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Affordable housing alternatives in George Town World Heritage Site: what we have and what is possible

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ABSTRACT

Affordable housing is vital in ensuring the inclusiveness of a city. However, urbanization and gentrification have exacerbated the gap between housing availability and housing affordability. Many factors have contributed to the displacement of local communities in George Town World Heritage Site (GTWHS), with rental spike and the repeal of the Control of Rent Act, among others. Through a survey with 318 samples, this study investigates affordable housing alternatives and its administration in GTWHS of Penang state, Malaysia. Policy recommendations are suggested to improve the diversity of affordable housing options and to conserve the historic city's intangible *living heritage*.

KEYWORDS

Affordable housing; participatory governance; historic city; public engagement; local community; Penang

1. Introduction

Urbanization and gentrification processes are common phenomena in cities, historic cities notwithstanding. Today, cities produce about 80% of the world's GDP. UN Habitat (2016) points out that, while urbanization and gentrification processes brought in positive impacts such as advance economic prosperity and quality of life, drive innovation and productivity, alleviate poverty and the convenience of living in cities, it creates negative effects too, such as increased residency in slums and housing speculation, exclusion and rising inequality, and challenges in providing urban services. Some scholars opine that the absolute force of urbanization might depreciate the quality and uniqueness of a city (Wang and Prominski 2016), historic city with its special features especially.

George Town World Heritage Site (GTWHS) of Penang state in Malaysia is acknowledged for its intangible *living heritage*—a historic multiethnic community which includes traditional traders, craftsmen, and other multicultural activities. However, due to spiking house prices and the declining population (Ferrarese 2018; Khazanah Research Institute 2017; Lee, Barker, and Lam 2016; Think City 2021), GTWHS is now facing the challenges of conserving its intangible *living heritage* and hence the possible risk of eroding the city's special features that accorded the site for UNESCO inscription back in 2008. The study seeks to explore the abovementioned

affordable housing issues in GTWHS and the inclusiveness of (affordable) housing governance and administration from the local community perspective.

This policy article starts with a brief discussion on the concepts of participatory governance (inclusiveness of housing governance and administration), the 30-percent-of-income housing cost burden standard, housing issues in GTWHS, relevant legislations, Penang state's affordable housing scheme and its political context. It then is followed by the findings and discussion of a research project on the issues. The policy article concludes with suggestions to improve affordable housing alternatives and its governance and administrative policy for historic cities.

2. Methodology

The main data was collected through a 318-sample-size survey using systematic random sampling method in the core zone and buffer zone of GTWHS. The survey is complemented with in-depth interviews with five key informants who have extensive knowledge and experience of GTWHS to further explore themes raised in the survey. These five key informants comprised a housing expert, an elected representative of GTWHS constituency, a chief operating officer (housing) of the state think tank, a vice president of a heritage preservation NGO, and the chief consultant of a private heritage organization. Respectively they are referred to as K1, K2, K3, K4 and K5 throughout this article. Data was collected in stages from March 2020 to June 2021.

3. Participatory governance and housing affordability

Participatory governance is grounded in participatory democracy which emphasizes on democratic engagement among stakeholders (Fischer 2015; Speer 2012). The exercise of participatory governance mechanism encourages direct involvement of the public/stakeholders through consultation and deliberation. United Nations agencies see democratic practice (public participation) as one of the key components for good governance (UN Habitat 2016).

Housing is the foundation layer of Maslow's hierarchy needs. Even though not without disputes, many scholars and practitioners use housing cost burden to gauge housing *affordability*. The key factor which determines this housing affordability is household's disposable income. Conventionally, housing is seen as affordable if it is within the 30-percent-of-income housing cost burden standard. Families that spend more than 40% of their income for housing are consider overburdened by housing cost (JCHS 2020; OECD 2021).

4. George town world heritage site, housing issues and legislations

Median multiple, which is also known as the house price-to-income ratio, is an indicator widely used to assess housing affordability. Median multiple is defined as the ratio of median house price by median household income. Housing is considered as 'severely unaffordable' when the median multiple is at the level of 5.1 and over. With a 6.32 median multiple housing affordability, generally, Penang's homes are categorized as 'severely unaffordable'; and the situation of unaffordability is even worse in GTWHS

which is located in the Northeast district, where the house price-to-income ratio is as high as 8.6 (Ismail, Jalil, and Muzafar 2015; Penang Institute 2019; Yeap 2017). The severity of housing unaffordability of GTWHS is supported by an annual report of Central Bank of Malaysia which highlighted that housing unaffordability 'was particular acute' in George Town where it 'suffered the highest median house prices and lowest median household income' (Central Bank of Malaysia 2017, 93).

George Town's inscription as a UNESCO World Heritage Site is due to the city's fulfillment of three criteria of the Outstanding Universal Value (OUV), namely, George Town as multicultural trading town (criterion ii); the city's multicultural heritage and traditions (criterion iii); and George Town's unique architecture, culture, and townscape (criterion iv) (GTWHI 2019c). It is important to note that intangible *living heritage* is a significant cultural heritage value which included and embedded in these three criteria of George Town's OUV. The existing multiethnic community has established itself as a living testimony of this historic town. The multicultural community which was forged from the mercantile and civilizational exchanges of various ethnic groups, formed the unique social fabric and hybrid communities of GTWHS. In George Town, there are a variety of traditional trades and services that cater to business, tourism, and domestic needs. These heritage trades were handed down from generation to generation and are found operating along the streets and shop houses. They include signboard carver, Chinese seal cutter and calligrapher, kapok pillow and mattress maker, welder, rattan weaver, sarong and textile trader, Nyonya beaded shoemaker, goldsmith, carpenter, tailor, spice merchant, liquor brewer, flower garland maker, stonemason and tombstone engraver, funeral services, traditional food stalls, among others (GTWHI 2019c; Jenkins 2019). It is the interconnectedness of a plethora of reciprocal trades, craftsmen, and all manners of services in a nearby area that make George Town intangible *living heritage* lively. In short, the whole existing multicultural community is the soul of George Town's intangible *living heritage*.

The bulk of George Town's multicultural community comprises of the city's working class who could work and live in the historic city due to low rents as a result of the Control of Rent Act 1966 (CRA). The Act is the most relevant legislation related to housing affordability in GTWHS. The CRA aimed to regulate the rentals of pre-war buildings built before 31 January 1948. Once tenancy is initiated in controlled premises, tenants are protected of their occupation until a certificate of decontrol is issued by the Rent Tribunal (Laws of Malaysia 1991). In short, it is difficult to terminate a tenancy in a controlled premise under the Act. With a total of 12,577 units of pre-war buildings, Penang state has the highest number of controlled premises, where more than two-third of the premises (mainly shop houses) were located within GTWHS (Khazanah Research Institute 2017). The Act has ensured the continued presence of original tenants most of whom are low-income earners involved in traditional trading and services.

From the enforcement of CRA in 1967 until its repeal in 1997, the rentals of these buildings remained low and virtually fixed. Tenants only pay about 10% to 20% rents reflected of the normal market price. The legislation not only has aided the preservation of the traditional trading town and pre-war buildings from development pressures, more importantly it regulated the rental rates and hence has effectively protected existing tenants from eviction (Jenkins 2019; Khazanah Research Institute 2017).

Under the Act, the overall integrity and authenticity of human legacy (tangible and intangible values) remained intact in GTWHS.

However, after the enforcement of the Control of Rent (Repeal) Act 1997 (Act 572) in 2000, and after the inscription of George Town to the UNESCO World Heritage List in mid-2008, statistics show decline of population in GTWHS. Between 2009 to 2019, GTWHS has witnessed a decline of population from 10,159 to 6,939, a decline of 32% (Think City 2021). The repeal of the CRA 1997 together with the inscription of GTWHS in 2008 attracted many local and foreign investors to George Town. Many believed the changes of players in new businesses invited intense housing speculation which accelerated house prices and rental spike which, subsequently, incited housing affordability issues in GTWHS (Ferrarese 2018; Khazanah Research Institute 2017; Lee, Barker, and Lam 2016; Think City 2021)

Khazanah Research Institute (2017) highlights that there was an overnight rent hike, ranging from 50% to 300%, after the enforcement of the repeal of CRA in 2000. Many existing tenants could not handle the impact of the repeal which resulted in numerous evictions. The second wave of rent spike started to take place in 2011, about 2 to 3 years of the transition period after George Town's UNESCO status. According to a property consultant, Henry Butcher Malaysia (Penang), today, the prices of pre-war properties in GTWHS are rarely in the affordable range (Lum 2016). The existing residents who have been driven out from the site will bring their social and cultural history along with them, which in turn will lead to the waning of the enlivening of *living heritage* on the site.

Until today, the majority of the communities in GTWHS are renters. The large proportion of renters in GTWHS signify the fragility of its social fabric. When the repeal of CRA 1997 took effect on 1 January 2000, the rentals of previously controlled premise are now not only determined by the market, but more importantly are arbitrarily determined by the owners (Khazanah Research Institute 2017). If the existing tenants could not afford to pay new rental rates, they have no choice but to move out. New tenants (mostly engaged in business such as boutique hotel, café bistro, trendy restaurant) who replaced them unlikely be part of the *living heritage*. As more existing tenants are replaced by new tenants, the higher the possibility that the integrity and authenticity of the *living heritage* of GTWHS will be eroded. Therefore, creating more affordable housing alternatives which allowed the existing communities to secure tenancy with affordable rental rates is vital to preserve the invaluable *living heritage* of GTWHS.

Admittedly, the CRA is a means aimed to protect tenants from being willfully evicted by their landlords, it has some negative impacts, however. Due to extremely low rent received, the owners of controlled premises are discouraged to manage their properties hence the maintenance tasks are mainly left to the hands of the tenants. Most tenants are uninterested to manage their rented properties as the upkeep and maintenance costs are high (K3, 20 May 2021). Also, there are some tenants who reaped high profits from subletting part of the controlled premises with market rental rates leading to overcrowding and bad living condition. This further worsened the condition of the poorly maintained and dilapidated premises. It is argued that the enforcement of the repeal of CRA in a way stopped the abuse of subletting by the primary tenants of controlled premises (Khazanah Research Institute 2017).

Even though the focus of this policy article is on preserving intangible heritage (*living heritage*), it could not avoid touching on the conservation of tangible heritage (built cultural heritage) as affordable housing programs are buildings. In a UNESCO-listed city with strict guidelines in restoring heritage buildings such as GTWHS, the continuity of its *living heritage* is not only an issue of safeguarding the heritagisation (of trade practices, traditional skills knowledge, and multicultural lifestyles) of the history and cultures of existing multiethnic community, but also preserving the buildings where the communities stay. There are four categories of buildings within GTWHS, namely, Category I (1.71%) which involved buildings/monuments declared and gazetted under the Antiquities Act 1976 (now under National Heritage Act 2005), and those buildings registered as National Heritage under National Heritage Act 2005; Category II (74.43%) are those buildings of special interest that warrant every effort being made to preserve them; *Infill* (10.76%) includes those empty land or temporary structure permitted to have compatible re-development; and *Replacement* (13.10%) are those existing buildings without any significant value where sensitive re-development is permitted. All conservation works and compatible developments of all buildings and sites within GTWHS are subject to the Guidelines for the Conservation Areas and Heritage, and the Special Area Plan (GTWHI 2019a, n.d). Most existing affordable housing options discussed in sections 6.2, 6.3 and 6.4 of this article are shop houses belonging to Category II with rich heritage value where extra care must be exerted to make sure methods and materials used for restoration and preservation are accorded to their heritage values. Therefore, advice from professionals is important.

The heritage office of George Town World Heritage Incorporated (GTWHI) and the Heritage Conservation Department which under the Penang Island City Council (MBPP) are the two main authorities that are responsible for preserving and conserving heritage in GTWHS. GTWHI (2019a) monitors and provides complimentary professional consultation services to owners and tenants to ensure materials and restoration approaches used adhere to the guidelines in George Town's Special Area Plan (see Section 6.4 for examples). Another example which also obtained the support of professional bodies in creating affordable housing option is the Hock Teik Cheng Sin project (see Section 6.2).

5. Penang affordable housing scheme and its political context

Political authority is the legitimate power held by a political entity to rule, to command, and to make and take decisions. The political dynamics that unravel in a country would affect all its government policies/programs including affordable housing policy generally, and heritage site specifically. Studies show that, political ecology and the political evolution in Malaysia have great impacts on affordable housing scheme in Penang (Khuo and Woo 2020; Woo and Khuo 2020). As for historic cities, using the contested concept of heritage, Herzfeld (2015, 6 & 20) found that, the powerful and privileged actors (e.g. the state, the wealthy etc.), with their 'own well-tailored excuses' (such as for the sake of *common good* and *the market/economy*), to justify their expropriation of inner-city areas, which not only work against the ordinary and disadvantaged groups, but in turn would also destroy 'the healthy diversity and localized creativity of humanity's past'.

In Malaysia, it is a joint responsibility of the federal and state governments to provide affordable housing to the country's people. According to the Malaysian Constitution, the federal government is responsible to set guidelines/policies for housing provision, states governments are responsible to provide appropriate lands/locations for the federal affordable housing programs. While (affordable) housing is both a federal and a state matter, close cooperation between these two levels of governments is required to ensure the smooth running of affordable housing programs throughout the 13 states in Malaysia. Penang state was ruled by the political coalition of Barisan Nasional (BN) since 1957 until 2008, except the years from 1969 to 1973, where the state was ruled by Gerakan, an opposition political party then. However, Gerakan joined BN in 1973. Thereafter, Penang was under BN again until the 12th General Election which was held in 2008. During that period, Penang state government had a cordial relationship with the then BN-ruled federal government. However, the political hostility between the Penang state and federal governments was obvious since 2008, the year where the mandate of ruling Penang fell into the hands of the rivalry political coalition of BN. Thenceforth, affordable housing issues have become an unending bone of contention of the governments. Both parties were pointing fingers at each other, for instance, Penang state government accused the federal government practiced discriminative affordable housing policies against Penang state; while the then BN-ruled federal government slammed the state government for not being cooperative in solving affordable housing issues (Admin 2022; Lim 2017; 'Minister Slams Penang,' 2014). As a result, the Penang state government decided to create its own affordable housing scheme in 2011 (Lim 2017).

Penang state affordable housing scheme consists of five types of affordable houses. Type A and Type B, previously termed as low-cost and low-medium cost housing, are capped at MYR42,000 (USD9,390)¹ and MYR72,500 (USD16,209) separately which are meant for Penang people whose monthly household incomes are respectively below MYR2,500 (USD559) and MYR3,500 (USD783) separately. Type C affordable homes comprise of three categories, i.e. C1, C2 and C3 respectively priced at MYR150,000 (USD33,536), MYR200,000 (USD44,714), and MYR300,000 (USD67,067) which are meant for those family with monthly earnings below MYR8,000 (USD1,789), MYR10,000 (USD2,236), and MYR12,000 (USD2,683). Currently, a total of 22 affordable projects are in progress. Only three projects are in the Northeast district, the district where GTWHS is located. However, of the three projects, one is in Tanjung Bungah area (*Granito*), another two are respectively in the areas of Ayer Hitam (*The Stone*) and Paya Terubong (*The Dew*). None is in the vicinity of GTWHS (Penang State Government 2021).

Penang is among the states that contributes the highest tax revenues to the federal government, however, to date, the federal government has only built 5,897 units (12%) affordable housing in Penang (Admin 2022). Since the 'Sheraton Move'—a coup that seized power via a backroom political maneuver – in February 2020, within a short period of 3 years, Malaysians have witnessed the unprecedented change of 3 prime ministers, compared to 6 prime ministers in the past 61 years. Until today, due to the fierce infighting and rampant party-hopping phenomena, Malaysia was and still is experiencing political uncertainty and instability, at the federal level especially (Bowie 2021; Lee 2021). Given the current situation of political turmoil, and other more

pressing socio-economic issues, the pandemic Covid-19, spiraling food prices, and the soaring cost of living, among others, it seems unlikely that creating more affordable housing in an opposition state (Penang) would be a prime agenda of the federal government, not to mention giving close attention to the lack of affordable housing in a specific area (GTWHS) which needs extra care in housing management and planning.

When federal-level political leaders are enthusiastic in the political power struggling game, there are some signs that the state-level political leaders are not unconcerned. Some efforts have been put in to address affordable housing issues in GTWHS. To repopulate George Town, Penang state government has introduced the co-working and co-living space, and micro housing concepts. The elected-representative informant of this study points out that, the state government attempts to foster greater cooperation with the private sector and civil society in public-private-partnership programs via George Town Heritage Habitat Seed Fund which was set up in 2018. Accordingly, the state government also tries to introduce the existing traders and craftsmen – especially those older generation traders/craftsmen who have been used to working in bigger spaces – on the co-working and co-living concept. Through education, it is hoped that the craftsmen would realize that they could afford to continue staying in GTWHS by working in a smaller but fully utilized space than in a larger but mostly unutilized unit (K2, 6 May 2021).

More discussion on these concepts and George Town Heritage Habitat Seed Fund will be undertaken in the ensuing sections.

6. GTWHS affordable houses: what we have

6.1. People's court

As early as 1961, a low-cost housing block, People's Court (Figures 1 and 2), has been erected in GTWHS as the fulfillment of an election campaign promised by the political party that won control of the George Town City Council in the 1959 (Aliran 2009).

The notion of this project was more of a product of a political promise instead of an effort to conserve the intangible *living heritage* of GTWHS. However, undeniably, the 3-block L-shaped, 4-storey-110-unit walk-up flat, still serves as the major affordable housing alternative in GTWHS until today.

6.2. Hock Teik Cheng Sin Initiative

In the efforts to rejuvenate George Town, prevent displacement of the original residents, and maintain the social fabric that represent the intangible heritage of skills and traditions, the Hock Teik Cheng Sin Initiative which served as 'Pilot Project' was initiated in 2010. It involved a row of 10 houses (occupied by lower income families for generations) owned by the Hock Teik Society at Armenian Street (Figure 3).

This Pilot Project was a public-private sector affordable housing scheme which was funded by Think City (urban regeneration think-tank) and the Asian Coalition of Housing Rights (ACHR). ACHR is a coalition of Asian professionals, NGOs, and community organizations, with the aim to solve Asia's urban poor housing problems.



Figure 1. People's Court: Bloc A.
Notes: Copyright © Woo KH (2022)



Figure 2. People's Court: Blocs C and D.
Notes: Copyright © Woo KH (2022)

The project engaged owners, tenants, and funders via a series of activities such as seminars and workshops. It is reported that the facilitation process of the project 'warranted experts who have a deep understanding of the social and commercial environment as well as the technical competence of the development process' (Khazanah Research Institute 2017, 57).



Figure 3. Hock Teik Cheng Sin Initiative.

Notes: Copyright © Woo KH (2022)

The Hock Teik Cheng Sin Initiative showed positive outcomes on issues relevant to restoration, affordability, and tenancy security. However, regrettably, the success of the Pilot Project just stopped as the project completed and was not modelled by the state government or any other parties to add affordable housing stock in GTWHS.

6.3. Forward school

Aiming to expand the affordable housing options in GTWHS, initiative has been taken to convert shop houses into co-working and co-living spaces. Forward School is the product of such an initiative where shop houses have been refurbished and adaptively reused to serve as co-living spaces which could be a viable affordable house alternative (Figure 4).

Forward School is close to restaurants, cafes, banks, convenient stores, and a park, and caters furnished shared co-living spaces such as living room, kitchen, and dining area among others. Forward School offers an affordable lifestyle which is a viable option for many in GTWHS (Forward School 2021).

6.4. Other existing affordable housing alternatives

When many cities are facing conflicts of land use, housing crisis, and struggling for affordable accommodation, micro housing concept has started to gain traction in recent years (Catella 2016). It is a concept of shared living and workspaces that normally features very limited spaces for bed, kitchenette, bathroom, and storage space even though it has shared common spaces in a premise.



Figure 4. Forward School.

Notes: Copyright © Woo KH (2022)

In its effort to repopulate George Town, the Penang state government has introduced the micro-housing concept. Micro-housing project refurbishes dilapidated shop houses by dividing the spaces into several smaller rooms that could then be let out to more tenants with more affordable rental. It is an effort to increase affordable housing in GTWHS. For example, Penang Island City Council (MBPP), in collaboration with GTWHI and Think City (urban regeneration think-tank) have initiated a MYR3.6-million-refurbishment micro-housing project at Kimberley Street after consultation with various stakeholders. A row of 9 heritage shop houses along Aceh Street is the other example of micro-housing in GTWHS (Bernama 2018; Charassangsomboon 2018; Mok 2019).

Also, there is a MYR3 million (USD670,769) George Town Heritage Habitat Seed Fund that has been launched in 2018 with the money channeled to Category II building owners who intend to offer long-term tenancy. It is a program to assist participating owners who are hosting long-term tenants to secure fund for restoration works which covers the cost of professional fees as well as restoration materials of their buildings. The effort is to preserve GTWHS' OUV by retaining existing tenants to secure for at least 5 years affordable rent (Bernama 2018; GTWHI 2019b).

7. Findings

Results of the study demonstrate that GTWHS communities agreed that the government played an important role in various aspects relevant to housing affordability in GTWHS. They think that it is important for the government to control housing prices (72.9%), they expect the government to create more affordable housing (79.2%), and

they do hope that the government would have better (affordable) housing policies (81.7%). When the role of the government is seen as important generally, when asked if they have been engaged by the government in affordable housing issues, out of the 318 respondents, none (0%) has been engaged by the government on affordable housing issues in GTWHS.

This issue is further explored via in-depth interviews with key informants. Accordingly, the engagement was insufficient and only involved a few affected parties in a project (K2, 8 May 2021; K3, 20 May 2021). This suggests that the participation of local community even at the stage of providing input concerning affordable housing issues in GTWHS is inadequate, not to mention the stages which involves deliberation, consultation and decision making of affordable housing governance and administration.

Statistical tests show that there is a significant relationship between income level and perception toward GTWHS housing affordability (Pearson $\chi^2 = 50.583$; $p = 0.000$). As high as 78.1% low- and lower-middle-income respondents perceived housing in GTWHS as 'Unaffordable'. Results also demonstrate that 67.9% of the low-income respondents – those who earned less than MYR2,500 (USD559) monthly – pay 50% or more of their earning for rental, far beyond the 30-percent-of-income housing cost burden standard. This indicates that they are overburdened by housing cost.

8. Discussion: exploring what is possible

Currently, affordable housing specifically designed and targeted on GTWHS is unsystematic and in rather small scale. What could be done to improve affordable housing options in GTWHS? To ensure sustainable inclusive housing, it is suggested that recommendations should meet these 2 criteria. Firstly, it should have sufficient engagement with the local community (participatory governance). Secondly, rent should be reasonable and acceptable (affordable) by both tenants and owners.

8.1. Stepping up engagement: community participation

Engaging the public remains important in housing governance and administration. Studies show that integrating citizens into the government administrative process/tasks would provide opportunity for the governing and being governed to address housing issues together successfully (Rojs et al. 2020; Schmidhuber, Stütz, and Hilgers 2019). However, results show that there was insufficient participation of the public in GTWHS housing governance and administration. Therefore, stepping up engagement to allow meaningful community participation is vital. The Hock Teik Cheng Sin Initiative has shown the case of a successful affordable housing initiative in GTWHS. Such project should be modelled, replicated, and implemented in other areas of GTWHS to expand the stock of affordable housing options in the city instead of putting a full stop to such good idea after the project completed.

More proactive engagement should be made with heritage premises owners. Such engagements could be done through regular roadshows, heritage NGOs, civil society, professional bodies and/or even housing associations to enhance the effectiveness of public-private partnership program. The state agencies should schedule on a regular-basis door to door visits in its effort to engage with the local community and to gather

Table 1. Criteria for Policy Recommendation.

Policy Question: What could be done to improve affordable housing options in GTWHS?		
Criteria 1 (C1): Engagement (participatory governance & inclusiveness)		
Criteria 2 (C2): Reasonable & acceptable rent (affordable & inclusiveness)		
Policy Choice		C1 C2
Recommendation A		
Stepping up engagement: Community Participation	a. Hock Teik Cheng Sin Initiative (Continuity)	✓ ✓
	b. Proactive engagement/Community Participatory	✓ ✓
	c. Public-private-partnership program	✓ ✓
Recommendation B		
Shaping Guidelines: Tenant/Owner Protection	a. Regulations (protect tenants/owners)	✓ ✓
	b. Guideline/Template of rental contract	✓ ✓

local needs-based input to make meaningful deliberation and hence produce targeted affordable housing policy.

8.2. *Shaping guidelines: tenant/owner protection*

In recent years, the Penang state government has initiated programs such as George Town Heritage Habitat Seed Fund and micro housing to improve affordable housing alternatives. While these are lauded, more could be done. Currently, there are no laws which could protect the rights of long-time tenants/traders from eviction or for unreasonable rental spike (Khazanah Research Institute 2017; Mok 2016). Formulating laws to protect the rights of tenants is lauded but the processes would be complicated and time consuming. Instead of putting it down as government rules, the Penang state government and its state agencies could gather inputs from local communities and civil society, then draft a guideline which specifies some regulations, responsibilities and rights of both tenants and owners (K3, 20 May 2021). This guideline is not a dictation but just a template to guide owners/tenants on the elements that should appear in their rental contract to maximize the protection of rights for both parties.

Table 1 summarizes the above discussion on recommendations to enrich and diversify affordable housing alternatives for a workable and sustainable urban housing development in GTWHS.

9. Conclusion

Safe and affordable shelter is the place where one could nurture various dimensions of personal human development and generate a sense of identity and social belonging (UN Habitat 2016). Hence, good housing system is vital for the healthy growth of individuals and sustainable development of a city. However, urbanization and gentrification have enlarged the gap between housing availability and affordability.

Politics, which have a strong relationship with authority and power, are essential in shaping strategic and practical actions. In the case of GTWHS, the political dynamics unfolding in the country impacted measures used in addressing affordable housing in the UNESCO site. Also, rent hike after the repeal of CRA has made the social fabric of GTWHS community fragile. Even though they are calls for the reintroduction of CRA, the Act is unlikely to make a return in George Town (Predeep 2017). When realizing

that not much help could be garnered from the federal government, the Penang state government started to seek potential cooperation with other stakeholders, such as the private sector and civil society.

Taking into consideration its political context, this policy article investigates the affordable housing pressure constantly faced by GTWHS by examining existing affordable housing alternatives available in GTWHS and make recommendations to improve and diversify the affordable housing options in the city. With sufficient affordable housing alternatives and practicing participatory governance and administration in housing issues, it is believed that it would enhance social innovation, improve responsiveness, increase consensus-oriented decision, and ensure social inclusiveness of the city of George Town.

Note

1. All calculations were based on the currency exchange rate of 1.00 Malaysian Ringgit equal to 0.22 US Dollar as of 2022 August 26.

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