

KSK Land's grand debut in the heart of KL

PICTURES COURTESY OF KSK LAND

BY LAM JIAN WYN

New kid on the block KSK Land Sdn Bhd made headlines when it paid a whopping RM568 million for a 3.95-acre freehold parcel on Jalan Conlay in December. At RM3,299 psf, it was short of the benchmark RM3,300 psf paid by Singaporean developer Oxley Group for Loke Wan Yat Realty Sdn Bhd's 3.4-acre parcel on Jalan Ampang.

"While RM568 million may be a lot, how we can add value to the land is more important. You should compare it with [our estimated gross development value (GDV)] of RM4 billion ... [also], we believe you cannot go wrong with a prime location," KSK Land managing director Joanne Kua tells *City & Country*.

KSK Land is the property arm of KSK Group Bhd, formerly known as Kurnia Asia Bhd. The group's core business is in general insurance, having built Kurnia Insurans (M) Bhd (KIMB) into Malaysia's largest home-grown general insurance company with gross premium exceeding RM1 billion.

The group sold KIMB to AmG Insurance Bhd for RM1.63 billion in September 2012, and currently focuses on its two general insurance operations in Indonesia and Thailand. It set up its property arm last year.

Our interview with Kua took place at the group's headquarters in Jalan Yap Ah Shak. The building bore witness to one of KSK Group's biggest milestones when its revenue hit the billion-ringgit mark, and will soon witness another significant event — KSK Land's sales gallery is opening there later this year, Kua says.

The parcel on Jalan Conlay is now vacant but for pilings left by its vendor Suasana Simfoni Sdn Bhd. Coming up on the tract is its maiden project, 8Conlay, an integrated development that will comprise a 60-storey hotel and two towers (50 and 55 storeys) of branded residences on top of an 8-storey podium with retail space, parking bays and other facilities for the hotel.

The name of the project is derived from the parcel's actual street address. Taking advantage of this auspicious coincidence, architect Hud Abu Bakar of RSP Architects and his team came up with a design that recalls the Chinese character for the number eight.

"There is a yin and yang aspect to the design," Kua points out.

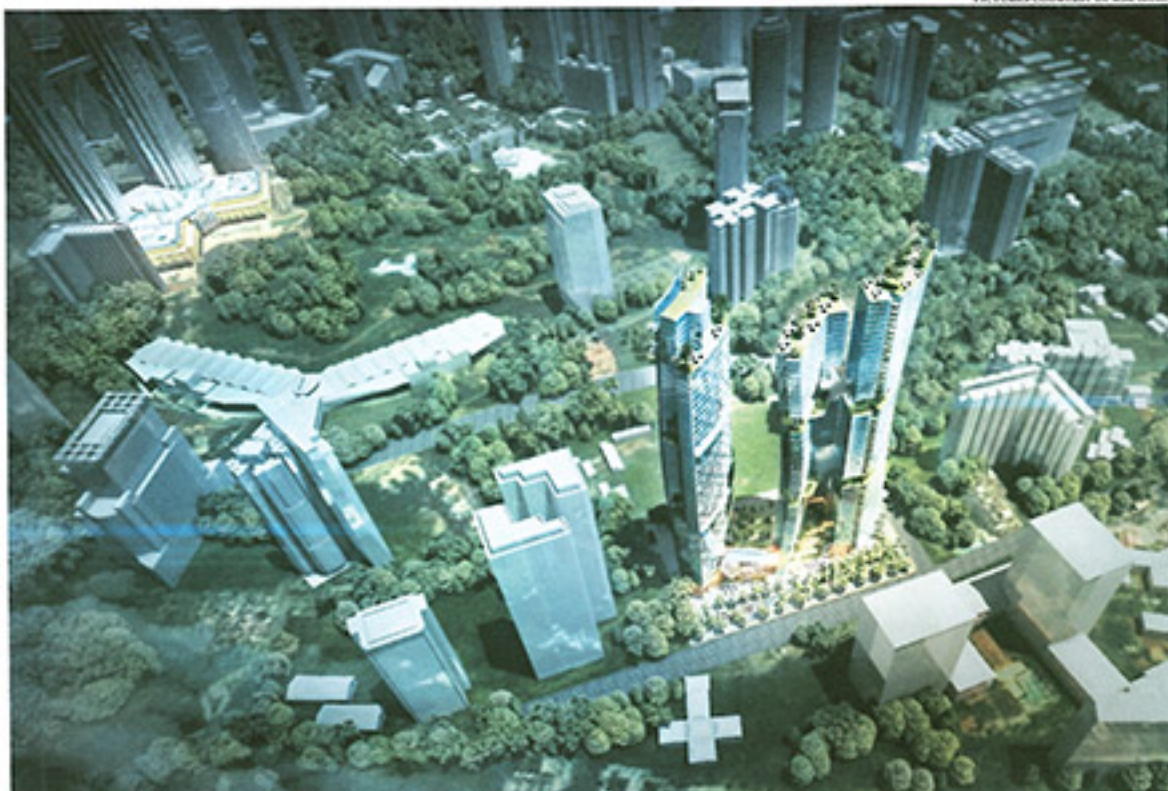
The developer had just applied for a development order earlier this month. The launch of its first tower of branded serviced apartments is scheduled for early next year. While details of the facilities have not been firmed up yet, she says potential buyers can rest assured the facilities will be sufficient to cater for the 1,100 units of branded residences up for sale.

The residences will have built-ups of 650 to 1,200 sq ft. "We believe these built-ups are what the market wants. Of course, we do not rule out building a penthouse if there is demand!" Kua says with a laugh. The developer is estimating a price tag of RM2,000 to RM3,000 psf per unit, with the average price likely to be RM2,500 psf.

Meanwhile, KSK Land is eyeing a five-star brand to operate its hotel, which will comprise 260 rooms and 350 long-stay apartments. "We hope to bring in brands that are not present in Kuala Lumpur.

"So, that could mean Kempinski or even MGM," says Kua.

Terence Yap, head of private wealth - real estate at Zerin Properties Sdn Bhd,



8Conlay will have neighbours such as Harrod's integrated development, Pavilion, Suria KLCC and the Four Seasons Place



We want to be known as a top-tier developer that produces good quality products" - Kua

says the condominium market in Kuala Lumpur city centre is still healthy. "KLCC properties will continue to lead in terms of pricing in Malaysia. The Banyan Tree Signatures, Four Seasons Place and Ritz-Carlton were priced above RM2,500 psf. These branded residences will push the surrounding prices to a new level. Many older developments are enjoying good price appreciation now. The overall market will be positive with this healthy demand."

In terms of rents, he says regular condominiums in Kuala Lumpur offer yields of 4% to 5.5%. "We can no longer achieve 7% to 8% now as the price has climbed up a few notches, which is better for an investor [seeking capital appreciation]. This is what Hong Kong and Singapore experienced when the price of properties climbed exponentially, but not in tandem with rent. But having said that, property prices in Malaysia, in particular KLCC, are still affordable and attractive to investors."

According to Kua, 8Conlay's retail component will feature 188,000 sq ft of net lettable area. "We will have four floors



The project will comprise a 60-storey hotel and two towers of branded residences on top of an 8-storey podium

with nice terraces. We envision something like Pavilion's outdoor F&B zone."

With its location in the heart of Kuala Lumpur and close to the city's retail precinct, 8Conlay will undoubtedly find it both advantageous and challenging due to the presence of many major malls in its vicinity.

For instance, Harrod's integrated development is coming up directly opposite 8Conlay, while Pavilion is a short drive away. Suria KLCC and the Four Seasons Place, which is under construction, are behind the site.

Getting to the top

One of KSK Land's strategies to make its mall stand out is to engage leasing agents from Hong Kong and Singapore. "They will have a network of retailers, which we hope to bring to Malaysia. We want brands that are currently not available in Kuala Lumpur. They will be from Hong Kong, Singapore, London and New York.

We are targeting the upper-middle class and are also looking at wellness and lifestyle shops," says Kua.

Judging from the company's plans for its first project, its learning curve will undoubtedly be as steep as the price it paid for the land. Besides the intricacies of putting together the various components, there is also the issue of meeting the often-high standards of a five-star hotel operator.

Why go through so much trouble then? "We want to be known as a top-tier developer that produces good quality products. We plan to be among the top five developers in the country," Kua declares.

While plans to set up KSK Land began in earnest two years ago, she reveals that her father, Tan Sri Kua Sian Kooi, had always dreamt of venturing into real estate.

"We never had a chance to diversify because Bank Negara Malaysia is quite strict with what we can do, being a company in the financial services sector," she explains.

The sale of KIMB and the group's subsequent privatisation in November 2013 paved the way for the group to enter the real estate sector.

KSK Land is still putting together its team. Kua, who is also group CEO and executive director of KSK Group, reckons that the average age of the staff is 35. She is quick to point out that their relative youth, coupled with the newness of the company, is a good thing.

"[Chairman] Tan Sri Kua has always said that the insurance business is basically about selling a piece of paper. So, our marketing and sales skills are very strong. Insurance is also about building relationships and providing great service, which is what we hope to bring to the property business. We bring a different perspective. Think of us as a blank sheet of paper with much potential," she says.

Besides the Klang Valley, the group is looking at potential sites in Penang and Central London, and is not ruling out Johor. However, Kua says its immediate priority is 8Conlay. "We are excited about our first project. We want to create a unique, one-of-a-kind branded development." ■

SEKID
MANAGING EDITOR |
AZAM ARIS

CITY & COUNTRY EDITORIAL TEAM

DEPUTY EDITOR |
ROSALYNN POH
ASSISTANT EDITORS |
E JACQUEL CHAN,
WONG KING WAI
SENIOR WRITER |
LAM JIAN WYN
WRITER |
ZATI, HUSNA WAN FAUZI,
ELENA TUNGU SHERRE

ADVERTISING & MARKETING

CHIEF
MARKETING OFFICER |
SHARON FEE
003 711 9056
SENIOR MANAGERS |
CEE THIA PERUMAL
013 790 1660
PONG LAI KUAN
012 395 7027
ACCOUNT MANAGERS |
GRIGORY THU
012 325 0614
VAN LEONG
012 326 9446
JARRID SUAI SOLOMON
018 220 0662
NG CHENG YIN
012 232 8025
PAWELA HOW
010 223 1842
SHARINA SIVARIR
012 281 4757
SHANNON LEONG
012 677 5345
SHEKHER
BALASUBRAMANIAM
018 262 0277
DIGITAL MEDIA |
SHARON LEE
012 330 1071
AD TRAFFIC MANAGER |
VIGNE SWAMY KRISHNAN
012 771 8025
EMAIL |
985.8384@edge.com

CORPORATE

PUBLISHER &
GROUP CEO |
HO KAY TAT
MANAGING DIRECTOR |
AU FONG YEE
DEPUTY MANAGING
DIRECTOR |
LIM SHEW YUN

WE WELCOME YOUR
COMMENTS AND
CRITICISM. SEND
YOUR LETTERS TO
THE EDGE, PO BOX 8348,
PEJABAT POS
KELANA JAYA,
46788 PETALING JAYA.
PHONE 03 7721 8000
E-MAIL: editor@edge.com

PHOTOGRAPHS ARE
ALLOWED BUT PLEASE
STATE YOUR FULL NAME,
ADDRESS AND CONTACT
NUMBER (TEL/FAX)
FOR US TO VERIFY.