

Newspaper : The Star
 Date : 23rd June 2014
 Title : Bina Puri unit looks to revive more abandoned projects
 Section : StarBiz Page : 5

Bina Puri Holdings Bhd
 (207184-X)

Bina Puri unit looks to revive more abandoned projects

By LIZ LEE
 lizlee@thestar.com.my

PETALING JAYA: Sumbangan Lagenda Sdn Bhd, a 51% subsidiary of Bina Puri Holdings Bhd, has successfully revived an abandoned mixed development in USJ Subang after investing almost RM200mil over the past five years.

Managing director Jason Yam said the project, called Main Place@USJ 21, cost RM80mil to redevelop but the company had also added investments to upgrade facilities and design.

The gross development value is RM291mil, with a total sellable area of 880,000 sq ft.

The 4.3-acre project was no mean feat and Yam believes Main Place offered a more fulfilling business strategy than the conventional build-from-the-ground.

"We took this on because we saw money to be made," he said in an interview.

Among the plus points, he noted that there were ready buyers who were now finally getting their investments' worth as well as a good location.

"The four blocks of serviced apartments were already 90% sold out when we took over the project. We now only have two units left," he said of the 1,211-unit apartment blocks.

"Fifteen years ago, the buyers bought their units at RM148 per sq ft but now the going rate in the USJ area is about RM600 per sq ft," Yam said.

The original concept for the development was a time-sharing hotel and the units do not come with car park bays. Sumbangan Lagenda, therefore, has 1,500 carpark bays to earn rental from.

Below the serviced apartments is a retail podium which the company will keep for recurring income. The mall has 130 retail lots, 85% of which are already rented out when it was opened in March this year. The developer expects full occupancy by September this year.

The total leasable area is 240,000 sq ft across the 3.5-floor mall. The rental rates are going at RM2.73 per sq ft.

"We are open to taking on other similar abandoned projects, using this experience as a stepping stone. The cashflow is better," he said.



The developer is currently considering several high-rise residential or mixed development projects that have been abandoned in the Klang Valley and Penang.

He added that greenfield projects were not its focus now as new land is usually more expensive or may be located in less attractive areas.

Yam revealed that three other developers, among which two are listed companies, had approached him to buy over Main Place when Sumbangan Lagenda had first taken over the project from the previous owner.

"We are the second white knight actually, the first one was a smaller developer and did not have the resources for it," Yam said.

Main Place is easily accessed from Lebuhraya Damansara-Puchong, and the future MRT will be a 250m walk away.

Sumbangan Lagenda is a sponsor for The Star Business Awards (SOBA) 2014.

"SMEs need to strive for excellence and not underestimate what they are capable of," he said.

In conjunction with the awards, *The Star* will also hold the Learning Series workshops focused on the GST implementation in Penang (June 24), Petaling Jaya (June 26), Ipoh (August 7) and Malacca (August 14) conducted by BDO.

Participation for the awards is open to all local enterprises that are not part of a multinational group or listed group incorporated in Malaysia with foreign equity not exceeding 50%. For more information on the awards, call The Star Events Dept at 03-7967 1388 ext 1240 (Melissa)/1475 (Pei Wen) or visit www.soba.com.my.