

PROPERTY TIMES

Building on connected

SEAMLESS ACCESS: Transit-oriented development is a boon to real estate market

The KL Sentral development in Brickfields by Malaysian Resources Corp Bhd was the first project to be developed using the TOD model.

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THERE is a growing interest for transit-oriented developments (TOD) in Malaysia.

TOD is a mixed-use residential and commercial project designed to maximise access to public transport. Under the TOD model, feeder services are provided between the railway stations. Public transport interchanges are constructed next to the stations for easy access to the feeder services.

Hong Kong plays a leading role in implementing TOD and enhancing rail and development integration with good station accessibility and connectivity.

For instance, new towns have been developed successfully around stations along the Tseung Kwan O Line. These new towns are centred around a rail station which is connected seamlessly to malls and housing estates.

Interchange facilities are also provided near the stations for transfers to other public transport.

In Kuala Lumpur, the KL Sentral development in Brickfields by Malaysian Resources Corp Bhd was the first project to be developed using the TOD model.

Spread across 29.16ha, KL Sentral encompasses the RM1.1 billion Stesen Sentral, Grade-A office towers and suites, residences, hotels and a mall.

Being part of an exclusive urban centre built around the country's largest transit hub, KL Sentral offers global connectivity, excellent invest-

ment opportunities and an international lifestyle.

Stesen Sentral is where six rail networks converge, including the LRT, ERL, KTM and also the monorail, which it connects to via a pedestrian walkway.

Residences at KL Sentral have seen great capital appreciation and rental demand.

Prasarana, the owner and operator of several public transport providers, namely the Ampang and Kelana Jaya LRT lines; KL Monorail system; bus operations in the Klang Valley and Penang; and cable car services in Langkawi, has several parcels of land for development.

The assets that Prasarana owns, which are in the form of LRT stations, depots and Park-n-Ride facilities, hold vast potential to generate long-term income for the company.

Through its unit, Prasarana Integrated Development Sdn Bhd (Pride), it will tap and maximise on the economic potential of land banks and real estates along the Ampang and Kelana Jaya LRT lines.

Pride will allow Prasarana to be a key player in the country's expanding property sector.

Prasarana had identified more than 13 parcels of land for development

"KL Sentral started the trend with its transit hub. From that idea, we started to build based on TOD."

Datuk Seri Shahril Mokhtar
Prasarana Negara Bhd group MD

along its future and existing LRT stations. Agreements have been inked with six developers for joint mixed-property developments along its LRT extension lines in Dang Wangi, Brickfields, Kelana Jaya, Awan Besar, Ara Damansara and Taman Tun Dr Ismail.

For the Kelana Jaya LRT, Crest Builder Holdings Bhd will undertake a mixed use development which will be integrated with the station.

Crest Builder inked the joint-venture agreement with Prasarana last year for the RM1 billion project, beating out firms such as Ahmad Zaki Resources Bhd, the MCT group and TH Properties Sdn Bhd.

Under the joint-venture agreement, the construction firm's wholly-owned unit Crest Builder International Sdn Bhd will develop the 2ha land into

serviced residences and offices.

As the landowner, Prasarana is entitled to 24.8 per cent of the gross development value, or RM248 million, from the joint-venture deal.

This is Crest Builder's second joint venture with Prasarana to monetise its land bank along rail lines.

Two years ago, Crest Builder bagged the development of a RM1.04 billion project, comprising a 40-storey tower atop the Dang Wangi LRT station along Jalan Ampang in Kuala Lumpur. It was this project that marked Prasarana's

foray into property development.

In early 2013, Prasarana announced an RM687.5 million commercial-residential project in Ara Damansara with TRC Synergy and an RM153 million 26-storey condominium tower in Taman Tun Dr Ismail with Naza TTDI.

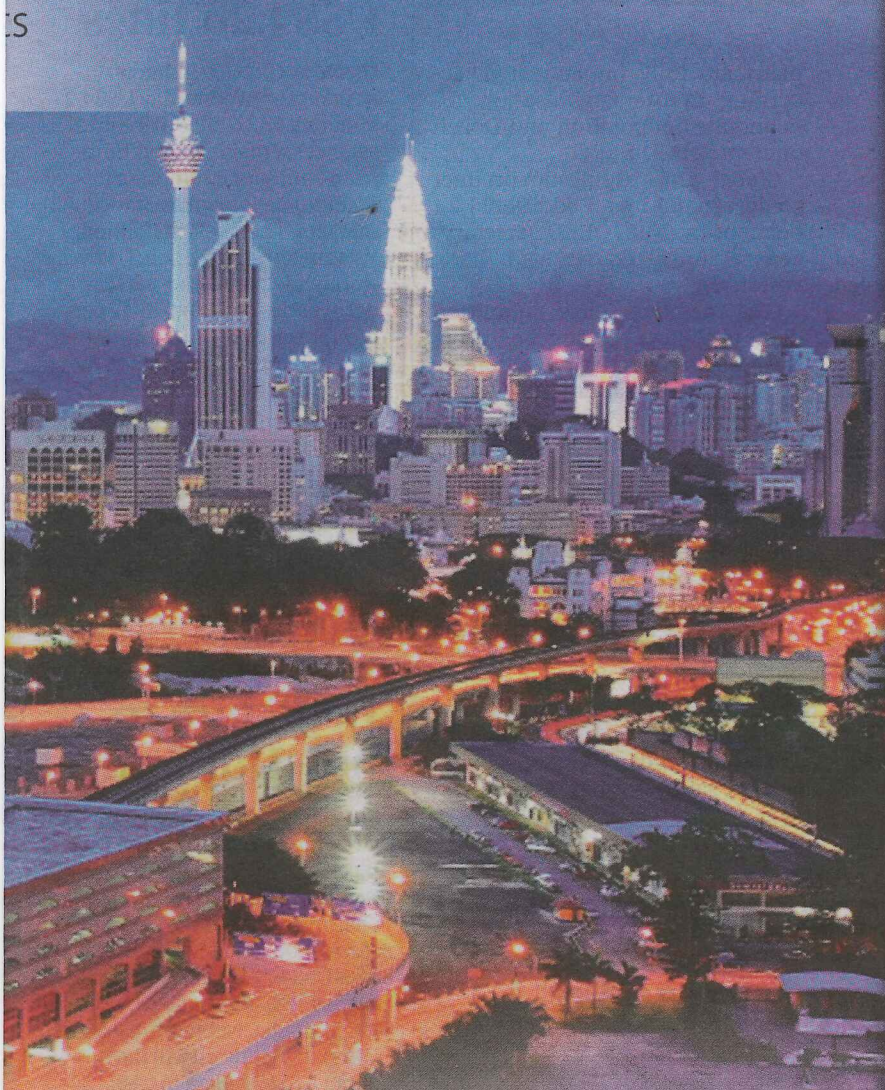
For the land in Brickfields, Prasarana inked a joint-venture agreement with Bina Puri Holdings Bhd, which will undertake a RM1.3 billion mixed development and link it to the Tun Sambanthan monorail.

Bina Puri will build 1,660 units of small office-versatile office compressed in three towers, a 22-floor serviced suite, a commercial podium, a sky bridge and car park on a 1.9ha site.

IOI Properties Bhd and SM Land Sdn Bhd will each develop a 2.83ha site in Puchong and 2.02ha in Awan Besar, which will have a gross development value (GDV) of RM500 million and RM600 million, respectively.

Prasarana would get about 16 per cent out of the GDV from the property sales. In addition to that, Prasarana will have a joint-venture company

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model. That is the trend now as house owners look for integrated developments with good public transport and connectivity. KL Sentral started this trend with its transit hub. From that idea, we started to build based on TOD," Shahril said.

manage the commercial space leased, providing it with additional income.

Prasarana's non-fare businesses currently make up 10 per cent of its revenue while it gets the rest of its income from fare-based operations, including rail and bus.

Prasarana Negara Bhd group managing director Datuk Seri Shahril Mokhtar expects the company's non-fare revenue to contribute 30 per cent to its revenue by 2018, and to maintain that at 40 per cent in the following years.

"With all these property developments taking place within the LRT station area, we can expect an increase in property value and ridership. Over the next five years, we can expect ridership to surpass one million a day, from 530,000 currently, on the Ampang and Kelana Jaya LRT lines and the monorail," Shahril told Property Times.

Prasarana has identified several more areas for development along the Ampang and Kelana Jaya LRT lines.

Shahril said some of the projects will be offered to developers via a direct negotiation basis as they currently own the land.

"For land that we own, we will call for an open tender. Most of the projects will be implemented using the TOD

Making Greater KL one of world's most liveable cities

SUSTAINABLE highway and railway development through careful planning, design and execution provides positive social, economic and environmental values.

A proper integration of public transport will complement the urban development of a city and establish more liveable communities under the banner of sustainable development. Liveable communities are places with high social and environmental quality where people have access to the necessary facilities and amenities, including public transportation, work place, healthcare services, entertainment and recreation.

The key focus for sustainable road and railway development is how the two are designed to interface with the city to bring about the potential benefits.

Many countries have recognised the importance of linking the developed towns and districts throughout cities with new highways and railway lines. Their goal is not only to become one of the most liveable cities in the world but to provide sustainable and quality living standards for its residents.

According to a global survey from the consulting firm Mercer, Vienna, Austria's opulent capital, offers the best quality of life of any city in the world. Zurich, Munich, Dusseldorf and Frankfurt made it to the top 10. Kuala Lumpur is at No. 80.

The assessments are based on 39 criteria, including political stability, healthcare, education, crime, recreation and transport and environmental developments.

The aim to make Greater Kuala Lumpur a sustainable



An artist's impression of Crest Builder's proposed mixed development above the Dang Wangi LRT

and livable city can easily be achieved with high-quality infrastructure, green spaces and developing inner city residential areas.

Developments like the Klang Valley mass rapid transit system (KVMRT), the Ampang and Kelana Jaya light rail transit (LRT) line extension, increasing pedestrian walkways and the Klang River beautification project to promote recreation, urban revitalisation and real estate development will contribute in making Kuala Lumpur one of the most liveable cities in the world by 2020.

Under the Budget 2015, the government announced the implementation of several highway and railway projects starting next year, worth a combined RM76 billion.

Topping the list of new projects are Line 2 of the KVMRT from Sungai Buloh to Putrajaya (RM23 billion), LRT Line 3 between Bandar Utama and Klang (RM9 billion), and Pan-Borneo Highway (RM27 billion).

Several new highway projects will also commence in the Klang Valley. They include the Sungai Besi-Ulu Klang Expressway (Suke), the West Coast Expressway from Taiping to Banting, the Damansara-Shah Alam Highway (Dash) and the Eastern Klang Valley Expressway.

Goh Bok Yen, an urban,

land use and transportation planning consultant firm, said the construction of Suke and Dash will complete the loop around Greater Kuala Lumpur and enhance accessibility and connectivity to townships and property development projects as far as Port Klang, Kuala Selangor, Rawang, Putrajaya, Sungai Besi, Kajang and Bangi.

"These are the only missing links in completing the loop. Certainly, all the railway and road projects will create new development tracks. That is one of the logical ways to start creating mobility along the corridor of the mass transportation system. However, when selecting the alignment and choosing the transport hub or stations, we must be very careful to minimise the impact, particularly to the already developed areas.

"All railway and road projects will definitely improve the living standards of Malaysians as there will be better access and connectivity to townships and property development projects," Goh told Property Times.

Suke will start from Sri Petaling and pass through Sungai Besi, Desa Tun Razak, Alam Damai, Bukit Manda'rina, Taman Len Seng, Taman Bukit Cheras, Taman Bukit Permai, Taman Putra, Taman Permai Jaya, Taman Dagang Permai, Taman Kosas, Ampang, Taman Hillview and exit at Ulu Klang.

It will serve as a link between Middle Ring Road 2 (MRR2), Damansara-Ulu Klang Expressway (Duke), Ampang Kuala Lumpur Elevated Highway (Akleh), Kuala Lumpur Outer Ring Road (Klorr), the Sungai Besi extension, Kuala Lumpur-Seremban Highway, Cheras-Kajang Highway, Besraya Highway and Shah Alam Expressway (Kesas).

Dash will commence at the Puncak Perdana U10 Shah Alam intersection and will link areas such as Puncak Perdana, Alam Suria, Denai Alam and Kampung Melayu Subang. Dash will also link road users to LDP and Sprint highways.

"There will be a link from Dash to the Guthrie Corridor. From there, motorists can travel towards the LDP to go to Damansara Perdana and Panchala Link, to head on to Mont' Kiara. From Mont' Kiara, they can use Duke to head to Ulu Klang and the MRR2. Suke will bring motorists to the North South Expressway. From there, they can join Kesas and head straight to Port Klang or use MEX to go to Putrajaya. I feel that with all these connectivity, more people would be willing to leave in the outskirts of Kuala Lumpur," Goh said.



An artist's impression of the Prasarana property development project in Brickfields