

Does the 'culture of property' normalise eviction and demolition?

The case of Kampung Sungai Baru, Kuala Lumpur

Alia Salleh



Southeast Asia Working Paper Series

Paper no.4

January 2023



All views expressed in this paper are those of the author(s) and do not necessarily represent the views of the Saw Swee Hock Southeast Asia Centre or LSE. The results presented in the paper are not peer-reviewed.

Published by

Saw Swee Hock Southeast Asia Centre London School of Economics and Political Science Houghton Street London WC2A 2AE seac.admin@lse.ac.uk www.lse.ac.uk/seac

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means without the prior permission in writing of the author(s) nor be issued to the public or circulated in any form other than that in which it is published. Requests for permission to reproduce any article or part of the Working Paper should be sent to the author(s) directly. cover image is reproduced with permission of the Author who retains copyright.

Does the 'culture of property' normalise eviction and demolition? The case of Kampung Sungai Baru, Kuala Lumpur

Alia Salleh

PNB Research Institute

Level 5, Menara PNB, Jalan Tun Razak

50400 Kuala Lumpur, Malaysia

Email: alia s@pnb.com.my

Abstract

In Kuala Lumpur, the redevelopment of old housing is framed by the state as a 'residential upgrading' as it involves rehousing residents to newer apartment complexes. This paper intends to shine a critical relook at rehousing programs' assumed virtue. To inquire about this, I use the debate around the 'culture of property' and its naturalising effect on processes of gentrification as posed by Ley & Teo (2014) in Hong Kong and transport it to a case study of an ongoing eviction in Kampung Sungai Baru, Kuala Lumpur. Guided by a phenomenological approach, I use interviews and focus group discussions to understand residents' views. I also trace the institutional origin of the 'culture of property' through policy document analysis. I argue that the 'culture of property' as seen in Kuala Lumpur is shaped by a housing policy that takes a residual approach which then leads to increased financialisation and anxiety over inheritance. However, this does not stop residents from opposing the redevelopment of their kampung. Instead, their knowledge of property ownership, either as homeowners or individual investors, becomes a useful tool to fight against rogue redevelopment. I also find that the demand for compensation is less about seeking 'residential upgrading' for social mobility but a matter of reclaiming 'sweat equity' and demanding better treatment as a basic right. Finally, I suggest that 'development' holds a bigger virtue than property ownership and may motivate residents to support redevelopment programs that they deem beneficial to society.

Keywords

Culture of property; Asian gentrification; eviction and demolition; Kuala Lumpur

Acknowledgements

This paper was first produced as partial fulfilment of the requirement for a master's degree. My sincere gratitude to Professor Hyun Bang Shin for his generous advice and guidance, especially in clarifying my research focus. I am very grateful to be able to complete this study under his mentorship. Many thanks to Nazir, Adda, and Audi, who commented on earlier drafts. Finally, I am deeply indebted to the residents of Kampung Sungai Baru for welcoming me and sharing their stories. This research is dedicated to their struggle in retaining their *kampung*.

Introduction

In the past ten years, the two agencies responsible for Kuala Lumpur's public housing development – Kuala Lumpur City Hall (DBKL) and Selangor State Development Corporation (PKNS) – have gradually redeveloped their 1970s and 1980s 'walk-up flats', often into high-rise luxury developments. This is achieved through land reacquisition from owner-occupiers, who are compensated either in cash or replacement units. These redevelopment plans are well covered by the local media. Notably, DBKL announced an Urban Renewal program for DBKL-owned housing developments older than 40 years (Malay Mail, 2020; The Star, 2021). While redevelopment programs are not new in DBKL's long-term plans, these recent programs have adopted a clear template: land reacquisition, compensation on the promise of rehousing, and finally, demolition for new development. It takes a cue from the 'proven' redevelopment of Kampung Kerinchi (2017) and Razak Mansion (2016) by private developers with the assistance of the government to acquire the land (DR Deb, 2018: 17).

The rhetoric of 'residential upgrading' to bigger and more modern dwellings implies putting residents' needs as central. After all, the rehousing programs ensure displaced residents will receive compensatory units located within or very near to the new development 'with facilities similar to those at regular condominiums' (Malay Mail, 2020). Technically, there is no direct displacement. It will also increase the housing stock, fulfilling society's need for homes. This supposed win-win does not, however, match the reality residents need to face, namely, the poor build quality of replacement housings, reduced open space, and the fact that the former sites are redeveloped with luxury development, inducing 'exclusionary displacements' and 'displacement pressure' (Marcuse, 1985). There is a growing sense that these agencies' focus has evolved from fulfilling developmental needs to unlocking real estate values. As a result, some of the redevelopment projects (such as Kampung Kerinchi) were responded with protests by affected residents who believe that instead of acting on their behalf, these government agencies endorse redevelopments that benefit private interests.

Therefore, I want to use Kampung Sungai Baru as a theoretical pause to the dizzying pace of state-endorsed urban redevelopment in Kuala Lumpur. I choose Kampung Sungai Baru as the site of study as it stands at an inflexion point: it is yet another redevelopment project – representing a continuity of lessons learnt and ignored – and my window to the future. Being a carbon copy of Kampung Kerinchi's land acquisition method and rehousing program, it reflects the past unrecorded experience of Kampung Kerinchi residents. While the Kerinchi case involved negotiations and protests on what was deemed an unfair deal, there is little

remaining evidence of the views of opposing residents. While the public knows that 34 households rejected and opposed the deal, they are framed as 'fools' in online forums for doing so as they miss out on being owners of replacement units in the newly built Residensi Kerinchi. This lingering stigma may discourage them from retrospectively sharing their views. As the case of Kampung Sungai Baru follows a similar trajectory, I want to capture the residents' voices before the case is buried as one of the many redevelopment projects in Kuala Lumpur. Here, I act on the challenge posed by Slater (2006: 743) to pay attention to the 'experiences of non-gentrifying groups living in the neighbourhoods into which the much-researched cosmopolitan middle classes are arriving en masse.' Moreover, the case is my lens into the future. If Kampung Sungai Baru is successfully redeveloped, it will be another 'success' in the portfolio and therefore used as a template for future redevelopment projects.

I use the study by Ley and Teo (2014) as a starting point as I share the same curiosity: how do people make sense of changes akin to gentrification when there lacks a local lexicon? In Malaysia, while there are substantial studies on gentrification in Johor and Penang (Foziah et al., 2014; Khalil et al., 2015; Khoo, 2020), studies that contextualise gentrification in Kuala Lumpur are still scarce. Yet, it has grown in prominence in public conversation, especially in English-speaking discourses. As Brown-Saracino (2010) contends, we often perceive gentrification without necessarily naming it.

Waley (2016: 621) sums up Ley and Teo's (2014) inquiry as highlighting two main paradoxes: the seeming lack of protests in the face of wide-scale, often violent eviction and demolition, and the missing term to make sense of the process, allowing positive lexicons like 'renewal' to prevail. There are clear parallels in Kuala Lumpur. Firstly, the usage of words like 'redevelopment' and 'renewal' hides the large-scale eviction and demolition of old residences. Next, rehousing programs are argued as 'exemplary' as there are no direct displacements of former residents. Finally, it is perceived to provide a welcomed upgrade to the current living conditions, either from better units or cash compensation.

Therefore, the main aim of this paper is to question Ley & Teo's (2014) allegation that the propensity toward property investments and ownership causes residents to treat redevelopments of their neighbourhood as an opportunity for social upgrading. To this end, the first section will lay out the two theoretical underpinnings, namely 'progressive' gentrification in Asia and the 'culture of property'. The second section will first contextualise the 'culture of property' in the minds of Kampung Sungai Baru residents and use Haila's (2017) framework

to trace this mentality through a study of Kuala Lumpur's housing institutions and policy. It then moves on to understand the residents' perspectives on the attempted redevelopment of their neighbourhood. This will focus on prevailing assumptions in the local media that compensation is all that matters to this group. By taking this approach, the paper seeks to take on Waley's (2016: 621) call 'to bear witness to the falsity of the paradox and chronicle resistance'.

Theoretical Framework

'Progressive' gentrification in Asia

While gentrification as a concept has been widely used in Asian urbanism scholarship, there is a persistent debate over its transferability. The claim that gentrification is now 'globalised' frames the process as a hierarchical diffusion akin to colonisation (Atkinson & Bridge, 2005). Maloutas (2012) warns against its generalised use across different geographical and historical contexts, fearing that the scholarly focus will be on finding similarities instead of the more important analysis of its determinants. Smart & Smart (2017) echo this sentiment, calling gentrification an 'invasive species' that obscures local complexities. These resistances reflect the struggle to break away from the core-periphery dependencies not just in knowledge production but in the economic, cultural, and social lives of cities (dos Santos, 1970; Maloutas, 2018; Roy, 2016).

This questioning of its theoretical expansion, therefore, calls for a critical usage of gentrification outside the Anglo-American 'centres'. Butler's (2007) earlier critique of its 'conceptual dilution' argues that the scholarship needs to acknowledge that the process and consequences of gentrification have significantly changed with the temporal change in class relations. But that does not mean abandoning this useful 'unifying concept' for inquiring into the variegated outcomes (Forrest, 2016: 610). Instead, it requires an 'upgrade' by widening its lens *and* narrowing down on the unique differences of the geographical and temporal context under scrutiny (Slater, 2017: 744).

On the surface, Waley's (2016) four typologies of gentrification in Asia are not too different from what we see in Western cities: (i) slash-and-burn development, which involves massive land reacquisition and new-build development, can easily be compared to London's riverside redevelopment (Davidson & Lees, 2005); (ii) 'orientalising' gentrification which conserves and converts old buildings into 'chic', often commercial uses is almost similar to the

'traditional' process of Victorian restorations in Ruth Glass' London (1964); (iii) piece-meal, tower block gentrification echoes the recent case of Balfron Tower in East London which was refurbished from council estate to luxury dwellings (The Guardian, 2022); and (iv) the gentrification of city edges with new satellite cities and transit-oriented developments (Percival & Waley, 2012) reflect the changing housing preference traced in the UK and Holland by Butler (2007). Indeed, in Western cities, gentrification is not limited to the upgrading of dwellings by individual owners but is driven by the state and developers in producing newbuild redevelopments with increased involvement of the 'entrepreneurial state' seeking global capital (Harvey, 1989). Often, language like 'urban regeneration' and 'urban sustainability' permeates documents that reflect gentrification as a policy (Davidson & Lees, 2005; Lees, 2003; Macleod & Johnstone, 2012).

In Asian gentrification scholarship, we see fresh considerations that open new areas of study. The first is the role of the state in driving both the production *and* consumption forces of gentrification (He, 2007; Kyung & Kim, 2011; Shin & Kim, 2016). This is driven by the region's rapid political and market transition in the past decades. While it is common to refer to Asian states as authoritative 'developmental states', these states are not homogenous nor static in the spatial and temporal sense (Brenner et al., 2003). Their flux is perhaps puzzling, seeing that some have only recently governed on their own. Arguably, this observed dynamic fluctuation is precisely *because* of their rapid growth. The second consideration is the dominance of real estate private interest reflected through 'property hegemony' (Lee & Tang, 2017; Shin, 2009). Here, a 'societal consensus' is nurtured to subdue dissenting voices over processes that sometimes take violent forms (Lees et al., 2016: 199).

This is what Ley & Teo (2014) find in their study of Hong Kong. They posit that the 'culture of property' results in an acceptance of eviction and demolition. As such, gentrification in Asian cities uniquely bears 'progressive potential': something that is welcomed by affected residents due to a recognised 'broader quality of life improvement' (ibid.: 1289). This argument stems from two common redevelopment strategies in Asian cities: rehousing and compensation. While local law and implementation may differ, these features characterise the various case studies in Asian cities. Li & Song's (2009) survey is cited as a supporting example as it highlights residential satisfaction with rehousing programs in Shanghai. Studying Hanoi city centre remaking, Yip & Tran (2016) are more careful in calling it 'progressive' but admit that there is a sense of 'social mobility' from the relocation programs. This comes either from property value appreciation or living condition improvement. Echoing Haila's (2016)

'calculative property mind', they pose that 'calculating personal gain has induced support from displaced residents' (ibid: 500). In Seoul, Shin & Kim (2016) contend that property owners are co-opted through 'speculative gain' to work with developers to facilitate redevelopment. While the poor owner-occupiers and tenants are deeply impacted, their study also importantly points out that resistance from this group dwindled with the introduction of rehousing programs. Lastly, while Arkaraprasertkul's (2018) case of Shanghai's old neighbourhood does not involve redevelopment, he similarly posits that residents in Shanghai's old neighbourhood welcome gentrification as they rent out their original homes.

To test this assumption, however, I discover a considerable gap in encapsulating the Kuala Lumpur experience of gentrification. On the one hand, a common language is important to situate the Kuala Lumpur experience within the rich discourse and learn from variegated experiences to fight against oppressive processes (Shin et al., 2016: 466). On the other, the local understanding of the word is limited for useful application, partly with the dearth of scholarship that contextualises it in Kuala Lumpur. It is most often used by English language discourses, while, in Malay discourses, it is translated literally as 'gentrifikasi', void of vernacular meaning. In comparison, the concept is locally understood in neighbouring Bangkok as a 'changing of classes' (Moore & Goodchild, 2022). In other cities, various terms were proposed within the scholarship to better encapsulate its experience: 'livelihood dispossession' and 'value grabbing' in Hanoi (Potter & Labbé, 2021), 'hegemonic-cum-alienated redevelopment' in Hong Kong (Tang, 2017), and 'gentrification without gentry' in Japan (Machimura, 2021). Here, I am not looking for the perfect word but rather examining how this gap affects residents' understanding of the processes impacting them.

Acknowledging this struggle, I stop short of referring to the processes in Kampung Sungai Baru as gentrification. Instead, I focus on the manifestation that is most keenly observed and acutely experienced by the residents: residential displacement through evictions and the demolition of their neighbourhood. This is to bridge the understanding of the issue throughout my study, keeping in mind that physical upgrading can happen without the negative effects associated with gentrification (Marcuse, 2015).

'Culture of property'

In *Urban Land Rent*, Haila (2016) uses the term 'property-minded' to describe some Singaporeans' calculative and savvy mentality towards the real estate market, treating 'land as an asset to extract rent and to use land-based businesses to make a profit' (Sa & Haila, 2021:

2). Wah (2000) meanwhile uses two terms to capture Hong Kong residents' attitude towards the housing market: 'home owning ethos' and 'culture of speculation'. A similar concept is used by Ley and Teo (2014) to explain the centrality of the housing market amongst Hong Kong residents. They use it to conclude that 'the tenacious culture of property' in Hong Kong contributes toward a more accommodative attitude to gentrification.

This cultural essentialism is, however, heavily contended within the Hong Kong scholarship. Lui (2017: 484) acknowledges 'an awareness of the resale value of property' but separates it from co-optation to evictions and demolitions in the city. Tang (2017: 488) calls it an outright 'myth'. He argued that the muted challenge by residents is rather due to the 'technocratic consumption control'. Despite using the 'culture of property' prominently in their argument, Ley and Teo (2014) left plenty to interpret what it means from their study. It is, therefore, apt for Haila (2017) to challenge Ley and Teo's incomplete assessment by proposing further clarifications on what 'culture of property' means in the Asian city context and what drives such mentality. Both Lui and Tang's papers allude to the historical legacy and state actions in nurturing people's close relationship with property and development.

Importantly, Haila (2017) also asks whether this culture persists in different economic classes. While Shin & Kim (2016) do not implicitly use such a concept, their analysis of Seoul differentiates property owners from the poorer owner-occupiers, observing that the latter bear the brunt of redevelopment facilitated by the former. In Ley and Teo (2014), such differentiation is more elusive. The emphasis on 'upgrading' property units may imply that the co-opted class is predominantly owner-occupiers seeking better housing, a proxy to better social standing.

In Malaysia, property ownership as an aspiration is a widely assumed fact, even in academic arguments. Local scholarships that ask why people seek to own homes take on the consumption angle and are fixated on solving the oversupply problem and demand mismatch (Amit et al., 2021; Kam et al., 2018; Tan, 2008). The findings from these quantitative studies detail consumer preferences (such as location and family needs) and propose more accessible financing and pension withdrawal to motivate purchases (Tan, 2008; Yusof et al., 2019). There is no inquiry on where this 'aspiration' comes from. Is it endo- or exogenous to the household? It is, therefore, important to trace and understand the potential origin of this culture. Haila's (2017) critical dissection suggests looking at the institutional factors that shape this thinking.

As a preliminary inquiry into the relationship between people and property ownership in Malaysia, I investigate two related scholarships: 'asset-based welfare' and the development of land legislation in Malaysia.

i) Asset-based welfare

Asset-based welfare is a system where the responsibility for citizens' welfare is increasingly transferred from the government to households, normally by promoting the acquisition of financial products that yield long-term capital gain or dividends (Doling & Ronald, 2010). This reflects the larger 'productivist welfare' model (Holliday, 2000) that uses social policy to facilitate economic growth. Here, Holliday insists that this model involves the 'subordination' of social policy to economic aims, assuming a trade-off. However, 'within economic policy are social policy' as argued by Chang (2004) and Mkandawire (2004), implying a more symbiotic relationship.

Housing, one of the three main pillars of human development, is the preferred tool in Asia (Doling & Ronald, 2010; Groves et al., 2007). Housing is different from other basic needs like healthcare and education as it is tangible. It is also intricately linked to the land - a scarce 'commodity'. As such, housing can be used for shelter and has a geographically fixed store of value that can appreciate. A housing policy that promotes home ownership ensures citizens are housed while giving them a 'stake' in nation-building and maintaining social cohesion (Ching and Tyabji, 1991 in Park, 1998; Shin, 2019). At the macro level, housing provision, either through direct provision or self-purchase, supports the construction industry, promoting long-term growth and technology upgrading in the industrial sector (Smart et al., 2003; Tang, 2017).

The focus on home ownership, however, brought debates on the ensuing welfare inequality. Policymakers are fixated on house price increases as the proxy for wealth improvement, ignoring heightened 'housing wealth polarisation', especially between generations (Hirayama & Hayakawa, 1995; Ronald et al., 2017). In addition, there is an assumption that prices will continue their long-term climb, putting generations of welfare at risk. Not only is housing illiquid (Izuhara, 2016), individual house prices can drop even if the market is trending upward due to unique factors such as poor built quality and changes in buyer preferences. This discussion is relevant to Kuala Lumpur as its developmental ideology is based on household responsibility (Agus et al., 2002). They argue that the state does not pursue a policy of redistributing housing consumption but uses regulation and subsidy to ensure households can own housing based on their income level. In short, to 'preserve existing differentials' (ibid.).

ii) Land tenure based on 'working the land'

The law regulating land ownership in pre-colonial Malaya follows the Malay Customary Land Tenure. General scholarships often follow Maxwell's (1884) theory that the *sultan* has ownership over all land. The method of land acquisition and development is through 'buka tanah' ('opening the land') or 'pioneering' with the consent of the local Sultan (Brookfield et al., 1991: 29; Kassim, 1935: 50). Ownership and the right to inherit is retained so long as one shows 'signs of appropriation', otherwise it will be returned to the sovereign (ibid: 51). Wong's (1975) revisionist account, however, contends that the Malays before the British have always owned their worked land and are not subject to Sultan's appropriation akin to the eminent domain which is a Western conception (Jomo, 1986). He argues that Maxwell's theorisation is based on an extrapolation of a unique case of a district under direct Sultan rule. At that time, Sultan's power was weaker and in constant contention with other local elites (ibid.: 14) – unlike the contemporary conception of Malaysia's constitutional monarchy.

This debate is important when we consider the contention over introducing the Torrens system of land registrations in Malaya in the Selangor Land Code, which shaped the 1965 National Land Code. On the one hand, Brookfield et al. (1991: 29) find it a positive change, arguing that the system frees the Malay peasants from land appropriation by the Sultan or local chiefs acting on behalf of the Sultan. Meanwhile, Kassim (1935) notes the negative consequences of turning pioneers into squatters overnight.

For the context of this paper, this debate also shows the ideological importance of 'sweat equity' through cost and labour in strengthening claims over ownership. As one's relationship with the land is through labour and 'care', there is no external threat of losing it unless through one's negligence. At the same time, if there is a need for immediate cash, one can pawn the land through 'jual janji' ('selling promise'), which allows landholders to pawn their land proprietorship while still working the land. If they need to sell the land, it is through the concept of 'pulang belanja' ('returning what was spent'), where the transaction to a new landholder is not based on the ground rent but the sweat equity and any building or plantation on the land.

To sum up, the gradual introduction of the Torrens system of land registry in the Federated Malay States in the 1890s changed the land holding basis from right-of-use to right-to-own. The land now becomes commodities that can be hoarded without putting it to immediate use. With increasing scarcity from land use for plantation, land value now can appreciate despite no change to the works put into it.

Research Design

In Kuala Lumpur, amidst a welfare system that leaves housing provision to the hands of households, the state claims that past rehousing programs are useful templates to improve citizens' living conditions and household wealth. Therefore, my study is guided by these questions: Do residents' attitudes and aspirations reflect a 'culture of property'? What can explain this 'culture'? Do affected residents perceive rehousing programs as a bridge to wealth accumulation and accept redevelopment-related evictions?

I approach my research questions using Kampung Sungai Baru as a case study to get an indepth view (Flyvbjerg, 2006), driven by the need to seek out and document marginal voices. I move away from Ley & Teo's (2014)'s approach in interviewing 'housing specialists' to instead understand the view of those the specialists talk about – residents who are experiencing imminent evictions. I do not aim to equate this as a consensus but seek to demystify assumptions over rehousing policy.

I conducted in-depth group discussions and interviews in June 2022 with Kampung Sungai Baru residents recruited through a resident-activist. In total, 14 participants were interviewed in variegated settings: in their homes, at eateries around the *kampung*, and during a press conference organized by residents to express their protest. Where consent was obtained, discussions and interviews were recorded. Interviews with the elderly were recorded only with verbal permission as they are wary of signing documents and see it as an unnecessary formality, especially with their legal rights under threat (Zhang, 2017: 3). Once similar answers emerged, I diversified the pool of interviewees and challenged my findings (Glaser & Strauss, 2017). I independently approached new interviewees by walking around the neighbourhood and visiting the transit homes in Kerinchi. I also conducted a semi-structured interview with a resident at another affordable housing site in Kuala Lumpur, which I used to triangulate findings from the case study interviews. Interviews were later transcribed and analysed using a phenomenological approach (Hycner, 1985) to determine 'general and unique themes'.

To seek the roots of residents' mentality over property, I studied three key policy documents, namely the Five-Year Malaysia Plans (10 documents, 1980-2022), Annual Budget Speeches (43 documents, 1980-2022) and Kuala Lumpur Structure Plans (3 documents, 1984-2022), focusing on policy related to home ownership and housing. The Five-Year Malaysia Plan is a policy document produced by the Economic Planning Unit of the Prime Minister's Department that guides medium-term plans. The Annual Budget speech is part of the larger Budget

document outlining the annual national budget by the Ministry of Finance. This is the most important document as it is a signalling tool by the government on the policy direction to rally citizens towards a common goal (Ferry et al., 2014). It is televised, discussed, and simplified by the media for public awareness. Finally, the Kuala Lumpur Structure Plan is the overarching 20-year plan produced by DBKL and the Federal Territories Ministry to guide high-level and long-term city and local plans.

The case of Kampung Sungai Baru: co-optation that turned into coercion

Kampung Sungai Baru is one of eleven *kampungs* in Kampung Baru, Kuala Lumpur. While most of Kampung Baru is part of the Malay Agricultural Settlement (MAS)¹, Kampung Sungai Baru is one of the four *kampungs* without that special title, allowing its land to be transacted in the open market, no different to the neighbouring Central Business District (CBD). It is strategically located with a direct view of the Petronas Twin Towers (KLCC) (Figures 1 & 2). It is connected to the CBD via the Saloma Link and is a few minutes' walk from the Kelana Jaya LRT line, a major commuting line. The *kampung* comprises 98 terrace houses and eight blocks of flats made up of 264 flats. Kampung Sungai Baru's land is a leasehold land with 57 years left in the lease.

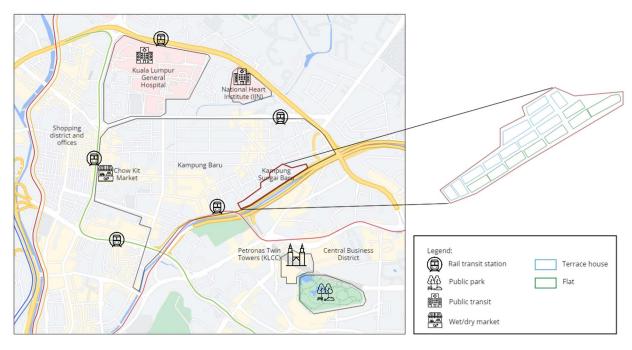


Figure 1: Location of Kampung Sungai Baru in Kampung Baru; Recreated from Google Maps by the author, 2022

¹ Malay Agricultural Settlement is one type of Malay reserve land. Land with this title can only be owned by a Malay individual or company.

12





Figure 2: View from the top floor of the four-storey flat; Photo by the author, June 2022

Figure 3: Terrace houses in the kampung; Photo by the author, June 2022

The residents have formal titles over their homes as this *kampung* was established as part of a squatter resettlement project in 1970. Temporary flats were constructed to temporarily house squatter residents while their terrace units were being built. After the move, the temporary flats were retained and became a low-cost housing option for newcomers. The current residents of Kampung Sungai Baru are mostly second and third generations of the original squatter residents that were rehoused.

The negotiation for the redevelopment of Kampung Sungai Baru started in 2016 when the developer proposed a joint venture (JV) with the residents to redevelop the area. Residents were asked to give up their terrace or flat unit in return for either cash or replacement units in the new development. The replacement units will, however, be affordable housing units and not luxury development. As negotiations progressed, most flat owners agreed to the deal, while terrace house owners refused. Those who opted for cash compensation were to receive between RM198,000 to RM350,000, depending on the unit size. Those who opted for replacement units were given either a transit home in Residensi Kerinchi, 10 kilometres away or a rental allowance of up to RM1,200 per month while waiting for the project to be complete. They were also given a moving allowance of around RM5,000.

Oppositions began when residents were served with Gazette Notification under Section 4 and Section 8 of the Land Acquisition Act 1960 in June 2021. Residents were angered by the shoddy legal process and the 'insulting way' they were notified. Section 4 is the first notification to affected residents that their land is to be acquired. After the notice, responsible officers are given the power to enter and survey the land to then prepare a plan and list of land to be acquired (under Section 7). Finally, Section 8 confirms and declares which plot is to be acquired and for what purposes. Knowing the tedious process involved, residents find it

suspicious that Section 8 was produced only four days after Section 4. Secondly, these legal notices were displayed on one of the abandoned houses and fruit trees around the *kampung* instead of being handed to community leaders or at the community hall.

In short, the redevelopment started as a commercial deal based on a willing-buyer, willing-seller basis. However, when some sellers were unwilling to agree to the deal, the strategy changed from manufacturing consent to coercion using the state's legal power (Shin, 2019). This paper examines why the prior rehousing and compensation offers failed to convince residents.

Findings and discussion

PART 1: Is there a 'culture of property' in Kampung Sungai Baru?

There is little doubt that owning one's house is important for residents of Kampung Sungai Baru, regardless of their age and income class. Some of the interviewees, especially the third generations who are of working age, have other properties outside the *kampung* either to stay in or as an investment asset. One resident (Interviewee 7) has moved out and rented his flat to monetise the strategic location, a common practice. Interviewee 11 revealed that some of his neighbours who accepted the offer moved out as they have properties elsewhere.

Interviewees also have an acute awareness of property prices and past transactions in the area. They cited three key examples, namely (i) land acquisition for a new MRT line north of Kampung Baru, where affected residents were compensated around RM1,300 per square foot, (ii) the construction of an LRT station west of Kampung Sungai Baru, where compensation was around RM1,200 per square foot, and (iii) the redevelopment of Kampung Baru night market where residents and hawkers were "compensated well" by UDA Holdings, a government agency. These cases make them aware of the value of their land and use it as a benchmark for any incoming offers. A persistent view on developers is that there is more trust towards large developers, especially Government-Linked (GLC) developers. In contrast, smaller developers are seen as unscrupulous and will cheat them out of their land. This implies a shrewd understanding of the industry players and favours big brands. In that sense, they are 'calculative and savvy' (Haila, 2016: 115, 170).

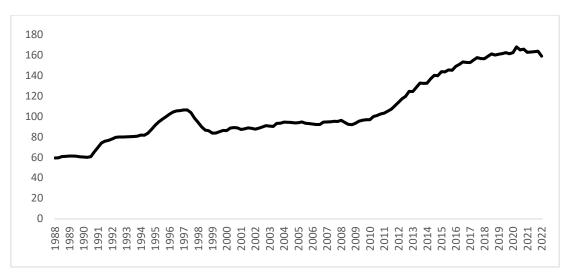


Figure 4: Malaysia residential property prices (real) index, 2010=100; Source: Bank for International Settlements

However, the fixation on property is not individualistic. When speaking about purchasing homes, it is "not solely to stay but for the children" (Interviewee 2). Inherited housing is used as an inflation hedging in a property market that is deemed to always go up (Figure 4). This preoccupation with inheritance influenced some families to accept the offer early on to allow their children to inherit a 'better' unit rather than a dilapidated one:

"My mum agreed to it because she's thinking of when she's not here [pass away], what will be the condition of the house. But if we move [to the new unit], she will know what it looks like." (Interviewee 8)

In this case, the rehousing offer is seen as an upgrade in terms of asset value and social mobility from the better house condition. The current residence is in a declining condition, whereas the redevelopment would provide a reset to its asset value. The mother was "hesitant when approached by developers", but the ability to pass on something valuable to the children sealed her decision.

Shaping the 'culture'

There are three main institutions that shape this fixation and calculative mind. The first is a housing policy that takes a residual approach. Sharing a colonial legacy until their separation in 1965, the two independent governments of Malaysia and Singapore took vastly different approaches toward housing provision (Yuen, 2002). With Malaysia's overall economic strategy that depends on low taxation, scarce resources were channelled towards overcoming rural poverty and developing the economy (Agus, 2002: 128). Healthcare and education are universally provided, while housing is left to the market. Only the very poor are offered access

to low-cost housing leading to an 'asset-based welfare' system. This *laissez-faire* outlook is evident from the low level of public provision for housing, averaging 3.7% of developmental expenditure between 1971 to 2000 (Agus, 2002) and 4.4% between 2001 to 2011 (Malaysia, 2001, 2006). Even in the prosperous 1990s, land and monetary resources are focused on 'globalising' Kuala Lumpur through mega-infrastructure projects (Bunnell et al., 2002) instead of public-funded housing.

Today, of around 524,000 housing units in Kuala Lumpur, only about 20% are low-cost housing, half of which are low-cost public housing (DBKL, 2021; NAPIC, 2022). These public housing units are known as the People's Housing Program (PPR) and Public Housing (PA), developed and administered either by PKNS or DBKL. They take the form of a high-rise and dense housing complex with shared amenities (Figures 5 & 6) that are either rented at a deeply subsidized rate (RM124 per month) or bought at a subsidised sales price of RM35,000 in Kuala Lumpur (KPKT, 2022). That is almost one-eleventh of Kuala Lumpur's median house price of RM390,000 (KRI, 2015: 19). They are intended to be 'transit homes' where households stay while improving their income and subsequently 'migrate' into better housing. However, overstaying is normal for households that are unable to improve their income level. As Interviewee #14 shared, she has been staying in her rented DBKL flat for 40 years, with the rental unchanged at RM124 per month.



Figure 5: Walk-up flats built in the 1980s; Photo by author, June 2022



Figure 6: High-rise PPR flats; Photo by author, June 2022

The Federal Government set clear five-year targets for public housing provisions but consistently underperformed (Figure 7). This failure was attributed to the lack of 'structural' ability of the responsible agencies to undertake such an 'immense' task (DBKL, 1984). To overcome this, the government explicitly called for the private sector to participate in low- and medium-cost housing provisions. A significant regulation was introduced in 1981 for a 30% compulsory low-cost housing quota for new private development. Provision was also encouraged through the Special Low-Cost Housing Programme (SLCHP) between 1986 to 1989, a two-pronged strategy during an economic downturn to boost the local construction sector while increasing low-cost housing stock. The Programme ensured faster project approval, more accessible financing, and relaxation of construction regulations. While receiving a good response, this Programme failed to achieve its lofty target with the mushrooming of incompetent developers taking advantage of the incentives. Therefore, in the 1990s, the government shifted to funding private housing provisions through a Low-Cost Housing Fund and encouraging bank lending to developers. Provision modestly improved and makes up around 70% of housing provision. However, the best performance is still for the more expensive medium-cost housing rather than low- and low-medium-cost housing (Figure 8).

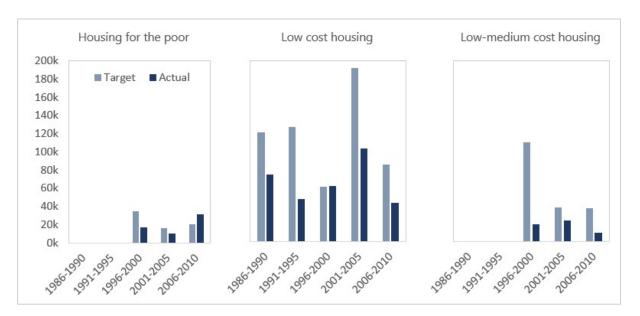


Figure 7: <u>Public</u> sector housing provision in Five-Year Malaysia Plans, target vs actual; Produced by the author using data from Five-Year Malaysia Plans²

_

² From the Seventh Malaysia Plan onwards, the targets were further divided to introduce 'housing for the poor' category for households earning below RM500 per month and low-medium costs for households earning up to RM1,500 per month.



Figure 8: <u>Private</u> sector housing provision in Five-Year Malaysia Plans, target vs actual; Produced by the author using data from Five-Year Malaysia Plans

Private-led provision has an immediate drawback as speculation increases and the mismatch between demand and supply continues, forcing the public sector to return in the 2000s as 'affordable' housing providers. This period saw a focus on resettling squatters into low-cost housing as rapid urbanisation in the 1990s and the Asian Financial Crisis of 1998 caused the surge of urban squatters. This focus on 'affordable' housing continues to the present day to support middle-income earners who do not qualify for low-cost housing and yet cannot afford market offerings. The 30% rule for low-cost housing now shifts to 'affordable' housing provision. This takes the form of Residensi Wilayah (formerly RUMAWIP), which is independently developed by private developers as part of their development projects. Price is capped at RM300,000, and units are centrally allocated by the government through an application system with income-based eligibility.

While the transition is gradual and shifts based on economic cycles, what we have seen in the past ten years is the withdrawal of the state from rental-based and low-cost housing provisions, replaced with affordable housing provisions by private developers. While the deep subsidies in sales or rental programs persist until today, there was no real addition of PPR and PA stocks in Kuala Lumpur compared to other regions.



Figure 9: Simplified evolution of affordable housing provision in Kuala Lumpur

With the private provision of housing, the policy focus is promoting home ownership through two key financial institutions: Cagamas and EPF. These institutions play a key role in increasing home ownership through financialisation. Firstly, to encourage commercial bank lending to the retail market, Cagamas (previously known as National Mortgage Corporation) was established in 1986 to issue bonds secured by mortgages, thus freeing up local banks' liquidity and reducing their lending cost. While Cagamas bond issuances are not explicitly government guaranteed, its ownership by the Central Bank and the domestic banks and policy supports meant a AAA rating which allows them to provide cheap funding. This establishment of a domestic secondary mortgage market shielded local banks from having to hedge their rates through the external market.

Next, to increase discretionary income for home purchases, citizens are allowed to tap into their compulsory pension savings in the Employees Provident Fund (EPF). EPF is a statutory fund established in 1955 for compulsory defined-contribution savings by formal workers. Both employer and employee need to contribute monthly to the employee's account, which can only be withdrawn upon retirement. In the 1990s, withdrawals were first allowed for the purchase of low-cost housing and legal and insurance costs (up to 10% of savings). Subsequently, it was expanded to the purpose of buying, building, or settling housing loans, with the withdrawal amount increasing to 30%. In 2001, withdrawals were allowed for house upgrading, namely buying a second house, provided the first house was sold. The average housing-related withdrawal between 2015-2019 (pre-COVID-19 pandemic) was around 14% of total withdrawal, amounting to approximately RM6 billion per year (about 0.5% of annual GDP).

The language in the 2008 budget speech encapsulates the government's stance:

"For many of us, a house is a very important asset. A house not only appreciates in value over time but also provides security for our future well-being. This scheme will enable contributors to own better houses than they could otherwise afford as well as lessen their monthly financial obligations." (Budget 2008 Speech)

Here, the responsibility for 'future well-being' through wealth accumulation is shifted to the household by allowing them to tap into their own compulsory pension savings to service their monthly housing loan. In other words, households are encouraged to take up housing loans and then use their pension savings to service the loan. It is no surprise that despite being an emerging economy, Malaysia's financial market is more developed than its developed peers (Fernandez & Aalbers, 2020: 692). In an economy where more than 50% of household debt is tied to housing loans while household debt to GDP is at 89%, it is within the government's interest to maintain an elevated property market (BNM, 2021; Endut & Toh, 2009; Soh et al., 2017).

Under such an 'asset-based welfare' system (Doling & Ronald, 2010), households constantly worry about the issue of inheritance. As the *kampung* demography is predominantly Malay, the relevant institution is the Islamic estate distribution law ('faraid'). Under this law, at least two-thirds of the estate left by the deceased must be distributed according to the faraid calculation, which considers total eligible heirs and their relationship to the deceased. This often requires dividing up the estate. A dilemma arises when liquidating an 'immovable property' with use value (Buang, 2008). For instance, Interviewee 13 currently stays in a flat that is under his late grandmother's name. Since the other family members chose to stay elsewhere, his household stayed there indefinitely as caretakers of the 'rumah pusaka' ('inherited home'). However, in the case of a cash settlement or replacement unit, it will need to be divided up between eight claimants, leaving him with an amount too small to find a replacement unit.

As such, there is a sense that the earlier you enter the market, the better. This encourages parents who can afford it to buy houses for their children, an ironic situation of parents being the 'key source of welfare' rather than the children (Izuhara, 2016: 185). This intricate link between commercial value and family ties causes strong wariness over potential neighbourhood breakup and family conflicts from the rehousing deal:

"Families live together in Kampung Sungai Baru. When this issue of compensation arises, the money will cause families to break. Even now, we hear of families feuding over the decision." (Interviewee 10)

To sum up, residual housing provision meant that housing welfare is privatised and financialised through policies and institutions that encourage home ownership through loans. This market-led approach has clear economic winners, namely the banking sector and the

developers. Under this competitive environment of 'always rising' property prices, owning your home and buying properties for investment and inheritance is normalised.

PART 2: Does the 'culture of property' naturalise residents' attitudes towards redevelopment?

'Culture of property' as a tool to organise

As established earlier, a 'culture of property' can be observed among interviewed residents. However, this inclination becomes a tool to organise against incoming offers. As Haila (2017: 506) suggests, deep knowledge of the property market makes the residents even more aware of the class injustice in the redevelopment project and the logic of the market.

Firstly, they argue that based on previous land transactions around the kampung, what they are offered is far from fair. Among others, Interviewee 12 highlighted a compensation case involving the LRT construction in the 1990s – "30 years ago!" – which fetched a compensation three times higher than what they are now offered. He reasoned that not only their land value has appreciated, but it also has no ownership restrictions like MAS land.

Next, interviewees highlighted that the current oversupply in the property market does not justify the redevelopment. They cited several very specific cases such as (i) a property 300 metres from KLCC which was rented 60% below market price, (ii) the fact that Legasi Kampung Baru, located five minutes away, is not fully occupied, and (iii) a 39-storey office building in the city centre offering free rent for the first year to entice new tenants. This is their major concern if they are to participate in the 'joint venture'. At the start of the project, residents who agree will receive around RM15,000 in cash (rental allowance and moving cost) in return for their land grants. If the project proceeds well, they will, after several years, receive their keys to the newly promised houses. However, in their assessment, the opposite is more plausible. Seeing the weak property market and the current glut, they see a fair chance of losing their land to a potentially bankrupt project.

Finally, residents' knowledge also extends to other cases of eviction and demolition. This makes them aware of what they deem as the same 'tricks' employed by developers to obtain land for redevelopment. These include Datum Jelatek (2013), Kerinchi (2015-17), and Kampung Railway (2010). While these cases are either vaguely remembered or are not recorded in the public realm, they live in the residents' memory and are passed on as a reminder of what can happen to them.

Demand for compensation is multi-dimensional

Since the residents are knowledgeable about the property market, is the value of compensation the main concern? While it is a major demand, conversations around compensations suggest that implicit within the demanded amount is a wider set of concerns. As suggested by Ley & Teo (2014), residents often welcome redevelopment due to potential 'upgrading'. Then, what is deemed an upgrade? The state considers 'new larger units with modern facilities' as an upgrade (The Star, 2022), similar to what Li & Song (2009) suggest contributes to residents' satisfaction with Shanghai's rehousing program. Some flat residents share this perspective as they do not have the option to renovate their homes, unlike the terrace units. One interviewee admits, "...it is a pity to develop our neighbourhood, but our flat is quite old" (Interviewee 8). Similarly, Interviewee 7 wants to see his neighbourhood modernise at par with its location next to the CBD.

For the others, an upgrade covers better income prospects and the maintenance of neighbourhood cohesion, both of which require ample public space. In addition, within the demand for better compensation is the claim on their sweat equity and better treatment as homeowners, not squatters. We will look at this in turn.

In Kampung Sungai Baru, public spaces are used to both socialise and generate income. For some older residents, their 'warung' ('food stalls') not only are spots for local gathering but also attract visitors. The current kampung layout allows for leisurely strolling, and they take pride in tourists visiting their area. "If they build high-rise residentials, it will all be gated, nobody would come. Plus, they also have modern buildings [in their home country], there's nothing to see!" (Interviewee 1). The move to an apartment complex is therefore seen as a threat to their income. Instead, they welcome development that would enhance the marketability of their neighbourhood as a food hub and cultural attraction.

Additionally, the prospective move to a modern apartment would mean possible isolation – a stark change from their communal living. Following its origin as an informal settlement, the demography in Kampung Sungai Baru is a legacy of squatter norms where extended families live next door or near their close relatives (Kassim, 1935). Interviewee 7 moved into the *kampung* to live next door to his elderly parents, while another stayed on the same street as her sister and aunt. This housing arrangement is normal for traditional Malay families partly due to filial duty, especially if the parents are elderly and require frequent care. In addition, for terrace house residents, living in landed housing allows extended families to live under one

roof by expanding living space through renovations. Living in a close-knit community with a long legacy, Interviewee 11 proudly said that he "knows everyone from Block A to Block G. If you just tell me their car plate number, we can tell you which unit is theirs." Open layouts are key for elderly residents not to be isolated from their community. One elderly resident, for example, relies on passersby to check on her well-being and needs, now enabled by her ground-floor flat that faces a public area where children play. This is why they insist, "...before redevelopment projects, they must do a socio-economic study, we need such law!" (Interviewee 2) to avoid breaking the community as seen in Ha's (2004) post-rehousing study.

When it comes to compensation, there is an expectation of accounting for the 'sweat equity' of maintaining and upgrading their homes and caring for the neighbourhood.

"When they develop luxury units, we only get replacement units but nothing else. We deserve a better option. My grandparents and parents have invested so much in their homes. How can they call them greedy?" (Interviewee 1)

To some extent, their notion of "investment" reflects the pre-colonial tradition of considering the cost and labour linked to the house in a sales transaction ('pulang belanja'). This sentiment comes out strongly from terrace house residents as they are responsible for house maintenance, and it is common for them to expand their houses within the land plot. While property valuations take into consideration physical renovation works and extensions, to residents, the worth of their neighbourhood is not just the brick and mortar but also the years spent building the community.

I gather a sense that the compensation amount is secondary to how developers treat them and how the proposed deal positions them. When speaking about the way the developers slight them, they speak in metaphors like "when you want to ask for the other family's daughter's hand [in marriage], do you go to them or wait for them to come to you?" (Interviewee 2) and "when you want to buy something at the market, who decides the price, the buyer or the seller?" (Interviewee 11). This recurrent allusion to the intricate ways to conduct 'transactions' is how they want the developers to treat them, the property owners. When criticising the replacement unit, which will be located at the far end of their kampung, the emphasis is on their status as landowners. "We live at a prime location, but they want to dump us, the landowners, at one corner" (Interviewee 1), turning what is now their comfortable 'enclave' into a 'ghetto' (Marcuse, 1997). Interviewee 13 said he would want to negotiate but is

disheartened ('tawar hati') by the developer and the government's treatment towards him, who grew up there.

The virtue of 'development'

While, in Ley & Teo's (2014: 1298) case, the 'market assumes a privileged position', in Kampung Sungai Baru, 'development' does. The most common response by the residents is that they are "not against development" and "not that they don't want to move [for development]". This disclaimer was almost a mantra in the interviews and discussions. This insistence is also reflected in the resident-activist groups' campaign rhetoric, such as their Twitter banner (Figure 10), which translates as 'Development ✓, Unscrupulous developer X'.



Figure 10: Twitter banner by resident-activist group

This shows a persistent ideology of development as a virtue. However, they are critical of what can be considered 'development'. What they deem as development are projects that bring public benefits.

"Say if we need to build a hospital on a resident's land, even if the compensation may not be big, it is okay as it benefits people, the owner will get 'pahala' ('divine reward')" (Interviewee 2).

This statement may not necessarily translate to an actual decision on her part. Still, it shows that the sense of belonging to the state and society is a strong ideological factor in justifying redevelopment. To them, if it is a public project, "we should not protest" (Interviewees 2 & 3). As such, they do not consider this eviction and demolition plan as development because it serves private profit:

"The developers portray us as the greedy minority who rejects development. We are not opposed to development, but what kind of development you want to do? [...] When we look at their plans, it's just the typical concrete jungles." (Interviewee 1)

It also raises the importance of having a precise language to differentiate positive and negative types of development. In the Malay language, 'development' carries a positive connotation. It is referred to either as 'pembangunan', derived from the word 'bangun' (to wake up or stand up), or 'kemajuan', from the word 'maju' (to progress forward). On the contrary, as gentrification is simply translated as 'gentrifikasi', it rings hollow to the local understanding.

While angered by the state's unfair stance in "siding [with] the developers", they also believe that if the state plays a bigger role in the proposed redevelopment, they will be treated better, and negotiations will be done properly. This stems from the way residents perceive the state. Who is the state they refer to when they say 'kerajaan' ('the government')? It is interchangeably the DBKL, the Federal Government, Kampong Bharu Development Corporation (KBDC)³ and politicians from the ruling coalition. However, residents also often refer to their own experience working in government agencies, advising public projects, and community roles to allude to their own agency as 'the social forces acting in and through the state' (Jessop, 1990: 270). Granted, their current ability to influence is weaker relative to the developers, as the eviction notice shows how the Land Acquisition Act 1960 allows the state's arbitrary power to encroach upon the citizens' rights for private development. "...at the end of the day, who will be millionaires? The developers!" Yet, there is still trust for the state to encompass what they see as a force of good.

From the language in the policy documents, the state has evolved from one that shows centralised developmental aims to one subordinated to corporate interest. In the 1980s, the state clearly signalled its position as leading the market:

"Commercial banks have a responsibility in easing a situation where demand exceeds supply [...] by ensuring that the housing scheme they are financing is sold to buyers that intend to live there [...] they should also be wary of the cost to ensure that the price [...] commensurate to its real cost." (Budget Speech 1981, translated from Malay)

Here, the state sees commercial banks as responsible for housing citizens and curbing speculation. Such language is unimaginable now. Contrast this with the 'development as derisking' paradigm (Gabor, 2021) in Budget 2022, where "the government in 2022 will be providing guarantees of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan"

-

³ A government agency that is responsible to co-ordinate any planning and redevelopment within Kampung Baru.

(Budget Speech 2022) to allow individuals with no proof of fixed income but are financially able to repay their loans have access to home financing.

This change is not lost to the residents. With a mere 50 years since the New Economic Policy and the ensuing compressed urban growth, the memory of the early years is still fresh in the minds of these second generations. They were here before KLCC was built; they saw the city grow. They, therefore, argue that their grandparents, who pioneered the *kampung*, came from squatters and were rehoused by the state – a clear upgrade. In contrast, what they observe now is the state taking a back seat in the case of developer-led plans. They are also aware of the heterogeneity of the state, as expressed by Interviewee 14:

"Even DBKL did not tell us anything about moving [...] this is all politicians pushing for people to move." (Interviewee 14)

This conversation relates to another similar case hailed by the media as a progressive rehousing program. The reality on the ground is that residents interface with multiple authorities over rehousing, and the resulting confusion causes some residents to sign moving agreements without understanding the full plan.

This segment has illustrated the nuances behind disagreements toward the redevelopment plan. Despite being part of a homeownership hegemony, this does not stop residents from opposing a project that they do not deem to qualify as development. It is their knowledge of the property market that motivates them to demand better offers that encompass a wider set of concerns beyond market logic. However, when it comes to a 'developmental' project, they are more accommodative due to their sense of belonging to the state.

Conclusion

I have used Haila's (2017) critical framework to first contextualise Ley & Teo's proposed 'culture of property' (2014) among Kampung Sungai Baru residents and subsequently traced its institutional origin. I find that there are three main institutions that nurture such culture, namely (i) a housing policy that promotes home ownership, (ii) a financialisation regime and (iii) the Islamic inheritance law. Chiefly, these institutions operate under an 'asset-based welfare' system. Having established that, I have used conversations with residents to argue that instead of co-opting residents to redevelopment projects, the 'culture of property' equips residents with knowledge to organise against eviction and demolition of their neighbourhood. I also suggest that co-optation failed because there is a mismatch between what is considered

an upgrade by the residents and the developer. However, a contradiction appears: while residents are angered by the state's actions, they are more likely to agree to such redevelopment if it is a public project. In other words, a sense of belonging and service to society is an important aspect of their citizenship, making 'development' a virtue.

I have shown that the virtue of a rehousing program as part of redevelopment projects is far from perfect. Ultimately, this comes from a mismatch in expectations between the state and the residents in what constitutes an 'upgrade'. Residents have a broader sense of what an upgrade is, which includes better public space not to lose neighbourhood cohesion, better income opportunities and preferably having a stake in the direction of the development. In contrast, the state's discourse only frames it around the physical upgrading of individual housing units, reifying it from the neighbourhood. To avoid this, a critical study like Ha (2015) is better policy guidance than the narrower physical analysis by Li & Song (2009). In addition, residents take great pride in being part of the kampung legacy as heirs of the area's pioneers and 'caretakers'. Therefore, any rehousing project should be sensitive to this outlook and include residents in any discussion of future redevelopments.

Finally, the study highlights that a gap in explaining processes in Kampung Sungai Baru is not a minor issue and calls for comprehensive contextualisation of gentrification in Kuala Lumpur. This task would need to overcome three main theoretical gaps, (i) the understanding of the 'middle class' in Kuala Lumpur, (ii) the city's rapid shift from manufacturing- to a service-led urban economy, and (iii) the nature of the state in Kuala Lumpur.

Appendix

List of Interviewees

All the interviews were conducted in June 2022

Interviewee	Interviewee	Stance on Developer's	House type	Age range	Gender
number	Initials	Offer*			
1	N	Reject	Terrace	30-40	Female
2	L	Reject	Terrace	40-50	Female
3	W	Reject	Terrace	40-50	Male
4	S	Reject	Flat	30-40	Male
5	R	Accept with dispute	Flat	60-70	Female
6	KS	Reject	Terrace	60-70	Female
7	Е	Accept	Flat	40-50	Male
8	K	Accept	Flat	20-30	Female
9	A	Reject	Terrace	60-70	Male
10	KR	Reject	Terrace	40-50	Female
11	PY	Reject	Terrace	60-70	Male
12	PA	Reject	Terrace	60-70	Male
13	Н	Reject	Flat	40-50	Male
14	КН	Not part of the case study	Flat	40-50	Female

^{*}There are three options after Section 8 is served, namely to 'Accept', 'Accept with dispute' over the compensation value, and 'Reject'.

References

- Agus, M. R. (2002). Malaysia. In M. R. Agus, J. Doling, & D.-S. Lee (Eds.), *Housing Policy Systems in South and East Asia* (pp. 127–145). Palgrave Macmillan.
- Agus, M. R., Doling, J., & Lee, D.-S. (2002). *Housing Policy Systems in South and East Asia* (M. R. Agus, J. Doling, & D.-S. Lee, Eds.). Palgrave Macmillan.
- Amit, N. B., Sapiri, H. B., & Yusof, Z. B. M. (2021). Logistic regression analysis on the determinants of homeownership. 060013. https://doi.org/10.1063/5.0057251
- Arkaraprasertkul, N. (2018). Gentrification and its contentment: An anthropological perspective on housing, heritage and urban social change in Shanghai. *Urban Studies Journal Limited*, 55(7), 1561–1578. https://doi.org/10.1177/0042098016684313
- Atkinson, R., & Bridge, G. (2005). *Gentrification in a Global Context: The New Urban Colonialism*. Routledge. http://ebookcentral.proquest.com/lib/londonschoolecons/detail.action?docID=198329
- BNM. (2021). Financial Stability Review, 1H21.
- Brenner, N., Jessop, B., Jones, M., & MacLeod, G. (2003). Introduction: State Space in Question. In *State/Space: A Reader*. Blackwell Publishing.
- Brookfield, H., Abdul Samad, H., & Zaharah, M. (1991). The City in the Village: The In-Situ Urbanization of Villages, Villagers and Their Land Around Kuala Lumpur, Malaysia. In *Journal of Southeast Asian Studies* (Issue 2). Cambridge University Press (CUP). https://doi.org/10.1017/S0022463400002976
- Brown-Saracino, J. (2010). The Gentrification Debates. Routledge.
- Buang, A. H. (2008). Appreciation Of Syari'ah Principles In Property Management In Contemporary Malaysia Society. *Jurnal Syariah*, *16*(3), 555–566. https://vmis.um.edu.my/index.php/JS/article/view/22757
- Bunnell, T., Barter, P. A., & Morshidi, S. (2002). Kuala Lumpur metropolitan area: A globalizing city-region. *Cities*, 19(5), 357–370. www.elsevier.com/locate/cities
- Butler, T. (2007). For Gentrification? *Environment and Planning A: Economy and Space*, 39(1), 162–181. https://doi.org/10.1068/a38472
- Chang, H. (2004). The Role of Social Policy in Economic Development: Some Theoretical Reflections and Lessons from East Asia. In T. Mkandawire (Ed.), *Social Policy in a Development Context* (pp. 246–261). Palgrave Macmillan.
- Davidson, M., & Lees, L. (2005). New-build "gentrification" and London's riverside renaissance. *Environment and Planning A*, *37*(7), 1165–1190. https://doi.org/10.1068/a3739
- DBKL. (1984). Kuala Lumpur Structure Plan 1984.
- Doling, J., & Ronald, R. (2010). Home ownership and asset-based welfare. *Journal of Housing and the Built Environment*, 25(2), 165–173. https://doi.org/10.1007/s10901-009-9177-6

- dos Santos, T. (1970). The Structure of Dependence. In *Source: The American Economic Review* (Vol. 60, Issue 2).
- DR Deb. (2018). Hansard.
- Endut, N., & Toh, G. H. (2009). Household debt in Malaysia. *Household Debt: Implications for Monetary Policy and Financial Stability*.
- Fernandez, R., & Aalbers, M. B. (2020). Housing Financialization in the Global South: In Search of a Comparative Framework. *Housing Policy Debate*, *30*(4), 680–701. https://doi.org/10.1080/10511482.2019.1681491
- Ferry, L., Zakaria, Z., & Eckersley, P. (2014). The role of budget speech: a Malaysian Government study. *International Journal of Public Sector Management*, 27(7), 564–580. https://doi.org/10.1108/IJPSM-01-2014-0010
- Flyvbjerg, B. (2006). Five Misunderstandings About Case-Study Research. *Qualitative Inquiry*, 12(2), 219–245. https://doi.org/10.1177/1077800405284363
- Forrest, R. (2016). Commentary: Variegated gentrification? *Urban Studies*, *53*(3), 609–614. https://doi.org/10.1177/0042098015616308
- Foziah, J., Rabiatul A, A. K., & Sabri, S. (2014). Gentrification and Its Socio-Economic Implications in Iskandar Malaysia. *1st International Conference of (IASUR) Sustainable Society as Our Challenge*.
- Gabor, D. (2021). The Wall Street Consensus. *Development and Change*, 52(3), 429–459. https://doi.org/10.1111/dech.12645
- Glaser, B. G., & Strauss, A. L. (2017). *The Discovery of Grounded Theory*. Routledge. https://doi.org/10.4324/9780203793206
- Glass, R. (1964). London: Aspects of Change (Ruth Glass, Ed.). MacGibbon & Kee.
- Groves, R., Murie, A., & Watson, C. (2007). *Housing and the New Welfare State: Perspectives from East Asia and Europe.* Abingdon: Routledge.
- Ha, S.-K. (2004). Housing renewal and neighborhood change as a gentrification process in Seoul. *Cities*, 21(5), 381–389. https://doi.org/10.1016/j.cities.2004.07.005
- Ha, S.-K. (2015). The endogenous dynamics of urban renewal and gentrification in Seoul. In *Global gentrifications* (pp. 165–180). Bristol University Press. https://doi.org/10.2307/j.ctt1t894bt.15
- Haila, A. (2016). *Urban Land Rent* (A. Haila, Ed.). Wiley-Blackwell. https://doi.org/10.1002/9781118827611
- Haila, A. (2017). Institutionalization of 'The Property Mind.' In *International Journal of Urban and Regional Research* (Vol. 41, Issue 3, pp. 500–507). Blackwell Publishing Ltd. https://doi.org/10.1111/1468-2427.12495
- Harvey, D. (1989). From Managerialism to Entrepreneurialism: The Transformation in Urban Governance in Late Capitalism. *Geografiska Annaler. Series B, Human Geography*, 71(1), 3. https://doi.org/10.2307/490503

- He, S. (2007). State-sponsored Gentrification Under Market Transition The Case of Shanghai. *Urban Affairs Review*, 43(2). https://doi.org/10.1177/1078087407305175
- Hirayama, Y., & Hayakawa, K. (1995). Home ownership and family wealth in Japan. In R. Forrest & A. Murie (Eds.), *Housing and Family Wealth* (pp. 213–230). Routledge.
- Holliday, I. (2000). Productivist Welfare Capitalism: Social Policy in East Asia. *Political Studies*, 48(4), 706–723. https://doi.org/10.1111/1467-9248.00279
- Hycner, R. H. (1985). Some guidelines for the phenomenological analysis of interview data. *Human Studies*, 8(3), 279–303. https://doi.org/10.1007/BF00142995
- Izuhara, M. (2016). Reconsidering the Housing Asset-Based Welfare Approach: Reflection from East Asian Experiences. *Social Policy and Society*, *15*(2), 177–188. https://doi.org/10.1017/S1474746415000093
- Jessop, B. (1990). State theory: Putting the capitalist state in its place. Polity.
- Jomo, K. S. (1986). A Question of Class: Capital, the State and Uneven Development in Malaya. Oxford University Press.
- Kam, K. J., Sheng, A., Lim, H., Al-Obaidi, K. M., Tze, &, Lim, S., & Lim, T. S. (2018). Evaluating Housing Needs and Preferences of Generation Y in Malaysia. *Planning Practice & Research*, 33(2), 172–185. https://doi.org/10.1080/02697459.2018.1427413
- Kassim, A. (1935). Politics of Accommodation: A Case Study of Malay Squatters.
- Khalil, R. A. A., Johar, F., & Sabri, S. (2015). The Impact of New-build Gentrification in Iskandar Malaysia: A case study of Nusajaya. *Procedia Social and Behavioral Sciences*, 202, 495–504. https://doi.org/10.1016/j.sbspro.2015.08.192
- Khoo, S. L. (2020). Towards an inclusive creative city: How ready is the Historic City of George Town, Penang? *City, Culture and Society*, *23*, 100367. https://doi.org/10.1016/j.ccs.2020.100367
- KPKT. (2022, April 5). *PROGRAM PERUMAHAN RAKYAT DIMILIKI (PPR Dimiliki)*. Ministry of Housing and Local Government (KPKT). https://teduh.kpkt.gov.my/scheme/ppr_dimiliki
- KRI. (2015). Making Housing Affordable.
- Kyung, S., & Kim, K.-J. (2011). 'State-facilitated Gentrification' in Seoul, South Korea: for Whom, by Whom and with What Result? *International RC21 Conference 2011: The Struggle to Belong Dealing with Diversity in 21st Century Urban Settings, July.*
- Lee, J. W. Y., & Tang, W.-S. (2017). The hegemony of the real estate industry: Redevelopment of 'Government/Institution or Community' (G/IC) land in Hong Kong. *Urban Studies*, *54*(15), 3403–3422. https://doi.org/10.1177/0042098016679607
- Lees, L. (2003). Visions of 'urban renaissance': the Urban Task Force report and the Urban White Paper. In *Urban renaissance? New Labour, community and urban policy* (pp. 61–82). Bristol University Press. https://doi.org/10.2307/j.ctt1t898kc.9
- Lees, L., Shin, H. B., & Lopez-Morales, E. (2016). *Planetary Gentrification*. Polity Press.

- Ley, D., & Teo, S. Y. (2014). Gentrification in Hong Kong? Epistemology vs. Ontology. *International Journal of Urban and Regional Research*, *38*(4), 1286–1303. https://doi.org/10.1111/1468-2427.12109
- Li, S. M., & Song, Y. L. (2009). Redevelopment, displacement, housing conditions, and residential satisfaction: A study of Shanghai. *Environment and Planning A*, 41(5), 1090–1108. https://doi.org/10.1068/a4168
- Lui, T.-L. (2017). Beneath the Appearance of Gentrification: Probing Local Complexities. *International Journal of Urban and Regional Research*, 41(3), 478–486. https://doi.org/10.1111/1468-2427.12497
- Machimura, T. (2021). Gentrification without Gentry in a Declining Global City?: Vertical Expansion of Tokyo and Its Urban Meaning1. *International Journal of Japanese Sociology*, 30(1), 6–22. https://doi.org/10.1111/ijjs.12126
- Macleod, G., & Johnstone, C. (2012). Stretching Urban Renaissance: Privatizing Space, Civilizing Place, Summoning 'Community.' *International Journal of Urban and Regional Research*, 36(1), 1–28. https://doi.org/10.1111/j.1468-2427.2011.01067.x
- Malay Mail. (2020, December 20). FT minister says all flats in KL over 40 years old to be redeveloped, to get facilities similar to condos. https://www.malaymail.com/news/malaysia/2020/12/20/ft-minister-says-all-flats-in-kl-over-40-years-old-to-be-redeveloped-to-get/1933669
- Malaysia. (2001). Eighth Malaysia Plan 2001-2005.
- Malaysia. (2006). Ninth Malaysia Plan 2006-2010.
- Maloutas, T. (2012). Contextual Diversity in Gentrification Research. *Critical Sociology*, 38(1), 33–48. https://doi.org/10.1177/0896920510380950
- Maloutas, T. (2018). Travelling concepts and universal particularisms: A reappraisal of gentrification's global reach. *European Urban and Regional Studies*, 25(3), 250–265. https://doi.org/10.1177/0969776417709547
- Marcuse, P. (1985). Gentrification, Abandonment, and Displacement: Connections, Causes, and Policy Responses in New York City. In *Journal of Urban and Contemporary Law* (Vol. 28).
- Marcuse, P. (1997). The Enclave, the Citadel, and the Ghetto: What has Changed in the Post-Fordist U.S. City. *Urban Affairs Review*, *33*(2), 228–264. https://doi.org/10.1177/107808749703300206
- Marcuse, P. (2015). Gentrification, Social Justice and Personal Ethics. *International Journal of Urban and Regional Research*, 39(6), 1263–1269. https://doi.org/10.1111/1468-2427.12319
- Maxwell, W. E. (1884). The Law and Customs of the Malays with Reference to the Tenure of Land. *Journal of the Straits Branch of the Royal Asiatic Society*, 13, 75–220.
- Mkandawire, T. (2004). *Social Policy in a Development Context*. Palgrave Macmillan Limited.

- Moore, R., & Goodchild, B. (2022). Gentrification and Inequality in Bangkok. *Sojourn: Journal of Social Issues in Southeast Asia*, *37*(2), 230–261. https://doi.org/10.2307/27143732
- Park, B.-G. (1998). Where Do Tigers Sleep at Night? The State's Role in Housing Policy in South Korea and Singapore. In *Geography* (Vol. 74, Issue 3).
- Percival, T., & Waley, P. (2012). Articulating Intra-Asian Urbanism: The Production of Satellite Cities in Phnom Penh. *Urban Studies*, 49(13), 2873–2888. https://doi.org/10.1177/0042098012452461
- Potter, C., & Labbé, D. (2021). Gentrification or ...? Injustice in large-scale residential projects in Hanoi. *Urban Studies*, 58(12), 2456–2472. https://doi.org/10.1177/0042098020949035
- Ronald, R., Lennartz, C., & Kadi, J. (2017). What ever happened to asset-based welfare? Shifting approaches to housing wealth and welfare security. *Policy and Politics*, 45(2), 173–193. https://doi.org/10.1332/030557316X14786045239560
- Roy, A. (2016). Who's Afraid of Postcolonial Theory? *International Journal of Urban and Regional Research*, 40(1), 200–209. https://doi.org/10.1111/1468-2427.12274
- Sa, H., & Haila, A. (2021). Urban villagers as real estate developers: embracing property mind through 'planting' housing in North-east China. *Housing Studies*, 1–21. https://doi.org/10.1080/02673037.2021.1888889
- Shin, H. B. (2019). Contesting Property Hegemony in Asian Cities. In Y.-L. Chen & H. B. Shin (Eds.), *Neoliberal Urbanism, Contested Cities and Housing in Asia*. Palgrave Macmillan US.
- Shin, H. B. (2009). Property-based redevelopment and gentrification: The case of Seoul, South Korea. *Geoforum*, 40(5), 906–917. https://doi.org/10.1016/j.geoforum.2009.06.009
- Shin, H. B., & Kim, S.-H. (2016). The developmental state, speculative urbanisation and the politics of displacement in gentrifying Seoul. *Urban Studies*, *53*(3), 540–559. https://doi.org/10.1177/0042098014565745
- Shin, H. B., Lees, L., & López-Morales, E. (2016). Introduction: Locating gentrification in the Global East. *Urban Studies*, *53*(3), 455–470. https://doi.org/10.1177/0042098015620337
- Slater, T. (2006). The Eviction of Critical Perspectives from Gentrification Research. *International Journal of Urban and Regional Research*, *30*(4), 737–757. https://doi.org/10.1111/j.1468-2427.2006.00689.x
- Slater, T. (2017). Planetary Rent Gaps. *Antipode*, *49*, 114–137. https://doi.org/10.1111/anti.12185
- Smart, A., Lee, J., Breibish, K., Teicheroeb, J., & Guelke, K. (2003). Financialization and the Role of Real Estate in Hong Kong's Regime of Accumulation. In *Economic Geography* (Vol. 79, Issue 2). http://www.clarku.edu/econgeography

- Soh, J., Chong, A., & Chuah, K.-P. (2017). Household credit, growth and inequality in Malaysia: does the type of credit matter? In *BIS Papers* (pp. 39–59).
- Tan, T. H. (2008). Determinants of homeownership in Malaysia. *Habitat International*, 32(3), 318–335. https://doi.org/10.1016/j.habitatint.2007.11.006
- Tang, W.-S. (2017). Beyond Gentrification: Hegemonic Redevelopment in Hong Kong. *International Journal of Urban and Regional Research*, 41(3), 487–499. https://doi.org/10.1111/1468-2427.12496
- The Guardian. (2022, July 26). 'The council tenants weren't going to be allowed back': how Britain's 'ugliest building' was gentrified. https://www.theguardian.com/artanddesign/2022/jul/26/balfron-tower-britain-ugliest-building-gentrified
- The Star. (2021, April). Heeding Plight of the Needy. *The Star*. https://www.thestar.com.my/starpicks/2021/04/19/heeding-plight-of-the-needy
- The Star. (2022, April 25). 'Majority of Kg Sg Baru folk keen on development.' https://www.thestar.com.my/metro/metro-news/2022/04/25/majority-of-kg-sg-baru-folk-keen-on-development
- Wah, C. K. (2000). Prosperity or Inequality: Deconstructing the Myth of Home Ownership in Hong Kong. *Housing Studies*, 15(1), 28–43. https://doi.org/10.1080/02673030082450
- Waley, P. (2016). Speaking gentrification in the languages of the Global East. *Urban Studies*, 53(3), 615–625. https://doi.org/10.1177/0042098015615726
- Wong, D. S. Y. (1975). *Tenure and Land Dealings in the Malay States*. Singapore University Press.
- Yip, N. M., & Tran, H. A. (2016). Is 'gentrification' an analytically useful concept for Vietnam? A case study of Hanoi. *Urban Studies*, *53*(3), 490–505. https://doi.org/10.1177/0042098014566364
- Yuen, B. (2002). Singapore. In R. Agus, J. Doling, & D.-S. Lee (Eds.), *Housing Policy Systems in South and East Asia*. Palgrave Macmillan.
- Yusof, R. M., Jan, S., Khan, M., Yusuf, F. M., Huda, N., & Majid, A. (2019). Bridging The Supply and Demand Gap for Affordable Home Ownership in Malaysia: The Roles of Government and Financial Institutions (Vol. 17).
- Zhang, J. J. (2017). Research ethics and ethical research: some observations from the Global South. *Journal of Geography in Higher Education*, 41(1), 147–154. https://doi.org/10.1080/03098265.2016.1241985