THE APPEAL OF PRE-WAR SHOPHOUSES

When his father told him of plans to demolish some of the pre-war shophouses he owned to make way for a shopping complex, Ng Ping Ho was quick to make his father change his mind.

"I have always wanted to do something long term with old shophouses, and at the same time was inspired by certain backpacker places I have seen overseas," says Ng.

As it turned out, BackHome KL — a budget hostel for backpackers from around the world — was born in July 2009. Ng created this oasis in Kuala Lumpur’s Jalan Tun H S Lee by combining four adjoining pre-war shoplots, giving the hostel a built-up of 6,006 sq ft.

Construction began in mid-2008 after about a two-year wait for the necessary approvals. Ng spent RM1 million on the renovation, of which some RM800,000 was spent on structural work alone.

"This project is a personal one. If you look at it from a business point of view it may not be the greatest business idea," Ng laughs. "But if you have the means to do it, then it is something nice to do. You bring life to the area and the community gets reinvigorated."

While some might consider pre-war shophouses mere relics of a long-forgotten past, these historical structures are a firm reminder of how Malaysia had come through the years of colonialism to emerge as one of the more prosperous economies in Southeast Asia.

Indeed, this heritage is preserved by those, like Ng, who give pre-war shophouses a facelift while still providing a viable workspace. This adaptive use can be seen in areas such as Jalan Tunku Abdul Rahman (TAR), Lebuh Ampang, Jalan Hang Lekir and Jalan Tun H S Lee, all in the so-called older part of Kuala Lumpur.

Standing tall
Most of Kuala Lumpur’s pre-war shophouses were built in the 1880s, with most having weathered the passage of time. They have not lost their appeal due to their prime location and easy accessibility.

In the past, this real estate had their rents capped by the Rent Control Act 1966, whereby owners of these premises could only charge an average rent of RM300 per month. The Act was repealed in January 2000, sending market values of the shophouses up to anywhere from RM600,000 to more than RM2 million, depending on the micro location.

The shophouses on Jalan TAR are in great demand as they are on one of the city’s major thoroughfares.

"Over the years, Jalan TAR has experienced major transformation, and most of the pre-war shops have been redeveloped or extensively renovated," Wong, Wal Kung, director of TMY Property Solutions’ valuation department, tells City & Country. However, only the eastern quadrant of Jalan TAR — from Durian Merdeka to Bulatan Pahang — has these pre-war shoplots, and they are either two or three storeys. The land sizes vary between 1,300 and 2,400 sq ft. These are now mostly occupied by financial institutions, budget or boutique hotels, fashion outlets, F&B outlets, goldsmiths, pharmacists and wholesale carpet dealers, among others, says Wong.

Some of the units in the area have been replaced by 5-storey buildings. Those on Lebuh Ampang have a footprint of between 1,300 and 2,700 sq ft and are occupied by financial institutions, an educational institution, tailoring facilities and F&B outlets, as well as shops that provide wholesale goods and supplies.
Converting heritage buildings for economic gain

The preservation of heritage structures can be highly profitable if managed correctly, says James Wong, managing director of VPC Alliance, who believes these pre-war shophouses can be converted into a commercially viable area for tourism-related developments such as boutique hotels, antique shops and arts and crafts showrooms.

Wong says this is possible because of the area’s rich historical and cultural past, as well as good accessibility thanks to the several LRT stations in the area and the nearby bus routes in this section of town. There is also the proven commercial success of Jalan Petaling, Kuala Lumpur’s Chinatown.

With good planning and marketing, the commercial success of Jalan Petaling can be replicated on other streets in the area, he says.

Jalan Petaling, also known as Petaling Street by the locals, had been a tourist magnet for years before it was officially christened Chinatown. Myriad stalls selling everything under the sun can be found here.

Over the years, Jalan Petaling has been redeveloped and its new home to numerous budget hotels, retail shops and food outlets that cater to the tourist dollar. It is near the Petronas twin towers and is also accessible via other forms of public transport like the LRT and taxis.

Wong feels that more needs to be done to replicate Jalan Petaling’s success. He feels that redevelopment has to be carried out on a continuous basis to maintain momentum.

Wong says: “Old bank buildings in the area could be a continuous source of redevelopment sites, but these may be impractical currently due to the stringent Bank Negara regulations on the relocation of bank branches, especially for foreign-owned banks.” He says, “Currently, only the headquarters of HSBC and Bank Negara are within the vicinity.”

Wong suggests that the Kuala Lumpur City Hall or Dewan Bandaraya Kuala Lumpur (DBKL) work with Bank Negara to find a way to relocate the banks to make way for redevelopment.

DBKL should also look into redesigning the road system in selected areas and even convert some roads into pedestrian walkways.

DBKL should provide incentives to encourage the Singapore model of emporia sales to combine blocks of pre-war shops with larger development parcels to be sold via open tender for development based on more creative, innovative and cost-effective proposals while preserving these heritage buildings and protecting the interests of the existing shop occupants,” he adds.

Some of the pre-war shophouses on Jalan Tuanku Abdul Rahman

Wong: With good planning and marketing, the commercial success of Jalan Petaling can be replicated on other streets in the area

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