

Priced for local pockets

Crest Jalan Sultan Ismail offers affordable living and city address

[BY FINTAN NG]

The residential units of Crest Jalan Sultan Ismail, which are priced from RM660 psf onwards, may seem relatively inexpensive considering the rising prices in Kuala Lumpur's central business district. Highrise residential units start from RM700 to RM750 psf in the area around KLCC, while developments nearest to the iconic Petronas Towers were recently revised upwards to RM1,000 to RM1,200. What's more, new launches of prime units in the vicinity of KLCC are set to breach the RM900 to RM1,200 psf mark. Already there is talk of new launches at RM1,500 psf and maybe even RM2,000 psf. In contrast, penthouses in Crest Jalan Sultan Ismail start from RM765 psf.

Crest Jalan Sultan Ismail, or CSI as brothers Shamir and Joy Nandy, jokingly call it, is set to meet the demand for more affordable living in the area and also that of corporations and professional firms that want a downtown KL address for image and branding purposes. Shamir is managing director while Joy is sales and marketing president of Crest Worldwide Resources Sdn Bhd, a special purpose vehicle set up to develop the project. Crest Worldwide was set up more than two years ago by Rakyat BTR Capital Partners Bhd, an asset management company associated with Bank Rakyat, to purchase a 1.71-acre leasehold site located behind New World/Renaissance hotels and next to Tan & Tan Developments Bhd's 45-storey Cendana on Sultan Ismail.

"The site was purchased from a private landowner in September 2005 for RM35 million. Crest Worldwide is the landowner and developer while Rakyat BTR, through its property investment portfolio, is the financier," Shamir, the elder of the two Nandy siblings, tells *City & Country*.

The RM357 million development comprises two hexagonal towers — a 27-storey office tower and a 45-storey residential tower — sitting atop a 6-storey podium, with a ground retail level and five levels of car park.

A good investment for Rakyat BTR

For the Nandys and Rakyat BTR business development director Alan YH Wong, Crest Jalan Sultan Ismail represents a good investment opportunity for Rakyat BTR, which recognised the investment potential of the site when it was first



Crest Jalan Sultan Ismail

Located behind New World/Renaissance hotels and next to Cendana on Sultan Ismail, Crest sits on a 1.71-acre leasehold site. The development comprises a 27-storey office tower and a 45-storey residential tower atop a 6-storey podium. The ground level of the podium will house retail lots while the five upper levels are for parking. The towers are hexagonal in shape so that all units are corner units that come with four views.

Crest Worldwide intends to sell the office and residential units in both towers, but will retain and manage the podium's retail lots for better control over tenancy. Average gross rental for the retail lots are estimated at between RM10 and RM12 psf.

The office tower will house 109 corporate suites, with built-ups from 1,605 to 5,176 sq ft, and a penthouse office of 10,498 sq ft, priced from RM898,800 to RM6.41 million. The maintenance fee is RM1 psf. The office tower is designed with "smart building" features and is broadband-ready, with six layouts to choose from.

The residential tower, with 278 units, come with built-ups of 616 to 1,162 sq ft for the ordinary apartment units. There are eight super penthouses of 2,366 sq ft, eight duplex penthouses of 3,981 sq ft and two duplex super penthouses of 7,593 sq ft. There are nine layouts to choose from, with units priced from RM412,720 to RM6.07 million, with a 45 sen psf maintenance fee.

The units come with between one and three parking bays, depending on the size of the apartment. Facilities include swimming and wading pools, gym, playground, laundrette, function room, food and beverage outlets on the ground level of the retail podium and a convenience store. All units are also broadband and Astro-ready.

offered more than two years ago.

"We're not just a brick-and-mortar developer. This is still an investment for us and if a reputable developer makes an offer for it from which we can reap a handsome profit, we'll sell it," says Shamir.

He assures potential purchasers that come what may, the development is moving forward. "The site is ready for development; all the tenders are out and we'll commence construction in mid-May," he says. Mudajaya Group Bhd had announced on March 15 that its subsidiary, Mudajaya Corp Bhd, had received a letter of intent for a contract worth RM165 million for the construction of the development.

While the pricing is suited to local pockets, Shamir and his team are going on a roadshow to attract investors from the Asia-Pacific and South Asia regions as well as the UK. "The anticipated sales launch of the project is June unless a developer decides to come forward and makes an offer to buy it outright from us," says Shamir.

Re-priced with better finishing

The original plan called for serviced apartments only, but due to the demand for proper office space, especially Grade A office buildings, the shorter tower was converted for commercial use.

"The biggest difference between our development and that of others in the area around KLCC is that we have various layouts that cater for a wider group due to the lower entry levels," says Shamir, who has an advisory role in Rakyat BTR's property investment portfolio and sits in a number of companies representing Rakyat BTR's interest.

"Even after re-pricing it due to the higher cost of building materials, it is still cheap since



Shamir: Rakyat BTR open to selling the development site to interested parties

a 616-sq ft one-bedroom apartment is priced around RM360,000 to RM370,000. What's more, we're throwing in better finishing to reflect the new pricing, he adds.

"We're trying to get locals to own a piece of central KL and there is an understanding with Rakyat BTR that the pricing had to be in sync with what locals can afford," says Shamir.

"When we held a sneak preview last December for the residential units, we received good response, with a number of people placing bookings of RM5,000. We made sales of RM35 million in just one day, but had to return it all when we re-priced," he adds. Pricing psf then was at RM460 to RM525.

"Not bad for an unknown developer, especially when people compare us to a neighbouring development where built-ups are a minimum 2,000-plus sq ft and freehold too... the important thing is that we've have the financing to back us up," he says.

Joy adds that after giving it some thought, they decided to add kitchen fittings and wooden floors among the upgrades. "We're also throwing in interior design packages from as low as RM20,000," he says.

Joy resided in London for 10 years, where he was teaching advertising,

marketing and sales before deciding to come home two years ago. As he doesn't come from the property line, he sees the positioning and marketing Crest Jalan Sultan Ismail with a different perspective.

Location, he says, plays an important role. "A lot of developers in their advertisements like to say they're 10 or 15 minutes 'drive from the city or near KLCC. Well, we're actually near it," he says.

"I would like to emphasise that the leasehold status of the site is no bar to its premium, since land in downtown Kuala Lumpur is scarce. Leasehold land in the right locations can be valuable, so we're totally unconcerned about this," says Shamir.

Rakyat BTR

An associate company of Bank Rakyat, Rakyat BTR was formed in 1995 as a licensed asset management company.

Four years ago, Rakyat BTR decided to form a team of property investment experts to set up an investment portfolio. They started with an investment of RM20 million for a parcel of land in Bukit Segambut, on which over 20 units of semidees and bungalows were planned for development.

This land was bought over by a developer and Rakyat BTR made "a handsome profit", says Shamir, who has 11 years' experience both here and abroad in property investment.

That brought Rakyat BTR to set up Crest Worldwide to purchase and develop the Jalan Sultan Ismail site. Today, Rakyat BTR is looking to further enhance this property investment portfolio, says Wong.

"In the pipeline, we're finalising acquisitions of up to RM600 million, with a potential gross development value [GDV] of RM1.8 billion to RM2 billion... in fact, with the current development and another neighbouring 1.79-acre site that will require us to make another investment of RM35 million, we're looking at potential GDV for these two developments alone of RM800 million," he says.

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