

ISSUE 252

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CORPORATE REAL ESTATE HIGHLIGHTS

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Prohibition of including extra rooms or interior walls within residential and commercial buildings under strata status

Kuala Lumpur City Hall (DBKL) recently announced a prohibition on adding internal walls to create new bedrooms in residential and commercial buildings with strata status.

The circular, dated July 21, addressed to the chairman of all joint management bodies, management corporations, and sub-management corporations, stated this rule takes effect from August 1.

One reason for the ban is that it violates the original Development Order (DO) and diminishes natural light in living areas. Additionally, increased occupants would lead to higher traffic and density, disrupting the area.

“While property investors want to maximise their returns on investment, we also need to take into consideration of safety and also overcrowding of the apartment. The landlord must also think of providing a more conducive living environment for the tenant,” said Tan Kian Aun, president of Malaysian Institute of Estate Agents.

DBKL aims to prevent the creation of commercial-use residential units and ensure tenant safety and comfortable living environments. [READ MORE](#)



Mah Sing announces a reduction of 8.8% in the purchase price of two Puchong plots to RM78.28 million

Mah Sing Group Bhd has revealed that it successfully negotiated an 8.83% reduction in the purchase price for two Puchong Perdana land plots from Millennium Acres Sdn Bhd.

The new adjusted prices are now RM37.17 million and RM41.11 million, totaling RM78.28 million, compared to the initial price of RM40.19 million for the parcel that measures 3.8 acres, and RM45.67 million for the other parcel that measures 4.4 acres, or a total of RM85.86 million.

As a result, the adjusted remaining purchase prices for the initial and secondary parcels are now RM33.15 million and RM36.54 million correspondingly, considering that Mah Sing had initially provided a deposit of RM4.02 million for the first plot and RM4.57 million for the second.

This adjustment was made due to differences in land area after a subdivision exercise. The transaction is set to be finalized in the latter half of this year.

Mah Sing plans to develop one of the parcels for residential use and the other for a mixed-use project, using a combination of internal funds, bank loans, and proceeds from land sales. [READ MORE](#)



MahSing
Reinvent Spaces. Enhance Life.

Following the state elections, there will be continued progress in the development of MRT3, Bayan Lepas LRT, and Pan Borneo Highway

RHB Investment Bank Bhd suggests that infrastructure projects such as the Mass Rapid Transit 3 (MRT3), Bayan Lepas Light Rail Transit (BLLRT), and Pan Borneo Highway could witness further advancement after the state elections.

Additionally, nationwide flood mitigation projects worth RM10.9 billion and state-funded endeavors, like the Shah Alam Sports Complex redevelopment, could gain momentum post-elections.

"Post-state elections, the federal government will likely be in a stronger position to focus on its efforts to roll out infrastructure programmes and implementing its reform agenda." said RHB Investment Bank Bhd.

According to information provided by the Construction Industry Development Board, the total worth of construction contracts granted was RM59.4 billion during the initial seven months of 2023, contrasting with RM77.6 billion during the equivalent period in the preceding year.

RHB Investment Bank maintains a positive outlook on the construction sector and highlights Gamuda, Sunway Construction (SCGB), and Kerjaya Prospek (KPG) as top choices due to their consistent job replenishment and diverse exposure. Delays in contract rollouts remain a potential risk. [READ MORE](#)



TheVybe @ Techzone is set to increase the local resident population

Emkay Group is contributing to Cyberjaya's vision of becoming a global tech hub by launching TheVybe @ Techzone, a residential development in the Downtown zone on August 19.

“It is where all adoption of technology for commercial activities will be centralised, further boosting the outlook of the developments in Techzone,” said executive chairman Datuk Fazwinna Mustapha Kamal.

As part of the city's master plan, Cyberjaya has been divided into four distinct zones – North, South, Downtown, and West – to cater to its tech-focused growth.

Ten years ago, Emkay Group initiated the development of Techzone, a 53-acre area in Cyberjaya's Downtown zone, designed as a Thriving Commerce District. The project consists of six phases with a combined gross development value of RM1.34 billion, and the first two phases have already been completed.

The latest phase, known as TheVybe @ Techzone, represents the area's inaugural residential offering. This 28-story tower occupies a 2.28-acre freehold plot and encompasses 574 small office home office (SoHo) units. Featuring two layouts – studio and one-bedroom – with a floor area of 450 sq ft, the project holds a total GDV of RM154.44 million, with prices ranging from RM199,900 to RM298,900. It caters to both first-time homebuyers and investors. [READ MORE](#)



A subsidiary of Inta Bina Group has secured a contract worth RM206 million from Southville City

Inta Bina Group Bhd's subsidiary has secured a substantial RM206 million contract from Southville City Sdn Bhd for construction work in the SouthvilleCity–M Sinar project's Phase 1 and 2.

This contract amount nearly doubles Inta Bina's market capitalization. The subsidiary, Inta Bina Sdn Bhd, will be responsible for various aspects of the project, including building works, earthworks, infrastructure, and more.

The completion of Phase 1, featuring 500 serviced apartment units, is expected within 38 months, while Phase 2, comprising 499 units, will be completed in 33 months.

The funding for the contract will be sourced from internal funds or external borrowings. As of March 31, 2023, Inta Bina had RM20.45 million in cash and total equity of RM156.5 million. [READ MORE](#)



Coraza acquires land in Penang for its expansion plans

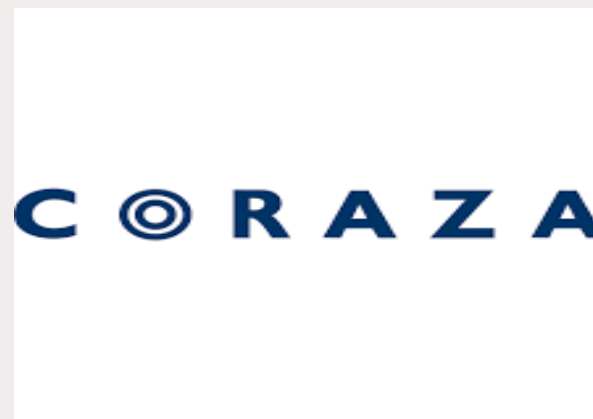
Coraza Integrated Technology Bhd has acquired a freehold land in Penang for RM17.69 million to enhance its production capabilities.

The 8,538 square meters of land already has offices and factories. This strategic move aligns with Coraza's expansion goals, benefiting from its advantageous location near its current Nibong Tebal plant.

“This acquisition promises an immediate increase in manufacturing capabilities while the construction of a new factory adjacent to the current Nibong Tebal plant is underway. The construction is scheduled to begin in the third quarter of 2023 and is estimated to be completed by the third quarter of 2024,” Coraza added.

The land was purchased from Huhtamaki Foodservice Malaysia Sdn Bhd, funded by internal resources and bank loans.

On August 14, Coraza's share price closed at 66 sen, yielding a market capitalization of RM283 million. [READ MORE](#)



S P Setia has exceeded its sales target by announcing total sales of RM2.56 billion for the first half of 2023

S P Setia Bhd has surpassed expectations by revealing total sales of RM2.56 billion, with around 86% contributed by local projects. The Central region accounted for RM1.49 billion in sales, supported by RM589 million from the Southern region and RM74 million from the Northern region.

The company's performance demonstrated notable improvement, with a 19% increase in gross profit for the first half of 2023, attributed to operational efficiency enhancements and the recovery of the Malaysian property market.

Having 44 projects currently in progress and unbilled sales totaling RM6.82 billion as of June 30, 2023, the company's "short to mid-term earnings outlook is strong."

S P Setia is dedicated to converting non-strategic land and selling non-core assets. It recently disclosed the sale of 500 acres of land in Semenyih, Selangor, and eight parcels of land covering 959.7 acres in Tebrau, Johor, for a total of RM940 million. The funds generated from these land sales will fortify the company's financial standing, reduce debt levels, and enable the pursuit of future expansion prospects.

S P Setia is gearing up to introduce its inaugural industrial development project in the Klang Valley, named Setia Alaman. The company is focused on sustainable practices, including its recent initiative, Setia i-Home, aimed at environmental sustainability. [READ MORE](#)



Setia

The initial stage of IJM Land's Nexus development within the Seremban 2 township has seen an 80% occupancy rate

The first phase of IJM Land Bhd's Nexus project, featuring 166 shop offices in the Seremban 2 township, has achieved an 80% occupancy rate since its launch on July 22.

Spread across a 21.42-acre area, Nexus will be developed in two phases with a combined gross development value of RM300 million.

The initial phase includes 166 shops, with 147 units being two-storey shop offices and the remaining 19 units shop office units with sub-basement car parks. These units will have built-ups ranging from 3,455 to 10,559 sq ft and be priced from RM1.39 million.

While the second phase will be a retail development. The project's popularity is attributed to its role as a platform for businesses to engage with the community and capitalize on the growing Seremban 2 township, which is expected to surpass 100,000 residents once fully completed.

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A subsidiary of Sunway has signed a share transaction agreement with IASB and SIDSB

Sunway Bhd's wholly owned subsidiary, Sunway City Sdn Bhd (SunCity), has signed an agreement with Iskandar Assets Sdn Bhd (IASB) and Sunway Iskandar Development Sdn Bhd (SIDSB).

Under this agreement, SunCity will acquire 40% of the share capital of SIDSB by purchasing 770,450 ordinary shares held by IASB for RM770,450.

Additionally, SunCity will subscribe to 84.2 million non-convertible non-cumulative redeemable preference shares (NCRPS) in SIDSB for RM84.2 million. As part of the transaction, SIDSB will redeem 76.3 million NCRPS from IASB at a redemption price of RM84.2 million.

Following the completion of the acquisition and redemption, SIDSB will become a fully owned subsidiary of SunCity. This move aligns with the development strategies of both SunCity and IASB.

SunCity aims to develop Sunway City Iskandar Puteri into a flagship township, leveraging its substantial land bank to replicate the successes of other townships. The proposed development under Sunway City Iskandar Puteri township will consist of two major precincts, Riverside and Capital, with a low plot ratio of 1:1. [READ MORE](#)

SUNWAY



According to NK Tong, developers hold a neutral view on the economy and real estate market for the upcoming year

Property developers hold a neutral outlook on the real estate market for the next year, particularly in the second half of 2023 (2H 2023), as revealed by Datuk NK Tong, the president of REHDA Malaysia.

According to him, developers have a moderate view of the business, economic, and property industry prospects in the coming months, with more optimism projected for the first half of 2024 (1H 2024).

Although an increase in launches and sales suggests a gradual return to normalcy, true recovery remains challenging due to unresolved issues like rising material costs, cross-subsidization, and high compliance and utility expenses.

"However, true recovery is still out of reach as developers are still struggling with challenges that have yet to be properly addressed, such as material price hikes, cross-subsidisation, and high compliance and utility costs," Datuk NK Tong added.

The survey involved 148 member developers, revealing improved results in terms of new launches and sales performances compared to the second half of 2022. [READ MORE](#)



A subsidiary of Rapid Synergy has sold two parcels of land in Sitiawan for RM16 million in cash

Rapid Synergy Bhd's subsidiary, Persiaran Eksklusif Sdn Bhd (PESB), is selling two pieces of land to Dunnes Sdn Bhd for RM16 million in cash. The proceeds will mostly go towards working capital and loan redemption.

PESB has entered into a sale and purchase agreement with Dunnes for a freehold land measuring 5,493 square meters with a supermarket building.

Another vacant commercial land of about 4,840 square meters will also be sold for use as a car park. This sale will lead to a gain of approximately RM7.8 million for Rapid Synergy after considering expenses and taxes.

The proposed disposal is anticipated to lower the company's net gearing. The properties are currently tenanted to Econsave Cash & Carry (MJ) Sdn Bhd, but the tenancy agreement will be terminated upon the completion of the sale. The transaction is expected to be finalized in the fourth quarter.

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