STRATEGIES FOR ENGAGING LANDOWNERS IN REDEVELOPING KAMPONG BHARU, KUALA LUMPUR

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Abstract

Kampong Bharu, a Malay enclave located in the heart of Kuala Lumpur, has been the site of a redevelopment struggle for more than four decades. Landowners have refused to relinquish their land titles out of concern for loss of Malay ownership rights and culture. The village’s fragmentation into many small plots with multiple owners has complicated the situation. New strategies that engage landowners to redevelop Kampong Bharu, as shown on Parcel 2 of the Kampong Bharu City Center pilot project, reposition the landowners as the main driver of development. These strategies implement a cooperative model for devising redevelopment plans, where landowners’ rights and local cultural heritage—as well as pressures to modernize—can be accommodated, and provide benefits to the landowners and their beneficiaries.

This changes the role of government from being the provider and implementer to being the facilitator and coordinator. This participatory approach ensures that the landowners are involved in decision-making, planning, and implementation, to ensure that redevelopment addresses their concerns and meets their needs. Community leaders, along with the landowners’ organizations, can play an integral role in mediating conflicting interests and facilitating planning processes in which the city’s interests are considered alongside local interests.

Introduction

Kuala Lumpur is the most populous and fastest growing city in Malaysia. In 2008, the Kuala Lumpur City Hall (known locally as DBKL) City Council launched a draft of the Kuala Lumpur Structure Plan, outlining their vision to transform Kuala Lumpur into a world-class city by 2020. This initial plan will be further expanded, with the goal of transforming Kuala Lumpur City Center (KLCC) into a modern downtown area with new high-quality commercial and residential development.

Not surprisingly, there are complicating factors. At the edge of KLCC—in fact, amid the high-rise buildings of the city center—is a traditional village called Kampong Bharu, or “New Village” (see Figure 1).
Many rapidly growing cities struggle to develop while also maintaining their communities’ interests, heritage, and culture. Kuala Lumpur is no exception, and that struggle extends down to its traditional neighborhoods. Kampong Bharu, established in 1900, is one of the last remaining traditional Malay villages in the city, and it has played a significant role in Malaysia’s political history.

Kampong Bharu’s location in the midst of Kuala Lumpur’s commercial center makes the land extremely valuable and strategic to developers. A prevalent issue in Kampong Bharu—that is, substandard living conditions caused by ad-hoc individual plot development and substandard infrastructure (Shaw et.al., 2015)³—has led its residents to consider redevelopment opportunities. And on the surface, at least, Kampong Bharu appears notably crowded and deteriorated, comprising many rickety wooden houses with corrugated iron roofs (Figure 2).
Again, however, there are complicating factors. The contrast between Kampong Bharu’s traditional Malay architecture and the modern KLCC skyline, for example, attracts many tourists (Figure 3). At the same time, Kampong Bharu serves as a landing point and jumping-off place for many immigrants from neighboring countries seeking jobs in Kuala Lumpur (Shaw et al., 2009).
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Figure 3. Traditional houses in Kampong Bharu

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Since 1975, there have been various efforts by DBKL to redevelop Kampong Bharu (Ujang and Aziz, 2015). But acceptable redevelopment plans have not yet been devised and implemented, in part due to several interrelated obstacles that are unique to Kampong Bharu’s status as a Malay Agricultural Settlement (MAS). For example: the land title is extremely fragmented, small lots are often held by multiple owners, landownership is restricted to ethnic Malays, and landowners refuse to relinquish their land titles. Furthermore, approximately 70 percent of those who own land in Kampong Bharu do not live there themselves (Ujang, 2016), making it more difficult to reach consensus about the redevelopment process.

Again not surprisingly, landowners differ sharply as to whether they should sell the land for redevelopment, hold onto it to get a better price in the near term, or reserve it from sale indefinitely to maintain cultural and local identity. The landowners can be grouped in four categories, based on their priorities for redevelopment (Omar, 1999):

(1) Those unwilling to sell the land for reasons of occupation, inheritance, property preservation, or defective or absent records of title;

(2) Those willing to sell the land under specific conditions, such as high compensation and certain models of redevelopment;

(3) Those less willing to develop the land due to old age or illnesses, lack of education, lack of financial assistance, fear of being cheated, and/or fear of losing income; and

(4) Those willing to develop the land under certain conditions, such as a slower pace of development, the avoidance of financial difficulties, adequate planning-related information, and high compensation.

To reiterate, these different aspirations, expectations, and interests among landowners help determine the progress of the redevelopment in Kampong Bharu.

In 2012, the Malaysian government tasked the Kampong Bharu Development Corporation (PKB) with initiating, facilitating, and implementing the redevelopment of Kampong Bharu under the supervision of the Ministry of Federal Territories. In 2016, PKB suggested new strategies to engage landowners in redevelopment planning along with new, owner-focused development incentives—for example, allowing owners to choose how to develop their own land in ways that would yield maximum returns. Nevertheless, landowners have since demonstrated their skepticism that the proposed scheme will deliver the promised financial returns and still protect perpetual ownership rights.

This paper therefore asks: How can the government effectively engage landowners to redevelop Kampong Bharu, capitalizing on the resource of the land to promote economic development, while at the same time preserving landowners’ rights and interests? The objective of this research is to understand and identify the strategies of the 2016 proposed redevelopment plan, examine government efforts to make redevelopment happen in Kampong Bharu under complex and inextinguishable land rights, and understand the process of engagement with the landowners.
Kampong Bharu

History

Kampong Bharu was established as a Malay village in 1899 by British colonial authorities in order to encourage agricultural development amongst the Malays, to educate Malay children, and to enable Malays to take part in administering the settlement (Hands, 1941). In 1900, the fifth Sultan of Selangor designated Kampong Bharu as a Malay Agricultural Settlement (MAS), reserved for ethnic Malays (KBCDMP, 2014). Kampong Bharu was gazetted as Malay Reserve Areas under the Malay Reservation Enactment of 1913 and the Land Enactment of 1987. The purpose of this status is to protect land belonging to low-income Malays (Omar, 2015), meaning that only Malays were authorized to own land within the settlement.

Prior to the formation of the Federal Territories of Kuala Lumpur in 1973, Kampong Bharu was under the administration of the Selangor state government (Yassin, 2009). In 1965, the Government of Selangor granted land with Qualified Title to MAS residents so that landowners could obtain loans from the state government to build two-story houses. Currently, the total area of Kampong Bharu is about 301 acres, of which 220 acres comprise the MAS area (KBCDM, 2014). The MAS area consists of seven small villages: Kampong Hujung Pasir, Kampong Periok, Kampong Masjid, Kampong Paya, Kampong Pindah, Kampong Atas A, and Kampong Atas B (Figure 4).

Figure 4. Map of Kampong Bharu

These villages are administered as one unit by the Board of Management of the MAS, with the seven MAS village heads and four
officeholders serving as the governing body. This board holds special autonomous status in the local government, giving it responsibility for land management and administrative affairs over all seven villages (KBDCMP 2014; Shaw et al. 2015).

Since its establishment in 1900, Kampong Bharu was a favored location for in-migration by Malay farmers because the MAS structure could safeguard Malay interests and assure a decent living in Kuala Lumpur. Currently, a majority of the landowners, heirs, and Malay residents in Kampong Bharu want to maintain the existence of MAS, to ensure that ethnic Malays will continue to be able to own land in the center of Kuala Lumpur.

**Current Context**

In 2010, the total population of Kampong Bharu was approximately 18,700 inhabitants, comprising a Malaysian citizenry that is 73 percent ethnic Malay, 4 percent Chinese, 1 percent Indian, and 3 percent other ethnicities. Foreign immigrants make up 19 percent of the population (KBCDMP, 2014). The majority of landowners and their heirs do not live in Kampong Bharu, but rather reside in other parts of Kuala Lumpur; only about 30 percent of landowners, mostly the elderly, live in Kampong Bharu (Ujang, 2016). As more people migrate to Kuala Lumpur from both outside Malaysia and other parts of the country in search of economic opportunities, Kampong Bharu’s population has shifted to approximately 70 percent renters.

Land use in Kampong Bharu is primarily residential (26 percent), followed by roads (23 percent), commercial use (14 percent), mixed use (10 percent), public facilities (5 percent), vacant land (4 percent), open space and recreation (2 percent), and parking space (2 percent) (KBCDMP, 2014). At the time of the village’s founding, the majority of residents in Kampong Bharu were farmers. As it has been enveloped by Kuala Lumpur’s central business district, employment in the settlement has changed from agriculture to business activity.

Many houses in Kampong Bharu were transformed into businesses by their owners, who took advantage of their property’s proximity to the city center by converting their houses into rooms for rent, leasing or operating a small independent restaurants or shops, or renting out their vacant land to tenants (Figure 5). Landowners were only allowed to build residential properties; if they wanted to use their land for commercial purposes, they were required to receive permission from the Board of Management of MAS.
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As many eateries were established, Kampong Bharu became famous as a Malay “food-hawker” center. During the day, many office workers from KLCC come to Kampong Bharu as a favorite lunch spot, and the neighborhood is also well known for its night market. Aside from local office workers, many international tourists visit Kampong Bharu to explore the epicenter of Malay culture in Kuala Lumpur, viewing well-preserved Malay houses and experiencing the daily life of Malays.

The majority of residents in Kampong Bharu are small-scale entrepreneurs who own independent businesses, while others are students,
employees, laborers, housewives, and retirees (Alhabshi, 2010). Immigrants in Kampong Bharu, who are often less educated and sometimes lack permits to work legally, tend to work in the informal sector as shopkeepers, servants, and cleaners, or construction workers.

Typically, there are two types of renters in Kampong Bharu: immigrant workers from neighboring countries and citizens from other states of Malaysia. Most renters have resided in Kampong Bharu for more than 10 years because they have strong family ties within the district. Kampong Bharu is an attractive place for them to settle because it is located in the center of Kuala Lumpur, with good job prospects and relatively low rents. They also take comfort in living among local people in Kampong Bharu who have similar cultural and religious backgrounds, as immigrants from the same country or region tent to cluster in the same village (Ma and Xiang, 1998).

**Early redevelopment efforts**

Redevelopment is a process generally used to rebuild an area of a city that is in decline or suffering from disinvestment (Slachetka and Roberts, 2011). This involves structural changes to land use and/or socio-economic profile and other provisions that regulate the intensity of new development.

Many efforts have been made by the government to redevelop Kampong Bharu to improve living conditions (Annual Report Book of PKB, 2012 and 2013), but previously proposed plans could not be implemented effectively. For almost four decades, DBKL struggled to initiate significant development in Kampong Bharu, but again, those efforts have not been fruitful. From 1975 until 2008, DBKL launched at least four versions of the Kampong Bharu Development Plan to consolidate the various small lots in Kampong Bharu. But disagreement between DBKL and landowners over issues of multiple ownership, development demands, costs, and land administration prevented the successful implementation of any of these plans.

The foremost problem has been an ineffective process of stakeholder engagement and development planning. Therefore, to more effectively implement redevelopment in Kampong Bharu, in 2012 the Government of Malaysia created a single agency—the aforementioned Kampong Bharu Development Corporation, or PKB—to facilitate redevelopment. One of PKB’s goals is to help landowners and their heirs solve the issues that arise when small lots are divided among many owners.

As a rule, redevelopment is a complex process involving different parties and interest groups (Zeng, 2016). Urban redevelopment involves bringing many actors together to discuss conflicting interests, build consensus, and reach an agreement which cannot be achieved by unilateral action (Yetiskul et.al., 2016). Currently, there are three different agencies involved in deciding the future of Kampong Bharu: the MAS, DBKL, and PKB. PKB has become the main coordinator and facilitator for Kampong Bharu development (Figure 6).
PKB coordinates the technical requirements of planning and development with DBKL to ensure that the plans for Kampong Bharu comply with the Kuala Lumpur Structure Plan, issued by DBKL. Landowners and their heirs work to negotiate the issue of ownership rights by updating the owner’s name on land title records and affirming their commitment to development. Developers and investors, meanwhile, handle the financial aspects of the development and implementation. PKB also coordinates with the MAS regarding traceability of landownership, land management, and social coordination.

In 2014, PKB issued a new master plan called the Kampong Bharu Comprehensive Development Master Plan (KBCDMP). Launched in 2015, this plan encompasses the seven MAS villages with a vision for establishing Kampong Bharu as a center for Malay culture. As described in the plan, Kampong Bharu will become a new economic enclave of KLCC and the greater Kuala Lumpur region, ensuring positive returns to landowners and their beneficiaries by improving their livelihood (KBCDMP, 2014).

The KBCDMP has three points of focus: preserving Kampong Bharu’s cultural elements; promoting green development and healthy urban
environment; and achieving sustainable development that incorporates economic, social, and financial aspects (KBCDMP, 2014). With the help of community members, architects, and academics from area universities, PKB also added the Malay-Islamic Architectural Guidelines for Kampong Bharu to the master plan. These guidelines, intended to complement the implementation of KBCDMP, focus primarily on Malay-Islamic architecture elements. They are to be used to direct architects and planners to maintain the local built heritage, and to fulfill the master plan’s requirement that Malay-Islamic character is incorporated into the redevelopment of Kampong Bharu.

Generally, there are four major types of barriers in undertaking a redevelopment project: financial, legislative and institutional, physical, and individual ownership (Kivell, 1993; Schuman, 1994; MRSCW 1997; Setterfield, 1997; Hanif et al., 2015). To develop the entire area of Kampong Bharu at once would require a huge financial commitment from the government. To catalyze redevelopment, therefore, PKB decided to start with a smaller pilot project called the Kampong Bharu City Center (KBCC) in 2016. This area will be transformed into a multi-billion ringgit commercial and residential development, becoming a focal point for Kampong Bharu. According to the Chairman of PKB, Datuk Effendi Zahari, KBCC will comprise offices, hotels, and other facilities, and will have a direct pedestrian link from Kampong Bharu into the KLCC area.

The KBCC pilot project focused on an area of 40 acres, or 13 percent of the total area of Kampong Bharu. It was further divided into 11 parcels with the goal of making the implementation process of redevelopment more efficient and effective (Figure 7).

![Figure 7. KBCC area divided into 11 parcels](image-url)
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KBCC is located entirely within Kampong Masjid, at the center of Kampong Bharu. That area has a more unified lot pattern and existing road network that would be easier to develop than other kampongs of MAS. Land use in the current KBCC area is mainly residential, involving 187 lots belonging to some 1,200 landowners (KBCC Plan, 2016).

Methodology

This research used a qualitative method of analysis to understand and identify the issues in redevelopment, landowners’ and residents’ response to redevelopment plans, and strategies to engage landowners in redeveloping Kampong Bharu. Techniques included in-depth interviews and field observation. All fieldwork was conducted from October 2016 to January 2017. Primary data were collected through 20 semi-structured interviews using audio or video recorders, and were conducted in Malay, drawing on a list of questions as an interview guide and using open-ended questions to elicit lengthy and descriptive answers. Interviews were conducted both on an individual basis and through discussion sessions with the Association of Landowners and Heirs of Kampong Bharu (PPTWT), a non-governmental organization.

Interviewees included the Deputy Director of PKB and Senior Deputy Director of DBKL, the seven Village Heads of MAS, the Secretary of the Board of Management of MAS, the members of PPTWT, and residents of Kampong Bharu (both landowners and renters). Secondary data were collected from government agencies and NGOs, from a review of policies and regulations, and from guidelines, brochures, academic journals, and news articles.

Results and discussion

Our research suggests that there are four main challenges to the redevelopment in Kampong Bharu. First, the neighborhood’s status as a stronghold of Malay culture is perceived to be threatened by large-scale development. Although government-created redevelopment plans have included guidelines for Malay-Islamic architectural preservation, these are merely suggested guidelines that are not required to be implemented should redevelopment take place. Given that the government’s development plan promotes high-rises that will transform Kampong Bharu into a new urban center in Kuala Lumpur, this puts at risk the traditional Malay houses, culture, and heritage that Kampong Bharu has embodied for decades. Second, land acquisition by the government is difficult because—as noted—MAS land holdings cannot be transferred or occupied by non-Malays, effectively restricting land transactions to ethnic Malays.

In addition, the land in Kampong Baru is fragmented; one small lot may belong to many landowners and heirs. A land sale usually requires a long process of negotiation among family members to settle claims and reach consensus.

Third, by focusing on engaging landowners in redevelopment plans, the PKB has largely excluded renters from community participation efforts,
though they make up approximately 70 percent of its population. PKB is careful to include landowners because they hold legal rights over the land, but because landowners perceive renters as outsiders to the community, they have been excluded from redevelopment discussions.

Finally, there is lack of consensus among all stakeholders regarding whether or not to redevelop Kampong Bharu and what that redevelopment should look like. While most residents feel that some type of development should occur, the shape that redevelopment should take is contested because there is fear of being cheated of the land’s fair value and losing the longstanding ownership rights of the Malays.

**Analysis of stakeholder conflicts**

*Maintaining local heritage and identity*

Though surrounded by development pressures, the residents and landowners of Kampong Bharu retain and express Malay cultural identity in their daily life and activities. Kampong Bharu has remained a Malay cultural center in Kuala Lumpur, from the community lifestyle to the traditional house designs that reflect its colorful heritage and cultural blend (Figure 8).
With the government’s proposal to clear the site to make way for high-rise buildings, Kampong Bahru’s architectural heritage faces a threat of disappearance (Figure 9). Even though PKB will preserve some traditional houses as elements of cultural heritage, the plan raises much skepticism from landowners towards the shape of redevelopment that should proceed in Kampong Bharu.
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The Malaysian federal government has offered various incentives, including an increased plot ratio of 1:10, to attract landowners and their heirs to join the redevelopment plans. Increasing plot ratios prior to land sale allows current landowners—not just governments and developers—to reap bigger returns through the development of taller buildings. According to Senior Deputy Director of DBKL Nik Mastura Diyana, DBKL still wants Kampong Bharu to be maintained as a traditional village in the city center, but given development pressures from surrounding areas of KLCC, DBKL has given blanket approval to a plot ratio of 1:10 to all of Kampong Bharu for commercial land use.

PKB Deputy Director Zamri Saharin further explained that the government provides incentives for Kampong Bharu to be divided “90-10,” meaning that if the land area is 8,000 square feet, it may be built up tenfold to 80,000 square feet. Additionally, PKB would like to build Kampong Bharu under “Grade A” building classification (the highest quality building infrastructure), encouraging multinational corporations to rent office space in Kampong Bharu. PKB wants to get a high multiplier effect so that landowners will get maximum returns. Meanwhile, according to the former Village Head of

Figure 9. Proposed plan for Kampong Bharu City Center

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Kampong Atas B, Zakaria Abu Kassim, although non-Malays such as Indians and Chinese are now allowed to run businesses and live in Kampong Bharu only as renters, they must first get permission from the Board of Management of MAS. They are still restricted from owning land within Kampong Bharu.

The increased plot ratio will mean the replacement of old houses with luxury multi-story buildings, and will transform the Kampong Bharu way of life from that of a traditional village into a new urban center. Even though PKB has included Malay-Islamic architecture guidelines in its plan, this is not a statutory regulation that must be closely followed, because PKD did not want to inhibit creativity in the development process. It is possible, therefore, that redevelopment architecture won’t abide by the guidelines.

Landowners have expressed their own views regarding a redevelopment plan for Kampong Bharu. According to a member of PPTWT, Dato’ AR. Mohtar Rahmad, Malaysia is supposed to have a Malay town in Kuala Lumpur, and he wants Kampong Bharu to be designed as a Malay town. Meanwhile, the village head of Kampong Pindah, Haji Othman Siru bin Mohd Hashim, objects to building high-rises in his village. He suggested that the inner area should only be comprised of houses and smaller buildings, because most people in the kampong don’t like to live in high-rise buildings. The Secretary of Board of Management of MAS, Shamsuri bin Suradi, would like to see Kampong Bharu become an urban kampong with a modern style, but not uniformly built up with high-rise buildings; he emphasizes that he doesn’t want Kampong Bharu to be built up like Manhattan.

The majority of landowners who currently stay in Kampong Bharu—primarily elderly—do not want to move out of Kampong Bharu because their homes have been passed down from generation to generation. For them, Kampong Bharu provides a sense of belonging to which they have a deep historical, emotional, and spiritual connection. According to Shamsuri of MAS, PKB must conduct the redevelopment incrementally, one area at a time, since it would be difficult to get consensus to redevelop the entire area of Kampong Bharu at the same time. If the first area is successful, it should become a model for the other villages. This approach is deemed to be less risky than demolishing all of the existing Malay heritage elements at once.

Were the government able to use the Land Acquisition Act of 1960 to force landowners to sell their land, Kampong Bharu could easily undergo extensive redevelopment. It would quickly and dramatically turn Kampong Bharu into an upscale urban landscape similar to those in many other parts of the world, causing the area to lose all of its attraction as a unique traditional village. Such an action, moreover, would seriously damage the government’s relationship with local people, and would be a politically risky step for the government. Negotiation, therefore, is the only practical way to deal with long-established local residents, such as those in Kampong Bharu.

Landownership

As noted, the land in Kampong Bharu is fragmented and has multiple owners. In 2013 there were 1,355 lots in Kampong Bharu owned by 5,300 registered landowners (KBCDM, 2014). On average, there are five landowners per lot, and one lot has as many as 208 landowners (KBCDM,
The average lot size is below 0.4 acres, and about 1,193 plots of land (88 percent of Kampong Bahru) are smaller than 0.23 acre (Figure 10). The smallest plot of land measures only 80 square feet (KBCDMP, 2014). This encourages small-scale development and limits development profits.

Multiple ownership in Kampong Bharu is primarily caused through inheritance. Land titles for some plots are fractionally divided among heirs, and the land titles of record are often unclear because they have not been updated. For example, a land title record for one lot is still registered under the forefather (first generation) who has long since passed away, but the title has not been updated and therefore the plot has not been formally inherited by his children. The more heirs (and potential heirs) that are involved, the more difficult is it for a developer to get approval for a proposed development. According to Haji Adam bin Mohd. Sahat, head of Kampong Pay, there is one title with more than 100 heirs’ names listed.

Achieving a consensus among heirs is essential to avoiding disputes and family conflicts pertaining to land management, but such a consensus is not always easy to achieve (Sulong and Taha, 2016). Given that reality, the head of Kampong Periok, Haji Aziz bin Arifin, argues that the majority opinion is more important than consensus. In the example he gives, if in one plot there are 10 heirs, and if the majority of 7 heirs don’t want to sell their land or join development, then it cannot be implemented. Disputes among family members can be extremely disruptive, even leading to abandonment of the land.
To counter the problem of lots that are too small to develop on their own, the government would have to initiate an amalgamation process, devising a system that would combine many tiny lots into one larger lot to
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achieve a feasible plot size for development. This would not only result in a more structured development, but would also increase land value. There are several challenges, however, inherent in any effort to amalgamate small lots (KBCDMP, 2014). First, there have been objections and lack of support from the landowners and their heirs. Second, the landowners and heirs feel it is risky to undertake the amalgamation process, due to their lack of knowledge on land management. Third, there is a shortage of funds from the landowners’ side for legal representation and other kinds of relevant advice. Therefore, satisfaction must be built among landowners and their heirs in explaining the benefits and advantages of development (Sulong and Taha, 2016), along with guidance from the PKB to explain the development process in Kampong Bharu.

There are two methods landowners and their heirs can use to solve the issue of dividing inheritance. According to the President of PPTWT, Mashuti Mat Som, there is no obstacle to landowners using Islamic inheritance law (known as Faraid) to deal with the distribution of the estate, or to share the estate fairly and equitably based on their agreement. What is most important in the division of inheritance is that all the heirs must get their part according to the land title record. Additionally, the village head of Kampong Paya proposed his solution to settle the issue of ownership rights, which is to give the inherited land to the first group whose names are listed as heirs. For instance, if there are five names listed in the land title record, those five people could divide their inheritances among their own families, making it much easier than doing so using the names of all the heirs.

All of these ownership issues have been obstacles for the government to even initiate redevelopment plans in Kampong Bharu, much less implement them. Nik Mastura (DBKL) explained that these challenges have stymied redevelopment for decades. As far back as the late 1980s, DBKL set up a special unit to look into the development of Kampong Bharu. Many dedicated planners and architects collaborated on a development plan, but that unit was eventually dissolved because DBKL could not overcome the landownership challenge.

Settling the issue of fractional ownership, it seems, is the necessary first step. Then the family claimants must decide whether to sell the land or not, resolving their differing opinions and interests along the way. This process will be greatly complicated by the fact that so many landowners and heirs live outside from Kuala Lumpur, or even abroad. Therefore, PKB has to focus first in settling ownership rights by assisting landowners and heirs to update their land title record, before the rest of their development agenda can proceed.

Community participation

Ideally, urban redevelopment should be based on participation by all stakeholders (Yetiskul et.al., 2016). That ideal, however, can be hard to attain. With 70 percent of Kampong Bharu residents living as renters, but only landowners legally recognized by local planning authorities, it is difficult to involve all the constituencies of Kampong Bharu in the redevelopment process. Even though immigrants—who have been living for many years as
renters in Kampong Bharu—try to assert themselves as locals, their status as outsiders prevents them from having a legal right to weigh in on the redevelopment plan.

The landowners may refuse to participate if renters are involved in process of development of Kampong Bharu. Mashuti (PPTWT) asserts that he doesn’t want outsiders involved in the development process of Kampong Bharu. If the 70 percent renters are given the opportunity to participate in the development plan, he explains, then outsiders will be the majority power in deciding the shape of development. He believes that all rights and decisions belong to the original landowners, which is why renters were excluded from the development plan in the first place. PKB focuses only on the registered landowners and heirs who are listed in the title record, notes Zamri (PKB).

But if redevelopment takes place, notes Mashuti (PPTWT), tenants will no longer be permitted to rent, and their leases will be terminated by the landowners. Additionally, renters who have small restaurants or shops in Kampong Bharu will have to relocate. According to the local Malaysian renter and trader, Zulkarnain bin Ibrahim, DBKL will provide them with a new space around Kuala Lumpur so that they will be able to continue their business when redevelopment is taking place in Kampong Bharu. Clearly, though, renters have a stake in the redevelopment process, and excluding them may be perilous.

Renters present other complicating factors, some of which push in favor of a speedier redevelopment process. The increase in rental housing, along with the growing number of immigrants residing in Kampong Bharu, has begun to concern the government. PKB found that two rental houses in Kampong Bharu were occupied by almost 90 people. Such overcrowding is unhealthy, notes Zamri (PKB), and could damage Kuala Lumpur’s reputation. Sanitation problems—such as inadequate garbage collection—are worsening due to increased population density (Shaw et.al., 2009). For these reasons and others, public health and reputational concerns contribute to the government’s desire to speed up the implementation of the redevelopment plan.

As for landowners’ participation in the development plan, PKB engaged with the landowners in two distinct phases while developing KBCDMP. First, PKB solicited feedback from landowners about their aspirations, expectations, and commitment for the redevelopment of Kampong Bharu. They conducted dialogue sessions, interviews, questionnaire surveys, and discussions with the landowners and their heirs (KBCDMP, 2014). This program, involving the seven MAS villages, was conducted from June to November 2013 and was attended by 2,388 landowners, or approximately 56 percent of the total registered landowners. The questionnaire form that was distributed to all landowners who attended found that 88 percent of them agreed to involve themselves in redevelopment plan (Annual Report Book of PKB, 2012 and 2013). Second, PKB organized an exhibition of the development plans and invited landowners to discuss and present their ideas on redevelopment.

The purpose of engaging landowners and their heirs is not only to provide an explanation about the financial value they would derive from the development plan. PKB also has to ensure that the issue of ownership rights
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registration has been solved among landowners, in order to be effective in the process of planning and implementation of redevelopment. According to Shamsuri (MAS), PKB so far has invited the landowners for engagement meeting and discussion, but they haven’t necessarily reached the right owners. For instance, if the father’s name is written in the title record and only one of his many sons attends the PKB’s meeting, what happens to the interests of the other brothers who do not attend due, perhaps because they live too far away from Kampong Bharu? What if they want a different kind of outcome?

Although PKB provided the draft plan before they met with landowners, many landowners were still disappointed with the plan’s terms. According to the village head of Kampong Paya, some landowners rejected the plans because they feel they never got to provide input into it, since PKB had prepared and created the plan before meeting with landowners. The village head of Kampong Paya suggested that PKB should conduct proper consultation first with all Village Heads under the Board of Management of MAS, and—if the Village Heads agreed with that plan—then those local leaders would invite all landowners to meet with PKB and discuss the plan more deeply. But even though the Village Heads can serve as an effective conduit of information between the landowners and the government, the actual approval of any proposed redevelopment is up to the landowners themselves. Clearly, the PKB needs to involve the Board of Management of MAS properly, and engage in genuine consultation.

As noted, efforts to redevelop Kampong Bharu have been underway for many years, but they were conducted in such a way that the landowners came to distrust the government and private parties that were involved in the process. Today, the landowners by and large are afraid that their rights will be lost, or that they will be scammed or manipulated. They need a guarantee from the government that any proposed development project in Kampong Bharu will be based on heavy community involvement. Landowners must be considered an active player in the development process, and not merely obstacles to be circumvented.

Differences of interest among landowners and renters

Landowners feel that they need development to upgrade and maintain their houses and infrastructure in Kampong Bharu. According to the Village Head of Kampong Atas B, Haji Ab. Malek bin Salleh, his house is already too old and is in need of serious renovation. The village head of Kampong Paya would like to know exactly how the PKB will take his land for development: will it be by selling the land, giving equity shares in development, or giving him an apartment’s unit? By and large, the landowners do not want to be left behind while other parts of Kuala Lumpur make progress through redevelopment—but they don’t know what kind of development model of development they should embrace.

Clearly, the redevelopment plan drawn up by the government has not met the needs and desires of landowners. Some village leaders worry that there are no local authorities representing the interest of landowners. As the Village Head of Kampong Paya stated, the government created a plan
designated for high-rise buildings, but he is worried who will occupy that building. Who will buy those units, since many Malay residents in Kampong Bharu could not afford to buy luxury property? To avoid that outcome, he wants ethnic Malays to retain the sole right to own land in Kampong Bharu.

Redevelopment in Kampong Bharu also has become more complicated because the landowners are insisting on a land sale price equal to the surrounding areas—such as KLCC, which is valued above RM 3,000 per square foot. Otham, Village Head of Kampong Pindah, expressed that he would only sell his land at minimum RM 1,000 per square foot, while the government valued the land in Kampong Bharu at around only RM 300-500 per square foot. Not surprisingly, most of the landowners ask the government to value their land comparable to land in the KLCC area (Omar, 2015). But according to Effendi (PKB) in an online interview, land in Kampong Bharu is less valuable because of the restriction on non-Malay ownership, whereas KLCC has no restriction on ownership or occupancy of land KLCC.

Certainly, many of the immigrant renters hope Kampong Bharu can be maintained as a traditional kampong. Not only are they culturally comfortable living in there, but interviews with immigrant renters currently living in Kampong Bharu reveal that the rent for a single house is about RM 1,000 per month. Given that the average individual income for immigrant workers is about RM 1,500-3,000, sharing housing with friends or family members helps them to afford their rent payments.

Meanwhile, self-employed renters worry that they would lose their small shops and stalls as a result of redevelopment. One immigrant renter, Indrawat, hopes that the redevelopment plan will be delayed in Kampong Bharu, because if it is actually implemented—she says—she hasn’t saved enough yet to support her family and open a business back in her home country. Some renters are concerned not only that the construction process will affect their business, but also that the number of customers will drop. According to immigrant renter and trader, Mahmud Yunus bin Yahya, his sales will be affected if the construction period is lengthy, because it will be difficult for customers to reach the parking lot.

Yet some renters support the redevelopment plan, clearly expecting that a more developed Kampong Bharu will benefit them. According to Zulkarnain (a local Malaysian renter), if Kampong Bharu is developed, a lot of people will come there, and it will positively affect business. Another immigrant renter said she hopes there will be many job opportunities created for immigrant workers. Anita, an immigrant renter, said that if the construction of Legasi Kampong Bharu is completed, there would be many jobs created, such as cleaners and servants, that immigrants working in Kampong Bharu could secure.

Another challenge hindering community participation is constituents’ ability or willingness to sacrifice the time needed to attend meetings. Still another is the tensions that arise as a result of differences that exist in the local community, which as noted is comprised of various groups, sometimes with varying interests. For all these reasons and more, PKB has to show that the ideas and desires of constituent groups are heard and reflected throughout the process of redevelopment.
Pilot redevelopment project in Parcel 2 of KBCC: Example of landowner engagement

Successful redevelopment in Kampong Bharu will depend on PKB’s ability to involve landowners and their heirs in the development process. This will require both creative ideas and an innovative approach to negotiating. PKB has learned from DBKL’s previous experiences—in which development plans were devised that ultimately could not be implemented—and has therefore offered new strategies to engage the landowners in choosing how to develop their land. As Zamri said, PKB accepts all ideas and models of development, as long as the development happens in Kampong Bharu.

First, PKB suggested a model in which the landowners would simply sell their land or transfer their development rights to the government or private sector for redevelopment. Second, they proposed the cooperative model of development, in which landowners would drive the development, while the PKB would act simply as a facilitator (Figure 12). Developers or government-linked corporations that cooperated with the landowners by providing financing could be the shareholders.

Figure 12. Cooperative model of development

Within an area called Parcel 2 of the KBCC pilot project, some landowners have already begun to plan using a cooperative model. These landowners decided to construct a mixed-use building that includes residential and commercial space on four acres of land that was made up of 20 lots owned by approximately 100 landowners (Figure 13). According to Mashuti (PPTWT), more than 90 percent of landowners and heirs on Parcel 2 agreed to join the redevelopment project. In their attempt to realize this pilot project,
the landowners established a Board of Development for Parcel 2, under the supervision of PPTWT, which will represent the landowners and heirs on Parcel 2.

The Board of Development will oversee the master planning, implementation, and monitoring of the Pilot Project of Parcel 2, including solving the problem of landownership, negotiating with the developers, investors, and other financial institutions, as well as applying for approval from local authorities. According to PPTWT member Ishar bin Ismail, PKB may help them find appropriate developers, or they may look for their own developers as part of securing development funds. PKB will then assess the track record of that developer in terms of ability and experience.

Several sessions were organized with the landowners and PKB to achieve consensus on what to do in Parcel 2. Their primary challenge was to settle the issue of landownership. To overcome the challenge of redeveloping many small lots, the landowners decided to combine their lots into one (i.e., land amalgamation). This could happen in Parcel 2 because the process was managed and driven by the landowners themselves, and they trusted each other to act in their best interest. As Mashuti (PPTWT) explained, the landowners in Parcel 2 knew each other due to family ties, from old friendships dating back to childhood, and from being neighbors for a long time.

There is some risk that this redevelopment plan will lead to the loss of Malay cultural heritage elements, because the proposal is to build a modern
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high-rise building, creating tension with the Board of Management of MAS. However, Mashuti (PPTWT) said that although this project will be built in a modern way, the building will host various Malay-Islamic cultural activities to maintain the cultural heritage and local identity of Kampong Bharu. However, this project can only be done after getting approval from all landowners and heirs in Parcel 2. He hopes this development plan will improve people’s lives, because there are still many social problems that exist in Kampong Bharu. Redevelopment can occur in Parcel 2 of the KBCC pilot project because the landowners now understand how development can benefit them. This happened largely because of the role of a former community leader of Kampong Masjid, Mashuti Mat Som, along with community agency members of PPTWT, and a landowner in Parcel 2 who works as an architect, Tan Sri Dato’ Seri Ar. Haji Esa Mohamed, who contributed ideas for the Pilot Project Plan of Parcel 2 development. These key players were able to help facilitate a collaborative process between the landowners and PKB because they understand intimately the social structure of their community. They used their position to help the government explain and convince every landowner in Parcel 2 of PKB’s intention in development, and the benefits of the development plan of KBCC for Kampong Masjid’s people. Generally kampong people trust the words of their family, kampong leader, close friends and neighbors, so it was easy for them to influence each other.

After the landowners have agreed to develop their land, they will sign a letter of intent before they meet with the developer for the joint venture. Then the landowners and developer will negotiate what percentage the joint venture is to be given. According to Ishar (PPTWT), the split will depend on what price is offered, along with the equity obtained and given to each applicant. While the developer and landowners can make arrangements during the construction period for a temporary transfer process, it is unclear how many condominium units/houses will be rented for temporary shelter. When the building is completed, residents will move back to occupy their new house, noted Ishar (PPTWT).

The development of Parcel 2 will be a long process, in part because there are still many problems that need to be solved. As land ownership is being sorted out in the KBCC pilot project area, PKB will make low-cost improvements, such as maintaining and upgrading the road and landscaping. PKB hopes that these small improvements will increase the land value of Kampong Bharu gradually, which will continue to benefit the local community.

Conclusion

Though the government over the years has made many development plans for Kampong Bharu, those plans have always met with vociferous objections from the community’s landowners and their heirs, because the plans did not focus on preserving the settlement’s identity, landowners’ rights and interests, or provide viable financial benefits. In addition, the issue of landownership has been a major obstacle, with many small lots with many owners and heirs making consensus on development difficult to achieve.

The PKB should first focus on resolving the issue of landownership, while surveying opinions directly from landowners and heirs to find out what
they really want in development. Then PKB can determine what kind of
development models and plans are suitable for Kampong Bharu’s people.

The development approach in Kampong Bharu must be bottom-up,
comprehensive, inclusive, transparent, and accountable, so that trust can be
built up within the landowners and their heirs. The government must be able
to embrace all local community elements in Kampong Bharu, including
working closely with the Village Heads of MAS to achieve consensus for
redevelopment and compensation issues. The government has to
demonstrate that the ideas and aspirations of landowners who engage in the
process are really included in the plan for development.

The new strategy illustrated by the Parcel 2 of KBCC pilot project casts
the landowners as the main driver of development, and changes the role of
government from being the provider and implementer to being the facilitator
and coordinator. Implementing this cooperative model can help mitigate the
kinds of stakeholder conflicts that have emerged in past redevelopment
schemes, and also provide land owners a sense of security about maintaining
their ownership position. This model makes landowners act as estate
managers, gives them more authority in land management/asset
management, and may well build agreement and resolve the objections
among landowners. This participatory approach should ensure that the
landowners are involved in decision-making, planning, and implementation,
and thereby ensure that the proposed redevelopment actually addresses their
concerns and meet their needs.

This cooperative model may remove some of the key impasses that
have bedeviled Kampong Bharu’s redevelopment over the years, but it will not
resolve all problems. It seems possible that the way that landowners have
been engaged to get consensus for development of Parcel 2 can be
duplicated in other villages. However, the proposed design of Pilot Project
Plan of Parcel 2—to build modern high rise building—probably can’t be
duplicated for all inner area of Kampong Bharu, since still many landowners
there insist on maintaining their village as a traditional kampong. This level of
engagement requires knowledge and commitment from landowners and their
heirs at every stage of redevelopment. Furthermore, development in
Kampong Bharu needs charismatic leadership that can influence and
convince landowners and heirs, and which has the understanding and
knowledge about development to help bring landowners along in any
emerging plan.

Finally, the community leader, along with the landowners’ organization,
can play an integral role in mediating conflicting interests and facilitating
planning processes in which PKB’s interests are considered alongside local
interests. If this approach proves to be financially viable, maintains
landownership for Malays, and successfully preserves cultural heritage and
local identity, it could serve as a model for redevelopment in Kampong Bharu.
References


Notes

1 The kampong is the archetypal form of village settlement found in many parts of Southeast Asia, illustrating rural life in an urban environment (McGee, 1967). In Malaysia, kampong is defined as the lowest administrative unit and led by a village head to serve as representative of the local residents (Malaysia Business Law Handbook, 2012).

2 Photo by Marcel Williams, 2017

3 Ad-hoc individual plot development occurred when existing houses were expanded to accommodate growing extended families or to rent. Houses also were converted into shops, workshops, and light industry. This haphazard development resulted in substandard living conditions. Source: http://www.dbkl.gov.my/pskl2020/english/special_areas/index.htm. Retrieved on May 15th, 2017.

4 Photos by author, 2017

5 Photos by author, 2017

6 Qualified Title (QT) involves land titles that are issued in advance of a proper cadastral survey. The QT was issued upon amalgamation of the land, and the Final Title was applied before final subdivision of the land. Source: Ismail and Ganason. http://www.academia.edu/3258467/Land_Law_and_Property_Development_Conference_Land_Development_Issues_and_Latest_Initiatives_Undertaken_by_JKPTG_to_Improve_Service_Delivery_. Retrieved on June 9th, 2017

7 In 1974, Kampong Bharu was expanded to the outer MAS area after the Federal Territory of Kuala Lumpur was established (Alhabshi, 2010).

8 Source: KBCDMP, 2014

9 Photos by author, 2017

10 Source: PKB, 2017

11 The ringgit is the currency of Malaysia.


13 Source: KBCC Plan, PKB, 2016

14 PPTWT was created as an NGO by the original landowners and heirs of Kampong Bharu with the goal of defending and safeguarding the rights and interests of the landowner and heirs in the development of Kampong Bharu. It is run by the government through PKB, to become a mediator between landowners and government, and to perpetuate the culture of Malay identity in the development of Kampong Bharu (PPTWT, 2016).

15 Photos by Zul Ismail and author, 2016

16 Source: KBCC Plan, PKB, 2016

17 The plot ratio of a building is obtained by dividing the gross floor area of the building by the area of the site on which the building is to be erected.

18 Photo by Marcel Williams, 2017

19 Photo by author, 2016

21 Legasi Kampong Bharu project is developed by UDA Holdings, it will consist 639 residential units in a 43-storey building which is 30 percent of the units will be developed for affordable housing to be offered to residents of Kampong Bharu. Source: https://www.themalaysianreserve.com/new/story/govt-reviewing-kampung-baru-redevelopment-plan-says-pm. Retrieved 10 May 2017.

22 Source: PKB and PPTWT, 2016