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Back on the scene

After a hiatus of two years, Bina Puri Holdings is set to launch new projects in the coming months. Executive director Matthew Tee tells **Lam Jian Wyn** the developer is also focused on rehabilitating Newgate 21 — renamed Taipan Square — in Taipan 2, Subang Jaya. Turn to Page 6.

COVERSTORY

Property development business streamlined

Bina Puri Holdings Bhd started rolling out new projects in November after having been quiet on the property development front for the past two years.

According to executive director Matthew Tee, this had nothing to do with lack of land, interest or financial muscle to build homes.

"I'm looking at projects [with a total gross development value (GDV)] of about RM1.33 billion," he tells *City & Country*. "If you look at the revenue of our property division in 2009 and 2010, it was close to zilch because of the [wait for] approvals and residents protesting.

"Once residents protest, it will set you back by three to six months because everybody is so conscious, like 'you do piling, it'll contribute to cracks in my house', but it's subjective." The company faced this problem in its One Jesselton condominium in Kota Kinabalu, Sabah, but that issue has been resolved.

Best known as a contractor, Bina Puri has undertaken property development work since its inception in 1975. For instance, Ideal Heights Sdn Bhd, in which the group holds a 20% stake, was responsible for the development of Bukit Idaman in Selayang, which comprises mostly condominiums, shops and the group's blue-and-white headquarters.

"We have streamlined the property development business by undertaking all projects under Bina Puri Properties Sdn Bhd because previously it was a bit rojak [mixed-up] — sometimes [projects are done] by our subsidiaries, some by our associates [hence the streamlining]," explains Tee.

MOHD IZWAN MOHD NAZAM/THE EDGE



We have streamlined the property development business by undertaking all projects under Bina Puri Properties Sdn Bhd. — Tee

Right: Bina Puri's headquarters in Bukit Idaman was developed by the group



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Rehabilitating Newgate 21

For now, the affable 36-year-old is excited about the rehabilitation of the Newgate 21 project in Taipan 2, USJ 21. The project has been renamed Taipan Square. This marks Bina Puri's first foray into retail management through the 3-storey mall that is part of the integrated development.

The 11-year-old development was abandoned twice, first by developer Solarglow Sdn Bhd, which also abandoned the Rhythm Avenue serviced apartments project in USJ 19. The first white knight, Pinggiran Setia Sdn Bhd, bailed out in 2006. This unfortunate turn of events left some 1,000 buyers in the lurch.

Tee says Taipan 2 is not as vibrant as Taipan in USJ 10 because of the stigma attached to being an abandoned project. "The prospects for the area have improved because an LRT station is set to come up here."

The mixed-use development's second white knight, Sumbangan Lagenda Sdn Bhd, was appointed late last year to revive the project. Bina Puri entered the picture when it was appointed a contractor for the project, but ended up acquiring a 55% stake in Sumbangan Lagenda in June.

"We started out as a contractor but the developer proposed that we help it rehabilitate the project together as it was short of money," explains Tee.

"So when we came in, we made sure all the legalities had been resolved and we had the financing to take over the project. Because we don't want to come in and find that sales are bad. Then it becomes another abandoned project.

"We have had a session with half the existing buyers. They are positive and most of them want to keep the serviced apartments."

According to Tee, almost 500 of the over 1,000 buyers met by Bina Puri have decided to pay an additional 20% of the selling price 10 years ago to account for inflation and higher construction costs.

Taipan Square now has a GDV of RM291 million and will comprise four 33-storey towers housing 1,153 serviced apartments, five levels of parking space and a 3-storey retail podium. The serviced apart-



Above: Taipan Square in Subang Jaya was an abandoned project while One Jesselton (below) faced protests from residents in Kepyayan, Kota Kinabalu



ments are from over 300 to 1,800 sq ft in size.

"When the apartments were built many years ago, they were meant to be holiday homes. And the main podium had a big 'Mickey Mouse' swimming pool. So [the idea was] that you bring your family there over the weekends to play, and there are shopping facilities with a podium downstairs," observes Tee.

According to a court order obtained by Bina Puri for the Taipan Square development, buyers may opt to add 20% to their original purchase price or be refunded 80% of the price after the project is completed in October 2012. When the project was launched, the apartments were priced at RM150 to RM160 psf, says Tee. In comparison, Sumbangan Lagenda plans to

sell the 81 remaining units at RM380 psf. "Actually, I would rather the buyers take the refund and let me sell their units at a profit," quips Tee.

The retail podium offers almost 275,000 sq ft of net lettable area. "Our money is in the retail podium. We plan to either keep it or sell it en bloc. If we were to sell it ad hoc, it's a recipe for disaster," remarks Tee.

"We have brought in a professional retail expert ... it comes with a track record, the know-who and know-how ... rather than us trying to do it ourselves. We don't pretend to be retail experts.

"We haven't looked at the rents yet, so we will need to discuss this with our retail expert. It's not a big mall, so it will be a lifestyle mall. A comparable one would be Plaza Damas in Sri Hartamas or Leisure Mall in Cheras. We don't have room for expansion unlike Sunway Pyramid, for example."

Bina Puri has a stable of new projects for launch over the next one year. These include the landed residential development Laman Vila in Segambut or "North Kiara" as Tee would rather call the area, The Puri Tower apartments in Puchong, Petrie Vila and Medini Square in Johor, and Jesselton View and One Jesselton in Kota Kinabalu.

Laman Vila, Segambut

Laman Vila will comprise 22 units of 3-storey and 3½-storey linked bungalows and eight units of condovillas priced at RM700 psf. This translates into a GDV of RM100.2 million. The gated and guarded development will cover 3.3 acres of freehold land in Segambut. Facilities include a clubhouse, a swimming pool, a gym, landscaped gardens and a children's playground.

"If we had developed a condominium on this 3.3-acre site, maybe my GDV would have been RM300 million to RM400 million, but the question is, can we sell it? How long will the gestation period be? Let's say we cannot sell it, the bank will kill us, we will have to take out RM1 million a month just to keep the project going," Tee says, adding that the project has received a lot of enquiries.

The group held a soft launch of the project at the end of November. Completion is by June 2013, says Tee.

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COVERSTORY

Expanding presence in Kota Kinabalu

FROM PAGE 6 The Puri Tower, Puchong

This medium-cost project features one 20-storey condominium block that will house 138 units, including eight penthouses. The units range from 1,162 to 2,315 sq ft in size. This development is coming up next to Trinity Group Sdn Bhd's The Heron condominium.

Selling at RM350 psf, the total GDV of the development is estimated at RM56.8 million. The Puri Tower will also include two shops, a toilet for disabled people, a multi-purpose hall, surau, gymnasium, management office, two pools, a children's playground and landscaped space. It is likely to be launched in 1Q2012 and expected to be completed by September 2013.

Petrie Vila, Johor

This low-density residential project in Johor Baru has an estimated GDV of RM73.6 million. The gated and guarded development will come up on two acres of leasehold land and will feature 23 linked villas with built-ups of 5,300 to 5,600 sq ft.

The units come in 4-storey and 5-storey configurations. Prices are set at RM700 psf. All units within Petrie Vila come with a sky pool. The development also comes with a clubhouse. The project's soft launch is scheduled for 1Q2012 and expected to be completed by July 2013. The official launch date has not been set yet, says Tee.

Medini Square

Bina Puri's other project is more significant. Medini Square in Iskandar Johor Malaysia, with an estimated GDV of RM485 million, is an integrated mixed-use development with 45 shopoffices that stand at four to six storeys high, a 32-storey office tower and a 32-storey SoHo tower. The floor layouts have not been finalised yet.

"We are quite optimistic about the take-up of our shopoffices. Meanwhile, the offices range from 900 to 4,000 sq ft [or half a floor] in size. We are talking to some institutions and investors who are looking at buying en bloc. The talks are at a preliminary stage," remarks Tee.

The offices and SoHos are priced at RM700 psf while the shopoffices are priced at RM500 psf onwards. Medini Square will come up on 6.02 acres of leasehold land in the Iskandar Malaysia master development. Its features include a central plaza, alfresco dining environment, landscaping and water features, says Tee.

Sabah footprint

The group is expanding its presence in Kota Kinabalu as well with its upscale Jesselton View in Jalan Lintas and One Jesselton in Kepyayan.

A high-end condominium development, Jesselton View will comprise 80 units with sizes ranging from 1,242 to 3,800 sq ft. Prices are pegged at RM470 psf, bringing the estimated GDV to RM66 million. Features include a sky lounge, sky garden, swimming pool, wading pool, Jacuzzi, barbecue deck, gym, 24-hour security, indoor and outdoor CCTV, children's playground and a covered car park. The project is scheduled for launch sometime in 2Q2012 and targeted for completion in 2013.

One Jesselton will feature 144 units of high-end condos in a 12-storey block and will be built on two acres of leasehold land. The condos will be priced at RM450 psf, which translates into a GDV of RM73 million. The project is expected to be launched next June and has an estimated completion date of 2014.

For now, Bina Puri is committed to successfully reviving Taipan Square and delivering its other developments. This should keep the group busy for the next two years, says Tee.

Laman Vila in Segambut, which comprises linked bungalows and condovillas

Below: Jesselton View in Kota Kinabalu, Sabah (left) and The Puri Tower in Puchong



in the news



Pudu Jail project to include bumiputeras

The Finance Ministry has directed UDA Holdings Bhd to come up with a new master plan for the redevelopment of its Pudu Jail land in Kuala Lumpur to include a higher level of bumiputera participation. UDA chairman Datuk Nur Jazlan Mohamed said on Dec 6 that the ministry has directed that the land be divided into three parcels and two of them allotted to bumiputera developers. UDA, he added, will have to find a way to split the 19.8-acre site three ways.

However, the bumiputera companies will still have to go through an open tender. "We are not looking for contractors. We are looking for investors with the financial capacity to develop the land," said Nur Jazlan.

UDA's earlier plan was to develop the land with a joint-venture partner, constructing a complex comprising several levels of parking space, a public transport hub and a mall at a cost of RM600 million. In exchange for the retail and public transport hub, UDA would surrender the land rights to its partner to construct high-rise buildings above the complex.

Second Premium Outlets in the pipeline

Genting Plantations Bhd and US property giant Simon Property Group Inc opened the doors to Southeast Asia's first premium outlet retail mall - Johor Premium Outlets (JPO) - in Johor Baru on Dec 1. JPO is owned and operated by Genting Simon, a 50:50 joint venture between Genting Plantations' unit Azzon Ltd and Simon Property Group's outlet division Premium Outlets. Genting Simon Sdn Bhd general manager Jean Marie Pin Harry said there are plans to establish another Premium Outlets store in the Malaysian market in the near future.

"We will be looking for sites but that is subject to the outcome of feasibility studies. We will announce the details in due course," Jean Marie said.

Premium Outlets' 69 other stores worldwide tend to be located near major tourist attractions and/or metropolitan areas with good connectivity.

JPO is a strip mall where designer fashion labels are sold at discounted prices. It currently has 55 retailers while six other stores are to be opened soon. JPO sits on 45 acres and has a gross lettable area of 190,000 sq ft. Its target clientele is mainly Singapore visitors and international tourists, apart from Malaysian shoppers.

Conditions for joint development of Jalan Tun Razak project not met

Mah Sing Group Bhd's proposed joint development of 4.08

acres of prime land in Jalan Tun Razak-Jalan Pahang has suffered a setback. The company said on Dec 2 that the conditions of the joint-venture agreement to develop the land with Asie Sdn Bhd and Usaha Nusantara Sdn Bhd "have not been fulfilled". "Notwithstanding the above, however, we are exploring options to move forward on this," it said of the joint development, which is part of a RM9 billion, 58-acre riverside urban regeneration project.

On Aug 2, Mah Sing announced that it would undertake serviced residence project M Sentral that has an estimated gross development value (GDV) of RM900 million.

Under the deal, Usaha Nusantara is to grant Grand Pavillion the sole and absolute right to develop the land for an entitlement of RM106.60 million to be settled via 60% cash (RM63.96 million) and a 40% stake in Grand Pavillion.

Rimbun condo set to be launched

Amphill Corp Sdn Bhd is launching its maiden upscale green condominium project, Rimbun, in Kuala Lumpur's Embassy Row in the middle of this month. Director and CEO P K Poh said the project has a GDV of RM200 million and had recently been awarded the Green Mark (Gold Plus) provisional certification by Singapore's Building and Construction Authority.

Speaking at the launch of the project's website on Dec 1, Poh, former managing director of Djaya Bhd, said Rimbun will be marketed on a personalised basis. The 17-floor luxury condominium in Jalan Ampang Hilir comprises only 56 units. Prices start at RM4 million. Of the 56 units, 28 have built-ups of 3,500 sq ft (3+1 bedrooms) while 26 have built-ups of 4,500 sq ft (4+1 bedrooms). There will also be two triplex penthouses with a built-up of 18,000 sq ft (6+1 bedrooms). Every unit has a



private lift and entrance foyer. Green features include solar photovoltaic panels, a rainwater harvesting system, aerated concrete blocks, low volatile organic compound paint, green label fittings, energy-efficient lighting and lift, non-chemical swimming pool, hybrid vehicle car park and fume extract sensors.

Guocoland buys Cheras land for RM108 million

Guocoland (M) Bhd is buying nine parcels of a total 18.9ha in Cheras for RM107.87 million or RM53 psf. In a filing with Bursa Malaysia on Dec 6, the developer said its subsidiary Ace Acres Sdn Bhd had entered into a sales and purchase agreement with Bonds Corp Sdn Bhd to purchase the freehold land located 10km south of the Kuala Lumpur city centre and sandwiched between Alam Damai and Bandar Damai Perdana. The proposed development on the said land will comprise bungalows, semi-detached units, superlinks, condos and shophouses. The land is currently occupied by squatters. Ace Acres also signed an agreement with Bonds in which it would get first priority within the next 12 months to acquire an adjacent 2ha plot.

Chestnut Avenue land in Singapore in the bag

S P Setia Bhd has won the tender for an 18,700 sq m site in Chestnut Avenue, Singapore, for S\$180 million (RM437.4 million).

"The Chestnut Avenue site has a potential development value of RM1.1 billion and a maximum allowable gross floor area of 39,270 sq m," the company said on Nov 30.

The land tender represents S P Setia's second deal in the Singapore property market following its acquisition of a freehold development in Woodsville Close in April. Its maiden project in Singapore is expected to be launched in a few months followed by the proposed launch of the Chestnut Avenue site by the end of next year. S P Setia president and CEO Tan Sri Liew Kee Sin said the land tender provides the group with a rare and excellent opportunity to showcase its core and multiple award-winning development expertise of building eco-brand sanctuaries. "We are very excited about this site, which is next to the Zhenghua Park, close to the Bukit Timah Nature Reserve and Bukit Batok Nature Park and offers scenic views and recreation," he said.

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