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REPEAL OF THE RENT CONTROL ACT AND ITS IMPACTS ON THE PRE-WAR SHOPHOUSES IN GEORGETOWN, MALAYSIA

by

MOHAMMAD ABDUL MOHIT
& MOHD BASHIR SULAIMAN

Pre-war buildings including the shophouses constitute an important element in the urban fabric of Malaysian cities. Being located within the traditional commercial areas, these buildings not only adorn the streetscape but support urban living and socio-economic activities. The Control of Rent Act 1966 (Act 56), enforced on 1 January 1967 by the Government of Malaysia, by default contributed to the heritage conservation in Malaysia. However, the Malaysian Government repealed the Act in 1997. The repeal of the Act adversely affected the historic buildings in the country. This paper studies the impacts of the repeal of the Control of Rent Act on the rent and property markets of pre-war buildings in general and the extent of renovation of the shophouses in particular in Noordin Street in Georgetown, Penang.

Introduction

In Malaysia, three main Acts are directly related to the conservation¹ of pre-war buildings.² These are the National Heritage Act 2005 (Act 645), Town and Country Planning Act 1976 (Act 172), and Local Government Act 1976 (Act 171). These Acts have protected some of the precious pre-war buildings from being replaced by new modern buildings. Another Act which by default contributed to heritage conservation in Malaysia was the Control of Rent Act 1966 (Act 56). The Act was enforced on 1 January 1967 by the Government of Malaysia to control the rentals of buildings, which were built before 31 January 1948 within the local authority areas of all the states of Peninsular Malaysia only.³ The Act was, however, revised on 31 December 1988 under the title Control of Rent Act (Revised) 1988 (Act 363).

The original idea behind introducing this Act was to regulate and control the rental of premises built before 31 January 1948 due to the shortage of housing during the post-war period. The buildings or premises whose rents were controlled under this Act

¹ 'Conservation means all the process of looking after a place so as to retain its cultural significance. It includes maintenance and may according to circumstance include preservation, restoration, reconstruction, adaptation and will be commonly a combination of more than one of these, Ungku Suraiya Omar, *Urban Conservation — The Need for Guidelines and Legislation*, Kuala Lumpur: Malaysia Heritage Council, 1993, p. 2.

² Pre-war buildings are those built before 31 January 1948. The terms 'historic building' and 'pre-war building' have been used interchangeably in this paper.

³ Malaysia Acts of Parliament, Control of Rent Act 1966 (Act 56), Kuala Lumpur: Percetakan Nasional Malaysia Berhad, 1968, p. 462. Rent control in Malaysia existed even before World War II. The Control of Rent Ordinance 1948 repealed the following Ordinances—the Control and Charged Land (Restriction) Enactment 1940; the Rent and Charged Land (Restriction) Ordinance 1947; the Increase of Rent (Restriction) Ordinance 1939; the Increase of Rent (Restriction) Enactment (Johore) 1939; and the Rent and Charged Land (Restriction) Enactment (Kedah) 1360 Hijra/1941. See Control of Rent Ordinance 1948 (Malayan Union Ordinance No. 6), Kuala Lumpur: Malayan Union Government Press, pp. 13-14.

were primarily pre-war shophouses⁴ and such premises were referred to as controlled premises and were subjected to a fair rent.⁵ The rentals of these buildings remained virtually fixed and this discouraged the owners of the premises to renovate or develop their properties. The controlled premises could only be redeveloped after they have been 'decontrolled' which was a complicated process and favoured the tenant.⁶ Thus, the pre-war buildings, especially the shophouses in Peninsular Malaysia, were by default preserved under this Act. On the other hand, the Act violated the rights of the owner, since under this Act these buildings could not be developed to their best use as their rents were controlled. As C. J. Ong put it, 'Rent Control has for several decades seriously encroached on the common law rights of the landlords. In the public interest Parliament has thought fit to put shackles up on the rights of the landlord of controlled premises to deal with his property as he deems fit. Decontrol is nothing more than a measure to restore those rights to their pristine fullness.'⁷

The Malaysian Government repealed the Rent Control Act on 1 September 1997 to help the owners of pre-war buildings.⁸ Since the repeal of the Act means the deregulation of rent and subsequent changes in the rental and property markets of pre-war premises, it was expected to 'exert strong development pressures on the historic centre of Penang and, at the same time, create major socio-economic changes'.⁹ Apprehensions about the impacts of the repeal were expressed by many experts. One author anticipated that there would be large-scale displacement of low-cost housing occupants who would 'resort to squatting on available land and exacerbate the already serious squatter situation in urban areas'.¹⁰ Not only did various NGOs foresee the adverse effects of the repeal of the Control of Rent Act but the Chief Minister of Penang, Dato' Seri Dr Koh Tsu Koon, also admitted the tremendous effects of the repeal on the people, economy, and urban conservation.¹¹ The World Monuments Fund made the following observation:

Many of the city's vernacular buildings had been protected by default through the Rent Control Act of 1966, which made the eviction of tenants difficult and provided no incentive for landlords to alter, demolish, or reconstruct buildings. In January 2000, however, the act was repealed, allowing building owners to raise rents, in some cases tenfold. Thousands of tenants have moved

⁴ 'Shophouses are defined as houses built in a row separated from each other by common party wall, with colonnaded verandah, which have mixed uses of business activities on the ground floor and residence on the floor above' (Tohiguchi and Chong, 'Shophouse', p. 212). For a good discussion on history and architecture of shophouses in Malaysia, see M. Tohiguchi and H. S. Chong, 'Shophouse: Asian Urban Composite Housing', in Anthony Yeh Gar-On and Mee Kam Ng (eds.), *Planning for a Better Urban Living Environment in Asia*, Aldershot: Ashgate Publishing Ltd., 2000, pp. 212-30. Also see Patricia Tusa Fels, 'Conserving the Shophouse City', *Places*, 9/1 (1994): 41-53.

⁵ Section 7, Control of Rent Act 1966, pp. 466-7, provides the procedures of determining fair rent.

⁶ Singh, G., *Land Law, Land Policies and Planning in Malaysia*, UMP-Asia Occasional Paper No. 8, Kuala Lumpur: UNDP, 1994, p. 22.

⁷ Mohd Ashraff and Anor v. *The Commissioner for Federal Capital, Kuala Lumpur and Anor*, in Bashir A. Mallal and Faizal Mallal (eds.), *The Malayan Law Journal*, 1972, Singapore: MLJ (Pvt) Ltd., Vol. 2, p. 70.

⁸ Malaysia Acts of Parliament, Control of Rent (Repeal) Act 1997 (Act 572), Kuala Lumpur: Percetakan Nasional Malaysia Berhad, pp. 1-11.

⁹ Tjoa-Bonatz Mai Lin, 'Penang's Historic City Centre Before the Repeal of the Rent Control Act', *Journal of the Malaysian Branch of the Royal Asiatic Society*, 73/2 (2000): 65.

¹⁰ Singh, *Land Law*, p. 24.

¹¹ *The Sun*, 29 December 1999. The national daily also reported that 33 tenants of three pre-war premises in McNair Street and Noordin Street, Georgetown, were evicted on 29 December 1999.

out and hundreds of businesses have closed. While the Municipal Council has been willing to consider historic preservation since the mid-1990s, it has been slow to formulate conservation laws, heritage guidelines and local planning in place. Now vacant, many of the historic buildings, which have fallen into ruins through lack of tenant maintenance, are slated for demolition.¹²

Despite the various concerns expressed about the repeal of the Rent Act, no systematic study has been undertaken to examine its impact on the socio-economic and cultural environment of the country. Therefore, it is necessary to study the impact of the Control of Rent (Repeal) Act on the rent and property markets of pre-war buildings and also on heritage conservation.

Objectives and Methodology

The main purpose of this paper is to study the impact of the repeal of the Control of Rent Act on the pre-war shophouses incorporating the following objectives:

- § To highlight the salient features of the Control of Rent Act 1966 and its implications for the conservation of shophouses;
- § To identify the effects of the Control of Rent (Repeal) Act on the rent and property market, especially the shophouses;
- § To study the impacts of the Control of Rent (Repeal) Act on the renovation of pre-war buildings, particularly the shophouses in Georgetown.

Noordin Street in the city of Georgetown, the capital city of Pulau Pinang, was selected for in-depth study (Fig. 1). The city is divided into several sub-areas according to land-use pattern and conservation zoning. For this study, the area selected is based on a street because the city development followed a linear pattern along the roads or streets.¹³ An inventory of pre-war shophouses of the area was carried out, followed by a classification of the shophouses by their uses and improvements.¹⁴ Finally, based on the ground floor use, the shophouses were categorized into ten types and one unit from each category was selected for in-depth study. Both owner and tenant occupiers were interviewed in order to elicit their views on renovation and conservation. In addition to the field survey, extensive use was made of data gathered from the Rent Tribunal of the Pulau Pinang Local Authority (Majlis Perbandaran Pulau Pinang or MPPPP). A few Rent Tribunal cases were also selected to examine the relationships among the variables of rental hikes, property values, and improvements of the shophouse premises. The data obtained were then analysed.

The Control of Rent Act 1966 and Its Implications for Pre-War Buildings

The enactment of the Control of Rent Act 1966 replaced the Control of Rent Ordinance 1956 and similar such ordinances which were in effect in the states of Kelantan, Perlis, and Terengganu.¹⁵ This new Act was more comprehensive and wider in coverage. The Act

¹² <http://www.worldmonument.com>.

¹³ For details of roads and heritage buildings in Georgetown, see Khoo Su Nin, *Streets of Georgetown, Penang*, Georgetown: Janus Print and Resources, 1993.

¹⁴ Five types of improvements were identified. These are changes of façade, renovation of interior, renovation of window and door, rebuilding, and demolition.

¹⁵ The enactment of the Control of Rent Act 1966 repealed the following laws: (a) the Control of Rent

contained six parts: (a) Preliminary, (b) Controlled Premises and Fair Rent, (c) Rent Tribunal, (d) Recovery of Possession of Controlled Premises, (e) Subletting, and (f) Miscellaneous.¹⁶ Based on the six parts of the Act, the salient features of the Control of Rent Act 1966 were identified and their implications for the preservation of historic buildings, including shophouses, analysed and presented in Table 1.

TABLE 1 Implications of the Control of Rent Act, 1966, on Historic Buildings

<i>Salient Features of the Control of Rent Act 1966</i>	<i>Implications for the Preservation of Historic Buildings</i>
Controlled Premises	Controlled premises referred to those whose rents were controlled by the Act. Landlords were not interested in investing for improvement because it was difficult to increase the rentals of these premises except when either the rate paid by the landlord had increased, or there had been restoration, improvement, or structural alterations of the premises, excluding decoration or ordinary repairs.
Fair Rent	Fair rent is either the rental determined by the Rent Officer, or the negotiated rent between landlord and tenant. It was very difficult to increase the rent once it was determined.* This discouraged the owners from investing in the improvement of their premises.
Rent Tribunal	In case of a dispute between landlord and tenant, the Rent Tribunal would decide a fair rent based on the appeal of both parties.
Recovery of Possession of Controlled Premises	Recovery of possession of controlled premises was difficult. A landlord could apply for recovery of possession of premises or part of such premises provided she or he had an approved plan, evidence of funds, and an undertaking that the work would commence within 3 months. In that case, the Tribunal would decide on paying the tenant a compensation of not less than 2 years but not more than 4 years of the total rental of the premises.
Subletting	Subletting in the forms of subtenancy or joint tenancy was permitted; however, in that case, the total rental should not exceed the fair rent of the premises.
Cessation of Controlled Premises	Cessation of controlled premises was effected when either the period of contract had expired or the tenant had surrendered the premises.

Source: Authors' analysis.

*Save or otherwise provided in this Act, it shall be unlawful for any landlord to increase or attempt to increase or to receive or recover in respect of any tenancy of any controlled premises as determined in accordance with the provisions of this Act or in excess of any increased rental permitted by this Act' (Control of Rent Act 1966, p. 467).

Ordinance 1956; (b) the Control of Rent (Application to Kelantan) Enactment 1964; (c) the Control of Rent (Application to Perlis) Enactment 1961; and (d) the Control of Rent (Application to Terengganu) Enactment 1960. See the Control of Rent Act 1966, p. 484. The Governor in Council, Penang, vide subsection (3) of section 1 of the Control of Rent Ordinance, 1956, notified to continue in force the provisions of the Control of Rent Ordinance 1956 for a further period of 12 months starting from 1 July 1966. See the Government of Penang Gazette No.13, dated 28 June 1966 in State Subsidiary Legislation 1966 (Pg. P.U. 55), compiled by the Attorney General's Chamber, Kuala Lumpur, 1969, p. 101. This notification indicates that the Rent Control Ordinance 1956 was in force in Penang.

¹⁶ Control of Rent Act 1966, p. 459.

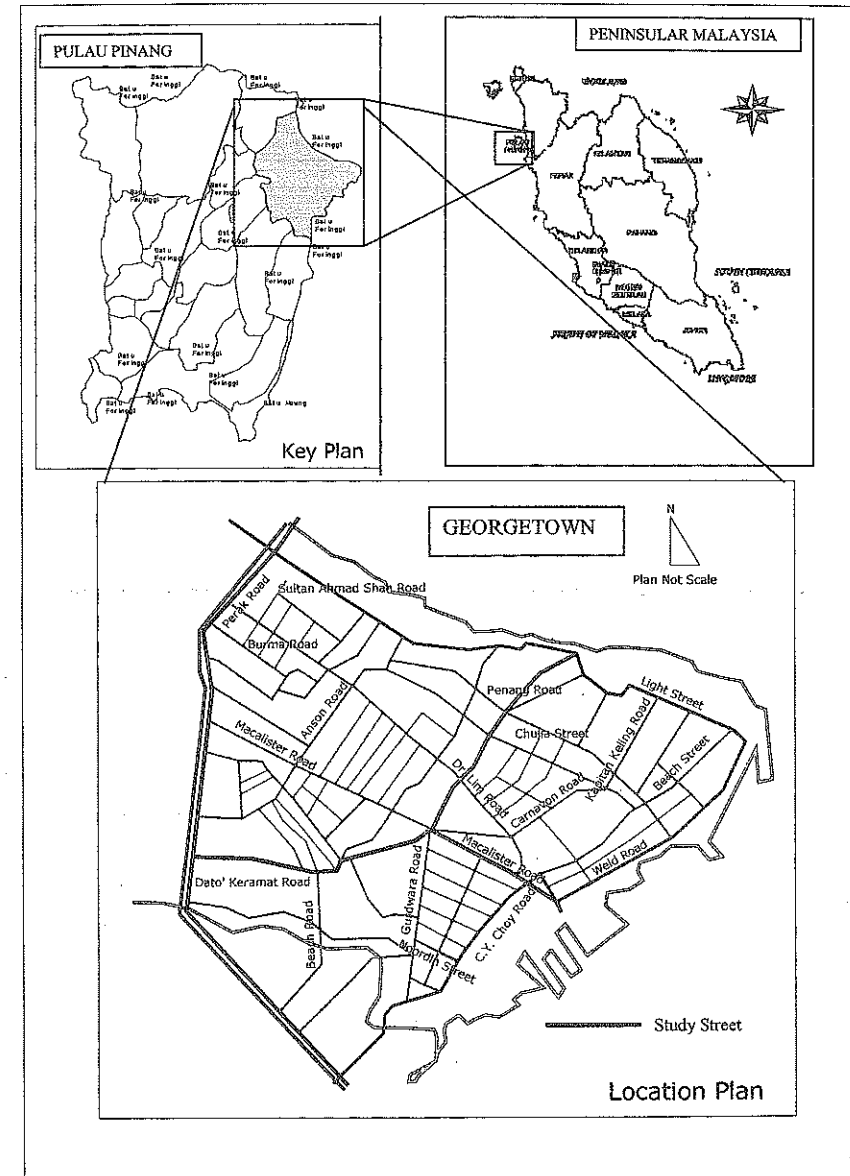


FIG. 1 The study area in local, regional, and national setting. (Adapted from Draft Structure Plan of MPPP, 2000)

Pre-War Buildings in Penang and Georgetown

Pulau Pinang, one of the fourteen states of Malaysia, is located in the north-west of Peninsular Malaysia (Fig.1). The state area comprises Pulau Pinang (the island), and a strip of mainland on the adjacent coastal area known as Seberang Prai (Province Wellesley). Pulau Pinang has a rich heritage of pre-war buildings. However, most of these pre-war buildings, being located in the inner city area, are under pressure to be replaced by high-rise buildings in the name of development. An inventory of Malaysian Heritage Buildings was conducted in 1992/3 and it identified about 30,000 pre-war buildings in 162 urban centres in the country. Of the total, 20,876 were shophouses and free-standing buildings. Pulau Pinang itself had 5,057 units or 24.3 per cent of the total pre-war buildings in Malaysia.¹⁷ Within the state, there were seven urban centres, including Georgetown, which alone had the largest stock of 4,336 units or 85.7 per cent of the total pre-war buildings in Pulau Pinang as can be seen from Table 2.

TABLE 2 Distribution of Pre-war Buildings by the Towns of Pulau Pinang

City/Town	Pre-war Buildings (No.)	Percentage
Georgetown	4,336	85.7
Bukit Mertajam	351	6.9
Balik Pulau	129	2.6
Butterworth	69	1.4
Kepala Batas	67	1.3
Nibong Tebal	66	1.3
Sungei Bakap	39	0.8
Total	5,057	100.0

Source: 'Inventory of Malaysian Heritage Buildings, 1992/93', produced in Syed Zainol, *Pemeliharaan Warisan Rupa Bandar*, p. 42.

In Pulau Pinang, the proto-type 'five-footway' shophouse was first designed by Sir Stamford Raffles and so it has been termed 'Shophouse Rafflesia' by one author.¹⁸ Today, the shophouses are divided between those of the 'earliest styles' built between 1800 and 1900 and those of a transitional style constructed between 1900 and 1940. In Georgetown, 68.0 per cent of the shophouses are in the earliest style; 24.0 per cent in the transitional period style; and the rest, 8.0 per cent, in other styles.¹⁹ It has been remarked that the shophouses support urban living, as well as social and economic activities, even though their types have changed gradually in history.²⁰

In 1999, the MPPP conducted a survey on the pre-war buildings in Georgetown and it identified 8,284 premises, of which 6,663 premises were studied (see Table 3). The survey found that the pre-war premises of Georgetown are mostly detached houses (50 per cent), followed by shophouses (46 per cent). The existence of pre-war shophouses has created a unique streetscape and street picture in the state. These resemble the identity and image of Penang and so are termed 'shophouse culture'.²¹ The streets with these pre-war buildings have also attracted many tourists from within and outside Malaysia to visit the state and enjoy the panoply of history and architectural styles, enveloped in the culture of Penang Island. The materials used in the construction of shophouses indicate the architectural evolution in Malaysia in general and of Penang Island in particular.

TABLE 3 Distribution of Pre-war Premises of Georgetown

Types of Premises	Number	Percentage
Own standing houses	299	4.5
Semidetached houses	81	1.2
Detached houses	3,191	49.9
Shophouses	3,092	46.4
Total*	6,663	100.0

Source: MPPP, Rent Tribunal, 1999.

* Total includes premises surveyed by MPPP.

The study site, Noordin Street, is located in the heart of Georgetown and it extends about 1 kilometre in length. The street is one of the Seven Streets Precinct of the MPPP's Conservation Zone-1.²² There are about 122 pre-war shophouses along both sides of the street and their ground floors are used for different purposes (see Fig. 2). Besides shophouses, a few free-standing buildings, such as the entertainment centre, the Chinese Association building, and a row of eight new modern shophouses, are also located in Noordin Street. The main entrance to the site area is either from Gurdwara Road or from C. Y. Choy Road. The site can also be reached from McNair Street. Currently, the pre-war buildings of the area face threats to their survival due to the high development pressure in the inner-city area. The shophouses represent various types of buildings which are used for both family and business activities. They also illustrate the relationship between place of work and residence. Fig. 3 shows that the shophouses of Noordin Street are predominantly used for residential purposes (43.3 per cent), followed by offices (14 per cent), hardware stores (11.5 per cent), and miscellaneous (11.5 per cent).

¹⁷ Syed Zainol Abidin Idid, *Pemeliharaan Warisan Rupa Bandar* [Urban Heritage Conservation], Kuala Lumpur: Badan Warisan Malaysia, 1995, pp. 28-9.

¹⁸ Jon S. H. Lim, 'The Shophouse Rafflesia: An Outline of Its Malaysian Pedigree and Its Subsequent Diffusion in Asia', *Journal of the Malaysian Branch of the Royal Asiatic Society*, 66/1 (1993): 47-66.

¹⁹ Syed Zainol, *Pemeliharaan Warisan Rupa Bandar*, p. 119.

²⁰ Tohiguchi and Chong, 'Shophouse', p. 228.

²¹ Tusa Fels, Patricia (1994). 'Conserving the Shophouse City', pp. 41-53.

²² MPPP (Majlis Perbandaran Pulau Pinang), 'Draft Design Guidelines for Conservation Areas in the Inner City of Georgetown, Penang', Doc. No. 3A/87, UKS, undated.

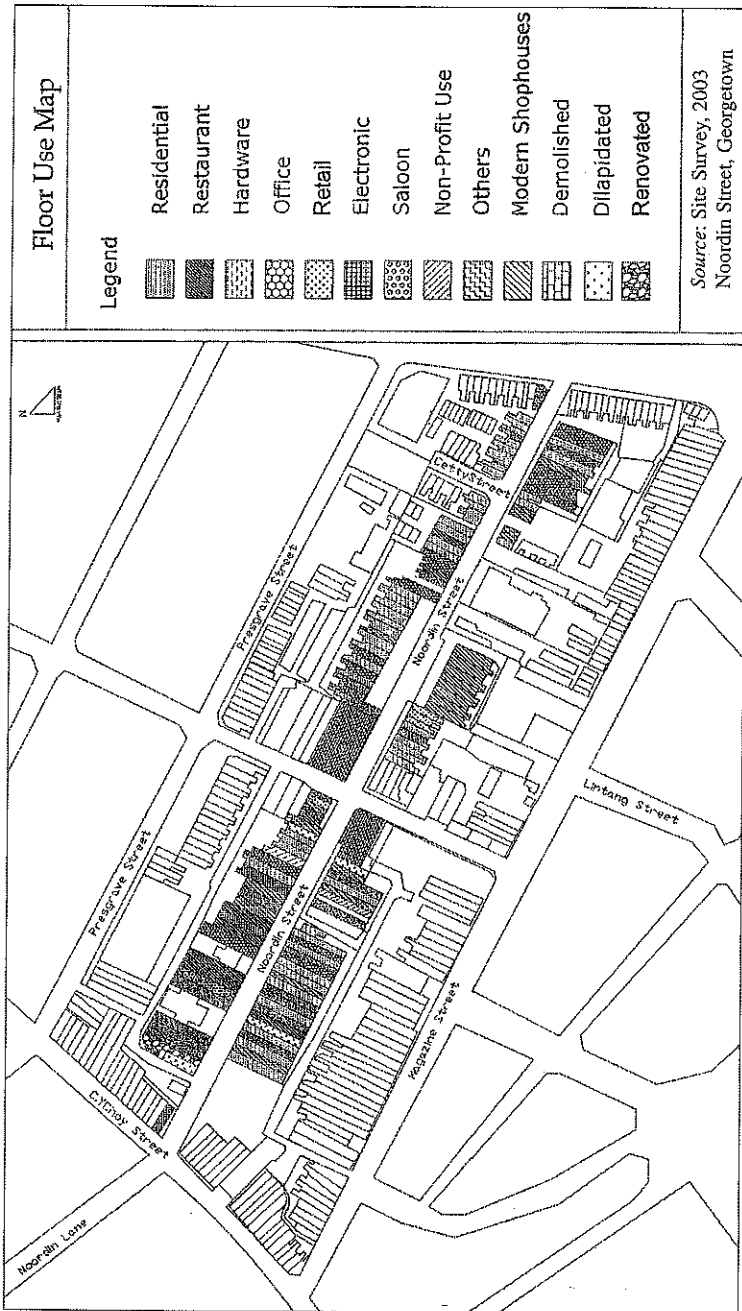


FIG. 2 Ground floor use map of shophouses along Noordin Street, Georgetown. (Based on site survey, 2003)

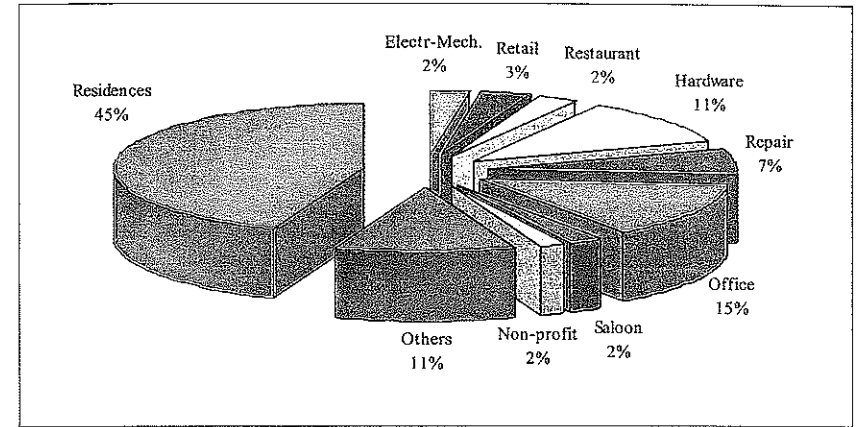


FIG. 3 Shophouses of Noordin Street by type of use. (Based on field survey data collected in 2003)

Repeal of the Rent Control Act and Its Impacts on Rent and Property Markets

The Rent Control Act was repealed and the Control of Rent (Repeal) Act 1997 was enacted on 1 September 1997. A transitional period of two years and four months, from 1 September 1997 to 31 December 1999, was allowed for the 'traumatic' or 'shock' effects to be absorbed. The transitional period ended on 31 December 1999 and from 1 January 2000, fresh or new tenancies could be enforced. The ordinary law of owner and tenant under the National Land Code would then apply in this new tenancy arrangement.²³ The landlord was required to give notice to the tenant at least 3 months before he wanted to get possession of the premises.²⁴

The repeal of rent control brought a new dimension to the pre-war buildings by deregulating the rentals which increased several times, leading to an escalation in the value of these properties. From the date of the repeal up to 31 March 2002, about 1,537 appeal cases of tenant and landlords were reported by the Rent Tribunal. Only 20 per cent or 307 cases were settled. Another 40 per cent or 621 cases were unresolved, as a result of which the tenants had to either leave their premises or pay the new rent which ranged from RM300 up to RM2,500. These latter cases were classified as potentially empty by the Rent Tribunal. The remaining 40 per cent, also 621 cases, were eviction cases, where the tenants were forced to leave by the landlords raising the rent of the premises.

From the Rent Tribunal of MPPP, it was also gathered that the number of appeal cases increased after the repeal of the Act. The summary of appeal cases presented in Table 4 shows that 17 shophouses were demolished in Noordin Street, followed by 9 cases of tenant eviction and 5 cases of rental hikes which also resulted in the eventual eviction of old tenants. The demolition of the pre-war shophouses damaged the streetscape, and the historical significance and unique architectural design of these shophouses were

²³ <http://www.lawyerment.com.my>.

²⁴ Control of Rent (Repeal) Act 1997, Section 11(2), p. 9.

completely lost. The appeal cases presented in Table 4 are those that were reported up to 31 March 2002. However, it is believed that by now the number has increased because the landlords have had a tendency to increase rentals on many grounds. Table 5 presents a few cases on Noordin Street where rental hikes by the landlords led to settlement by rent appeal. In most cases, the old tenants had to quit the premises, the new tenants moved in, and often the use of the premises was changed.

TABLE 4 Summary of Appeal Cases of Noordin Street

Type of Settlement	Number	Percentage	Premise Numbers
Eviction	9	33.3	13, 29, 57, 65, 56, 62, 98, 142, 10
Rental hike	5	14.8	13, 65, 67, 61, 161
Unsettled cases	14	51.9	61, 99, 101, 105, 153, 155, 163, 165, 181, 20, 58, 62, 66, 78
Total	28	100.0	Total Premises: 28

Source: MPPP, Rent Tribunal, 2002.

TABLE 5 Selected Rent Appeal Cases of Noordin Street

Premises No.	Control Rent	New Rent	Settlement Rent	Previous Use	Current Use	Comment
13	RM176	RM800	RM450	Residence	Abandoned	2 tenants left premise due to rent hike.
19	RM176	RM800	Quit	Residence	Hardware	Use changed due to new rent
61	RM200	RM800	Quit	N.K.	Residence	Old tenant left; new tenant moved in.
65	N.K.	-	Quit	Residence	Pharmacy	Use changed due to new rent
161(L-1)	RM249	RM445	Quit	Residence	-	Old tenant left
161	N.K.	Enhanced	Quit	Retail store	Driving School	Use changed due to new rent

Source: MPPP, Rent Tribunal, 1999.

N.K. = Not known.

Impacts of the Repeal of Rent Control on the Conservation of Shophouses

The repeal of rent control in 1997 deregulated the rent market of shophouses in Peninsular Malaysia. The deregulation of rent encouraged the shophouse owners to invest in their redevelopment. The market for shophouses is currently guided by three forces: unregulated rentals, attractive investment, and high property value. These three market forces are interrelated—more investment means higher property value and higher rent. The local authority policy and guidelines to conserve the historic buildings of Georgetown are weak because 'urban conservation is still at its infancy in Penang and this is reflected in the MPPP's current efforts in documenting Georgetown's historic buildings and in preparing draft conservation guidelines for designated historic buildings and conservation areas'.²⁵ This has indirectly provided the shophouse owners the opportunity to embark on large-scale improvements of their premises. Therefore, the improvements of shophouses in Georgetown in general, and Noordin Street in particular, are the outcome of strong market forces released by the deregulation of rent in 1997. A weaker local authority policy makes an important contribution to this process. Fig. 4 portrays the sequential impacts of rent deregulation on the renovation process of shophouses in Malaysia.

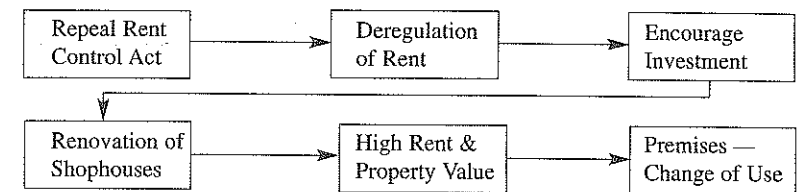


FIG. 4 Impact process of rent deregulation on renovation of shophouses.

Nevertheless, the degree to which rent deregulation affects the renovation of shophouses depends on the 'rent-potentials' which are determined by such factors as location, size, and ownership of the premises. The types of renovation carried out in the shophouses of Noordin Street as of March 2003 are analysed in Table 6 where it can be seen that the shophouses have undergone seven types of improvements. Interior plus door and window renovations account for the highest percentage, followed by interior renovation only and door plus window only. Façade improvements have been carried out to only 8 premises or 6.5 per cent of the shophouses. Rebuilding and demolition account for a significant 15.6 per cent of the total.

²⁵ Seng Ong Kien, 'The Conservation of Pre-War Shophouses: A Case Study of Penang and Singapore', BBS dissertation (BBEB-3181), University of Malaya, Kuala Lumpur, 1999, p. 49.

TABLE 6 Matrix of Improvements Carried Out in the Shophouses of Noordin Street

Type of Improvement	Frequency	Percentage
Facade only	2	1.6
Facade and interior	2	1.6
Facade, interior, door, and window	4	3.3
Interior only	25	20.5
Interior, door, and window	43	35.2
Door and window only	8	6.6
Rebuilding	2	1.6
Dilapidated/demolished	17	14.0
Not known	19	15.6
Total	122	100.0

Source: Based on field survey data collected in 2003.

Table 7 presents the relationship between renovation and type of use of the premises in Noordin Street. Out of 122 shophouses in Noordin Street, 82 premises, representing 67.2 per cent of the total, have undergone renovation. Residential units have undergone the least renovation (37 per cent), followed by others (77 per cent), hardware stores (86 per cent), and repair shops (88 per cent).

TABLE 7 Extent of Renovation of the Shophouses in Noordin Street

Use of Shophouses	Number (%)	Renovated (%)
Electronic and mechanical	3 (2.5 %)	3 (100.0 %)
Retail	4 (3.2 %)	4 (100.0 %)
Restaurant	3 (2.5 %)	3 (100.0 %)
Hardware	14 (11.5 %)	12 (85.7 %)
Repairing	8 (6.4 %)	7 (87.5 %)
Office	17 (14.0 %)	17 (100.0 %)
Saloon	3 (2.5 %)	3 (100.0 %)
Non-profit	2 (1.6 %)	2 (100.0 %)
Others	14 (11.5 %)	11 (78.6 %)
Residential	54 (43.3 %)	20 (37.0 %)
Total Shophouses	122 (100.0 %)	82 (67.2 %)

Source: Based on field survey data collected in 2003.

In order to provide further insights into the renovation of the shophouses of Noordin Street, twelve renovated premises were selected for detailed study. The important elements of the selected renovated premises have been summarized and presented in Table 8, where it can be seen that many shophouses have undergone changes in use, following increases in rentals that ranged between 20 and 40 per cent after the deregulation of rent

TABLE 8 Summary of Elements of Selected Renovated Shophouses of Noordin Street

Shop-house Premises	Tenure	Current Use	Previous Use	Increase of Rent	Property Value	Condition	Internal Improvement	External Improvement	Effect on Conservation*	Conservation Support (LPA)
No. 46	Tenant occupied	Elect/Mech shop	Same as current use	30 %	200K	Poor	Slight	Slight	Marginal	None
No. 12	Owner occupied	Retail	Same as current use	Not known	300K	Good	Major	Major	Major	None
No. 30	Owner occupied	Office	Restaurant	20 %	200K	Good	Moderate	Moderate	Moderate	None
No. 56	Owner occupied	Residence	Hardware	25 %	210K	Good	Major	Major	Major	None
No. 25	Tenant occupied	Repair shop	Not known	25 %	125K	Fair	Moderate	Major	Major	None
No. 114	Tenant occupied	Office	Office	40 %	500K	Good	Major	Minor	Minor	None
No. 82	Tenant occupied	Residence	Saloon	30 %	230K	Fair	Major	Major	Major	None
No. 95	Owner occupied	Residence (Owner)	Residence (Tenant)	35 %	240K	Fair	Major	Moderate	Major	None
No. 63	Tenant occupied	Business	Office	30 %	200K	Poor	Moderate	Major	Major	None
No. 58	Tenant occupied	Residence	Business	20 %	300K	Fair	Major	Moderate	Moderate	None
No. 65	Tenant occupied	Pharmacy	Residence	20 %	200K	Fair	Moderate	Moderate	Moderate	None
No. 61	Owner occupied	Residence (Owner)	Residence (Tenant)	25 %	250K	Good	Major	Major	Major	None

Source: Based on field survey data collected in 2003.
*Refers to the originality of the building.

control. However, the renovations have been not only heterogeneous, but also of varying intensities. Both interior and exterior renovations range from minor to major changes. The current building condition of the shophouses varies from poor to good. Shophouses in good condition are those that have undergone major internal and external renovations, and these naturally fetch higher rents on the market. The case studies bear testimony to the fact that rent deregulation has contributed to conservation-unfriendly renovations of shophouses, resulting in large-scale changes in the streetscape of Noordin Street in Georgetown. If the current trend of renovation continues, Noordin Street in future will lose its stock of a valuable heritage of pre-war buildings, particularly the historic shophouses.

Conclusion

This paper has investigated the impacts of the repeal of the Rent Control Act on the patterns and extent of renovations carried out on the historic shophouses of Noordin Street in Georgetown. The study found that the repeal of the Rent Control Act through rent deregulation has encouraged the owners to carry out indiscriminate renovations of their premises which, in most cases, have endangered heritage conservation. The process of conservation-unfriendly shophouse renovation has been possible because the MPPP could not properly implement its conservation policies.²⁶ Hence, there appear to be two policy alternatives to deal with this situation: (a) strictly enforce the various planning, financial, and tourism incentive measures of the MPPP, or (b) develop an adaptive conservation strategy for the conservation of historic shophouses.

The implications of each policy option are distinct and different. Adoption of the first policy option would require the local authority to develop its strong financial, administrative, and management capabilities which might take a longer time during which many of the shophouses would either be demolished or changed beyond help. The second policy option would require the local authority to develop an adaptive programme to preserve the historic shophouses. The adaptive programme should be area-based, selective, smart, and directed at enhancing the re-use of the shophouses. In conclusion, it is believed that the local authority should develop detailed guidelines for an adaptive conservation policy after a mutual dialogue with the shophouse owners in Noordin Street. Finally, it needs to be mentioned that the conclusions of this study are based on a small case study area and, therefore, further studies are required in order to provide support to these conclusions.

²⁶ Conservation incentives provided by MPPP are (1) fast track plan processing; (2) deletion of proposed road widening; (3) deletion of back lane widening in cases where the width of the existing back lane is sufficient; (4) allowing adaptive re-use of heritage buildings; (5) Transfer of Development Right (TDR); (6) giving maintenance grants, and financial and tax incentives; (7) waiving car parking requirements where conservation work follows MPPP's guidelines for conservation; and (8) exemption from other charges or urban planning requirements (development charges, tree plants, and drainage contribution). However, these are not properly implemented. For details, see Seng, 'Conservation of Pre-War Shophouses', p. 132.

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