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## REDEVELOPMENT ZEST IN OLD KLANG ROAD/ PUCHONG/ BUKIT JALIL CORRIDOR

Infrastructure and renewal boon spice up this part of South Klang Valley with new housing and commercial projects interspersing with the old.

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locations in the near future," Tong says.

The company is undertaking the Verve Suites @ KL South comprising fully furnished designer units along Old Klang Road.

Property consultancy Savills Malaysia deputy managing director Paul Khong has a robust outlook for the Old Klang Road/ Puchong/ Bukit Jalil corridor.

He says its location in the southern quadrant of the Federal Highway that stretches southwards from the Mid Valley Megamall to Putrajaya is a huge swathe of corridor that houses a strong and large mid-class populace and many successful commercial centres, including Bandar Puchong Jaya, Bandar Puchong Utama, Bandar Bukit Puchong, Bandar Kinrara and Bukit Jalil. The corridor has lots of new housing schemes and is still very popular due to its access, location and existing demographic.

The corridor boasts of highly populated and extremely popular neighbourhoods, which are well located between the city centres of Kuala Lumpur and Petaling Jaya in the north, and Putrajaya and Cyberjaya in the south.

"This part of the South Klang Valley that stretches from Old Klang Road to Puchong and Bukit Jalil is a mature and established neighbourhood with a high concentration of population. According to the 2010 National Census, Mukim Petaling has a total population of 600,000 and many new developments have since been built with lots of new projects coming through in the pipeline. The population size could have easily doubled by now," Khong observes.

It is well connected by a network of highways such as Shah Alam Expressway (KESAS), Damansara-Puchong Expressway (LDP), New Klang Valley Expressway (NKVE) and South Klang Valley Expressway (SKVE). The light rail transit (LRT) will be another interesting addition to the corridor with the LRT Ampang Line extension underway. It will link all the way to the corridor passing through Kinrara, Puchong up to Putra Heights.

He says the extension of the LRT line will boost connectivity to Puchong and Bukit Jalil, bringing greater interest to this corridor and boosting developments as the place becomes more accessible.

The new LRT stations will be sited in Puchong Prima, Puchong Perdana, Bandar Puteri, Taman Perindustrian Puchong, Pusat Bandar Puchong, IOI Puchong Jaya and Kinrara BK5.

The presence of the new LRT stations

will result in a big positive spillover effect to this corridor and will make these areas easily available via public transportation.

Khong says another direct link from Old Klang Road (next to MRCB's new 9 Seputeh project) to the New Pantai Expressway (NPE) will continue to spearhead rejuvenation of the Old Klang Road address.

"We expect to see more continued growth in this corridor, especially in the newer and undeveloped sections of Bukit Jalil and Puchong. With more population coming through, these areas of both residential and commercial hubs will continue to perform well as they will mature quickly," Khong says.

Pockets of land are available for development in the older Old Klang Road area and many of the older factory sites along this main road are also heading for redevelopment.

"There are still a lot of new development projects in the entire neighbourhood. The pricing of the products becomes relatively cheaper as the properties are built further away from Old Klang Road and as they move down south," he notes.

As land prices continue to escalate making the landed products rather pricey, he says high-rise strata apartments will be built to house the local population.

When land prices escalate, redevelopment projects become viable and the older industries/factories will naturally make way for new development projects. This will then rejuvenate the neighbourhood and bring back vibrancy into the area.

He says many areas along Old Klang Road are looking rather tired and many of the industrial factories there have outlived their economic life and are due for redevelopment. Developers are looking around for land for redevelopment into new mixed development projects.

"There are still some squatter areas and various dilapidated factories along Old Klang Road which have been there for decades and are due for redevelopment. Many of such lands are still being acquired by developers. This explains the many new redevelopment projects, such as 9 Seputeh by MRCB and Southbank Residence by UOA Group, that are underway in this corridor," he adds.

### Growth catalysts

Meanwhile, Puchong and Bukit Jalil areas have newer development stretches that are

attracting substantial interests from buyers.

"These areas are getting strong traction from the owner occupiers' segment who are first time purchasers looking for their first homes. These residential units tend to become more affordable as they are located further away from the city centre," Khong says.

Moving towards Puchong, there are also a lot of land for development especially in areas lying off the LDP. These sites are generally more focused on residential developments, he says, noting that with land prices escalating more high-rise strata apartments are expected to be built.

"Puchong is largely occupied by a young population comprising mainly young families and professionals.

"We expect about 50% or more of the population in Puchong to be between the ages of 25 and 40 even though there are no official reported statistics available. This is an established mid-class neighbourhood and the newer developments here are now moving southwards radiating from Old Klang Road downwards to Bukit Jalil. There are still a lot of development lands available especially in the south and we see lots of new developments ongoing in these neighbourhoods," Khong says.

There are still many pockets of remaining land available within older housing schemes like The Prime @ LDP by Hill Crest Development lying along the LDP and Jalan Puchong, that are interspersing with new housing areas.

Besides the big developers, there are also the smaller boutique developers that are contributing to the growth of the corridor. Mah Sing Group Bhd's close to 260-acre site and another 69 acres of joint venture project for a large new mixed development will be located in this bustling corridor.

Further south, there are good opportunities for new projects and more "gated and guarded" products from landed housing units to condominiums that are expected in large numbers.

One interesting development to look out for is MRCB's Seputeh 9, with the project lying next to the new dedicated link to the New Pantai Expressway (NPE).

Khong says the new dedicated link will help to boost the overall accessibility to the Old Klang Road neighbourhood and bring positive spillover effects, and the immediate neighbourhood will become even more vibrant when the link is completed.

On price valuation of land, houses and commercial property in the corridor, he



1 Ho Chin Soon, Research Sdn Bhd chairman Ho Chin Soon (right) explains on the Locational Centre of Gravity for Greater KL. Looking on is chief executive officer Ishmael Ho.

2 Bukit Kiara Properties Sdn Bhd group managing director Daouk N. K. Tong.

3 Savills Malaysia deputy managing director Paul Khong.

says while prices are governed by open market forces, demand for houses in the mid-level segment is expected to still be strong, as demand is based on actual needs and is also largely location-driven.

House prices in the mid-segment market are still rising, albeit at a slow pace in the current soft market backdrop, which is due to higher costs of construction and land prices that have resulted in prices of new projects escalating steadily. Landed properties within

gated and guarded precincts will continue to do well as demand is still strong but supply is limited by high land costs.

The earlier phases of development were targeted at mid-level segments and these neighbourhoods have slowly matured with higher end products being offered as well.

Since the slowdown caused by the global financial crisis of 1998, prices have picked up slowly in 2009, and from 2010 to 2012, there was substantial jump in bungalow land values with prices having shot up from RM180 per sq ft (psf) to RM300 psf and beyond. By 2014, prices stabilised at RM400 psf to RM450 psf (based on transactions in Bukit Jalil Golf and Country Club).

Khong says many of the other areas such as Bandar Kinrara also saw the same pattern but at slightly lower level, peaking at RM250 psf in 2014. Asking prices are now hovering from RM300 psf to RM350 psf.

As for development land, it is a slightly different scenario where in Old Klang Road, prices crept up slowly from RM300 psf to RM350 psf, with the highest recorded level transacted last year at RM590 psf for a 28,000 sq ft site.

Over the years, prices have seen strong escalation in capital values. From 2010 to 2013, prices soared for most categories of properties especially the landed housing segments. But from 2014 to this year, demand has tapered off slightly and prices have since stabilised.

Khong says the opening up of Old Klang Road after the impending completion of the dedicated link to New Pantai Highway next to MRCB's 9 Seputeh is expected to spawn more high-priced sales to be transacted in the corridor.

Given the robust redevelopment opportunities and new infrastructure projects in the corridor, the skylines and landscapes of this part of the South Klang Valley are bound to undergo more revitalisation. ?

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- Savills Malaysia deputy managing director Paul Khong

