

In view of the court ruling, Tan urged developers who have been granted the EOT to now revisit the approval and see if further remedy is required.

Chief Justice Tan Sri Tengku Maimun Tuan Mat delivered the judgment on Nov 26. It stated that Regulation 11 (3) of the Housing Development (Control and Licensing) Regulations 1989 which confers power on the controller to waive and modify the terms and conditions of the contract of sale between purchasers and the developer was ultra vires the Housing Development (Control and Licensing) Act 1966.

On the possibility of house buyers bringing similar cases to court after this, Tan stressed that any EOT granted for any completion of residential projects needs to be treated with caution on a case-by-case basis.

“The content of the letter, the format of the letter, the reference to the specific section in the Act as well as the specific party issuing the letter and perhaps the timing in the issuance of these letters in relation to the EOT granted are all key factors in determining its validity,” he said.

Tan said house buyers will get their houses as per the statutory prescribed time for completion if the extensions granted are found to be not valid. However, quality may be compromised, he said.

He added that there could be house buyers who do not mind the late delivery as it could give them more time to save for the full loan instalment commitment upon completion.

Homebuyers therefore, need to make informed decisions, said Tan.

This means that developers should explain to their buyers, the situation and the possibility of the need to delay the completion even before buyers make their purchases.

When contacted, Real Estate and Housing Developers’ Association (Rehda) president Datuk Soam Heng Choon said the association will be meeting the Housing and Local Government Ministry tomorrow.

“We will issue a statement after the meeting [on Friday],” he said.