

city&country

Rimbun reviving abandoned projects **p2**

in the news **9**



Insiders
shed light
on estate
agent's
profession

8



offshore |
Marina Bay
Sands goes
green

10



offshore |
Olympics-
Stratford:
A tale of
two worlds

12

ABDUL GHANI ISMAIL/THE EDGE

PARAMOUNT

PROPERTY DEVELOPMENT SDN BHD

A different direction

Paramount Corp Bhd is unlocking the value of its landbank in the Klang Valley with a pipeline of residential and commercial projects to be launched from this year. It is also diversifying its portfolio of products, including its first high-end development and more affordable housing, Paramount Property Development Sdn Bhd MD Datuk Ricque Liew tells **Rosalynn Poh**. Turn to Page 6.



COVERSTORY

Paramount Corp ups ante in Klang Valley

Paramount Corp Bhd has made a name for itself as a medium-cost township developer in Sungai Petani, Kedah. It is also known for its Kemuning Utama township in Shah Alam.

Over the last two years, however, the company has accumulated a total of 145 acres to be developed in the Klang Valley. “When we saw the sales volume and activities in Sungai Petani as well as our track record, we were challenged by our board to seriously look at Klang Valley ... to build up our landbank and do more.

“We believe that with the growing population in the Klang Valley, there is a lot of demand for property, which we cannot ignore,” says Paramount Property Development Sdn Bhd managing director Datuk Ricque Liew in an interview with *City & Country*. Paramount Property Development is the property arm of Paramount Corp.

The group will begin to unlock the value of its land in the Klang Valley and its township developments this year. It is embarking on niche high-end projects on some of these tracts, with the first of these properties slated for launch this year.

To move up the property value chain, Liew says the company has to change from being a single-product, single-location developer to handle multiple projects, locations and product types.

As a township developer, Paramount has built over 10,000 property units worth about RM3 billion since it was established in 1965. Its first township was the RM141 million 73-acre Taman Patani Jaya in Sungai Petani in 1981. Since then, in Kedah, it has developed another 493-acre township, Bandar Laguna Merbok, and recently launched a third township, Bukit Banyan.

Its first venture in the Klang Valley was the 525-acre Kemuning Utama township near Kota Kemuning in 2004. Aside from property, Paramount Corp is also involved in the education sector via wholly-owned KDU College.

Liew says the developer has about RM3.5 billion worth of ongoing and upcoming projects, which will keep its development arm fully occupied in the coming years. Projects slated for launch in 2H2012 include Sejati Residences @ Cyberjaya, a 20-acre tract in Glenmarie, a 30-acre mixed-use development in Klang, a fast turnaround development in a recently acquired 30-acre tract in Section 26, Shah Alam, as well as other projects in its existing townships.

Sejati Residences

Paramount's first high-end project is Sejati Residences @ Cyberjaya, with a gross development value (GDV) of RM800 million. The company is targeting 3Q2012 for the launch of the first phase, pending approval from the authorities.

“We are currently at the earthworks stage and are also preparing our show village. Sejati Residences will be our first upmarket development. Apart from the price, we also thought of upping our ante to match the surrounding high-end developments in the area. We are offering three-generation homes — for grandparents, parents and their children,” says Liew.

The 50-acre freehold tract was acquired about two years ago from Setia Haruman Sdn Bhd for RM78 million. The gated and guarded development will comprise 284 landed units on 40 acres while the remaining 10 acres will be for two blocks of high-rises, which will be launched at a later stage. The landed units comprise 3-storey bungalows, semi-detached houses and superlinks. Home lifts are available for the bungalow units.

The first phase will consist of 24 three-storey



Liew: We have to change from being a single-product, single location developer to handle multiple projects, locations and product types



ABDUL GHANI ISMAIL/THE EDGE

bungalows with average built-ups of 6,000 sq ft and an indicative price of RM2.8 million, 28 three-storey semidees with built-ups of 4,300 sq ft at RM1.7 million and 26 three-storey superlink homes with built ups of 3,900 sq ft at RM1.2 million.

“We’re looking at sustainable building components and the Green Building Index (GBI) for the landed properties in Sejati Residences. In fact, cengal wood will be salvaged from an old factory building in our Jalan Goh Hock Huat tract in Klang to be reused for the roof trusses, columns and beams for the residents’ only clubhouse there,” the Penang-born Liew adds.

Situated just 32km or 20 minutes’ drive to Kuala Lumpur city centre, Sejati Residences will feature a clubhouse with facilities such as convenience stores, function room, sauna, nursery room, BBQ, yoga and aerobics room, multi-purpose hall and a swimming pool.

Serviced apartment at Kemuning Utama

At its almost-completed RM1.6 billion Kemuning

Utama township, Paramount recently launched its first (and only) serviced apartment project called KU Suites. Liew concedes that Paramount has traditionally provided “bread and butter housing, practical with no frills” but is now taking a slightly different direction with KU Suites as the apartments will be fully fitted with built-in kitchen cabinets and wardrobes, air-conditioning for all the bedrooms and the living room, kitchen appliances including hob, hood and fridge, washer and dryer, and shower water heater. “Fully fitted units mean little renovation, less hassle and minimal disruption for all residences,” says Liew.

While KU Suites will be a gated and guarded development with full condo amenities, it was designed to be affordable and is targeted at young couples and professionals. “What I have realised is that over the last few years, our landed terraced homes [in Kemuning Utama], which were sold during the launch for RM290,000, have since increased in price to RM650,000. So where are the young going to buy houses?

“We have this 2.16-acre commercial tract at Ke-



Right: The recently launched first phase of Bukit Banyan in Sungai Petani, Kedah



PICTURES BY PARAMOUNT CORP

muning Utama and we decided to build fully fitted apartments for young couples. They range from 600 sq ft for a one-bedroom unit to over 800 sq ft for a two-bedroom unit.

“To buy a RM300,000 house, you first need 10% downpayment. Then you need to fork out another RM30,000 to RM50,000 for furniture, which is not easy. We realised that and so we decided to build KU Suites at an affordable price. Today we are selling the units for about RM450psf and they are fully fitted. If you own a two-bedroom unit, you get two car parks,” he elaborates. KU Suites, soft launched in November, is currently 90% sold.

The 525-acre Kemuning Utama comprises two freehold tracts separated by the Kesas Highway, of which almost 28 acres is commercial while the remaining is residential. The developer has sold close to RM1.6 billion worth of properties there to-date.

“As always, we design our properties keeping ourselves as end-users [in mind]. I think our first phase [of Kemuning Utama] owners were quite pleasantly surprised when we provided extras such as gated security, CCTVs and a solid [perimeter] wall all around,” says Liew. He adds that they have seen about 30% repeat buyers for their properties.

Capital appreciation for properties in Kemuning Utama has more than doubled over the years. Its first phase terraced homes launched in 2004 for RM293,000 are being transacted at RM660,000 while linked semidees sold for RM380,000 in the same year are going for RM1 million today.

Developments in the pipeline

Paramount Corp plans to launch its project in Section 26, Shah Alam, less than 10 minutes’ drive from Kemuning Utama and opposite the Proton manufacturing plant by year-end. According to reports, the developer acquired the 30-acre freehold industrial land at the Hicom Industrial Park in March for RM125 million from Spansion (Kuala Lumpur) Sdn Bhd. The project is expected to be a fast-track industrial development like its Surian Industrial Park in Kota Damansara.

Surian Industrial Park, located in a 13.21-acre leasehold tract, was soft launched in early 2009 and completed in 2011. With a GDV of RM135 million, it comprises 38 two-storey semidee industrial units tagged from RM3.08 million.

The Shah Alam development, currently referred to as Spansion Land, has an estimated GDV of RM360 million. “Although we have just bought it, we are designing it now and about to submit it for approval

Above: The RM800 million Sejati Residences @ Cyberjaya will be the developer’s first upmarket project

Below: The 3-bedroom KU Suites show unit, priced from RM456,100

soon. We are looking at terraced factories and maybe some commercial units. This is prime land in a mature area but there are only factories around with no F&B or retail components nearby.

“We are currently in talks with the local authorities to see how we can add value for the local community rather than limit ourselves to the constraints of the zoning and uses of the land. We hope to make the area a more liveable place,” Liew explains.

There is also a yet-to-be-named Glenmarie project on development land acquired from The Titular Superior of the Brothers of Saint Gabriel, founder of Monfort Boys Town, in 2009 for RM62 million. About 10 acres of the 21.7-acre freehold tract will see a customised KDU University College with plans to relocate students from the existing KDU campuses to the new site by early 2015. The balance of the tract is earmarked for commercial purposes, with a GDV of RM730 million.

Liew says it is up to the group to decide on alternative uses for the existing almost 3-acre KDU campus in Damansara Jaya or to let it remain as a KDU College campus.

“This is where it gets exciting for property. When you bring students in, you need to provide accommodation, F&B, retail and limited commercial components. We will provide residential components for students as well as starter homes for those who prefer the Glenmarie address. The first phase of the commercial component will be launched in late 2012 or early 2013 and be completed by 2015, concomitant with the completion of KDU University College,” Liew says, adding that he foresees many investors for this project.

There will be six blocks of serviced apartments with built-ups of 600 to 1,200 sq ft and an indicative price of about RM550 psf. The retail and limited commercial components totalling 300,000 sq ft will not be up for sale as Liew says they can then control the tenancy mix while providing complementary amenities to the residents and students.

Next on the list of projects is the land in Jln Goh Hock Huat in Klang, comprising a total of nine tracts, which was acquired in 2011 for RM110 million. “If you look at the inner city centre of Klang, you can’t find another 30-acre plot. In my opinion, it is most suitable for inner city rejuvenation whereby amenities are close by, and I believe our 30 acres are sizeable enough to make a difference. My vision is that in order for Klang to reinvent or rejuvenate itself, we must have some iconic development. It is an exciting development, which will be the new commercial and residential hub for Klang town. It won’t be run-of-the-mill shop-houses,” says Liew.

The developer is planning an integrated development, which is currently in its design review stage. “It is a jewel so we better make sure we have it cut right,” Liew says, adding that the developer is addressing the accessibility issue first and is looking to launch the project in mid-2013.

Apart from Klang, there is also a five-acre tract in Petaling Jaya, which is currently a KDU branch campus, situated between Diethelm and Sin Chew Jit Poh in Section 13. “The plan is for students from KDU in Damansara Jaya and the Section 13 branch campus to relocate to KDU University College campus in Glenmarie. Paramount’s property division will then take over the Section 13 site for an integrated development.

“Nearby, there are the commercial/retail projects, Jaya One and Jaya 33. We have been talking to one another and instead of competing, we are comple-

menting the surrounding developments — maybe even build an elevated link bridge to connect our development to the surrounding developments without the need to drive.

“We are currently in the design review stage for a mixed-use development of SoFos (small office, flexible office), and residential and office components. It will be tailored to be an affordable development,” says Liew. The indicative GDV of the Section 13 development is RM321 million.

Lastly, Paramount has another nine acres fronting Persiaran Surian in Kota Damansara and within walking distance of the proposed Sungai Buloh mass rapid transit (MRT) station. Liew was unable to reveal further details other than its plans for a 70% residential and 30% commercial mix for the project, pending approval from the authorities.

Bukit Banyan, Sungai Petani

Paramount recently launched its latest township, Bukit Banyan, a 520-acre development with a GDV of RM885 million, in Sungai Petani, Kedah. Bukit Banyan marks the developer’s third township up north. It also includes 25 acres of hill parks, 20 acres of water parks, a 13-acre commercial centre, reflexology paths and a landscaped park for each residential precinct. The township is 9km from the Sungai Petani town centre. The first phase of the gated and guarded project was launched earlier in April.

Liew says the company is replicating the best of Kemuning Utama in the Sungai Petani development. “We also have a mountain bike trail to cater for cycling buffs in our Bukit Banyan township. These are the little extras,” Liew says. The township will comprise over 2,598 terraced homes, 456 semidees, 43 bungalows, low-cost apartments, three business parks and 300 condominiums units.

To-date, 60% or RM35 million worth of properties for the first phase of the medium to high-end township have been sold. The first phase consists of 102 two-storey terraced homes and 68 two-storey semidees. The terraced homes are priced from RM295,900 with built-ups from 2,318 sq ft while the semidees have built-ups of about 3,265 sq ft and are tagged from RM466,900. Bukit Banyan has a total of 10 phases.

Market outlook

On the outlook for the local property market, Liew says, “Malaysia’s population is still young and growing. The challenge is to meet the demand for quality and affordable housing over the next 10 to 15 years. There is a need to complement the products we offer to the market.”

However, he does not see a property bubble brewing. “Banks are very stringent and giving loans only to people who can afford to service their loans.”

On challenges, Liew cites rising land prices and the availability of land. “When I was in KL in 2004, someone asked if I wanted to buy land in Ampang for RM400 psf. Today, they are asking for RM2,000 psf. Finding suitable and sizeable land is also a challenge. I told the team that gone are the days where we can continue to be township developers if we don’t move out from the Klang Valley.

“We are now looking at Johor and Penang. We have to be realistic. Moving forward, we cannot pick and choose to only build townships. We can only look at the land we can afford and whatever is suitable for that land and location. Again, our advantage is the ability to translate needs, spot market trends as well as have a look at affordable prices for the consumption of the public.”

