

Bukit Bintang's emerging luxury skyscrapers

The teeming Jalan Bukit Bintang area in the old central business district of Kuala Lumpur, popularly known as the Golden Triangle, will have a new skyline, given the number of emerging skyscrapers that will house branded residences, luxury hotels and high-end shopping centres.

Most of these projects will materialise over the next five years unless there is a change in plan or a severe economic downturn.

"Some developers saw an opportunity just outside Bukit Bintang earlier than the rest as it is hard to find good parcels of land [along Jalan Bukit Bintang]," Zerlin Properties CEO Previndean Singhe says in reference to developers like Datuk Desmond Lim Siew Choon, Tan Sri David Chiu and Tan Sri Francis Yeoh Sock Ping, who have in their hands prime parcels for development.

Lim, after building his Pavilion Kuala Lumpur and remarking the old KL Plaza into the Fahrenheit 88 shopping centre in Jalan Bukit Bintang,

decided to venture across the road towards Jalan Conlay where he is — via Lumayan Indah Sdn Bhd — constructing the 60-storey luxury-class Banyan Tree Hotels & Resorts.

He then went on to partner Tan Sri Syed Mokhtar Albukhary's Tradewinds Corp Bhd and Qatar Holding LCC to build the world's first Harrods Hotel & Residences within the Bukit Bintang/Jalan Raja Chulan/Jalan Conlay enclave.

The site, which used to house the Seri Melayu restaurant, will soon be home to a 61-storey building — possibly the tallest within a 3km radius. The multi-billion ringgit project comprises three other blocks that will be 52-storeys, 31-storeys and 27-storeys high.

Late last year, KSK Group Bhd's Tan Sri Kua Sian Kooi joined the fray by acquiring a piece of land in Jalan Conlay opposite the Harrods project. Here, Kua is set to undertake a luxury development project that will include three towers of 51 storeys, 56 storeys and 60 storeys, offering serviced apartments, hotels and retail. The hotel is expected to be managed by Kempinski Hotels SA.

Back in Bukit Bintang, opposite Chulan Square, Datuk Dr Foo Wan Kian of City Motors Group is set to replace the Porsche showroom with a 43-storey hotel and serviced suites. It was reported that the hotel, to be ready in 2018, will be built at a cost of between RM400 million and RM500 million via a joint ven-

ture with Mass Rapid Transit Corp.

Next door to City Motor's proposed hotel, Chiu's Hong Kong-listed Dorsett International Hospitality Ltd plans to construct 252 units of serviced residences. This 30-storey structure, to be completed in 2016, will sit right next to Dorsett Regency Hotel Kuala Lumpur in Jalan Imbi.

Chiu and Foo's planned project will be adjacent to what may be Yeoh's new corporate headquarters. Yeoh's YTL Land & Development Bhd (YTL Land) plans to erect a 42-storey tower on a 0.75 acre (32,670 sq ft) site. This development will be undertaken by Pinnacle Trend Sdn Bhd.

"This will be Kuala Lumpur's retail and high-end residential capital zone," Previndean opines of the developments taking place here and in the new precinct (see main story) just north of the international financial hub of Tun Razak Exchange (TRX).

Yet another project proposed by YTL Land is on a 1.32ha parcel between Yayasan Tun Abdul Razak and Prince Court Medical Centre.

Udapat Bina Sdn Bhd, a wholly-owned unit of YTL Land, is planning an integrated project that will include a 38-storey block comprising 67 units of serviced apartments. The apartment block will sit atop a seven-storey podium — five floors of retail and two allocated for a convention centre. Another two 45-storey office blocks have been proposed for the site.

As these areas develop and the

MRT line is completed, the Bukit Bintang strip beyond Lot 10 Shopping Centre heading toward Royale Bintang Kuala Lumpur could also witness some changes.

"As I understand, Yayasan Selangor is undergoing a tender exercise to redevelop its building. Further towards the south-western side along Jalan Pudu, Gamuda is launching The Robertson@Bukit Bintang, comprising residential suites, three-storey shops and commercial lots," says Stanley Toh, director of valuation and real estate consultancy firm LaurelCap Sdn Bhd.

"Things will certainly change once the MRT is operational. The area will see more influx of human traffic and business will boom. The only concern is the connectivity between commercial buildings via the underground tunnels, which will not be fully integrated. Nevertheless, it is a good start for better things to come for the area," Toh adds.

With Low Yat Group announcing its makeover plans for Plaza Low Yat and BB Park, Previndean says there may be others who want to unlock the value of their land.

"The rest will follow when the current use is less than the future use. For example, Plaza YTL's (Yeoh Tiong Lay Plaza) re-developable value is higher compared with the current value of the land. We do anticipate the [the existing] YTL headquarters and Federal Hotel to be redeveloped." ■

KEY PLAYERS in Bukit Bintang and the immediate vicinity



KUA VENTURES INTO PROPERTY DEVELOPMENT



YE OH OWNS SIZEABLE ASSETS IN BUKIT BINTANG



TAN PARTNERS HONG KONG FIRM TO DEVELOP BUKIT BINTANG LAND



LOW AND FAMILY HAVE OWNED PRIZED PARCELS IN BUKIT BINTANG FOR GENERATIONS



TI AH TO DEVELOP NOVA SQUARE IN JALAN IMBI

CHIU TO OPEN DORSETT RESIDENCES



Actual transformation of zone will take 10 years

projects will not only add vibrancy to the area, but are also expected to contribute to a rise in real estate values around it.

"Land prices in the Jalan Delima area have doubled in five years with transactions of bungalow land averaging RM1,500 psf compared with RM700 psf before," observes Toh.

If the land comes with approved development plans, it is worth even more.

Tropicana's deal last month with Agile reveals that its parcels in Jalan Bukit Bintang/Jalan Delima went for RM3,280 psf. Tropicana, which had bought the land from Tan in 2012, says it gained RM145 million from the deal, indicating a one-third jump in the price of its parcels.

"The new benchmark in the area is definitely RM3,300 psf," says Toh, adding that a bungalow owner in Jalan Delima is asking for RM3,500 psf. He thinks the land, which is adjacent to an MRT station and TRX, would garner a 10% or 20% premium.

To put things in perspective, the MRT line will be located underground and is expected to run diagonally across the area, starting at the junction of Jalan Bukit Bintang and Jalan Kampung and emerging at the Pasar Rakyat station located in TRX. It will be beneath some of LTS Resources' parcels.

Meanwhile, Stage 1 of TRX indicates that land cost ranges from RM3,193 psf for a hotel development with a plot ratio of nine to as high as RM5,502 psf for another hotel with a plot ratio of 18.

"[But] if your land cost is RM3,300 psf, you would have to get a plot ratio

of at least 10. Otherwise, your project will not be feasible. The premium hinges on the plot ratio allowed by the local authority," says Toh.

"The [earlier] proposed development on the Tropicana land shows that it had planned a plot ratio of 1:10."

He explains that typically, high plot ratios may be possible if the land fronts major roads, such as Jalan Bukit Bintang, Jalan Tun Razak or Jalan Sultan Ismail, while the inner areas tend to have smaller plot ratios. "This is because the roads leading into an area have to be able to cater for high density."

According to him, the current zoning in Jalan Inai, Jalan Kemuning and Jalan Jati is residential with a density of 1:2 and a number of bungalow plots measuring between 7,000 and 10,000 sq ft each.

For any development to be viable, he says, at least one acre or 43,560 sq ft of land is required. And to have an impact on the surrounding areas, there would be a need to amalgamate all the parcels.

Previndean agrees, saying major redevelopment potential is more likely on the fringes of the rectangular 28ha site. But as we move towards the centre, he adds, a different type of redevelopment is likely to happen to cater for the progress that is taking place. He expects the emergence of high-end, low-density serviced apartments and boutique food and beverage operators.

Toh highlights the fact that the majority of shoplots in the Imbi area, particularly in Jalan Imbi, have been passed down from generation to generation and are free of encumbrances. Hence, the next generation that is ei-

ther continuing the family business on the premises or is in no rush to unlock the value of the shoplots will tend to hold on to the property unless a ridiculously good offer comes by.

Because very few of them are willing to sell their land, nearby parcels, such as in Medan Imbi, are being taken up instead. According to Toh, last February, a company known as Jobstar Trading Sdn Bhd snapped up four 2-storey shoplots for RM1.7 million each from Willowcrest Management Sdn Bhd.

Jobstar also bought a two-storey pre-war shop in Jalan Imbi for RM3 million from the same vendor.

A Datuk Tee Yam owns Willowcrest while the directors of Jobstar include Pang Seow Mee and Pang Yoon Nee of Kulai, Johor.

While land values in the Imbi area have surged in the past few years, giving landowners, new and old, a tidy paper profit, some analysts say the actual transformation of the zone into a new hub will take at least 10 years.

"If you add up all the projects in Bukit Bintang and Imbi that are already under construction or still on the drawing board and TRX, there is a massive supply of space that can only be taken up if the economic, business, population and income growth in the city is very strong over the next five years," says a property analyst.

"Realistically, those who have not started will take their time to launch, so we should be looking at a 10-year rather than a five-year timeline for everything to happen."

This means patience and deep pockets, which are other attributes savvy property tycoons like Law need to have. ■