



PRESS RELEASE

KPKT TO INTRODUCE OPTION TO PURCHASE MECHANISM, ALLOWING PRE-SPA WITHDRAWAL FLEXIBILITY

PETALING JAYA, 8 May 2026 – The Ministry of Housing and Local Government (KPKT) is currently studying the introduction of an Option to Purchase (OTP) clause under the proposed Real Property Development Bill as part of wider efforts to strengthen Malaysia’s property sector and prevent sick, delayed, and abandoned housing projects.

Minister of Housing and Local Government, YB Nga Kor Ming, said the proposed policy shift would provide both purchasers and developers with greater flexibility to withdraw before the execution of the Sales and Purchase Agreement (SPA), thereby reducing unnecessary financial and legal commitments at an early stage.

Speaking during the StarProperty Awards 2026 last night, Nga said the move forms part of the broader Reformasi Perumahan MADANI agenda aimed at modernising Malaysia’s housing regulatory framework and ensuring long-term industry sustainability.

“Through this bill, we are currently studying a key policy shift to introduce an OPT clause, which provides both parties the flexibility to withdraw before executing the SPA,” he said.

According to Nga, the proposed OTP mechanism would allow developers to better assess actual market demand and project feasibility before construction progresses further.

“This move lowers unnecessary financial and legal commitments at an early stage, while allowing developers to assess a project’s feasibility by understanding realistic, on-the-ground buyer demand.

"Consequently, it helps avoid scenarios where developers face financial bottlenecks if sales are not optimistic halfway through construction," he said.

He added that the initiative could proactively reduce the risk of sick, delayed, or abandoned housing developments, while also helping to address the issue of unsold property units due to insufficient buyer demand.

Nga also shared that Malaysia's property sector recorded strong performance in 2025, achieving transactions exceeding RM240 billion, the highest level in a decade, reflecting robust market confidence amid political stability and favourable economic conditions.

At the same time, he revealed that KPKT's special taskforce on sick and abandoned housing projects has successfully revived more than 1,500 projects since December 2022, with a gross development value (GDV) exceeding RM140 billion, benefiting over 176,000 homebuyers nationwide.

Beyond legislative reforms, Nga said KPKT is also accelerating digital transformation initiatives across the housing ecosystem through platforms such as e-SPA, TEDUH, and the Housing Integrated Management System (HIMS).

“We have one simple goal: to achieve zero sick projects by 2030. This requires a collective effort from everyone in the ecosystem, including industry players, to achieve it,” he said

Nga also reaffirmed the MADANI government's commitment in ensuring the continued delivery of quality, sustainable and affordable housing for Malaysians through close collaboration between the public and private sectors.

-END-