

COMMON PROBLEM FOR INDUSTRIAL PROJECT SUBMISSION

Author: [Ir. Dr. Justin LAI Woon Fatt](#) | 16 August, 2019

Introduction

Before the factory construction, the owner needs to obtain Planning Permission (KM) and Building Plan (BP) approval. Planning Permission (KM) approval is needed if the owner seeks permission to carry out the development. On the other hand, Building Plan (BP) approval is needed when the owner seeks to have the details of development checked and approved to comply with the standard rules and regulations of construction. However, not all applications for approval will be accepted, some applications will be rejected.

In what conditions will industry submission be rejected?

1. Industrial development is not within the industrial zone

Reason: The property owner purchases an agricultural land which has not zoned under the industrial land yet. Since the industrial development is not within the right zone, the local authorities will reject the KM or BP submission for the industrial project.

Solution: If the land title is incorrect, the owner has to apply for land-use conversion for the respective plot. Approval from State Planning Committee (SPC) should be obtained for the land that has not been zoned before converting the land title at land office. However, the chances to obtain State Planning Committee (SPC) approval are very low especially when the land size is small. It might be difficult and take years to deal with the State Planning Committee (SPC).

2. Type of industrial activity does not match with the land usage condition

Reason: The owner has no idea on the siting and zoning of industrial area that he might not fully understand the industrial categorization for the factory he is going to build. For example, if the owner intends to construct a steel fabrication yard which is categorized under medium industry, but the land he purchases to build the yard is within light industry zone, his KM or BP submission will be rejected by the Local Authority (LA).

Solution: Before selecting the land area for industrial construction, the owner has to first conduct a thorough scrutiny of land search and consult with the Principal Submitting Person (PSP) who can be either a Professional Architect or Professional Engineer. Different land areas possess different land uses which determine which type of premises to be built on, hence it is pertinent for the owner to recognize the details and category of land area chosen to build factory.

3. Submission of factory together with worker quarters are not accepted

Reason: The owner plans to construct worker quarters within the industrial area and submit the KM and BP for both factory and worker quarters to Local Authority (LA). **Some Local Authorities (LA) do not allow the construction of worker quarters in industrial area** and insist that there should be no for residential (even temporary stay) within industrial area.

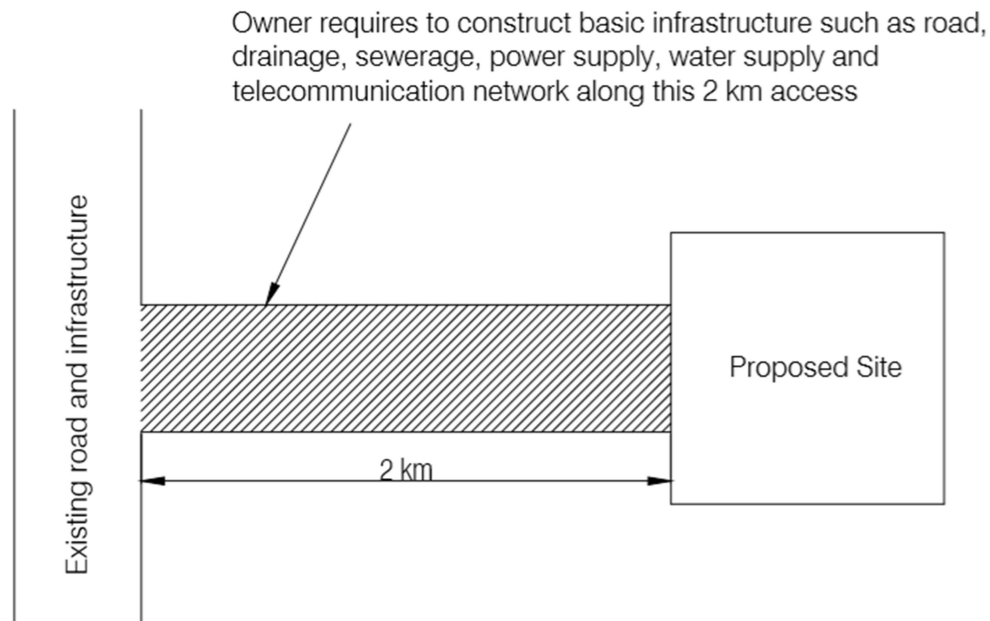
Solution: The owner is advised to pre-consult with Local Authority (LA) first before KM or BP submission. If the Local Authority (LA) does not allow the construction of factory together with worker quarters inside the industrial area, the owner should not go against the policy of Local Authority (LA) but should make some other arrangements for the workers' accommodation and transport to factory. For example, select a nearby place for the workers to stay and carry them to and from the factory with factory bus services.

4. Infrastructure not ready around the land

Reason: The owner purchases a land where the infrastructure is not ready yet. If there is no basic infrastructure such as road accessibility, electrical and water supply as well as telecommunication networks, the Local Authority (LA) will request the owner to construct the basic infrastructure by himself. In most cases, the owner will **not agree** to comply with the request from Local Authority (LA) due to the huge expenses to construct the infrastructure; therefore KM or BP submission will be rejected by the Local Authority (LA).

Solution: Both large-scale developers and small-scale developers or end-users will be affected. However, the large-scale developers usually are willing to build the infrastructure because its cost is relatively low compared to the total development value. **The small-scale developers and end-users are advised better to purchase infrastructure-ready land.** If the owner wants to purchase infrastructure-not-ready land, do consider the infrastructure cost.

The figure below shows the example of industrial land where infrastructure development is still not available:



Conclusion

In a nutshell, the situations stated above should be avoided to prevent the KM or BP submission for the industrial project from being rejected by the Local Authority (LA). By considering these factors, the owners can significantly avoid the unnecessary hassle in their industrial project submission.

Ir. Dr. Justin LAI Woon Fatt
CEO/ Founder
IPM Group