

Large condos may be a thing of the past

LEE LAY KIN/THE EDGE

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Developers are moving towards building condominiums with smaller units, which means there will be a limited supply of large condos in Mont'Kiara in the future, a scenario for investors to consider.

Several developers in the high-end, high-rise residential enclave, such as Sunrise Bhd (now a subsidiary of UEM Land Holdings Bhd), Bukit Kiara Properties (BKP), Ireka Corp Bhd and Sunway City Bhd, have chosen to build condos with an average size of 2,000 sq ft and above.

"We launched 10 Mont'Kiara and 11 Mont'Kiara a few years ago when we saw demand for larger condos, especially among expatriate families of a minimum of two adults and three children," says Anne Tong, Sunrise's senior manager for branding and community development.

The seven-acre freehold 10 Mont'Kiara, which was completed in 2009, offers 332 units in two 43-storey towers. The typical units are between 3,478 and 4,090 sq ft in size. Tenants living in 10 Mont'Kiara are mostly professionals working for MNCs in mainly the oil and gas, banking and mining sectors. Their nationalities vary from American, British, French and Australian to Indian, Swiss and Canadian.

To help owners who have bought Sunrise products, a new division – hospitality and corporate marketing (HCM) – was created in 2009 to help owners lease out their units at no extra cost to them.

"We try to assist our existing customers in generating yield, prompting revenue growth and occupancy of their properties through medium and long-term leasing as well as resale consultations for optimal property value," Anne says.

HCM basically acts on behalf of the owners, dealing with real estate agents and even helping with viewings. It also ensures that rents are fair and there is no undercutting in order to create a stable rental market for Sunrise products. The owners only meet the tenants when it is time to sign the tenancy agreement.

"We work with the agencies, real estate agents, embassies and corporations directly to help owners find tenants and potential tenants find accommodation," Anne explains.



Anne: Gross rental yields are between 5% and 6%

Some 400 owners have listed with HCM for rent and resale so far.

Currently, 176 of 10 Mont'Kiara's 332 condos are occupied. Of this number, 94 are rented out while the remaining units are occupied by the owners. Rents are between RM10,000 and RM15,000 or RM3.20 and RM3.70 psf, depending on whether the units are partly or fully furnished. Gross rental yields, according to Anne, are between 5% and 6%.

The other condo projects by Sunrise with large units are 11 Mont'Kiara and 28 Mont'Kiara. The former, which has been completed and will be handed over next month, sits on 5.3 acres. It features five 43-storey towers with a total of 339 units whose built-ups range from 2,707 to 4,695 sq ft.

The latter, which comprises two 40-storey towers and is still under construction, sits on 4.87 acres. It has 460 units with the typical ones being between 2,535 and 3,000 sq ft in size. Slated for completion in 2013, 28 Mont'Kiara has a gross development value of RM998 million.

According to Anne, 28 Mont'Kiara is Sunrise's last project in Mont'Kiara that will feature large units. "Moving forward, Sunrise will be building smaller units catering to young professionals."

Sunrise will launch its latest development – 20 Mont'Kiara – in 2H2011. Situated near Plaza Mont'Kiara, this mixed-use development will feature a hotel, SoHos, luxury serviced residences, business suites and boutique retail outlets. It sits on six acres of freehold



Wan Abdullah: We will ensure that continuous value-creation initiatives are implemented in Mont'Kiara

land and has an estimated GDV of RM1 billion. The built-up of the serviced residences is between 850 and 2,000 sq ft.

Sunrise is synonymous with the development of Mont'Kiara, having completed at least 14 condominium and three commercial projects in the area. Over the years, it has introduced numerous services to its residents, including a free community shuttle service, a toll-free customer call centre, mobile security patrol, public road CCTV system and night guard dog teams. It also organises regular social and recreational activities for its residents. The developer has also regularly come out tops in product quality in *The Edge* Top Property Developers Awards.

With the merger of Sunrise with UEM Land, the expanded group is focused on continuing Sunrise's strong brand name in the area "by delivering sustainable community living and appreciating value to stakeholders", says Datuk Wan Abdullah Wan Ibrahim, UEM Land's managing director and CEO. "UEM Land recognises Sunrise's reputation and expertise in the area of upmarket high-rise residential and commercial developments. We will ensure that continuous value-creation initiatives are implemented in Mont'Kiara."

With regard to concerns about traffic congestion, Wan Abdullah says, "The residents of Mont'Kiara are now enjoying smoother traffic flow with the opening of the Jalan Duta-Kiara Bridge as an alternative route to and from Jalan

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A helping hand for owners

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Duta. In addition, we will be mobilising our newly formed Sunrise auxiliary police to assist in traffic management during peak hours."

In BKP's Hijauan Kiara, which was handed over in 2008, the unit sizes range from 2,090 to 3,732 sq ft.

"We built Hijauan Kiara with large built-ups because of the demand for such sizes at the time in Mont'Kiara," says N K Tong, BKP's group managing director. "We also wanted to have a very low density and exclusive project after our Aman Kiara development. Thus, large built-ups came to mind."

Aman Kiara, BKP's maiden project, is an exclusive gated and guarded precinct of 19 bungalows and 12 duplex condovillas and was launched in 2002.

To help the owners rent out their Hijauan Kiara condos, BKP is working with several exclusive real estate agencies. "We are offering ourselves as the go-between to real estate agents and homeowners at

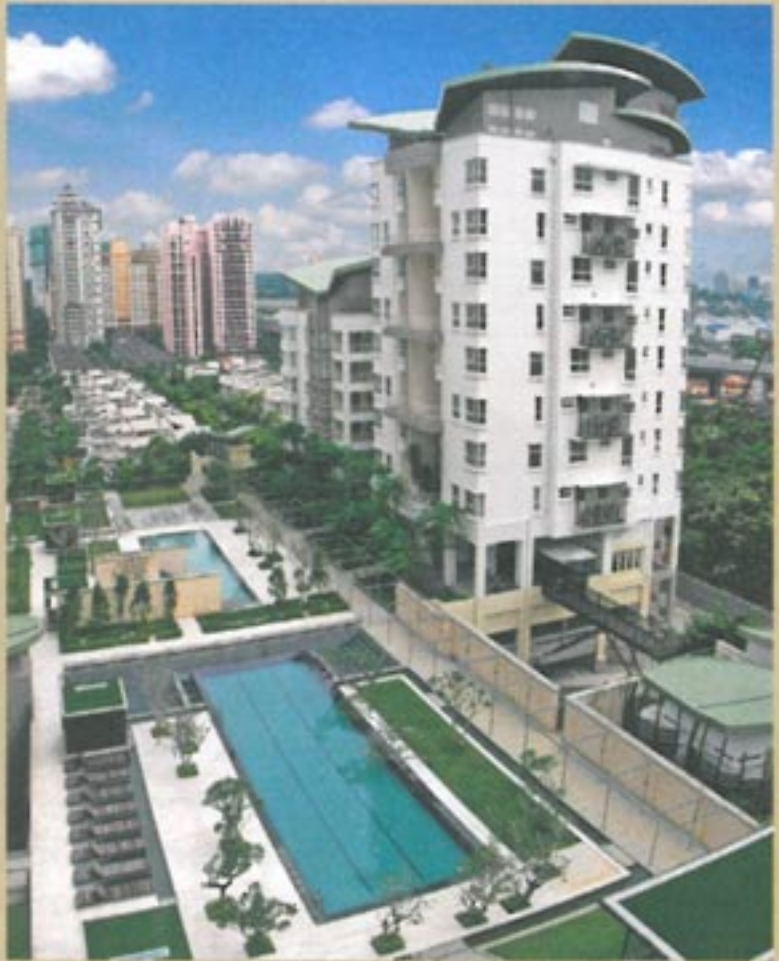
BKP's Hijauan Kiara, completed in 2008, was built to cater to the demand for larger sized units

no cost to them," says N K.

Current rents at Hijauan Kiara average RM3.50 psf for unfurnished units. The number of tenants has increased steadily over the years and some 80% of the units are occupied now.

Hijauan Kiara has 188 units, with no more than two per floor and each unit with its own lift lobby. The 5.4-acre project was launched in 2005.

Ireka Corp's SENI Mont'Kiara, which offers units with built-ups that start at 2,347 sq ft, is still under development.



BKP



ABDUL GHANI ISMAIL/THE EDGE

N K: BKP built larger condo units to complement its Aman Kiara project

Phase 1 was handed over in May this year while Phase 2 may be completed and handed over by the end of this year. "The large units are in response to our buyers and a market that wanted more luxurious and larger condos in Mont'Kiara," says Ireka Corp's president and CEO Lai Voon Hon.

Ireka also provides leasing and sub-sales assistance to its condo owners via a partnership with real estate agency One Real Estate Sdn Bhd. The agency also helps customise accommodation according to the needs and budgets of tenants.

Its Tiffani by i-ZEN offers smaller units of 1,235 sq ft onwards. Rents are between RM2 psf and RM5 psf. The project has two towers – one 28 storeys and the other 29 storeys – with a total of 399 units and sits on 3.6 acres.



Lai: The large units are in response to market demand for luxurious homes

SENI Mont'Kiara sits on 8.83 acres and features two 40-storey towers and two 12-storey towers offering a total of 605 units.

Meanwhile, SunCity's Sunway Vivaldi will be handed over to owners in 3Q2011, according to senior manager for marketing and sales Vincent Eyu. Unit sizes start from 2,573 sq ft.

"We built large units to cater to growing demand for such homes. Many people are moving out of bungalows to condos for security and maintenance reasons."

He reveals that SunCity works with real estate agency Nova Realty, which provides leasing services to the condo owners. Sunway Vivaldi comprises three 20-storey towers and three 9-storey towers with a total of 228 units. It sits on 7.7 acres.