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Glossary

Asian financial crisis  A period of financial crisis beginning in Thailand in July 1997 that adversely impacted the economy of many Asian countries, and slowed down economic growth in other parts of the world.

Bogeumjari plan  A plan set out by South Korea’s government in 2009 to build 1.5 million low-cost homes for low-income families who could not afford home purchase in the private sector by 2018.

Bumiputra  Indigenous people of the Malay Archipelago.

Collective-owned construction enterprise  An economic unit where the assets are owned collectively and which have been registered in accordance with the Regulations of the People’s Republic of China on the Management of Registration of Corporate Enterprises.

Competitive bidding  A project procurement process in which proposals or tenders to undertake a project are submitted by bidders with the winning bid selected on a competitive basis.

Gross domestic product (GDP)  The market value of all goods and services produced within an economy in a given period.

Sale and purchase agreement  A legally binding contract signed between purchaser and seller in a property transaction, containing terms regarding property particulars, purchase price, deposit arrangements, and obligations of the two parties.

State-owned construction enterprise  A legal entity created and owned by a government to undertake construction business on behalf of the owner government.

Value added  The difference between an entity’s or industries’ sales and its intermediate purchases of materials and services from other entities or industries.

Introduction

The house-building industry is characterised by three functional aspects of housing development, namely residential land development, housing production, and house marketing and sales. Owing to the high procurement costs and sale prices of the housing products, the prosperity of the industry depends very much on the availability of finance for house building and home purchase. Except for places such as Hong Kong, Singapore, and Japan, house-building industries in most parts of the Asia-Pacific region have a relatively short history as real estate markets in these countries have only become fully formed in the last 20 years or so, and, often, only in major cities. Compared with North America and Western Europe, house-building industries in the Asia-Pacific region have been developing very fast in the past two decades.

The growth of these industries has given momentum to economic development in the region because of the economic activities opened for hundreds of upstream and downstream industries.

The Asian Financial Crisis in late 1997 and the outbreak of Severe Acute Respiratory Syndrome in 2003 severely hit the industry in the region. Afterwards, however, real estate and construction sectors recovered very strongly. Recent skyrocketing house prices point to an overheating in housing markets in various countries. For example, the ratio of the total house value to gross domestic product (GDP) in China in 2003 was about 2.3. It increased sharply to 3.3 in 2009. Over the period between 2002 and 2008, the average house price in South Korea increased by almost 60%. State interventions such as increased land supply and raised property tax were implemented to curb the problems associated with low housing affordability and proliferation of speculative activities in housing markets.

Historically speaking, the house-building industry contributed a great deal to the economic growth in Japan in the 1950s and 1960s. The 1980s and 1990s were the key periods for the sector’s boom in South Korea and other South-East Asian countries like Thailand and Malaysia. As shown in Table 1, the construction industry’s contribution to GDP in Asian countries generally decreased in the first decade of the twenty-first century, except for mainland China, Singapore, and Taiwan.

The infancy of some house-building industries and the closedness of the economies in the region mean that data and information are relatively limited in some countries.
| Year            | Japan (billion yen) | Hong Kong (million HK$) | Mainland China (billion yuan) | Malaysia (million ringgit) | Singapore (million SGD) | South Korea (billion won) | Taiwan (billion NT$) | Thailand (billion baht) |
|-----------------|---------------------|-------------------------|--------------------------------|---------------------------|-------------------------|--------------------------|---------------------|-------------------------|
| 2003            | 32 333 (6.6%)       | 44 910 (3.6%)           | 749.1 (5.5%)                   | 15 200 (3.6%)             | Data not available      | 54 818 (7.1%)            | 253.5 (2.4%)        | 174.7 (3.0%)             |
| 2004            | 32 954 (6.6%)       | 40 376 (3.1%)           | 869.4 (5.4%)                   | 15 458 (3.3%)             | Data not available      | 57 833 (7.0%)            | 288.1 (2.5%)        | 194.5 (3.0%)             |
| 2005            | 31 861 (6.4%)       | 38 538 (2.8%)           | 1036.7 (5.6%)                  | 15 680 (3.0%)             | 6275.3 (3.0%)           | 59 285 (6.9%)            | 284.8 (2.4%)        | 214.0 (3.0%)             |
| 2006            | 31 849 (6.3%)       | 38 688 (2.6%)           | 1240.9 (5.7%)                  | 15 976 (2.8%)             | 6542.1 (2.8%)           | 61 359 (6.8%)            | 332.4 (2.7%)        | 234.5 (2.9%)             |
| 2007            | 31 444 (6.1%)       | 40 153 (2.5%)           | 1529.7 (5.8%)                  | 18 177 (2.8%)             | 7898.2 (3.0%)           | 64 979 (6.7%)            | 357.6 (2.8%)        | 249.3 (2.9%)             |
| 2008            | 30 924 (6.1%)       | 47 922 (2.9%)           | 1874.3 (6.0%)                  | 20 606 (2.8%)             | 11 342.4 (4.1%)         | 64 612 (6.3%)            | 363.3 (2.9%)        | 260.7 (2.7%)             |

Table 1  Contribution of the construction industry to local economic development by countries

| Year            | Contribution of the construction industry at local currency (proportion of the total GDP) |
|-----------------|-----------------------------------------------------------------------------------------|
| 2003            | 32 333 (6.6%)                                                                           |
| 2004            | 32 954 (6.6%)                                                                           |
| 2005            | 31 861 (6.4%)                                                                           |
| 2006            | 31 849 (6.3%)                                                                           |
| 2007            | 31 444 (6.1%)                                                                           |
| 2008            | 30 924 (6.1%)                                                                           |
On account of the varying availability of industry data, direct comparative analysis across countries is not possible. In the following sections, house-building industries will thus be viewed country by country. Nations specifically considered include Japan, South Korea, Singapore, China, Thailand, and Malaysia.

**Japan**

The most glorious era for the house-building industry in Japan was the years immediately before the burst of the asset-price bubble in the early 1990s. At that time, the investor's confidence in Japan's economy accelerated business expansion, increased corporate earnings, and boosted personal income pushing up the house prices. However, the country entered its 'Lost Decade' after the bubble burst, and the house-building industry was severely hit. The recession of the industry continued in the 2000s. Construction investment turned sluggish, and the share of construction industry in the GDP decreased gradually from 7.4% in 2000 to 6.1% in 2007. The value of housing construction contracts dropped from 2840 billion yen in 1995 to 2641 billion yen in 2000, and further to 2441 billion yen in 2007.

Similar declines were also experienced in the numbers of establishments and employees in the construction industry. The number of employees in the industry in 2008 was 5.4 million which is 17.8% less than in 2000, and the number of establishments also fell from 607,000 in 2001 to 549,000 in 2006. As shown in Table 2, housing construction started in 2009 amounted to 788,410 units or 72.5 million square metres. The market has been recently dominated by private-sector projects. Although reinforced concrete (with and without steel frames) gained popularity in the mid-2000s, wooden structures still remain the most common structural form for housing construction.

Given the downturn in the housing market, the construction business is highly competitive. Yet, the Japanese construction industry is still among the most developed in the world. The industry has been renowned for its innovative construction techniques and designs (e.g., earthquake-resistant and green building designs), uncompromising quality control, and zealous commitment to research and development. Owing to their experience and expertise, many large Japanese construction companies have been increasingly placed in the world spotlight. They have built houses in other fast-growing regions in different parts of the world, including Europe, the Middle-east, Southeast Asia, the United States, and Greater China.

**South Korea**

In spite of the Asian Financial Crisis in 1997, the housing bubble reinfated quickly in South Korea in the early 2000s. Generally speaking, there are two reasons underlying the price hike. First, housing development in South Korea has lagged economic development. The ever-increasing demand was not met by market supply, pushing up house prices. Second, housing construction in South Korea has been shaped, in the context of repressive government financial policy, by speculative investment practices. The more affluent have enthusiastically invested in the housing market, further stimulating housing demand.

The annual completion of private housing increased from 253,388 units in 1999 to 398,803 units in 2007, that is, a rise of 57.4%. However, the new supply of housing was retarded by the global financial turmoil in 2008. The private sector experienced a drop of 42.3% in new supply that year. During the housing boom, the Korean government took some initiatives to meet people's housing

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**Table 2** New dwelling construction started in Japan

| Year | 1999 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|------|------|------|------|------|------|------|------|
| Funding source (no. of units) |      |      |      |      |      |      |      |
| Private | 677,037 | 952,839 | 1,044,946 | 1,146,888 | 960,938 | 984,392 | 690,058 |
| Public | 537,564 | 236,210 | 191,229 | 143,503 | 99,803 | 109,903 | 98,352 |
| Housing Loan Corporation | 454,981 | 161,182 | 114,691 | 67,389 | 33,960 | 43,593 | 39,897 |
| Type of structure (no. of units) |      |      |      |      |      |      |      |
| Wooden | 565,544 | 540,756 | 542,848 | 559,201 | 504,546 | 516,868 | 430,121 |
| Steel-frame | 96,507 | 46,351 | 28,466 | 31,158 | 21,282 | 18,714 | 56,58 |
| Reinforced concrete | 288,103 | 358,127 | 436,568 | 470,604 | 335,548 | 336,325 | 192,396 |
| Steel frame | 262,316 | 240,122 | 225,057 | 226,991 | 197,394 | 219,519 | 158,298 |
| Concrete block | 874 | 492 | 427 | 520 | 402 | 469 | 610 |
| Others | 1,257 | 320 | 280 | 191 | 156 | 159 | 132 |
| Total (no. of units) | 1,214,601 | 1,189,049 | 1,236,175 | 1,290,391 | 1,060,741 | 1,093,485 | 788,410 |
| Floor area (million square metres) | 125.4 | 112.3 | 113.6 | 115.5 | 95.9 | 96.4 | 72.5 |
demand and need. For example, in redevelopment projects, developers are required to provide a prescribed minimum amount of small-sized housing units. In the period between 2003 and 2012, a total of 1 million long-term public rental housing units were scheduled for construction in order to address the housing problems of lower-income people. Since 2009, however, housing policy under the Bogumjari plan has been modified to also include a large portion of subsidised owner-occupied houses for middle-income households.

The number of general construction enterprises as of the end of 2009 was 10 894, which was only slightly fewer than the figure in 2004. As of July 2010, there were 1.8 million people working in the construction industry in South Korea. There was a gradual increase in the total domestic construction value from 148 267 billion won in 2004 to 186 901 billion won in 2009, or 26.1% (Table 3). The private sector remained the largest contributor to total domestic construction. Korean construction companies have also been looking overseas where the potential for growth has been far more significant. The overall value of the construction sector jumped by almost 540% in less than 5 years, reaching 30 119 billion won in 2009. This indicates that the export of services by the construction industry has been growing rapidly in recent years.

Singapore

Unlike many other jurisdictions in the region, the Singaporean government has heavily intervened in the local housing sector. The housing market has long been characterised by a large proportion of state-built housing constructed by the Housing and Development Board (HDB). About 81% of the resident population in the country lives in HDB flats (in 2009). In the financial year 2008/09, 1,769 HDB flats were completed with another 31,058 units under construction. Compared with the level in 2003/04, the amount of HDB housing under construction in 2008/09 increased by 106%. Yet, as indicated in Table 4, the total value of building work contracts in the private residential sector started exceeding that of the public sector after 1999. Table 4 illustrates the differences in public and private housing completions over the past 10 years.

Private housing development in Singapore has grown fast despite barriers to market entry. Private developers must hold a Housing Developer’s License in order to carry out housing developments with more than four dwelling units, pursuant to the ‘Housing Developers (Control and Licensing) Act’. To obtain the license, developers have to fulfill certain requirements, like provide a minimum paid-up capital of SGD100 000. Moreover, the Singaporean government prescribes sale and purchase agreements for new flat sales and exercises tight controls on developers’ withdrawal of money from their project accounts. The proportion of the working force engaged in the construction industry dropped from 7.2% (around 109 000 out of 1.5 million people) in 1999 to 6.09% (around 113 800 out of 1.9 million people) in 2009. Overall, the construction industry contributed to about 3.5% of the country’s GDP in the past decade.

Table 3  Statistics of the construction industry in South Korea

| Year   | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     |
|--------|----------|----------|----------|----------|----------|----------|
| New housing constructed (no. of units) |          |          |          |          |          |          |
| Public | 123 991  | 140 978  | 143 694  | 156 989  | 141 160  | 168 300  |
| Private| 339 809  | 322 663  | 325 809  | 398 803  | 230 125  | 213 487  |
| Total  | 463 800  | 463 641  | 469 503  | 555 792  | 371 285  | 381 787  |
| No. of general construction enterprises |          |          |          |          |          |          |
| Public | 11 008   | 11 059   | 10 950   | 11 076   | 10 912   | 10 894   |
| Private| 55 837   | 53 419   | 53 262   | 57 434   | 63 737   | 82 615   |
| Others | 87 199   | 92 948   | 97 811   | 107 572  | 114 678  | 103 851  |
| Total  | 148 267  | 151 641  | 161 636  | 165 529  | 178 819  | 186 901  |
| Domestic construction value (billion won) |          |          |          |          |          |          |
| Public | 4701     | 4890     | 10 117   | 16 139   | 32 736   | 30 119   |
| Private| 2586     | 2589     | 4135     | 5551     | 6397     | 3526     |
| Others | 11 079   | 11 799   | 8697     | 6520     | 6513     | 10 122   |

Table 4  Statistics of the construction business in Singapore

| Year   | 1999     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     |
|--------|----------|----------|----------|----------|----------|----------|----------|
| Values of building work contracts (SGD million) |          |          |          |          |          |          |          |
| Public housing | 2824     | 1277     | 1135     | 1163     | 1810     | 4677     | 2772     |
| Private housing | 2115     | 2586     | 2589     | 4135     | 5551     | 6397     | 3526     |
| Building plan approval for private housing (no. of units) |          |          |          |          |          |          |          |
| 8290 | 10 038   | 5333     | 11 863   | 16 345   | 13 350   | 10 506   |
| Building commencement for private housing (no. of units) |          |          |          |          |          |          |          |
| 6806 | 4145     | 10 282   | 11 295   | 12 432   | 14 239   | 8603     |          |
| Building completion for private housing (no. of units) |          |          |          |          |          |          |          |
| 11 079 | 11 799   | 8697     | 6520     | 6513     | 10 122   | 10 488   |
Greater China

Mainland China

In comparison with the other well-developed economies discussed above, the house-building industry in mainland China has grown exceptionally fast in the past decade. The affluence of households, particularly those in cities, has swelled upon the economic expansion of the country, with improved household consumption power augmenting demand for private housing. The total floor space of commercialised housing sold rose by 3.6 times, from 130.0 million square metres in 1999 to 592.8 million square metres in 2008. The growth is estimated to be 7.6 times in terms of total revenue. As of 2008, there were 87,562 enterprises engaged in real estate development. More and more state-owned developers have turned into private enterprises. At the same time, owing to China’s entry to the World Trade Organisation in 2001, barriers to foreign-funded companies entering China’s real estate market have been reduced. This helps explain why Table 5 shows the number of foreign-funded real estate development enterprises in 2008 almost doubling since 2003.

In the 1980s, the Chinese construction industry was rather primitive. No building codes governed building product specification, design, and construction. Moreover, nearly all construction enterprises were directly supervised by the central ministries or municipal governments. Construction work projects were assigned by the authorities rather than being acquired through competitive bidding. That is why the construction industry in mainland China was regarded as a single large enterprise with a centralised hierarchical organisation where factors of production and other resources were almost exclusively realised through administrative channels. These conditions were not favourable for the development of the industry and represented a fundamental lack of market competition.

The picture has changed significantly along with reform of the industry in the 1990s and 2000s. Construction law was promulgated by the National People’s Congress in 1997 to regulate various aspects of the industry such as the qualifications for operation, contracts among different parties, and quality of construction. The industry has since become more market-based. Table 5 indicates that the numbers of state-owned and collective-owned construction enterprises declined in the period between 1999 and 2008. The industry employed 33.1 million people, about 4.3% of the total labour force in 2008. The total gross output of the industry grew at an average annual rate of 30.7% in the period between 1999 and 2008. It amounted to 6203.6 billion yuan in 2008. The whole industry earned a profit of 220.2 billion yuan. The total housing investment completed increased from 263.8 billion yuan in 1999 to 2244.1 billion yuan in 2008, corresponding to an average annual growth of 83.4%. Throughout the country (except Hong Kong, Macau, and Taiwan), around 4.9 million housing units were completed in 2008.

**The Hong Kong Special Administrative Region (Hong Kong)**

In spite of the restricted geographical size of Hong Kong (about 1107 km²), the local house-building industry is famous for its high productivity and efficiency. About half of the total population in the territory lives in the private housing sector. While there are thousands of companies engaged in the real estate development in the territory, the private house development sector has been dominated by several large property developers with a lot of political and financial power. Hong Kong

| Table 5: Numbers of real estate development and construction enterprises in mainland China |
|---------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| **Year** | 1999    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    |
|---------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| **Number of real estate development enterprises** | Domestic-funded | 21,422  | 33,107  | 53,495  | 50,957  | 53,268  | 56,965  | 81,282 |
|                                             | State-owned   | 7,370   | 4,558   | 4,775   | 4,145   | 3,797   | 3,617   | 3,941  |
|                                             | Collective-owned | 4,127   | 2,205   | 2,390   | 1,796   | 1,586   | 1,430   | 1,520  |
|                                             | Funded from Hong Kong, Macao, and Taiwan | 3,167   | 2,840   | 3,639   | 3,443   | 3,519   | 3,524   | 3,916  |
|                                             | Foreign-funded | 1,173   | 1,176   | 2,108   | 1,890   | 1,923   | 2,029   | 2,364  |
|                                             | Total         | 25,762  | 37,123  | 59,242  | 56,290  | 58,710  | 62,286  | 87,562 |
| **Number of construction enterprises**      | State-owned   | 9,394   | 6,638   | 6,513   | 6,007   | 5,555   | 5,319   | 5,315  |
|                                             | Collective-owned | 27,197  | 10,425  | 8,959   | 8,090   | 7,051   | 6,614   | 5,843  |
|                                             | Funded from Hong Kong, Macao, and Taiwan | 664     | 535     | 511     | 516     | 479     | 482     | 474    |
|                                             | Foreign-funded | 341     | 287     | 386     | 388     | 370     | 365     | 363    |
|                                             | Others        | 9,658   | 30,803  | 42,649  | 43,749  | 46,711  | 49,294  | 59,100 |
|                                             | Total         | 47,234  | 48,688  | 59,018  | 58,750  | 60,166  | 62,074  | 71,095 |
developers that deliver their product to the market at the right time can reap obscene profits.

Table 6 shows that 24,525 establishments worked in the industry at the end of 2007, engaging a total of 210,417 people. The numbers of establishments and people directly engaged have dropped compared with 1999. Similarly, the total number of active private residential projects decreased from 286 in 1999 to 140 in 2007, and the total expenses incurred experienced a drop by 54% in the same period. These decreasing trends are actually signs of the maturation of the industry in the local market and more and more housing developers have turned their attention to mainland China. Overall, the construction industry contributed around HK$40.2 billion to the region’s GDP (2.5% of total GDP) in 2007.

Taiwan

Taiwan’s housing market has been growing steadily since 2003 on account of the relaxation of the rules hindering foreign investment in the region and closer economic linkage between Taiwan and mainland China. The Taiwanese government put forward an ambitious 5-year property development plan worth NT$500 billion in 2003. The construction industry employed around 842,000 people in 2008, corresponding to 8.1% of the total labour force in Taiwan. However, the industry’s contribution to the region’s economy was relatively small. It only shared 2.9% of the total GDP, or NT$363.3 billion in 2008.

Thailand

Starting from the mid-1970s, the economy of Thailand grew very quickly until the Asian Financial Crisis in 1997. At that time, Thailand strived to become an industrialised country and a vast amount of construction works were taken on. In spite of the economic slump between 1997 and 2003, Thailand’s construction industry has grown very quickly in recent years. The value of gross output or receipts of construction establishment amounted to 394 billion baht in 2008, increasing by 22.5% from 322 billion baht in 2003. In the same year, the intermediate consumption and value added were 276 and 118 billion baht, respectively. The respective rises were 21.8% and 24.3% in comparison with the figures in 2003. As shown in Table 7, the value of residential construction also increased continuously from 2001 to 2005. In 2006, permits were issued by the authority for construction of a total of 146,229 residential buildings throughout the country, resulting in the addition of 218,767 dwelling units or an increase in floor space of 45.6 million square metres.

In the 2009 Construction Industry Survey, the number of building companies in Thailand in 2008 was estimated at 29,360, constituting an increase of around 41.4% since 2003. The number of persons engaged in the construction

| Table 6 | Statistics of the house-building industry in Hong Kong |
|---|---|---|---|---|---|---|
| Year | 1999 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Number of establishments | Construction | 20,233 | 19,520 | 18,302 | 17,985 | 19,057 | 19,399 |
| | Real estate development and leasing | 3583 | 3084 | 3276 | 3351 | 3037 | 3134 |
| | Real estate management and maintenance | 465 | 431 | 292 | 367 | 543 | 581 |
| | Real estate agency | 1958 | 1496 | 1050 | 1220 | 1306 | 1411 |
| | Total | 26,239 | 24,531 | 22,920 | 22,923 | 23,943 | 24,525 |
| Number of people directly engaged | Construction | 157,685 | 124,933 | 122,007 | 122,870 | 135,337 | 114,294 |
| | Real estate development and leasing | 9464 | 8794 | 8900 | 9375 | 10,260 | 10,476 |
| | Real estate management and maintenance | 53,280 | 58,258 | 62,186 | 68,126 | 67,523 | 67,885 |
| | Real estate agency | 14,551 | 13,409 | 14,819 | 15,585 | 16,179 | 17,762 |
| | Total | 234,980 | 205,394 | 207,912 | 215,956 | 229,299 | 210,417 |
| All private residential projects | Number of projects | 286 | 213 | 159 | 127 | 131 | 140 |
| | Total expenses (million HK$) | 43,010 | 29,600 | 21,869 | 21,131 | 22,363 | 19,788 |
| | Payments to contractors (million HK$) | 28,287 | 22,981 | 16,365 | 14,308 | 16,352 | 13,939 |
| | Building materials and fittings supplied (million HK$) | 134 | 0$ | 0$ | 2 | 5 | 8 |
| | Architectural design and technical consultancy fees (million HK$) | 1441 | 1125 | 938 | 747 | 747 | 689 |
| | Interest payments (million HK$) | 10,686 | 2273 | 1143 | 2128 | 2966 | 3540 |
| | Other project expenses (million HK$) | 2462 | 3221 | 3423 | 3947 | 2294 | 1612 |

$^*$Less than HK$0.5 million.
industry increased from 234,925 in 2003 to 364,694 in 2008, representing a 55.2% rise. However, the survey results also indicate that the majority of construction establishments (83.1%) were small in scale, with not more than 10 persons. On the whole, there was a business concentration in a few large-scale listed construction companies. Apart from local projects, large Thai construction companies have also started working on construction projects in Bangladesh and other neighbouring countries like Laos in recent years. Compared with Asian counterparts, the Thai construction industry is still far from mature with a significant absence of professional skills and advanced technologies. In this light, there has been a call for the establishment of a national institution of construction to improve industry standards.

Malaysia

The house-building industry in Malaysia has been strongly influenced by sociopolitical forces and transformations in the country. For example, the May 13 incident in 1969, involving sectarian riots in Kuala Lumpur, revealed the socioeconomic imbalances between different ethnic groups. To encourage homeownership among bumiputera and promote greater interaction among the various ethnic groups living in Malaysia, the Malaysian government introduced the National Economic Policy in the 1970s. Under that policy, housing developers in Malaysia have been required to set aside at least 30% of the completed housing units for the bumiputera and offer a discount of 5–15% to them. In spite of its social objectives, this policy has resulted in large inefficiencies in the local housing delivery system. Nonetheless, the development industry is still a major contributor to the country’s GDP even though the housing completion rate has decreased in recent years as shown in Table 8.

The Malaysian construction sector recorded strong growth between 2006 and 2008, with an 8.8% increase. As of December 2008, the loans made by commercial banks and merchant banks for construction of residential properties amounted to 7300.8 million ringgit in total. The progressive growth in the sector can be ascribed to the implementation of the construction-related activities under the Ninth Malaysia Plan and other fiscal stimulus packages. Table 8 illustrates that the number of people engaged in the construction industry increased by 12.3% in the period between 2005 and 2009. However, the fast growth of the industry also resulted in a rise in business malpractices. Since the late 2000s, the Malaysian government has stepped up its control over the house-building industry. For example, over 1000 housing developers were blacklisted for having abandoned projects, defective works, or noncompliance with decisions of the Housing Tribunal and failure paying fines.

Concluding Remarks

It appears that the pace of development in home building industries in different Asian countries is quite dissimilar. While the construction industry’s contribution to GDP in most jurisdictions in the region decreased over the period between 2003 and 2008, this does not necessarily represent a recession in the industry across the region. While high-speed economic development in the less developed countries has offered opportunities for intensive growth in house-building industries, challenges such as quality assurance and sustainable construction still need to be addressed.
See also: Housing and the State in China; Housing and the State in South Asia.

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