

Crest Builder changes project plan

PROPERTY

Monday, 4 Feb 2019

By Thean Lee Cheng



Office blocks have been converted to hotels and serviced apartments. Holiday Inn Express in Jalan Raja Chulan, Kuala Lumpur, was previously Menara ING. Wisma KLIH, where HSBC Bank used to operate from at the Jalan Bukit Bintang-Jalan Sultan Ismail intersection, is now Wolo Hotel. (The Star filepic shows opening of the Holiday Inn Express.)

PETALING JAYA: Construction and engineering group [Crest Builder Holdings Bhd](#)  is converting 17 floors of office space in its transport-oriented development (TOD) to mainly small offices, home offices (SoHos).

The company will also reduce the size of a handful of larger-sized units of about 2,000 sq ft to overcome issues of affordability.

It is in the process of resubmitting its plans to the local authorities, a company source said.

Change in space usage has been ongoing over the years. Office blocks have been converted to hotels and serviced apartments. Holiday Inn Express in Jalan Raja Chulan, Kuala Lumpur, was previously Menara ING. Wisma KLIH, where HSBC Bank used to operate from at the Jalan Bukit Bintang-Jalan Sultan Ismail intersection, is now Wolo Hotel.

The factors to change the components of an ongoing construction mid-way must be strong. Incidentally, Latitud 8 was touted as the city's first TOD when it was unveiled in 2016.

The project, with a gross development value of RM1.1bil, was reported as a joint land development between Crest Builder's 51%-owned subsidiary, Intan Sekitar Sdn Bhd, and Prasarana Malaysia Bhd.

Intan Sekitar is a joint-venture holding company between Crest Builder's wholly owned subsidiary Crest Builder International Sdn Bhd and Detik Utuh Sdn Bhd.

A check with the Companies Commission of Malaysia shows that Sri Rahayu Tajuddin is one of the three directors of Detik Utuh, a commercial trading company.

Sri Rahayu is the daughter of Umno politician Datuk Seri Tajuddin Abdul Rahman, who is the MP of Pasir Salak, Perak. He is also the former Deputy Agriculture Minister.

Sri Rahayu and her brother Firdaus are also listed as directors of Intan Sekitar.

In a Sept 26, 2018, Bursa Malaysia filing, Crest Builder said it had entered into a memorandum of understanding with T7 Global Bhd to jointly construct Latitud 8.

The source said the decision to change the office component into SoHo units was made after studying the oversupply situation in the office market, coupled with the slow sales for its office space.

"There is too much office space in Kuala Lumpur and too much empty space. To avoid this project becoming another white elephant, we decided to change the project components," the source said.

The 44-floor project is located on Lot PT 21, originally Lot 60, in Jalan Ampang. It was initially planned as a single commercial block comprising 17 storeys of office space with 418 SoHo units on top of the office component with a retail podium. Below it is the Dang Wangi LRT station.

The original 418 SoHo units have built-up areas ranging from 650 sq ft to about 1,000 sq ft; a handful of them have built-up areas of about 2,000 sq ft.

The industry source said in order to address current issues of affordability, the company has decided to reduce the size of these larger units. The project was soft launched early last year. Sales were better for SoHos but slow for its office space.

In view of the change in plans, the company has returned the cheques to buyers. Sales are at about 20%, a source said.

Each of the 17 floors has a floor area of about 20,000 sq ft. The total office portion totalled about 340,000 sq ft before the change.

“Latitud 8 will now have 840 units. The change would involve a number of parties and a re-submission of plans which the company is in the process of doing,” the source said. As a result of the change, construction has been halted.

The company has built up to the third floor. Once approval has been given, the company plans to continue with construction to a certain level before re-launching the project in 2020.

“This will give confidence and reassurance to buyers,” the source said. “The project has not been abandoned.”

TAGS / KEYWORDS:

Property , Construction , Corporate News , Property

Related News

PROPERTY 14 Dec 2018

Eco World targets RM12bil sales over two financial years

PROPERTY 14 Jan 2019

W Hotel near Petronas Twin Towers for sale for RM360mil

PROPERTY 29 Jan 2019

Scepticism over housing policy