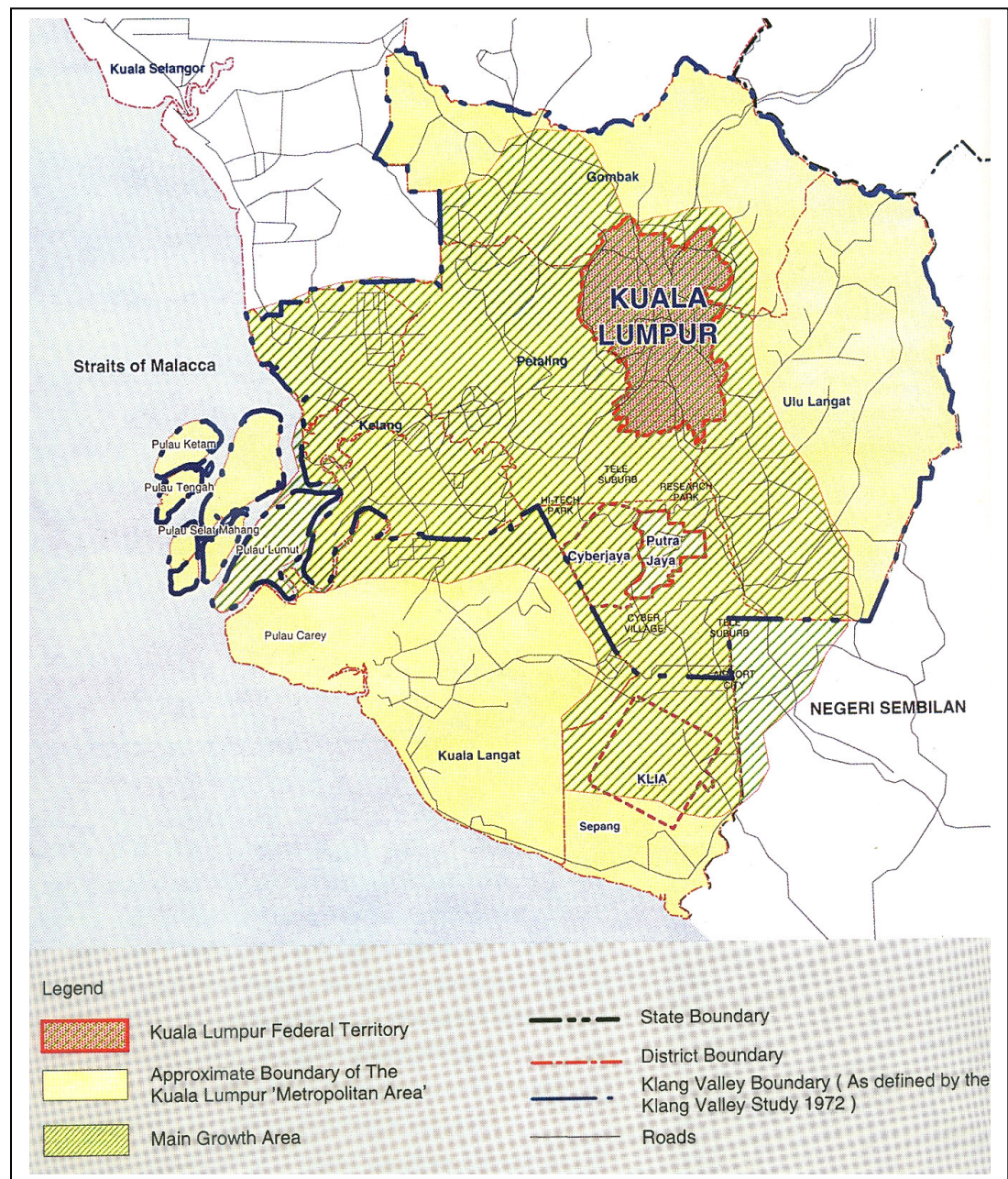


Source : Kuala Lumpur City Hall



KLMR cover an area of 4,000 sq. km with population of 7 million people in 2000. KLMR refers to entire Klang Valley, Kuala Langat and Sepang District in Selangor comprises development like the New Government Administration Centre at Putrajaya, Cyberjaya and Kuala Lumpur International Airport (KLIA) (please refer to figure 2).

**Figure 2 : Kuala Lumpur Metropolitan Region (KLMR)**



**Source :** Draft Kuala Lumpur Structure Plan 2020, 2003



In term of administration and city planning, Kuala Lumpur is divided into 6 Strategic Zones as follow:-

- a) City Centre
- b) Sentul – Menjalara
- c) Wangsa Maju – Maluri
- d) Damansara – Penchala
- e) Bukit Jalil – Seputih
- f) Bandar Tun Razak – Sungai Besi

### 3.2 Population and Economic Base

Due to rapid rural-urban migration in the early 70's, population increased from 399,864 people in 1967 to 648,276 people in 1970 and 919,610 people in 1980 after the government implemented the New Economic Policy. But, during 1991 to 2000 period, population growth is lower as compared to previous decades.

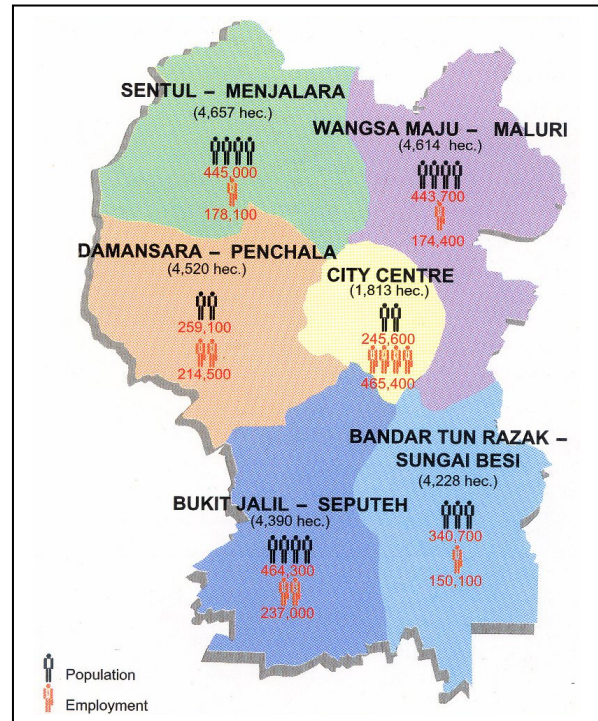
The number of people in 2000 is less than projected in Kuala Lumpur Structure Plan, 1984 at 1.5 million people in 1990 and 2.2 million people in 2000. Population of Kuala Lumpur in 2000 is at 1,297,526 people from 1,145,342 people in 1991.

**Photo 1 :** Shortage of affordable housing lead movement of people out of Kuala Lumpur city



Sri Sarawak – CHKL Public Housing, Jalan San Peng

**Figure 3 :** Population and Employment according Kuala Lumpur Strategic Zone in 2020



Source : Draft Kuala Lumpur Structure Plan 2020

The Kuala Lumpur Structure Plan 2020 report on the population also indicates the changing trends in the migration. There has been reversal in net in-migration of about 9,000 persons per annum between 1975 to 1980 to a net out-migration of about 4,280 persons per annum for the period 1991 to 1997.

The out-migration is clearly not a result of lack of employment opportunities but is partly due to the shortage of affordable housing. Therefore Kuala Lumpur has experienced a movement of people to the suburbs and outlying towns and commute daily back into the city to work.

In term of economic base, there are declined in the secondary sector especially the manufacturing from 16.8% in 1980 to 10.5% in 2000. Tertiary or service sector forms the largest component of employment in Kuala Lumpur representing about 83% and an increase in average monthly household income from RM3,371 in 1995 to RM4,105 in 1999. Kuala Lumpur also recorded the highest number of registered car/motorcycle ownership for every 1000 people at 985.7 in year 2000 as compared to national average at 421.9. The changing city dwellers lifestyle and further deteriorate of environment in the city are also contributing factors for more people moving out to the suburb for better living condition at the affordable price.

The Kuala Lumpur City Centre also experiencing population decline from 156,981 people in 1984 to 128,721 people in 2000 as compared to projection of Kuala Lumpur Structure Plan 2000 (1984) at 360,000 people in year 2000.

### 3.3 Land Use and Housing

Residential is the largest land use, cover an area of 5,489.56 hectares or 22.6% of Kuala Lumpur in the year 2000 from 3,822.03 hectares in 1984. Commercial land use experiencing the highest increase since 1984 from 504.36 hectares to 1,091.71 hectares in 2000. But in Kuala Lumpur City Centre, the residential land use experiencing the decline from 390.58 hectares in 1984 to 254.88 hectares in 2000.

**Table 1 : Kuala Lumpur and City Centre Land Use 1984-2000**

Land Use Category	Kuala Lumpur		City Centre	
	1984	2000	1984	2000
1. Residential	3,822.03	5,489.56	390.58	254.88
2. Commercial	504.36	1,091.71	254.88	318.99
3. Industrial	474.63	553.05	4.12	0.93
4. Institutional	1,851.51	1,620.80	266.04	163.06
5. Open Spaces/Recreational	585.93	1,579.56	179.28	170.25
6. Community	922.95	1,382.44	89.931	35.79
7. Undeveloped Land	7,104.73	5,740.61	0.00	137.89
8. Squatters	2,404.31	570.63	129.12	31.46
9. Other Uses	6,550.61	6,192.69	498.69	566.68
<b>Total</b>	<b>24,221.05</b>	<b>24,221.05</b>	<b>1,812.64</b>	<b>1,812.64</b>

**Sumber :** Draft Kuala Lumpur Structure Plan 2020, (2003)

In term of housing in Kuala Lumpur, there are 3 main categories of house provided by government or private developers based on selling price and target groups as follow:-

- a) **Low Cost** – below RM42,000/unit (targeted for household income less than RM1500/month)
- b) **Medium Cost** – RM42,001 – RM150,000/unit (targeted for household income between RM1,501 – RM3,999/month)
- c) **High Cost** – more than RM150,000/unit (targeted for household income more than RM4,000/month)

In 2000 there are 328,205 units in Kuala Lumpur as shown in Table 2. High cost housing form the biggest component with 52% as compared to medium cost (24%) and low cost housing (25%). Houses in Kuala Lumpur City Centre in year 2000 only form 9% or 31,106 units from the overall housing stock in Kuala Lumpur, slightly increase from 29,562 units in 1984.

Squatters units also reduced significantly from 40,930 units in 1980 to 23,970 units in 1998. The number is expected to reduced significantly by the year 2005 in line with government effort to achieve zero squatters and provision of more public low cost housing in Kuala Lumpur.

**Table 2 : Distribution of Housing By Type in Kuala Lumpur, 2000**

Strategic Zone	Low Cost	Medium Cost	High Cost	Total	%
City Centre	7,447 (24%)	11,455 (37%)	12,204 (39%)	31,106 (100%)	9.0
Maluri – Wangsa Maju	17,715 (22%)	30,403 (38%)	31,147 (40%)	79,265 (100%)	24.0
Sentul – Manjalara	15,975 (24%)	11,717 (18%)	38,792 (58%)	66,484 (100%)	20.0
Damansara – Penchala	0 (0%)	753 (3%)	24,220 (97%)	24,973 (100%)	8.0
Bukit Jalil – Seputeh	16,290 (21%)	18,846 (24%)	44,237 (55%)	79,373 (100%)	24.0
Bandar Tun Razak – Sg. Besi	23,038 (49%)	5,415 (12%)	18,551 (39%)	47,004 (100%)	15.0
<b>Total</b>	<b>80,485</b> (25%)	<b>78,589</b> (24%)	<b>169,151</b> (52%)	<b>328,205</b> (100%)	<b>100.0</b>

**Source :** Draft Kuala Lumpur Structure Plan 2020 (2003)

## 4.0 Kuala Lumpur City Centre

### 4.1 Definition and Characteristic

City Centre or formerly known as central planning area (CPA) of Kuala Lumpur Covers 1,813 hectares and bounded by major highways namely Jalan Tun Razak from the east to the north, Mahameru highway to the west and the Middle Ring Road 1 to the South. The zone covers the hills of Bukit Nanas, Bukit Ceylon, Bukit Tunku and river valleys of Sungai Klang and Sungai Gombak. The City Centre comprises a number of historic and recent major business, tourist and commercial nodes interspersed with residential, recreation and cemetery areas. The symbolic Centre of the nation, Merdeka Square is located within the City Centre as are the city's most notable landmarks, the Petronas Twin Towers at the KLCC and the KL Tower.

*Photo 2 : Kuala Lumpur City Centre Today*



### 4.2 Housing Issues in Kuala Lumpur City Centre

- a) In parallel with the decline of the city centre residential population, there has been a commensurate drop in residential land area from 523 hectares in 1980 to 288 hectares in 2000. The Kuala Lumpur City Centre also experiencing population decline from 156,981 people in 1984 to 128,721 people in year 2000.
- b) There are 7,447 low cost housing units in the City Centre most of which are in a dilapidated state and which occupy land in prime areas such as those around Jalan Tiong Nam, Jalan Masjid India and Jalan Alor / Berangan Area.



- c) The decline in residential land use in the City Centre is due to the redevelopment of some of the older housing areas into offices and other commercial uses, which in turn could lead to a further reduction in the inner city residential population. In addition to the areas of dilapidated housing in the City Centre, there are many older, low density housing areas occupying land which has a high potential commercial value.

**Photo 3 :** *Jalan Alor/Berangan in Bukit Bintang area are facing development pressure to be converted into more profitable land use*



- d) The City Centre's traditional role as the major residential and commercial area of the KLMP has been eroded by new development in other urban and sub-urban Centres in the KLMP and the relocation of the Federal Government offices to Putrajaya.
- d) Shortage of affordable housing. Since 1998, only 1,580 units of new low cost public housing built by the government in City Centre area from total 34,106 units planned for Kuala Lumpur during the Eighth Malaysia Plan (2001-2005).
- e) Condominium living was introduced in the late 1970's in Malaysia. During early 90's condominium have become fashionable. Condominium occupiers are normally of small household size and their preference for condominium living is because of the improved urban environment, availability of recreational facilities, the security aspect and easy access to their workplace.

**Photo 4 :** *High Rise Condominium development at Bukit Ceylon*



From 1983 to 1993, City Hall had given development approvals for 219 schemes comprising a total of 49,600 units where 28% located in the City Centre. With most of the condominium targeted for the up-market buyers and foreigners, the house usually priced between RM150,000 up to RM 1.5 million per unit. Therefore, many of the units in the market are way above the affordability level of city residents.

### 4.3 Kuala Lumpur Structure Plan 2020 : Housing Strategies and Policies for City Centre Area

- a) Due to high land costs and to ensure high quality of built environment befitting a “World class city”, residential areas in the City Centre will be geared towards providing medium to high cost accommodation.
- b) City Hall Kuala Lumpur will encourage the development of inner city housing by private developers with emphasis on the mixed commercial and residential developments that contain a large quantum of medium and high cost housing.
- c) In line with strategy to enhance living environment of the city Centre, the quality of low cost housing environment in City Centre will be improved.
- d) To create a lively city, both day and night, it is intended to increase the population of the City Centre to 245,600 people in 2020 from 128,721 in 2000. The service sector employment of the City Centre in 2000 was 329,762 and projected to increase about 465,400 by year 2020.
- e) Intensified residential development will be encouraged in order to attract people back to city centre. Emphasis will be given to the provision of the high density and high quality residential development within 250 m. of rail stations and existing residential will be upgraded.

**Photo 5 :** *Living environment in older residential areas will be improved*



*Selangor Mansions Flat, Jalan Masjid India*

**Photo 6 :** *High density and high quality housing will be encouraged*



- f) High density and high quality residential development will be encouraged in the dilapidated housing areas such as those around Jalan Tiong Nam, Jalan Masjid India and Jalan Alor/ Berangan Area.
- g) Medium density high quality residential development will be designated in the areas around the KLCC, Jalan Yap Kwan Seng, Bukit Ceylon, Jalan Inai/ Imbi and Jalan Stonor / Conlay.

#### 4.4 Future Challenges

As stated in the Kuala Lumpur Structure Plan 2020, there will be more medium and high cost to be built in the city center as part of measure to increase population. Although in term of monthly household income most city dwellers is considered medium and high income, but in reality due to high cost of living in the city many of them are considered as “urban poor”. Therefore provision of low cost housing in the city centre are still required.

**Photo 7& 8** : Situation along Jalan Melaka and Jalan Inai at 11p.m.



Since early 90's, CHKL have done effort to revitalized the older part of city center such as in KLCC and Bukit Bintang areas. But in the most part of the city center still practically “dead” at night such as in the CBD and Jalan Imbi area. Development of high cost condominium does not ensure these areas more lively at night since most of the occupants prefer to stay in their unit due to security reasons. In contrast to low cost housing areas and suburban center the situation is more lively and busier at night.

Kg. Baru, the home for about 45,000 people in the Kuala Lumpur City Centre, is facing development pressure for more profitable land use. Therefore any effort to redevelop this area should ensure sustainability of population since it becomes a prime choice for “new comer” to the city.

In order to create better living environment in the city center, the CHKL need to do more effort especially to improve the air quality, traffic/public transportation system, building maintenance and facilities management. At the same time, city center should be more livable in term of activities and safe to live in (lower crime rate, etc.).

Although there are changing trend of people in urban areas to live in high rise development, but for most people landed properties is still their preferred choice. Since new development of landed properties is not available in city center, therefore suburban areas still continue to attract people to move out.



## 5.0 Recommendations and Conclusion

More effort from government especially in provision of affordable housing is required in order to achieve sustainable urban development. Therefore redevelopment program in the older residential areas should not left entirely to the private sector. The CHKL should encourage development of low cost housing in selected areas. Revitalization programs in city centre should be encouraged without jeopardizing the unique culture and identity of urban dwellers. Development in the area such as Kampung Baru and Masjid India should be more sensitive towards preserving the unique culture and community. The existing community should be given priority in new residential development in these areas.

In conclusion, the development of housing in Kuala Lumpur especially in City Centre is generally following the trend that occurred during 70's and 80's in the developed countries. But the CHKL and federal government already take the necessary measures to prevent further deteriorating of city centre. Without participation of the urban dwellers, any effort to bring people back to city centre cannot be successful. Therefore development and provision of affordable housing is very crucial as the main attraction for people to move back to city centre and to achieve the sustainable urban growth.

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## APPENDIX 1 : Housing Condition in Kuala Lumpur City Centre

