

PRESS STATEMENT

## **Covid-19 (Malaysia): Prevent tenants from being thrown out, urgent intervention needed!**

Saturday 2 May 2020, by [DEVARAJ \(Dr\) Michael Jeyakumar](#) (Date first published: 30 April 2020).

Just yesterday evening I received a call from a single mum with 2 children in Ipoh who used to support herself by baking and selling cakes before the Movement Control Order was enforced. She now does not have the money to pay her house rental of RM 350 per month. I also received a call from a lorry attendant in Johor Bahru. His landlord is asking him and his family to shift out if he does not make the RM 1200 rental payment within the week. I am sure these cases are just the tip of the proverbial iceberg.

The Movement Control Order (MCO) that was launched on 18<sup>th</sup> March and is now entering its sixth week has devastated the income of workers in the private sector as well as the income of small and micro business people. The government implemented the Bantuan Prihatin Nasional that paid RM 1000 into the accounts of close to 4 million families in Malaysia, and will pay another RM 600 in the month of May. But this will not be enough to pay for house rent which can range from RM 100 for a wooden (and leaking) squatter house in Sg Siput RM 1200 for a terrace house in Johor Bahru.

According to government statistics, about 25% of Malaysian families do not own a house. They have to rent houses from either the government eg PPR flats (a minority) or from other Malaysians who own more than one house. Apart from the minority among them who have fixed incomes, for example government employees, this group of families and their landlords are in predicament now.

The Covid Pandemic, and the MCO that had to be declared are the reality we have to deal with as a society. We need to tackle the problem of house rent on the basis of social solidarity. We must ensure that no family is evicted and made homeless because of the inability to pay rent. At the same time we need to recognize that landlords of houses are a heterogeneous group. There are some retired folk who put all their savings into buying a second house so that they could survive on rental income in their old age.

We also have to recognize that the problem with rent is not going to miraculously disappear with the relaxation of the MCO. Many individuals will be able to go back to their previous jobs or businesses, but quite a significant number (the PSM estimates this to be in the region of 20% of the working population) will not have jobs to go back to as their firms may be reluctant to restart as their markets have dried up and there are no orders.

The Government has to provide the leadership in handling the urgent problem of house rentals. The PSM would like the Government to consider the following steps -

1. Forbid the eviction of any person or family from their residence for the next one year. This safeguard should be included as a new regulation under existing laws such that it can be enforced

on recalcitrant landlords.

2. Set up Housing Tribunal on Rent Disputes at District level under the Ministry of Housing and Local Government to handle the problem of tenants who have suffered a loss of income because of the MCO and are being threatened with eviction because they are unable to come to a private agreement with their landlord with regard to a temporary reduction in house rental payment.

2. Decide together with civil society groups and academicians the operating guidelines for these Housing Tribunals. These guidelines should be based on the concept of sharing the burden of the problems generated by the MCO. That would mean that tenants, landlords and the rest of society all have a role to play in alleviating the burden of house tenants having serious difficulty in meeting their rental payment. A formula based on the principle of social solidarity would include the following features –

a. Tenants will be required to pay a part of the house rent, perhaps 20% of the rent he/she normally paid (of course with exceptions given to families having difficulty meeting their food needs)

b. The government will contribute 50% of the rent with a cap at RM 500 per month. (if the landlord is renting out more than one house, the percentage of rental income compensated by the government should be on a reducing scale – 40% of total rental income if 2 houses rented out, 30% of total income if 3 houses rented out by the landlord, and so on)

c. The landlord bears part of the burden by forgoing part of the usual rent collected. The government has already helped out the landlords by deferring payment of housing loans for the rest of the year.

d. Individuals and families whose incomes were not affected by the MCO or the economic downturn that is likely to follow should not be eligible for this scheme.

Such a scheme will cost the government about RM 450 million per month initially (assuming 1.5 million families affected, and average house rent is RM600 per month). However as the economy splutters back to life and more and more people get back to work, there should be a built in mechanism to wind down this rental support scheme.

The exact details of the rent support scheme sketched out above can be modified and altered. But the principle is that we all share the different burdens that different sectors of the people face.

It is likely that the next few months will witness a marked slowdown of the construction sector. The government should use the unused capacity to embark on the building of social housing – low cost terraces or flats for rental to people at reasonable rates. An ambitious program of building 200 such units in all 222 parliamentary constituencies will provide a stock of housing for young families and lower income families. It would also stimulate the economy and provide jobs.

As per the Prime Minister call that we should face the challenge of Covid 19 together, thus the government should lead in addressing the issue of house rentals and prevent tenants being thrown out during these difficult times. Any way you can only #StayAtHome if you have a home!

**Dr.Jeyakumar Devaraj**

Chairperson, PSM

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**P.S.**

- THINK LEFT. APRIL 30, 2020:

<https://thinkleft.net/2020/04/30/prevent-tenants-from-being-thrown-out-urgent-intervention-needed/>