

Cover Story: Kampung Attap a repeat of KLCC's success story? — Part 1

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A 70-acre site within Kampung Attap, Kuala Lumpur, encompassing Jalan Belfield, Jalan Hose and Jalan Talalla, appears to have caught the attention of a least four developers, which will collectively build offices, shoplots and some 2,500 serviced apartments.

Tycoon Tan Sri Syed Mokhtar Albukhary and the late Tan Sri Lim Goh Tong's family have plans for mixed-use development projects in Jalan Belfield, which is located less than 2km from the proposed Menara Warisan Merdeka (project name: KL118) undertaken by Permodalan Nasional Bhd (PNB). Two other players that will join in are listed companies Salcon Bhd and Bina Puri Holdings Bhd. Together, the projects are expected to cover 20 acres (see map).

Property players say a combination of factors is driving developers to this area.

"Scarcity of land in the KL Sentral area and infrastructure improvement in and around the location (Kampung Attap) have led to interest. This, coupled with high land prices in other locations, could have been the push factor. The pull factor would be faster approvals by DBKL (Kuala Lumpur City Hall) after the relocation of the palace," Zerine Properties CEO Previndran Singhe tells The Edge.

Stanley Toh, director of valuation and real estate consultancy firm LaurelCap Sdn Bhd, agrees that scarcity of land is driving developers to Kampung Attap, which, incidentally, comprises largely government land. "This area is one of the last in KL that is still undeveloped. Recently, it became a strategic location due to new mega developments in the neighbourhood, such as the Menara Warisan Merdeka project, the redevelopment of Pudu Jail (Bukit Bintang) and the mass rapid transit station in Jalan Maharajalela, as well as its proximity to KL Sentral."

He adds that the emergence of Menara Warisan Merdeka — it will be the country's tallest building when completed — will see history repeat itself, just like when the then world's tallest structure was built in Kuala Lumpur city centre. "When the Petronas Twin Towers/KLCC was constructed in the 1990s, the entire world started to know its location. The surrounding areas have benefited — property prices skyrocketed, and until today, foreigners are only comfortable investing in areas close to KLCC. I see a very similar occurrence with Menara Warisan Merdeka, and it is clearly evident in the number of proposed developments in the vicinity."

Salcon (fundamental: 2.1; valuation: 3), too, appears to be banking on a repeat of the KLCC success story in Kampung Attap. Its executive director Datuk Eddy Leong

describes Menara Warisan Merdeka and the planned infrastructure/transport upgrade as the “new epicentre of growth in KL”. The company plans to build offices, retail units and serviced apartments in Kampung Attap.

“Menara Warisan Merdeka will be another iconic development not only for Kuala Lumpur but also for Malaysia. We expect it to have the same effect [that] KLCC has on the surrounding properties,” Leong says.

PNB Merdeka Ventures Sdn Bhd is constructing the 118-storey building, which will feature 80 floors of office space and five floors of serviced apartments. Thirteen floors will be allocated for a hotel. This project will include an eight-storey retail podium.

Sources say a two-level tunnel, named Belfield Tunnel, will link the fourth and fifth basement floors of the building to Kampung Attap, thereby bringing the areas now separated by Jalan Maharajalela closer.

Cheaper land, good take-up

Bina Puri (fundamental: 0.15; valuation: 1.8) appears to be the first among the four developers identified with projects in Kampung Attap, to launch its project, as it has obtained the necessary approvals. Called Opus Kuala Lumpur, the project is in Jalan Talalla and its official launch is slated for the first quarter of this year.

“Land prices here are considerably cheaper. This allows for an upside for the purchasers, as opposed to the KLCC area where developers have to sell at RM1,500 psf and above to be able to make reasonable profits due to the high land cost,” says Bina Puri group executive director Matthew Tee Kai Woon, who refers to Menara Warisan Merdeka as “another new landmark instead of KLCC”.

LaurelCap’s Toh says there has been no known recent vacant land transaction in the vicinity. Hence, land prices should typically be around RM300 to RM500 psf for residential use and RM500 to RM700 psf for commercial use.

Salcon’s Leong is confident that the company’s project will bring good yield and give it a big boost in the property scene. “The take-up rate is anticipated to be good due to its central location and close proximity to public transport — there will be two MRT stations (Pasar Seni and Warisan Merdeka), a light rail transit station (Pasar Seni) and a monorail station (Jalan Maharajalela) in the vicinity, which will be convenient and attractive to tenants and patrons alike.”

A development boost in and around Kampung Attap

Again, because of the scarcity of land and anticipated improvement in the infrastructure, Kampung Attap is expected to welcome more property players in the near future, and with this, nearby areas will be developed, rejuvenated and refreshed.

According to Toh, apart from the tract within the triangle of Jalan Kampung Attap, Jalan Belfield and Jalan Wisma Putra, it is not easy to find vacant land.

He expects Menara Warisan Merdeka to have a positive impact, leading to more developments in Jalan Kampung Attap, Jalan Bellamy, Jalan Hang Tuah and Jalan Hang Jebat.

He points out that there is also a car park along Jalan Balai, adjacent to the traffic police station in Jalan Tun H S Lee, which is ready for development. Redevelopment of some pre-war buildings in the Jalan Petaling area into boutique hotels and serviced apartments is also anticipated, he says.

Salcon, too, foresees the regeneration of some of the older areas in the locality.

As these areas develop, Previndran feels that the boon will also be in the form of an increase in property values. He opines that the main beneficiaries of the Menara Warisan Merdeka development will be the properties in Jalan Hang Jebat.

He anticipates a positive impact on Chin Woo Stadium, the Malaysian Basketball Association, Methodist Boys' School, YWCA, Olympic Council of Malaysia and Victoria Institution. "Jalan Sultan and the rest of Chinatown will also benefit from the tower."

It is worth noting that the Kuala Lumpur Master Plan 2015-2025, released by the Tourism Unit of DBKL last week, has identified several areas, including Kampung Attap and Jalan Petaling, as key areas for conservation and preservation of historical buildings.



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