



# Drawing a young demographic

BY WONG MEI KAY

**A** drive along the busy Lebuhraya Shah Alam or Kesas Highway towards Bukit Jalil will tell you that the area — located 18km south of the Kuala Lumpur city centre — is growing at a remarkable pace.

Construction hoardings touting various projects, such as the Z Residence, Kiara Residence and The Treez, can be seen along both sides of the highway while work on the Ampang light rail transit extension is in various stages.

Bukit Jalil lies in Kuala Lumpur South, which real estate consultant VPC Alliance (M) Sdn Bhd says also covers Salak South, Kuchai Lama, Sungai Besi, Kinrara, OUG/Jalan Kelang Lama and Puchong. Properties in Bukit Jalil have been selling well in the past few years, turning the area into a major property investment hot spot.

A number of condominium and serviced apartment projects have been launched in Bukit Jalil to date. According to research by CH Williams Talhar & Wong Sdn Bhd (WTW), some 2,815 such properties have been offered here over the past two years with prices ranging from RM450 to RM800 psf and sizes from 721 to 1,508 sq ft.

Launches of medium to high-end condominium and serviced apartment projects in the locality over the past one year, such as Twin Arkz @ Bukit Jalil, Kiara Residence 2 as well as KM1 West by Berjaya Land Bhd have all achieved sales of 70% and above.

Berjaya Land's KM1 East, which was pre-launched in February this year at RM670 psf before rebates, achieved a take-up rate of more than 60%. Prices of units with sizes of 1,878 to 2,346 sq ft range from RM1.06 million to RM2.3 million.

Kiara Residence 2 was sold for RM440 psf before discounts in April 2012. In September 2012, Twin Arkz was previewed at RM650 psf. Other launches in the past three years include Z Residence by Trinity Group Sdn Bhd, The Treez by Exsim, Development Sdn Bhd and Kiara Residence 1 by Kiara Residences Properties Sdn Bhd.

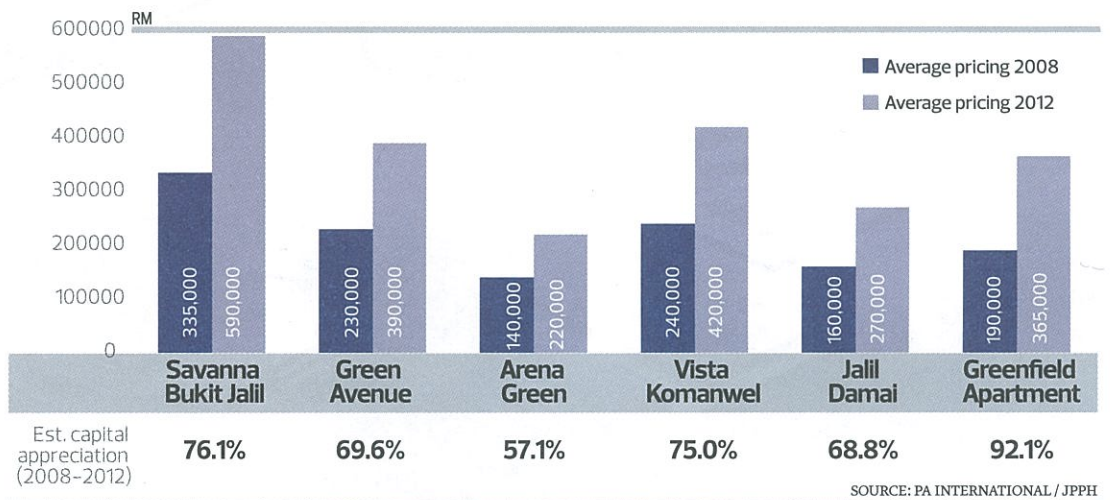
According to WTW's estimates, there are already about 8,000 condos and serviced apartments in Bukit Jalil and among them are Vista Komanwel and Berjaya Land's condominiums Savanna 1 & 2, Green Avenue, Anjung Hijau and the newly completed Covillea.

Berjaya Land had started developing its 400-acre landbank in Bukit Jalil in the 1980s with some 165 acres taken up by the Bukit Jalil Golf and Country Resort.

As at February 2012, the developer had launched close to 3,800 properties in Bukit Jalil and had about 23 acres of undeveloped land on which commercial and residential projects are planned.

As this is a mature area, only infill and small pockets of vacant land are available for residential development. Thus, new projects are usually condominiums, serv-

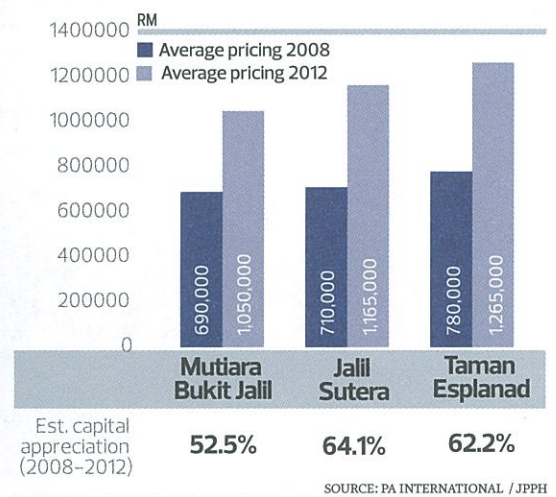
## Capital appreciation of some high-rise homes in Bukit Jalil ...



PICTURES BY PATRICK GOH/THE EDGE



## ... and of linked houses



iced apartments and SoHos, says James Wong, managing director of VPC Alliance, when asked about the high number of stratified properties coming up in the area.

In the four years since the Ampang LRT extension alignment was approved in September 2009, property prices in KL South have risen more than 50%, he adds.

Additional stations to the line ending in Putra Heights have been proposed for

**The limited supply of landed homes in the market will push prices higher in the near future**

Bukit OUG-Awan Besar, PPR Kampung Muhibbah, Bandar Kinrara 1 & 6, Bandar Kinrara 2 & 5 and Taman Bukit Kinrara/ Bandar Kinrara 3.

At the present time, Bukit Jalil has two LRT stations (Bukit Jalil and Sri Petaling), which are the last two stops on the current Ampang line.

Foo Gee Jen, managing director of WTW, believes the proposed Serdang-Kinrara-Putrajaya Highway is likely to

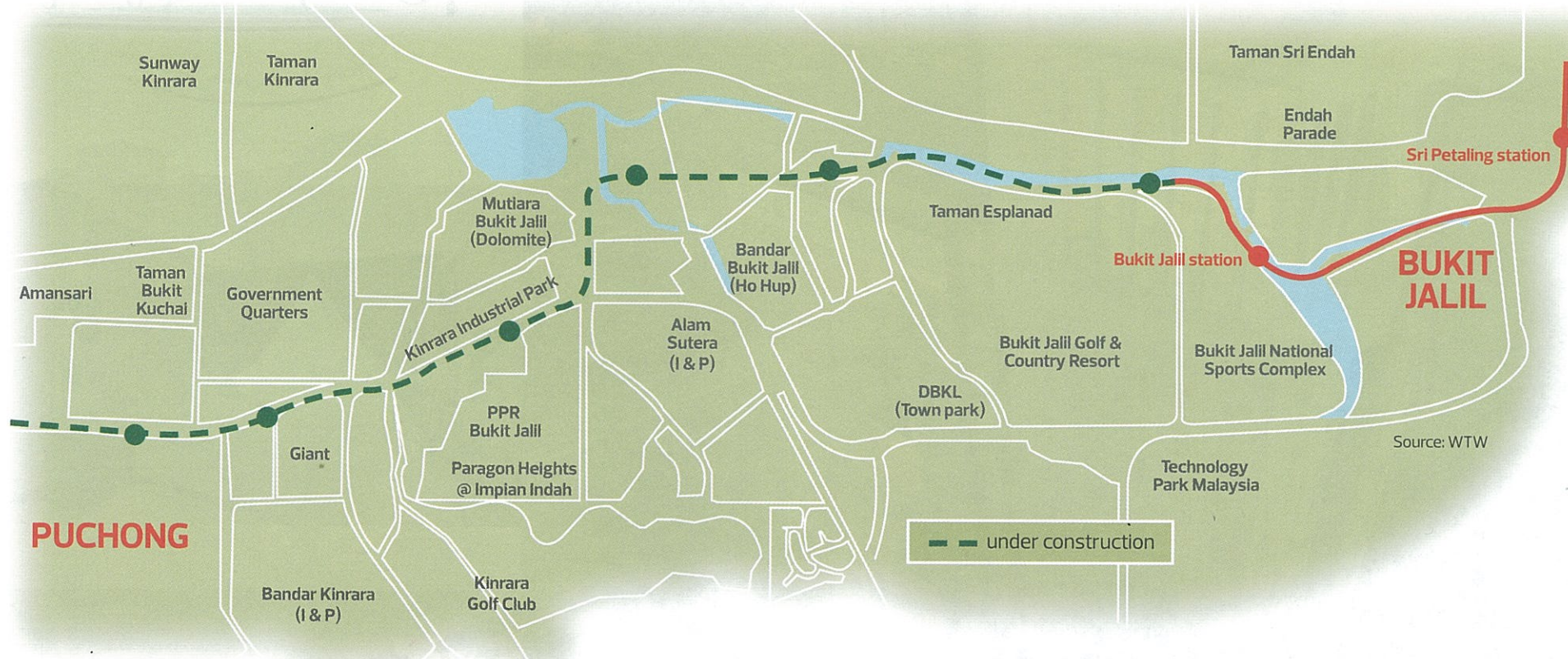
increase the popularity of Bukit Jalil and other KL South areas.

Bukit Jalil already has excellent connectivity in terms of major highways and expressways, namely Lebuhraya Damansara-Puchong, the Puchong-Sungai Besi Highway, the Maju Expressway, the New Pantai Expressway and the Kesas Highway.

It also offers various educational and

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Ampang LRT extension (KL South)



Growing demand to absorb new supply of homes

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recreational facilities and is best known for housing the main venue of the 1998 Commonwealth Games — the Bukit Jalil Stadium — as well as the Bukit Jalil Golf & Country Resort. Educational and research establishments include the Bukit Jalil Sports School, the International Medical University, the Asia-Pacific Institute of Information Technology and Technology Park Malaysia.

Eric Ooi, executive chairman of Knight Frank Malaysia, says the buyers of the new developments in Bukit Jalil are mostly couples in their thirties getting their first homes and upgraders who have been living or have friends or family in the surrounding areas and investors.

A small percentage of the buyers are from Japan, Singapore and Hong Kong.

Rising values

Launches of landed homes are rare in Bukit Jalil. According to WTW, as at the end of 2012, there were about 16,000 terraced, semi-detached and detached homes in established housing estates in the area, such as Alam Sutera (I&P Group Sdn Bhd), Bandar Bukit Jalil (Ho Hup Construction Bhd), Taman Esplanad and Mutiara Bukit Jalil (Dolomite Corp), to name but a few.

The last landed residential offering in Bukit Jalil were 2-storey semidees in Alam Sutera by I&P Group. They were launched in October 2010 at RM1,309,888 to RM1,469,888.

The prices of semidees launched in 2006 were RM640,000 to RM720,000 while 2007 saw new semidees at RM670,000 onwards, according to I&P Group's website.

Moving forward, The Earth@Bukit Jalil by WZR Property Sdn Bhd is expected to offer 40 semidees in the middle of this year. All units will be fitted with a lift and a rooftop garden. According to the developer, sizes start at 4,560 sq ft and the indicative prices at RM1.9 million. The 11.83-acre leasehold development also offers shopoffices.

Although there have been more transactions on the primary market in recent years, secondary market prices continue to rise, especially in established and well-linked areas.

PA International Property Consultants (KL) Sdn Bhd managing director Jerome

Hong says the value of 2½-storey link homes in Jalil Sutera has risen 64.1% in five years. A 2,966 sq ft unit that was going for an average of RM710,000 in 2008 was transacted at RM1.165 million in 2012.

The prices of 2-storey link homes in Taman Esplanad have also seen capital appreciation. In 2008, the 2,662 sq ft homes were selling for RM780,000, but today, they are fetching a cool RM1.265 million — a 62.2% rise in value.

Stratified properties on the secondary market have performed well too. PA International notes that the price of a 990 sq ft apartment in Greenfield rose a whopping 92.1% from RM190,000 in 2008 to RM365,000 last year. At Savanna Bukit Jalil Condominium, the price of a 1,212 sq ft unit rose to RM590,000 last year from RM335,000 in 2008 — a capital appreciation of 76.1%.

Small units to remain popular

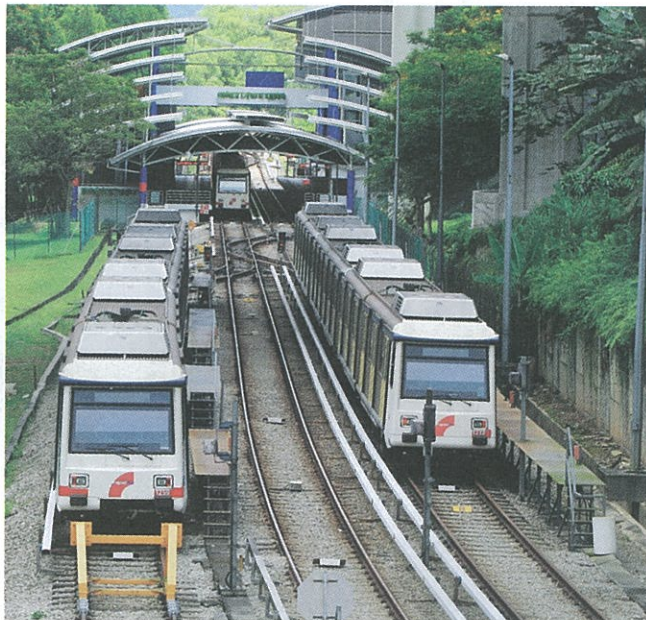
The proliferation of new developments in Bukit Jalil may raise concerns about traffic congestion in the future, especially on Jalan Jalil Perkasa 1, a two-lane road that stretches from the Kesas Highway to the Bukit Jalil Golf & Country Resort.

"In addition to the upcoming Bukit OUG-Awan Besar LRT station, several high-density condominium projects are coming up in the vicinity. If Jalan Jalil Perkasa 1 is not widened in the next few years, it will cause a terrible traffic bottleneck," says a resident of a nearby condominium. Among the developments located near Jalan Jalil Perkasa 1 are Green Avenue Condominium, Anjung Hijau Condominium, Bukit OUG Condominium and Taman Esplanad.

Be that as it may, real estate consultants believe growing demand will absorb the new supply of properties in the area. Some, however, say there may be difficulty in getting tenants for the larger units compared with the smaller apartments or SoHos.

"Demand for small-sized apartments of 500 to 1,000 sq ft is expected to remain strong due to their affordability to young professionals entering the property market," Ooi of Knight Frank says.

The positive response to recent launches indicates a healthy and sustained demand for apartments and condos in Bukit Jalil and other areas in KL South, say the con-



In the four years since the Ampang LRT extension alignment was approved, property prices in KL South have risen more than 50%

PATRICK GOH/THE EDGE



HARIS HASSAN/THE EDGE



Foo (left) believes the proposed Serdang-Kinrara-Putrajaya Highway will increase the popularity of Bukit Jalil and other areas in KL South while Hong says the value of 2½-storey link homes in Jalil Sutera has risen 64.1% in five years

sultants, citing the following reasons:

- Incentives offered by the developers, such as the developer interest bearing scheme; easy access to bank loans; free SPA legal fees; discounts; and attractive and innovative living concepts, designs and layout;
- High property prices in the Kuala Lumpur city centre and mature townships such as Subang Jaya, Petaling Jaya and Sunway have resulted in many buyers, particularly the young working population and first-time home owners, to relocate to areas such as Bukit Jalil, Kinrara, OUG, Jalan Kelang Lama and Serdang;
- The average wage earner cannot afford the prices of landed properties. Stratified properties are affordable in terms of absolute pricing as the built-up areas are generally smaller (500 to 1,600 sq ft); and
- The smaller built-up areas reflect a

larger number of singles and small families looking for homes to buy.

That said, affordable apartments might just become a thing of the past as the price psf in recent launches continued to rise. For example, Exsim sold all 41 units (721 sq ft) of its Twin Arkz@Bukit Jalil for RM800 psf, which translates into RM576,000.

Industrial and commercial highlights

Bukit Jalil's commercial areas are currently concentrated in Taman Esplanad and The Link, which comprises 52 four-storey shopoffices in Jalan Jalil Perkasa 1.

According to WTW, work has commenced on mixed-use development Jalil City by Ho Hup Construction that was put on hold. The 60-acre project will feature high-rises, office suites and shopoffices.

In December 2011, the Earth@Bukit Jalil offered 46 four-storey shopoffices at RM3 million each, which are expected to be completed by 2015.

The main industrial area in Bukit Jalil is Technology Park Malaysia, which accommodates companies engaged in information and communications technology R&D and broadcasting, including Astro and MIMOS Bhd. Due to a lack of industrial land for future developments, the real estate consultants see limited growth in the market in Bukit Jalil.

Future opportunities

According to the consultants, Bukit Jalil will continue to be a hot spot despite land fast becoming scarce because there may still be areas on which potential buyers and investors could focus.

Existing or upcoming residential, commercial and industrial developments near the upcoming LRT stations and along the extension are poised for strong capital appreciation and rental yields, says PA International's Hong while WTW's Foo says integrated residential and commercial developments that offer a live-work-learn-play environment will be the people's choice in the next few years due to the expanding residential population in the area. He sees landed homes continuing to do well. "The limited supply in the market will push prices higher in the near future."

Thanks to the lack of industrial land for development, and hence a shortage of terraced factory and semi-detached factory developments in the area, "any new launches of [industrial properties] can be expected to perform well", says Wong of VPC Alliance.