

Beverly Group extends its reach to KL city fringe

By Ewe Shufei / TheEdgeProperty.com | March 22, 2016 10:30 AM MYT



STARTING out as a civil structure contractor, Singapore-based Beverly Group Sdn Bhd — a subsidiary of Singapore-registered Qingdao Investments Pte Ltd — became a

property developer when its founder and CEO Lim Seak Koon decided to experience property development “from the other side”.

“When Mr Lim worked as a contractor, he saw the risk profiles of both contractors and developers. Although as a property developer, you have to take a risk where the market is concerned, if you are smart and willing, you will do better than contractors,” Beverly Group sales and marketing executive director Wendy Tang tells *City & Country*.

Since the group’s inception in 1980, it has completed four projects worth RM1.5 billion. The developer currently has eight ongoing projects in Malaysia, Singapore and China. Its completed developments in Singapore include Parc Haven, with 137 apartments, and Chuan Vista, with 19 terraced and semi-detached houses, which were completed in 2005 and 2000 respectively.

Its ongoing projects include the Guangzhou International Golf Club in Xiancun in Xintang Town, and Guangzhou Dolce Vita — with 2,785 high-rise and low-rise apartments and commercial units — in Guangzhou, China.

“Mr Lim was one of the pioneer investors in China in the 1980s — 1983 to be exact — and when he first went, he was very welcomed,” says Tang. “He fell in love with China because he saw a lot of potential in it, way before the country opened its doors to investors.”

Beverly Group’s flagship development in Malaysia is Marc Residence. Launched in 2003, the 637 serviced apartments are located in the heart of Kuala Lumpur city centre (KLCC) in Jalan Pinang. Tang says the units, which were completed in 2007, are now fully occupied. They were sold for an average price of RM700 psf and rented out for around RM3,000 per month at the time of their launch.

From there, Beverly Group went on to launch 28 BLVD in March last year. The project is a 50:50 joint venture with Mapletree Investments Pte Ltd. Sitting on 11.07 acres in Pandan Perdana, Kuala Lumpur, the project comprises two towers of serviced apartments, two towers of small office/home office (SoHo) units, and two levels of commercial units. With 450 sq ft studios, and apartments that range from 678 sq ft (two-bedroom units) to 1,744 sq ft (five-bedroom units), it has seen a take-up of 75% since its launch.

“We were one of the first to implement small units in our apartments,” Tang remarks. “This was during 2003 when the trend hadn’t caught on yet, and people were confused as to why we were doing it.

“Our customers were initially a bit sceptical,” Tang laughs. “But after they saw our showroom, they were impressed. We’re trying to showcase a different way of city living — we take conscious care where the designs of our units are concerned, so that there are no wasted corners or corridors. We want to design something pragmatic because every inch counts.”

Now, the group is again venturing out of the city centre to Wangsa Maju where its latest development, Lexa Residence, will be located. It is about 4.6km from KLCC.

“We bought the Wangsa Maju site, which has a huge potential because of its proximity to KLCC, in 2013,” Tang remarks. “Now that we’ve completed developments within the city centre, we’re turning to the fringe area.”



Fusing urban living with nature

Many may not be aware that Malaysia is home to the world’s largest quartz ridge, the Klang Gates Quartz Ridge (or Bukit Tabur), which is familiarly known as the Dragon’s Backbone because of its shape. It is located just 3.5km from Beverly Group’s latest project, according to Tang.

“We initially liked the site because of the fresh air and the environment in general,” she says. “After we did some research, we realised that our site was right between the city centre and the world’s largest quartz ridge. So, we feel like we’re a kind of gateway between urban life, the city centre and nature.”

There are plans to develop the 16.5-acre freehold parcel — which is divided into five different parcels — into a residential enclave with an urban park. The group is starting off with the 2.69-acre Lexa Residence in Seksyen 10, Wangsa Maju.

Developed by the group in collaboration with Mapletree Investments and Lai Sun Development Co Ltd, the project has two towers with a total of 438 serviced apartments. Tower A will be 21 storeys and Tower B, 23 storeys. There will also be six storeys of parking bays and around three levels of retail spaces.

“After doing more research, we found that in this particular quartz dyke, there are five species of plants unique to Malaysia and found only in this particular quartz ridge,” says Tang. “Drawing from that, we used the botanical names of these plants — taking two letters from their first names and family names to form the names of our developments, which is how ‘Lexa’ came about.”

Lexa Residence has a tentative completion date of 2020. Its estimated gross development value (GDV) is RM260 million, while the GDV of the group’s entire site in Wangsa Maju is RM1.5 billion.

“We’re planning to launch Lexa Residence by the second quarter of this year, after our sales gallery is completed,” says Tang.

Built-ups of the residential units range from 662 to 919 sq ft — in line with the group’s signature of “smaller spaces”. There will also be exclusive units measuring 1,050 to 1,191 sq ft. The indicative price range is RM650 psf, or about RM420,000 to RM600,000 per unit.

Lexa Residence will boast facilities such as a 50m infinity lap pool, two sets of Jacuzzis, a children’s wading pool, function rooms and reading rooms, a garden area and yoga platform. It will be near amenities such as schools, an AEON supermarket and the Wangsa Walk Mall, and will be accessible via the Duta-Ulu Kelang Expressway (DUKE).

The group is targeting young professionals and families who want to live near the city centre but within a cosy, communal area.

“We aim to develop a higher-end range of products in Wangsa Maju. We’re trying to carve out an identity for the community that is going to be living there,” Tang says. “The retail outlets will play a big part in that, in supporting a lifestyle environment for the residents.”

There will only be some 38 retail outlets below the serviced apartments, ensuring a sense of exclusivity and security for the residents, on top of ensuring a better take-up. These outlets will face the main road and are expected to be priced at an average of RM960 psf. Beverly Group is planning to provide guaranteed yield returns and leaseback agreements to its buyers, providing them with peace of mind as well as allowing it to control its tenant mix.

“Everybody knows commercial units are pretty hard to rent out in the first few years, and only start maturing after about three to four years,” says Tang. “So, for potential buyers,

it's perfect because even if they can't rent out their units within these two to three [initial] years, we will still give them rental fees."

When asked about the expected tenant mix, Tang says the group is currently looking at cafés, banks and possibly a supermarket as an anchor tenant for its commercial lots. "Catering for the homeowners' needs is more important to us," she adds. "So, we're envisioning what the prospective buyers will enjoy where our commercial lots are concerned."



Staying one step ahead of the game

"If people don't think now is the time to buy properties, there will never be a time to buy properties," Tang remarks, in regard to the state of the market.

While she agrees with the consensus that the property market is "extremely challenging", she says, "We don't mind paying a little bit more to give our buyers lower prices and also to retain the same kind of quality."

According to LaurelCap Sdn Bhd executive director Stanley Toh, "KL city has become very expensive in terms of price and rental. The next logical step would be to move to the outskirts in order to save cost and Wangsa Maju is a suitable area."

Beverly Group claims Lexa Residence has the most attractively priced units for the type of residences it is offering within the vicinity of Wangsa Maju.

"Some people invest in the area because they grew up there or in neighbouring areas such as Taman Melawati, Taman Melati or Kemensah Heights. As they start their own

families and move out ... Wangsa Maju is ideal in terms of the distance between their office in KL city and their parents' home," Toh remarks.

He says Wangsa Maju has a population of about 400,000. He adds that the area is more populated compared with the other areas in its immediate proximity outside the city centre due to its relative abundance of commercial developments and facilities, such as an LRT station and shopping centres such as Wangsa Walk Mall, Alpha Angle (Jusco), AEON Big and KLSE Wangsa Maju.

"According to statistics, each Malaysian family has 2½ children on average," Tang says. "So our four-bedroom apartments are ideal for families with, say, three children. But to get a four-bedroom apartment within the area would cost buyers more than RM1 million."

Henry Butcher Real Estate Sdn Bhd chief operating officer Tang Chee Meng says Wangsa Maju is a "promising area". "[Units in Wangsa Maju are] significantly cheaper. Newer condominium units would be around RM550 to RM750 psf in the area compared with places such as Mont'Kiara where even older units range from RM550 to RM600 psf, while the KLCC units would be over RM1,000 psf."

Other residences in the surrounding area include Infiniti Residences, Wangsa9 Residency and Seri Rianna, all of which have starting prices of around RM600,000 for two-bedroom units, and RM1.2 million to RM1.8 million for four-bedroom units.

"We're launching a product we see a high demand for and we're catering especially for domestic demand," Beverly Group's Tang says of the group's development.

"Lexa Residence definitely appeals to the middle-income local population," she remarks. "Wangsa Maju is quite a mature area, and it's now seeing more upmarket developments being built, mostly owing to its amenities and accessibility from the city centre."

She says Beverly Group is a trusted brand, not only to its buyers but also its partners such as Mapletree Investments.

"We're confident that even though the market is challenging, we are able to meet specific needs, especially if we price our units attractively," she adds.

Going forward, the group plans to build two residential blocks, named Fera, on the land adjacent to Lexa Residence that fronts the main highway. Tentatively, it will have 18 retail units, similar to Lexa Residence.

"We're going to launch a variety of products over the next five or so years," Tang remarks. "But we're going to take our time ... we will not rush when it comes to the remaining land."

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