



A Discourse on Abandoned Housing Projects (AHPs) and the Potential of Crowdfunding: Malaysian Evidence

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Abstract: The surge in housing demand has exacerbated challenges in Malaysia's property market, notably the widespread issue of abandoned housing projects (AHPs). Despite the government and banking sector's continuous efforts to facilitate financing for affordable housing, the increasing number of AHPs indicates economic inefficiencies. Literature identifies developers' financing constraints as a key driver of project abandonment. To address this, our study proposes the "Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM)" as a viable alternative financing solution for developers. This framework aims to mitigate financial barriers and enhance housing project completion rates. The findings contribute to the growing body of literature on crowdfunding while offering practical implications for developers and broader economic sustainability.

Introduction

Abandoned housing projects (AHPs) are a critical issue in Malaysia. AHPs occur when developers fail to complete construction within the scheduled timeframe stipulated in the Sale and Purchase Agreement (SPA). In Malaysian legislative structure, there are three-tier governance arrangement which comprises of the Federal Government, the State Government, and the Local Government. These three-tier are separated in term of their function and power based on the legislative lists constituted in the Federal Constitution with the three main subject list of Federal List, State List, and Concurrent List. In the constitution it is revealed that the subject for the urban housing development is related to housing, land, local government and urban planning.

Typically, four stakeholders are directly involved in mitigating AHPs: the government (federal, state, and local), financiers (banks), homebuyers, and developers. Owing to the crucial AHPs' concern, ordinarily the government would attempt to intervene in resolving the house abandonment issue in Malaysia. For that reason, the Abandoned Housing Project Fund were established in 1990 under the supervision of Central Bank of Malaysia (BNM) for the recovery program. In 2004, National Property

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Information Centre (NAPIC) reported that RM5.06billion which constitute to 4.13% out of government spending were merely allocated for the AHPs recovery work. Among the roles and function of the liable Ministry is to provide smooth and affordable housing for qualified group, regulate the private housing development and management, and further to resolve the disputes encounter with regards to the AHPs.

Main types of available houses in Malaysia are categories into terrace, high-rise, detach, and semi-detach (NAPIC, 2017). Over the years, the index point and value proposition of these type of houses depict an enormous growth. National Property Information Centre, (NAPIC) was established to monitor the property industry market for Malaysia. According to NAPIC (2017), the Malaysian house price index experienced an increment change at 8.6% for terrace house, 5.3% for high-rise, 4.3% for detach, and 6.5% for semi-detach between the year 2016 and 2017. Thus observing the figures, it gives a positive motivation for the developer to venture more on housing projects and eventually maximize on their profit. On the other hand, research by NAPIC (2017) asserts that the number of residential units was the highest among its sub-sector to overhang compare to shops and industry with 24,738 units, 4,546 and 999 unit respectively in 2017 (see Figure 1).

Malaysia Overhang and Unsold Units by Sub-sector						
Sub-sector	Overhang		Unsold Under Construction		Unsold Not Constructed	
	2016	2017	2016	2017	2016	2017
Residential	14,792	24,738	64,077	61,882	11,622	12,626
Shop	5,069	4,546	6,889	5,889	715	332
Industry	842	999	1,153	916	59	124

Figure 1. Malaysia Overhang and Unsold Units by Sub-sector
Source: NAPIC (2017)

The Ministry of Housing and Local Government research on the AHPs for first quarter of 2017 found that 67 number of AHPs which comprises of 14,974 number of house units and 10,603 number of buyers had been reported. The sum of AHPs later assume to upsurge due to number of concerns and challenges face by the property sector (see Figure 2).

ABANDONED HOUSING PROJECTS BY STATE STATISTICS UNTIL 31 MARCH 2017

NEGERI STATE	BILANGAN PROJEK NUMBER OF PROJECTS	BILANGAN UNIT RUMAH NUMBER OF HOUSE UNITS	BILANGAN PEMBELI NUMBER OF BUYERS
Johor	9	2,741	2,060
Kedah	2	765	169
Kelantan	10	891	875
Melaka	-	-	-
Negeri Sembilan	3	658	614
Pahang	5	618	478
Pulau Pinang	4	299	250
Perlis	-	-	-
Perak	2	1,550	1,337
Selangor	28	6,999	4,523
Terengganu	3	319	274
W. P. Kuala Lumpur	1	134	23
JUMLAH TOTAL	67	14,974	10,603

ABANDONED HOUSING PROJECTS STATISTICS UNTIL 31 MARCH 2017

STATUS STATUS	BILANGAN PROJEK NUMBER OF PROJECTS	BILANGAN UNIT RUMAH NUMBER OF HOUSE UNITS	BILANGAN PEMBELI NUMBER OF BUYERS
Perancangan / Planning	48	8,933	6,083
Sedang Dipulihkan / Under Rehabilitation	17	4,475	3,162
Siap/Selesai / Completed	2	1,566	1,358
JUMLAH TOTAL	67	14,974	10,603

Figure 2. Statistics on Abandoned Housing Projects
Source: Ministry of Housing and Local Government (KPKT) Statistics (2017)

Among other operational responsibility under the supervision of State Housing Department is to monitor the AHPs and rectify the housing development issues until the hand over phase to the buyer. In 2016 alone, table below indicate the successful restored projects which amounted to 1,397 housing units and 1,056 buyers (see Figure 3)

Bil	Projek	Bil. Unit	Bil. Pembeli
1.	Taman Lestari Permai, Sepang, Selangor (1)	454	454
2.	Taman Lestari Permai, Sepang, Selangor (2)	114	114
3.	Taman SL Permata, Tanah Merah, Kelantan	44	44
4.	Taman Kinding Raya, Ulu Kinta, Perak	376	144
5.	Kota Nawira, Kota Bahru, Kelantan	160	160
6.	Taman Seri Emas 7, Muar, Johor	149	47
7.	Taman Tradisi Indah, Klang, Selangor	50	43
8.	Taman Salak Idaman, Salak Tinggi, Selangor	50	50
Jumlah Keseluruhan		1,397	1,056

Figure 3. Project

Source: Ministry of Housing and Local Government (KPKT) Annual Report (2016)

Initiatives directly from the government assistance has proven to be cost-effective mechanism to revive the AHPs. In the year 2017, the government claim that 190 housing projects abandoned over the past nine years has been successfully revived. It also reported that it amounted to 75% of 253 private AHPs between 2009 and July 2017. The then minister mention that such projects were able to revived using government funding totaling RM219.54 million and benefited 5,079 buyers ([The Star, 2017](#)).

Factors Contribute to The Abandoned Houses

Hoe (2013) conducted semi-structured interviews with stakeholders involved in Affordable Housing (AH) projects, including developers, contractors, government officials, bankers, and customers. The study identified several key challenges affecting AH projects: financial constraints, misuse of government incentives by small contractors, poor management and inefficiency within project teams, and—significantly—the role of government policies. These factors were found to have major implications for the success of Affordable Housing Programs (AHP). Figure 4 summarizes the study's findings on the key barriers to AHP implementation.

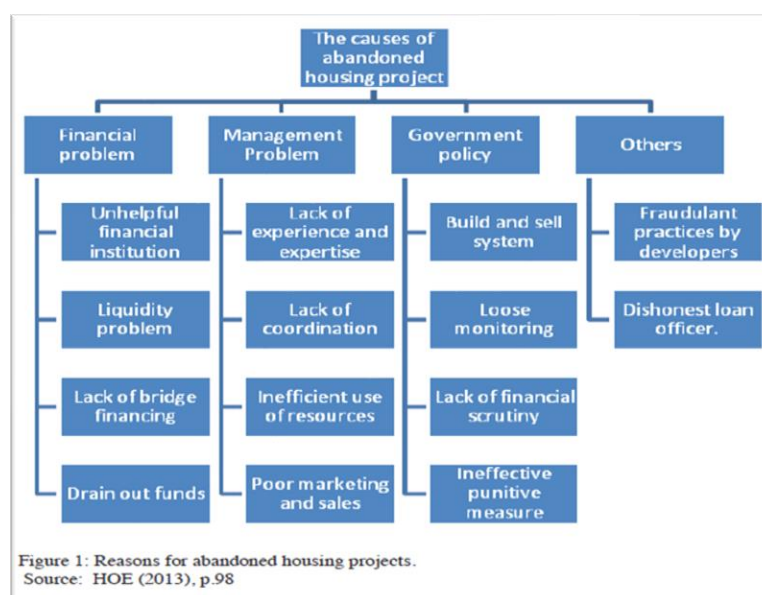


Figure 4. Reasons for abandoned housing projects
Source: HOE (2013)

- a) Financial, legal, managerial, system related and unforeseen risks (Rahman, Alashwal, Maryam, & Abdullah, 2013).
- b) Failure to respond accordingly to the market signal - Economic (i.e.; Asian economic recession caused myriad issues to constructions and AHPs intertwined (Rameli, Johar, & Ho, 2006) & (Rahman, Alashwal, Maryam, & Abdullah, 2013)
- c) profit maximization (developer behavior to strives for maximum profit)
- d) improper management – quality and productivity (Djebarni & Eltigani, 1996) (+ve r/ship between implementation of QMS and productivity on site)
- e) Deficient in enforcement and monitoring – thus, government taking strict legal action to blacklist the developers who failed to complete projects in accordance to the SPA or who caused abandonment of housing projects (The Malaysian Reserve, 2017).
- f) strictness of legal parameter and regulation – law enforcement of 3% deposit from total value of the project to compel by the developers with the Housing Development Fund compared to just RM200,000 formerly (The Star, 2017).
- g) developer's default, underlying contracts, regulatory arbitrage and bureaucracy, attitudinal disposition of customers and sell-then-build approach as major factors of AHPs conundrum (Mikail, Kasri, Elatrash, & Adewale, 2018)
- h) A study claim that challenges to prevent abandonment are the widespread instances of property flipping and lack of an approach to mothball vacant houses (Cohen, 2001).

Impact of Abandoned Houses To Nation And Society

Each consumer tend to evaluate critically while venturing to own a house. Therefore, certain significant factors such as supply of affordable housing in the current residential property market, household income, property price, land cost and demand & supply are taken into consideration (Yap & Ng, 2018).

Number of studies such as (Othman, 1993), (Lawrence, 1997) and (Dahlan & Kader, 2012) were in agreement that the AHPs are ranked as national concerns in which the real victims are the individual buyer themselves. In fact, (Mohd Zin, 1989) since then proved that the housing industry has multiplier effect influencing the growth of economy. Indirectly, the property industry offer for job opportunities, a change in gross domestic product, the existence of new localities, and support the related industry which are associated to construction sector.

On the other hand, the impact of the AHPs towards the nation and eventually to the society are found quite disturbing as (Cohen, 2001) study opined that population loss and economic decline have resulted in thousands of abandoned homes. Although AHPs are symptomatic of other issues, it then contribute to neighborhood waning (Han, 2014; Morckel, 2013) and renaissance of frustration (Cohen, 2001). In fact, (Han, 2014) confirmed that the longer duration of abandonment negatively influences the nearby property values. Furthermore, analysis on the AHPs exhibits that three aspects that contribute to the impact of AHPs which are social, economic and environmental influences (Rahman, Alashwal, Maryam, & Abdullah, 2013; Razak, Mohammed, & Tarique, 2015). Discretely, the house buyer is the one victimized where not only the house is undone, simultaneously, they have to service the bank loan, search for other house to live, deprived from reaping the property value appreciation and rental collection. In addition, legal implications on projects stakeholder, financial implication on original developers, reputation of housing industry and perception on local and abroad house investors.

Given the abovementioned issue, there is an urgent need for an alternative model that could help in completion of abandoned houses in Malaysia. Thus, the objective of this paper is to propose an Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM) model as a viable solution to the problem that the developer face in Malaysia. The proposal could help to improve the situation that is deteriorating almost all the time. The potential of crowdfunding in abandoned houses has not thoroughly researched, as this type of financing is still new in Malaysia. Thus, this study claim that the findings could contribute to the existing literature on crowdfunding. Secondly, this study is also provide some implication to developer and to society as well nation as whole.

The structures of this study as follows: section two discusses about the literature on crowdfunding and follow by next section which discuss about the methodology used in this research. Section four

explain the model developed in counter the issue of abandoned houses in Malaysia. The following sections give discussion on policy implication and conclusion.

Literature Review and Hypothesis Development

Theoretical foundation

Myers and Majluf's (1984) Pecking Order Theory posits that firms prioritize financing sources by cost and risk, favoring internal funds over external debt or equity. In the context of Malaysia's property market, developers facing financial constraints often exhaust their internal capital before seeking external financing. However, due to the high-risk nature of large-scale housing projects, banks and traditional lenders may impose stringent credit conditions or reject loan applications altogether, forcing developers into a financial deadlock. This aligns with the theory's assertion that asymmetric information—where developers possess more knowledge about project risks than lenders—discourages debt financing, as banks fear adverse selection. Consequently, many developers, unable to secure sufficient funding at later stages, are forced to abandon projects mid-construction, exacerbating the AHP crisis. Moreover, the Pecking Order Theory explains why developers in Malaysia struggle to transition smoothly from internal funding to external financing. Housing projects require massive upfront capital, but developers—especially smaller or less-established firms—often lack sufficient retained earnings to sustain long-term construction phases. When they turn to debt financing, high interest rates, collateral requirements, and regulatory hurdles (such as the 3% deposit rule under the Housing Development Act) further restrict access to funds. Unlike large corporations that might issue equity, property developers rarely resort to this option due to dilution of ownership and market scepticism—key concerns highlighted in the theory. This financing hierarchy creates a systemic gap, leaving many projects underfunded and abandoned. The proposed Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM) challenges this traditional pecking order by introducing an alternative funding avenue that bypasses conventional debt-equity constraints, offering a viable solution to break the cycle of financial stagnation in AHPs

Crowdfunding concepts

In the last years, the concepts of crowdfunding has gained acceptance as alternate source of financing for innumerable ventures globally. Crowdfunding is an initiative to fund a projects across industries such journalism, technology, music, film and others, through crowd-sources. For instance, projects exhibits on the Kickstarter which based in United States is known as one of the largest platform for crowdfunding. In fact, one of the three nominated for Oscar award movie projects funded by crowd investor won the award in Oscar 2013 for the short documentary category (Lu, Xie, Kong, & Yu, 2014).

Unlike venture capital firms, where enterprises receive a few large investments, crowdfunding relies on numerous small contributions. Therefore, crowdfunding presents a mixture of entrepreneurship and social network participation. In addition, the investor in the crowdfunding projects can keep track of their campaign and obtain useful insight in real-time which ordinarily shared through the crowdfunding websites or even in social media.

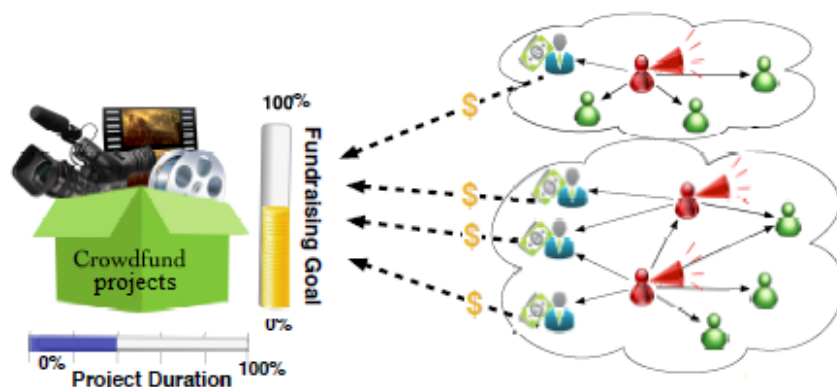


Figure 5. Example of Crowdfunding Process
Source: (Lu, Xie, Kong, & Yu, 2014)

The figure 5 above illustrate the example of crowdfunding process where the red persons act as promoters of the projects, the person in blue are the backers, while the green are the potential target investors. Generally, investor have the liberty to choose projects according to their priority to contribute. If the fundraising goal is achieved, the funds are awarded to the proposer or the crowdfunding project specified (Mollick, 2013).

Initially, the crowdfunding has dominantly cast for funding artists from different sectors (Agrawal, Catalini, & Goldfarb, 2013). Subsequently, other artistic and creative areas such film and journalism adopted the idea. The crowdfunding platform were seen as the way to reduce the funding gap in the early stages of new ventures, then only venture capitalist and banks would be available in later development phrases of startups (Robb & Robinson, 2014).

Diverse areas of the globe has known to have different word of reference for the crowdfunding activities. Other term for crowdfunding also known as social-lending (Hulme & Wright, 2006), peer-to-peer (Freedman & Jin, 2014) and crowd-investing (i.e.: in Germany) which is to distinguish the equity based form of crowdfunding (Moritz & Block, 2016).

Categories of crowdfunding

Generally, four crowdfunding models are found with different in analysis among countries which is based on equity, lending, donation, and reward (Brüntje & Gajda, 2016). Kuppuswamy & Bayus (2018) research demonstrate that crowdfunding could be categorized such the Sellaband; where the investors anticipate an interest in the profit sharing oriented venture, Prosper; crowd lending activities in which the investor expects the original principal is repaid along with some interest, JustGiving; the funder voluntarily donate their money with no expectation of any tangible reward, and Kickstarter; where project backers receive nonfinancial rewards for their contributions (Agrawal, Catalini, & Goldfarb, 2015; Zhang, Juanjuan, & Liu, 2012; Smith, Windmeijer, & Wright, 2014; Mollick, 2014). Further explanation on categories of crowdfuding (extracted from Asmy et al. 2018) are given below:

(i) Donation Crowdfunding

Donation crowdfunding is where the collection of funds takes place for the purpose such as social, artistic, philanthropic and others. Basically, this type of crowdfunding is not based on any exchangeable of tangible value. For example, in the United States, Kickstarter, Indiegogo etc. are among the platforms that supporting donation based crowdfunding.

(ii) Reward Crowdfunding

Reward crowdfunding is the collection of funds, where the investors or donors receive some tangible reward (such as membership rewards scheme) as a token of appreciation. Most of the websites which support donation crowdfunding are also managing reward-based crowdfunding, such as Kickstarter, Rockethub, Indiegogo etc.

(iii) Lending Crowdfunding

Lending crowdfunding is a platform that matches lenders or investors with borrowers or issuers to provide loans with lower interest rate, which is set by the platform. There are some platforms arrange loans between individuals, while other platforms collect funds and then lent to small and medium enterprises. Some of the leading examples from the US are Lending Club, Prosper etc. and from UK are Zopa, Funding Circle etc. Some of the platforms charge a fee based on the loan.

(iv) Equity Based Crowdfunding

Equity based crowdfunding refers to the fund raised through online by a business, particularly early-stage funding, by offering equity interests in the business to investors. Businesses that are looking to raise capital through this mode typically advertise online through a crowdfunding platform website, which serves as an intermediary between investors and the start-up companies. In the United Kingdom two platforms namely Crowdcube and Seedrs have dominated the narrative for investment crowdfunding from the equity side

On the other note, Gleasure & Feller (2016) on study of crowdfunding patterns of behavior classified dominant categories of crowdfunding endeavors known as crowd lending (investing in return for

repayment at some agreed upon rate of interest), crowd equity (investing in return for equity/securities), crowd patronage (investing in return for benefits from a proposed product/service) and crowd charity (investing without expectation of any financial or return in any form). Figure 6 below depicts the categories of crowdfunding system.

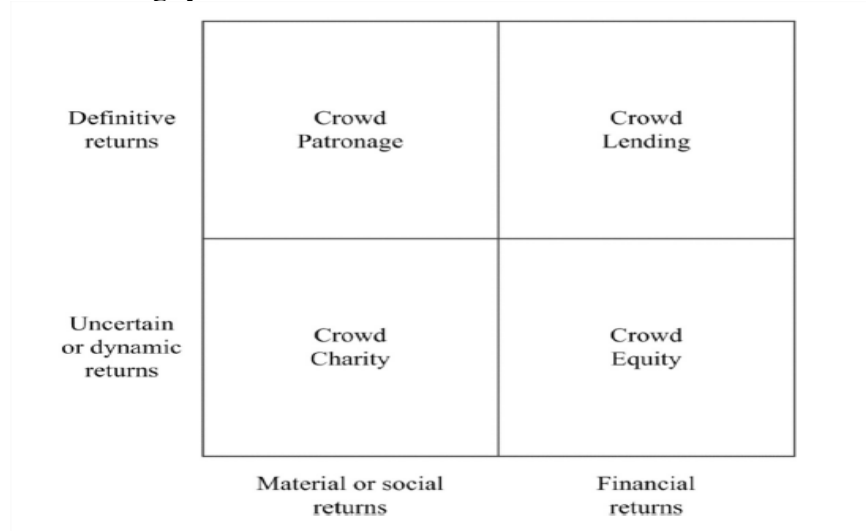


Figure 6. The Categories of Crowdfunding System

Source: (Gleasure & Feller, 2016)

The crowdfunding platforms eventually seen to advantage the funding mechanism including; minimal cost and effort involved, multiple transaction could be pooled together to fund less risky projects; and it also could mitigate the asymmetry information between funders and fund seekers.

Development of crowdfunding platform around the globe

The development of crowdfunding discussion were mainly focused on legal issues. Later, restrictions on the concept dominated the literature vastly on the legislative concern (Belleflamme, Lambert, & Schwienbacher, 2010). Subsequently, a number of scientific contribution began to emerge on the notion of descriptive exploration and concept-based or explanatory approach, frequently with case studies from a particular national context (Ingram, Teigland, & Vaast, 2014). Entrepreneurs opted for crowdfunding concept found to get motivated due to few reason such as the collection of funds itself, to attain the public attention, receive feedbacks for their goods and services, self-affirmation, replication of success stories and increase awareness of the goods and services provided (Belleflamme, Lambert, & Schwienbacher, 2013a; Gerber, Hui, & Kuo, 2012). Kuppuswamy & Bayus (2018) claimed that to date, mainstream empirical research on crowdfunding focus to identify the project and entrepreneur characteristics associated with successful funding outcomes. For instance, number of research shows that the funding completion is positively associated to project quality signals such as preparedness (Mollick, 2014), chronological in project depiction (Herzenstein, Sonenshein, & Dholakia, 2011); (Allison, Davis, Short, & Webb., 2015), individual quality signals such gender, race, personal characteristics (Gorbatai & Nelson, 2015); (Marom, Robb, & Sade, 2016), creditworthiness (Zhang, Juanjuan, & Liu, 2012), internal capital accumulated from supporting other projects (Colombo, Franzoni, & Rossi-Lamastra, 2015), social networks, and the geographic distance between entrepreneur and their contributors . (Agrawal, Catalini, & Goldfarb, 2015). Nevertheless, studies by (Gleasure & Feller, 2016) identifies that two fundamentally novel and under-researched variable related to funding behaviors are erosion of organizations' financial boundaries and paying to participate variables.

Due to overwhelming and the promising growth in crowdfunding endeavor, many countries such as Malaysia, Indonesia, UK, US, Australia, China, Singapore and others eventually taken steps to acknowledge and amend their regulatory system to accommodate the operation of crowdfunding. Particularly the crowdfunding operation with expectation of financial returns for crowd lending and crowd equity (Abdullah, 2016). In Malaysia, the equity crowdfunding gains it regulatory acknowledgement when SCM issued public consultation paper to propose the regulatory framework for

equity crowdfunding operation. Later in February 2015, Guidelines on Regulation of Markets under Section 34 of the Capital Markets and Services Act 2007 was released to provide governance arrangement for the operation of such platforms (Abdullah, 2016). Singapore advanced further to root their crowdfunding activities on the Shariah principle especially for the equity based platforms, named Islamic crowdfunding

Method

This study proposes a model to address financial barriers in completing AHPs in Malaysia. In this paper, the focus is to make sure the pending housing projects are completed on time and the key must be given to the house buyer on the stated date in agreement form. Since the literature on abandoned housing project and crowdfunding approach to solve the said problem are limited in the context of Malaysia, I used only the relevant studies discussed about the actual problem in housing project and general review of literature about the crowdfunding platform. Most of the literature are taken from newspaper and referred journal articles and reviewed critically in developing an alternative model.

Analysis and Discussion

Proposed Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM)

There are many strategies and policies have been implemented to overcome the issue of AHPs in the world. This is to make sure the projects which have been started need to be completed within the time framework set up and making sure the buyer of house gets the key on time and occupy the house. Unfortunately, in the context of Malaysia, many housing project are dragged up too many years and cause the buyer pay monthly instalment to the bank although not occupy the house. This is serious issue that need to be addressed by the policy maker or government. As reported by the ministry in 2017, almost 260 housing project are abandoned in all over Malaysia and Selangor state has the highest number of abandoned housing project. This further harm the financial position of the government as they have to fund some of the housing project that have been mid-way of completion. The number of literature available to identify the actual reason for AHPs are limited particularly in Malaysia. The research done by Dahlan and Aljunid, (2011) shows that causes AHPs mainly related to developers' financial problem and bankruptcy. Developers' unable to pay for construction cost and repay loan approval. The findings by Dahlan and Aljunid found to be consistent with [Razak et al. \(2015\)](#).

Thus, given these challenges, an Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM) is proposed that can address the financial problem which haunting they housing project completion in Malaysia. Interesting aspect of this model is that I incorporated the crowdfunding platform without the needs of financial institutions act as a financial intermediary. With this model, the IAHPCM aims to tackle the main challenge related to AHPs in an integrated approach. The conceptual framework of the proposed IAHPCM model is illustrated in Figure 7 below.

The following are the detailed mechanism of Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM) model:

1. The model requires raising funds from crowdfunders or investors to revive abandoned projects. New developer plans the restructuring this project. This group of developers are shortlisted by authorized institutions. They pitch their idea and restructuring plan on abandoned housing in Malaysia and submit to JPN for screening purpose (arrow 1).
2. Once finalized the best budget with proper restructuring plan for abandoned housing projects, JPN or NGO will upload and submits the potential of particular project's proposal into the platform which is known as Web Based Platform and Social Network or outsourcing from external parties. The projects have to be funded within a predefined time frame. In this research, this study proposed to use equity based crowdfunding. Only interested investors are encouraged to take part in this financing. Upon project completion, proceeds from house sales are distributed to investors based on pre-negotiated equity shares. This matter such as pre rate profit /equity distribution will be discussed before proceeding to raised fund using platform. (arrow 2 and 3).

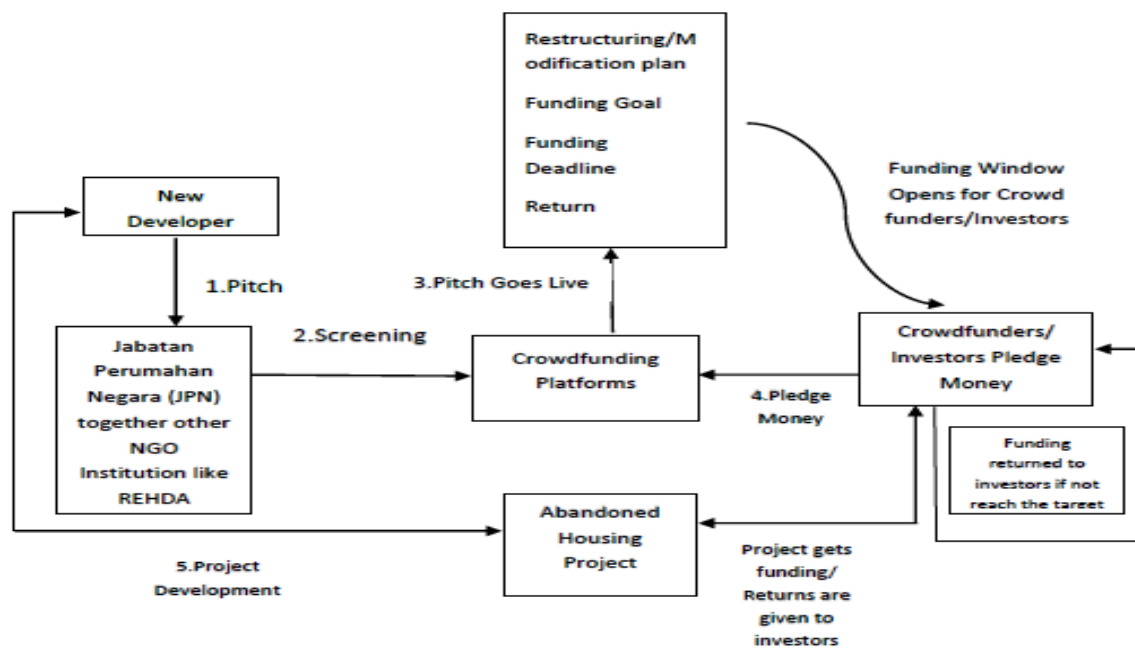


Figure 7. Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM)

Note: This figure shows the conceptual framework of IAHPCM developed to help the completion of abandoned housing projects in Malaysia.

3. Crowd funders or investors select the best project that they want to support and joint venture in. Crowd funders or investors browse the web to search requests and finally choose the projects they are willing to provide the fund or capital. (arrow 4).
4. Crowd funders or investors transfer/send funds through payment gateways. JPN or NGO of housing institutions can have its own payment gateways through collaboration with existing financial institutions or crowdfunding platforms. Once the target amount of fund from crowd funders is reached, the system will update the status of projects and keep track of received fund until it is ready to be distributed. If the fund is not reached to its target, the fund will be returned to the crowd funders or investors (arrow 4)
5. If the fund is successfully raised, the system distributes the fund to developer via JPN or NGO of housing institutions and notifies them to get ready to initiate, managing and supervising the projects they proposed earlier (arrow 5).
6. JPN or NGO of housing institutions manage and supervise their identified projects. JPN or NGO of housing institutions must track the progress regularly and updates the progress into the system until the particular projects completed. This will ensure transparency between them and the crowd funders. The system communicates with JPN or NGO of housing institutions as for control and audit purposes through a simple communication media such as short message services (SMS) or WhatsApp web (arrow 5)
7. Finally, within the specified time framework of project, developer via JPN or NGO of housing institutions need to provide return to the crowd funders or investors as mentioned in step number 2.

The Practical Implications of IAHPCM Model

From the Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM) developed, it can be noticed that there is potential in completing all those housing projects who are pending from completion. This model also helps in minimizing the dependency towards financial institutions in getting funds to support the projects. By considering broader perspectives, this suggested model could bring substantial impact to the house developer, society and economy as a whole. The significance of this model are explained below:

1) Impact on the house developer

This model incorporates the crowdfunding platform in raising fund for housing projects, thus it may benefit specifically to the house developer. House developer will get the fund required to complete the project on time as the time are given not only for raised fund but also to complete the project on time. The process is transparent in the sense that the developer need to update to the entrepreneur as well as to JPN about the projects development. This model is also suitable for small as well as large housing developers. As mentioned earlier, the focus here is to complete the project who are pending for completion. However, this model also applicable for developer who want to raise fund for their property projects from the initial stage. Furthermore, this reduces the dependency level towards financial institutions (Mohd Thas Thaker et al., 2021; Mohd Thas Thaker et al., 2020 & Mohd Thas Thaker & Chandra Sakaran, 2016).

2) Impact on the society and economy

This model obviously anticipated to bring benefits to the society and economy. As this model emphasize on financing, it creates an environment of innovation and diversification of economic activity. It also helps in stimulating the performance of property market in Malaysia. As this model suitable for large and small property projects, it probably increases the ownership of properties in Malaysia. Furthermore, since this model uses crowdfunding as a platform to raise fund, it is expected that corporate and investors can diversify and meet their portfolio investment objective. It also allows to perform social entrepreneurship contributions. Moreover, with this proposed model, we can expect that government expenditure especially towards channeling fund for abandoned housing project will become less. Case in hold, it also helps in creating job opportunities in market, subsequently increases the standard of living and boost the economy performance (Mohd Thas Thaker & Chandra Sakaran, 2016). Finally, as this research suggested the use of crowdfunding as the main source of resource, it helps to achieve a better economic of scale and enhanced proper efficiency of resource allocation in the economy.

Conclusion

The study intends to propose a model or framework in overcoming the issue of AHPs in Malaysia. This study as mentioned earlier, the focus of this study is to find the way complete the pending projects. Obviously, there are many issue haunting the progress of housing project apart from financial problem, this model specifically dealt with financial problem facing by house developer. As mentioned in the literature, the issue of financial problem found to be one of the causes for the existence of abandoned housing project. Thus, to solve this issue, the current study proposes a solution using the model called “Integrated Abandoned Housing Project Crowdfunding Model (IAHPCM)”. This study argues that the IAHPCM can facilitate the completion of stalled housing projects. There is only one limitation in this study where this study is a conceptual paper. It is just a discourse of the alternative model in mitigating the issue of abandoned housing project in Malaysia. Therefore, in future, to see how effective this model is, perhaps qualitative research is needed to get opinion from the industrial experts. Incorporating theories such as Theory of Reasoned Action (TRA) (Fishbein & Ajzen (1975), Technology Acceptance Model (Davis, 1989) and Theory of Planned Behaviour (TPB) (Ajzen, 1991) can be very useful in this regard.

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