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Crest Builder targeting both international and local buyers for Latitud8

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“This will be the first transit-oriented development (TOD) in the city centre of Malaysia to sit on top of an existing light rail transit station,” Crest Builder Holdings Bhd managing director Eric Yong Shang Ming says, referring to Latitud8.

The 2.72-acre leasehold integrated development is being built above the Dang Wangi LRT station in Jalan Ampang, Kuala Lumpur, with 10% of the construction completed to date.

Latitud8 will be built in accordance with the requirements of the Green Building Index (GBI) Gold accreditation and is projected to be completed in the first half of 2021.

The project, which has a gross development value of RM1.2 billion, will be the first billion-ringggit development for Crest Builder, according to Yong, who assumed his present role in 2015, taking over from his late father who founded the company.

“Incorporating residential, commercial and retail components in a single tower directly atop a train station is a first in town. TODs are the trend now and the government has been advocating this type of development,” says Yong.

The 42-storey Latitud8 will have two residential property types — simplex and duplex. There will be 376 simplexes (582 to 1,221 sq ft each) and 42 duplexes (972 to 2,178 sq ft each), and they will be located on level 21 and above.

The building will also house an urban transit mall (78,734 sq ft), a convention centre (22,563 sq ft), business suites (22,563 sq ft per floor from levels 3 to 19) and a sky lounge (11,984 sq ft).

The serviced residences are priced from RM1,400 to RM1,550 psf, with the penthouse at the higher end of the range. The average rental rates for the retail and commercial units are RM6 to RM12 psf. “Our rates are still cheaper than other high-rise developments in the vicinity,” Yong comments.

According to data compiled by the developer, high-rise developments in the area are priced between RM1,300 (K Residences) and RM3,200 psf (Four Seasons Place). Other projects there include Eaton Residences (RM1,600 psf), The Mews (RM1,800 psf), The RuMa Residences (RM2,300 psf) and 8 Conlay (RM2,850 psf).

“We have scheduled a sales preview for October, ahead of the official launch in either December or January next year,” Yong reveals.

Roadshows overseas

In May, the developer held roadshows in China and Hong Kong to promote Latitud8.

“The response has been very encouraging and we expect investors from these two locations to contribute at least 30% to our sales before the October preview. We are approaching investors from Australia as well. We are looking at a 50:50 mix between international and local buyers,” says Yong.

“For the local buyers, we are anticipating 15% to 20% to come from our database of high-net-worth individuals, with the remaining 30% from the investors market.”

Apart from local owner-occupiers and investors, foreign investors with business interests in Kuala Lumpur, expatriates working at multinational corporations or embassies, and Malaysia My Second Home applicants are among the developer’s target buyers.

“We are targeting a 50% take-up by the end of the first quarter of next year and hopefully, 75% by the third quarter,” says Yong.

For him, a subtle marketing strategy is more appropriate for Latitud8.

“The tangible progress of the project will boost buyers’ confidence. A brash hard sell may turn off potential buyers. We are telling our customers that



An artist's impression of the sky lounge at Latitud8



“We expect investors from Mainland China and Hong Kong to contribute at least 30% to our sales before the October preview.”
— Yong

we have already started work and this project is in full swing.

“Other aspects that we are communicating to them include the designs of both the partial and fully furnished units and, of course, the pricing factor. A TOD in the city centre priced below RM1,550 psf... it gives us a pricing edge. Overall, Latitud8 is an integrated development offering daily conveniences under one roof.”

Yong is optimistic about the positive spillover effects from ongoing developments in the immediate vicinity, such as the Kuala Lumpur city centre, Bukit Bintang and Jalan Sultan Ismail.

Latitud8 fronts Jalan Ampang. Located behind it is the Klang River, which is currently being regenerated under the River of Life project.

“We will be upgrading the pedestrian bridges at both the front and back of the development to provide improved accessibility,” says Yong.

LRT and monorail factor

“With more transport infrastructure, especially train services, coming into the picture, the trend moving forward is that more people will rely on public transport, which would benefit Latitud8,” Yong remarks.

Nawawi Tie Leung Real Estate Consultants Sdn Bhd managing director Eddy Wong says, “TODs generally command a price premium over other developments that are not located close to a transit hub. This has been observed in studies done in other cities, such as Singapore and London, that have had a longer experience with mass transit rail networks. In London, this price premium can be as much as 10.5% between a property located 500m from a tube station and a property located 1,500m away. In another study in Singapore, it was observed that the price of properties located within 600m of an MRT station appreciated by 7.8% due to the opening of the train line.

“TODs tend to have built-in commercial elements, so access to shopping facilities and amenities would add to their appeal, in addition to the

convenience of connectivity from living next to a transport hub,” he adds.

“Therefore, upcoming TODs in the Klang Valley are expected to command similar price premiums over other developments.”

For PPC International Sdn Bhd managing director Datuk Siders Sittampalam, Latitud8 is a good example of optimising the underutilised land along the LRT line.

“The connectivity of the Dang Wangi TOD suits both local and foreign residents, especially with the KLCC LRT station being just two stops away. Latitud8 will benefit from the spillover of visitors to Suria KLCC and vice versa. The Bukit Nanas monorail station is also within walking distance,” he says.

Rahim & Co International research director Sulaiman Sahah concurs that Latitud8 is expected to benefit from the LRT and monorail lines, which are both connected to KL Sentral.

“The development is also located a short distance from Universiti Kuala Lumpur and Quill City Mall in Jalan Sultan Ismail, which is accessible via the Medan Tuanku monorail station,” he remarks.

Synergy between construction and property development operations

Crest Builder, through its wholly-owned subsidiary Crest Builder Sdn Bhd, started off as a builder in 1985 and diversified into property development in 2003 with 3Two Square in Seksyen 19, Petaling Jaya. Its maiden project had a GDV of RM250 million then.

“Although construction is the group’s main business, we remain focused on all fronts. Our expertise in construction will certainly add value to our property development division,” says Yong.

The group’s construction portfolio includes infrastructure and construction works for hotels, commercial and residential buildings, hospitals and learning institutions. Its completed projects include The Meritz, Verticas Residensi, Setia Sky Residences, Gateway Kiaramas and Damansara Specialist Hospital.

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"Being a boutique builder, we are trying to grow our portfolio, especially by undertaking large-scale construction. There is still enormous potential to tap into, especially with Bandar Malaysia and the Tun Razak Exchange taking shape," Yong points out.

Crest Builder is also involved in property investment and management with Crest Tower at 3 Two Square and Tierra Crest in Kelana Jaya being its showpieces. It also provides carpark management services.

The developer's sold-out projects are Alam Prima (GDV: RM65 million), Alam Idaman (GDV: RM108 million) and Avenue Crest

(GDV: RM162 million) — all of which are in Shah Alam, Selangor. Meanwhile, Alam Sanjung (GDV: RM328 million) and The Greens @ Subang West (GDV: RM391 million) are 90% and 40% sold respectively.

Its upcoming projects, tentatively named The Galleria @ Jalan Ampang and a TOD at the Kelana Jaya LRT station, are valued at RM1.33 billion and RM1.0 billion respectively.

The Galleria @ Jalan Ampang will be a mixed-use development on 4.8 acres. It will comprise a 28-storey corporate tower, three 33-storey residential towers and boutique retail spaces. "Construction is expected to

start in 2019, with targeted completion in 2021," says Yong.

The TOD on 4.95 acres in Kelana Jaya will tentatively comprise a six-level podium with retail units, serviced residential suites and offices. It's a joint project with Syarikat Prasarana Negara Bhd. Other details are still being finalised. "We are planning to launch this project in 2021," he reveals.

Organic growth

Crest Builder is focusing on organic growth for the time being. "We will still remain a boutique player for the foreseeable future. We are always on the lookout for privati-

sation deals, especially land swaps by the government involving public-private partnerships. In other words, our current land banking is purely through privatisation," says Yong.

Tierra Crest is one such example. It was formerly a football field and carpark.

Yong, however, does not rule out land acquisitions, saying, "If the offer is right, why not?"

"For Latitud8, given the right development concept and design with the right location and pricing, we are optimistic that it will be able to attract both international and local buyers," he concludes. ■