

Naza TTDI plans to kick off KL Metropolis in 3Q2012

More high-profile launches this year

PICTURES COURTESY OF SKIDMORE, OWINGS AND MERRILL

BY Lam Jian Wyn

Having warded off stinging criticism over a controversial privatisation deal involving a 75.5-acre plot of prime land in Jalan Duta, Kuala Lumpur, developer Naza TTDI Sdn Bhd is finalising deals with various foreign investors and expects its mammoth KL Metropolis project there to kick off in 3Q2012.

The KL Metropolis project was unveiled last October, almost a year after the privatisation deal between Naza TTDI and the government was announced. Under the deal, the group is to build the new Matrade Exhibition and Convention Centre at a cost of RM628 million in exchange for the Jalan Duta land.

The deal drew flack from various quarters as the critics came out with some very tough but necessary questions — was the prized tract unfairly traded at a steep discount? Does Malaysia need another exhibition centre? Does Naza TTDI have what it takes to make it work? The Naza group certainly did not have it easy trying to win over its detractors.

With a projected gross development value (GDV) of RM15 billion, the KL Metropolis project is a three-phase integrated development that will comprise the new Matrade exhibition centre, 22 condominium and office towers, five hotels, two regional retail centres and, most notably, a landmark tower that will be 90 to 120 storeys high.

“Of course there are a lot of people talking about how we got the land but to me, most importantly, is how do we make use of the land? We’ve identified many foreign investors coming into the country, and we are also creating a new place that will contribute a lot more to society and that a new generation can be proud of,” Naza TTDI managing director S M Faliq S M Nasimuddin tells *City & Country*.

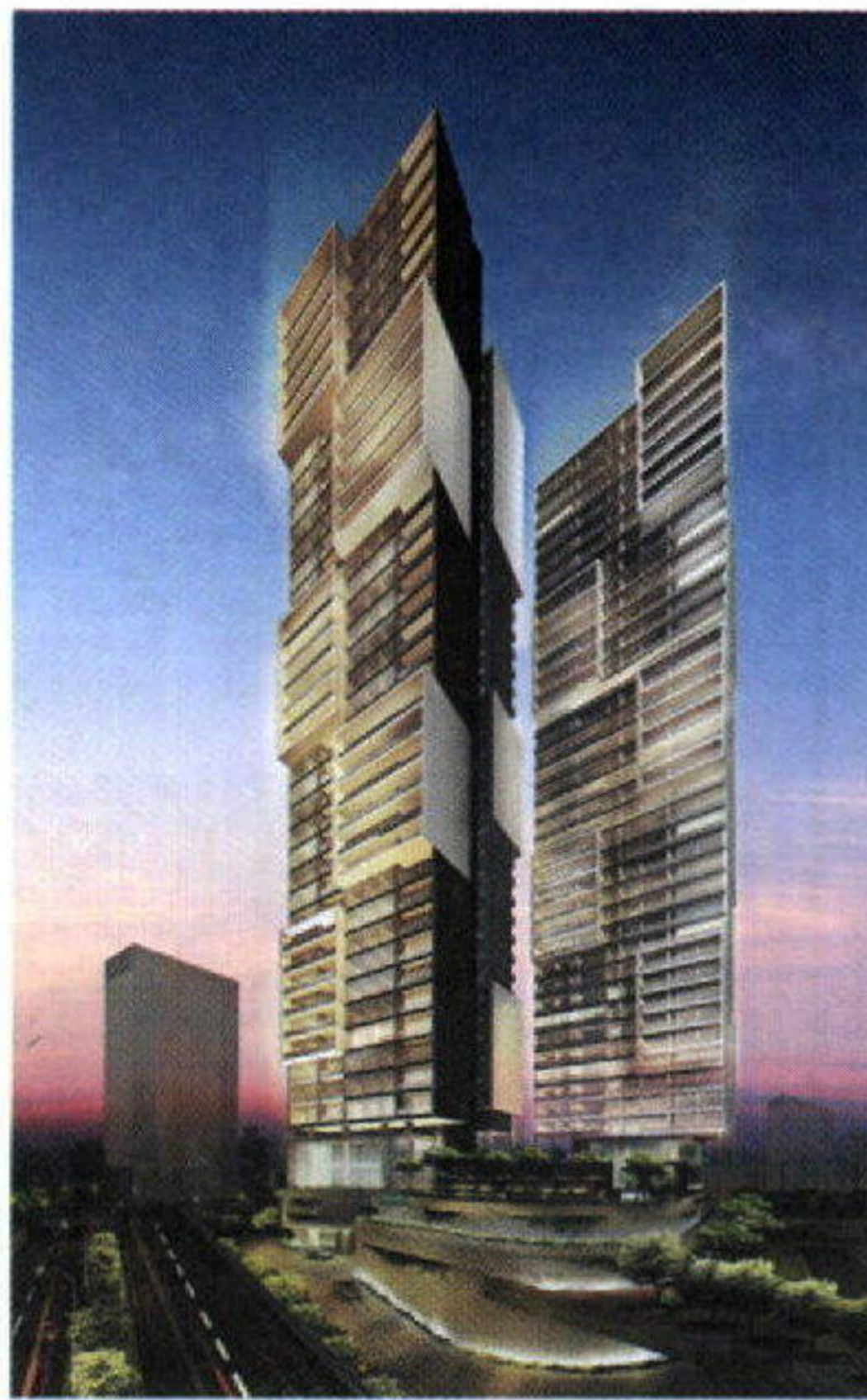
The group is in the midst of finalising deals with potential foreign investors and hotel operators, and expects to announce them sometime this quarter, delayed from late last year. According to Faliq, the investors are from Southeast Asia. “Some of the hotel operators are already in Malaysia, and they are looking at bringing in their new brands. Some of these groups are not here yet and want to expand into Kuala Lumpur,” he adds.

Phase 1

While the details of the master plan have not been finalised, given the 15-year timeline of the project, plans for Phase 1 — comprising the Matrade exhibition centre, two residential towers, two hotels, two office towers and a regional shopping centre — are more or less firmed up.

The condos will stand at over 40 storeys and contain 175 units each, with sizes ranging from 600 to 2,500 sq ft.

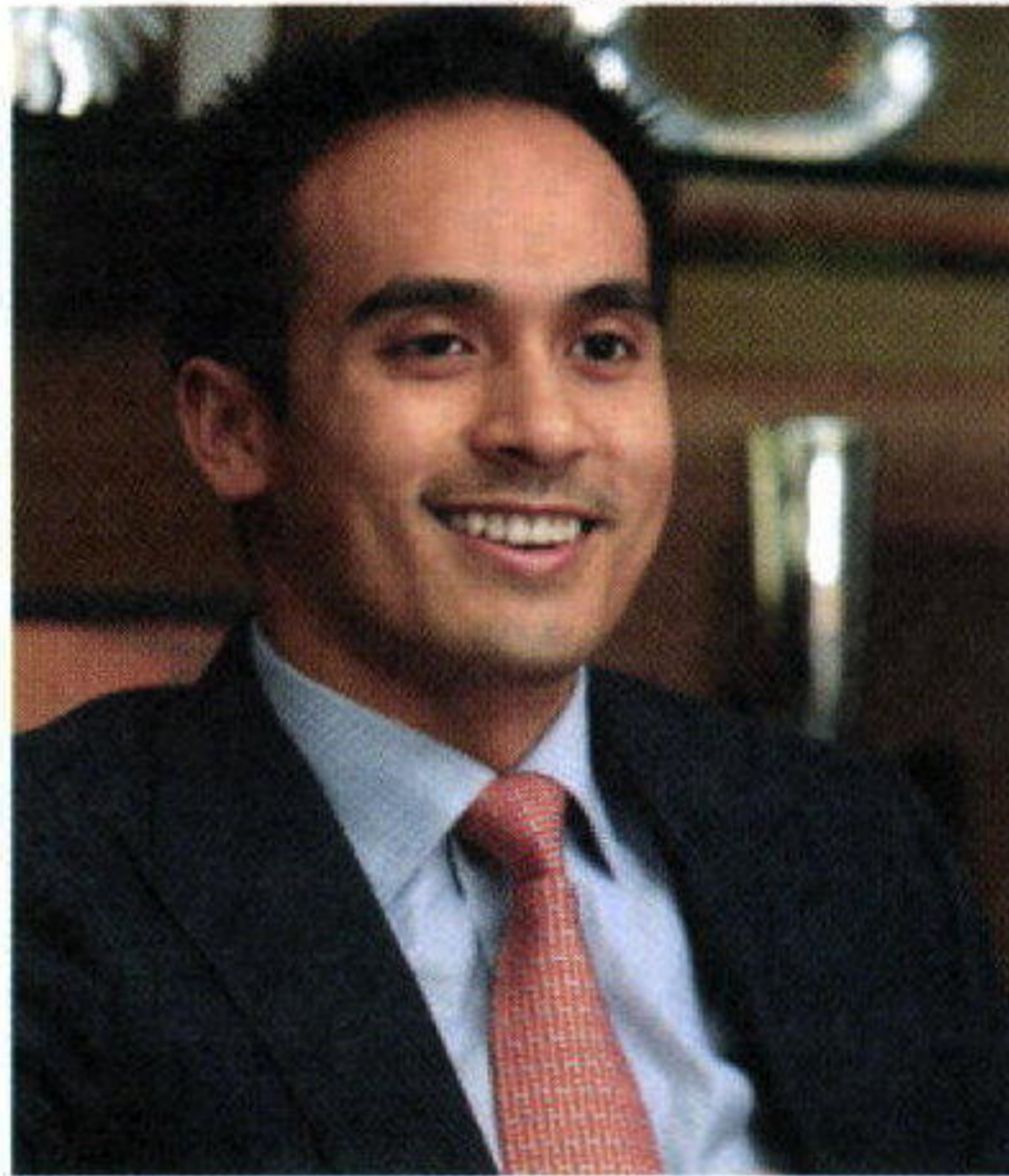
Naza TTDI has tentatively priced the condos — to be launched in 3Q2012 — at RM1,000 psf, which takes into consideration the prices and take-up rates of similar condominiums in the vicinity, such as Mah Sing Group Bhd’s Icon Residence at Mont’Kiara and Sunrise



Above: One of the luxury condominiums

Left: KL Metropolis will cover 75.5 acres, including the new Matrade centre

ABDUL GHANI ISMAIL/THE EDGE



Faliq: We are also creating a new place that will contribute a lot more to society and that a new generation can be proud of

Bhd’s various projects in its Mont’Kiara stronghold.

“We price our property not according to how our competitors are pricing but because we believe in our project. I believe that’s most important ... the development is much more integrated, by having hotels, retail [centres] and all ... KL Metropolis will not be just an ordinary development, but also a tourist attraction.

“It’s a landmark development, also known as a new trade and exhibition district, so by taking these factors into consideration, we feel that the pricing of the residences is reasonable,” says Faliq.

The office towers will have a total gross floor area of one million sq ft while the hotels will have 1,000 rooms between them.

KL Metropolis represents not only a milestone for Naza TTDI, but also a platform for the group to diversify into other sectors, namely the meetings, incentives, conventions and exhibitions (MICE) sector, retail and medicine, says Faliq.

“The asset [Matrade centre] is owned by the government but we have submitted an application to the government to manage it. I think it makes sense for us to manage it as it adds more value in terms of inter-related activities in the area,” says Faliq. He notes it is impor-



The new Matrade centre will contain a million sq ft of space and is the defining component of KL Metropolis

tant for the new Matrade centre to be up and running as its success will spill over into the other components.

Naza TTDI is in the midst of roping in talent to put together a team to provide services for the exhibition centre. Plans have also been drawn up for the regional mall, which he compares with Suria KLCC and Mid Valley Megamall, and currently the group is considering a mix of mid to high-end stores to cater for a wide range of visitors. “We want to build a mall for everyone, so regardless [of what you want to buy], you can walk around and get it there.”

Faliq says the group is in advance talks with a number of retail operators and developers and will decide on the best way forward. He adds that there is potential to expand the mall on a site currently earmarked as a public space by up to two phases, depending on the performance of the mall.

Meanwhile, Naza TTDI plans to build at least one hospital with an attached hotel, creating an opportunity to tap into medical tourism. Faliq observes that there is no hospital nearby, which underscores the need for medical facilities.

The educational component of KL Metropolis, is likely to feature a business school, although this is still in the preliminary stage. KL Metropolis

will also have theatres and museums in its arts and culture component, although the type of museums has not been determined yet.

MRT-LRT connections

One of the goals of Naza TTDI and international multi-disciplinary outfit Skidmore, Owings and Merrill (SOM) in formulating the master plan of KL Metropolis is for it to be seamlessly connected with the surrounding area.

Faliq recognises ease of access as vital to determine the success of the project as a business and trade exhibition district. Having light rail transit (LRT) and mass rapid transit (MRT) lines near the area, or better yet, running through the project — as the scale models at Naza TTDI’s headquarters optimistically depict — would help greatly in this respect.

“We’ve been in talks with the government since even before the project was launched, and we’ve also made this [need for public transport] known to the government. The government has given its commitment and assurance that the MRT and LRT will be coming in, but we’re working closely with it on the time frame, and that ties back to the completion of the first phase [targeted for 2015].

“So even though they do not come

in on time, we hope [the MRT and LRT] does not come in far off from [the completion of Phase 1] because by having that one million sq ft [of exhibition space], we need public transport. That is key. We want it to be a successful exhibition venue,” Faliq says.

Sustainability

KL Metropolis is designed to comply with Green Building Index (GBI) ratings and is the first Malaysian Leadership in Energy and Environmental Design (LEED) for Neighbourhood-certified project.

The master plan encourages walking and biking over driving in a few ways, says Faliq. First, all amenities and facilities are planned to be reachable on foot. Second, the streets will have pedestrian and cyclist-friendly features such as shaded canopies, bike racks, showers and toilets for bikers. However, there will also be shuttle services to reduce dependence on cars.

There will also be public spaces with recreational facilities as well as ramps and non-slip handles and surfaces for disabled and older folks.

Meanwhile, green measures include storm-water management, heat island reduction, softscaping, strategic building orientation to reduce heat gain, double-glazed windows and designs that make use of natural sunlight and ventilation.

Under storm-water management, rain gardens will capture rainwater that will then be harvested for watering gardens, cleaning and flushing. In addition, there will be more pervious surfaces to help recharge groundwater and reduce storm water runoff.

To reduce heat islands, roofs will be greened and cooled with water features while non-reflective surfaces will be used. In terms of softscaping, native drought-tolerant plants will be planted as they need less water to thrive and also promote biodiversity.

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Plans for 2012

Apart from KL Metropolis, Naza TTDI is looking forward to more launches in its RM4 billion Platinum Park in Jalan Stonor, in the heart of Kuala Lumpur. Faliq says the Felda building is coming up ahead of schedule. “The earthworks and piling are only starting [this year]. We are calling for tenders for the piling works by January or February,” he adds.

Construction is proceeding on schedule, with the 50-storey tower slated for completion in the middle of this year while substructure works on the new 50-storey Naza tower and another 38-storey tower will start then.

The group held its master-planning competition for the second time late last year with proposals submitted for the 834-acre tract in Bertam in Kepala Batas, Seberang Perai. The winners were announced on Jan 18.

Meanwhile, the group is still in the midst of augmenting the winning master plans for its parcels in Shah Alam and Puchong from 2010’s competition. “We expect these projects to start in 2014,” Faliq says. More launches are also in store in Naza TTDI’s 208-acre TTDI Alam Impian township in Shah Alam and 113-acre TTDI Grove township in Kajang.

REIT possibilities

Faliq expects some of the commercial properties in the KL Metropolis project to provide a platform for recurring income. These properties could be injected into a real estate investment trust (REIT), which the group has been considering for a while, he notes.

“When we have retail components and all of our projects, we will have an exit strategy and we will definitely have a REIT in the future. Naza TTDI will have a lot of strategic assets — the Naza tower in KL and the shopping malls here — so I think we will have quite a good opportunity in the future ... probably in a few years ... I think it depends on how our products

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