

Infrastructure boost for emerging hotspots and existing townships

LEE LAY KIN/THE EDGE

BY Lam Jian Wyn

Taking the audience through a quick tour of three hot spots, namely Penang, Greater Kuala Lumpur and Iskandar Malaysia, Johor, mapmaker Ho Chin Soon pointed out significant infrastructure projects within these regions that investors could consider for their real estate investments.

In his presentation entitled “Infrastructure growth in Greater Kuala Lumpur, Iskandar and Penang: Where to put your money”, the irrepressible Ho also entertained the audience with his slightly anti-establishment wisecracks at the sixth edition of *The Edge* Investment Forum on Real Estate on April 28.

Besides the multibillion-ringggit mass rapid transit (MRT) system, other projects of note included new highways in these three hot spots.

Penang

According to Ho, the three key projects under construction in Penang are the Second Penang Bridge, the Batu Ferringhi-Teluk Bahang hill highway and the Air Itam-Lim Chong Eu Highway.

He said the Second Penang Bridge — which connects Batu Kawan in Seberang Perai to the island’s Batu Maung area — was a boost for the island state, particularly the Batu Maung area. He noted that Mah Sing Group Bhd’s Residence@Southbay there which was launched around three to four years ago saw initial prices of RM650,000 to RM700,000 almost double to RM1.1 million to RM1.2 million.

“Now we’re going to the north of the island and have a look at the hill highway from Batu Ferringhi to Teluk Bahang. You know, it’s a worrisome thing if, for example, you need to go from Teluk Bahang to Georgetown Hospital, and there’s a thunderstorm and a big tree falls on the highway. How [will you deal with that]? You have to go to Balik Pulau and then Air Itam to make a round-island trip. So I would assume the hill highway is a backup highway for emergency purposes,” he said.

Ho pointed out two vacant land parcels next to the hill highway, which may be of interest to real estate developers. He also highlighted the Air Itam-Lim Chong Eu Highway as a significant new road.

Another infrastructure project of interest is the proposed undersea tunnel that will connect Gurney Drive on Penang island to the mainland.

“Why are they looking at infrastructure now? With infrastructure, it means real estate values will rise together with it, and last time the Penang people were slighted by [Singapore’s Minister Mentor] Lee Kuan Yew. Remember he went to Penang and [commented that the infrastructure in Ipoh and Seremban was better]? So I assume when you have been slighted, you’d want to do something about it,” he quipped.

Greater Kuala Lumpur — MRT

Ho told investors to follow the MRT lines and look out for announcements of MRT stations on the Circle and Putrajaya lines. He also gave his take on the possible alignment of the Circle and Putrajaya lines based on information revealed to the public at the launch of the Sungai Buloh-Kajang line, or Blue line, last year.

According to the information provided at the launch, the Pasar Rakyat station will serve as an interchange station for both the Blue line and the Green line, which starts from Bandar Baru Selayang before going through Kampung Baru, then the interchange station and ending at the Putrajaya Sentral express rail link (ERL) station.

Ho said he expects the Circle line to start from Sentul, near YTL Corp’s approximately 119-acre landbank there, before going to Naza

TTDI Sdn Bhd’s KL Metropolis mega mixed-use development in Jalan Duta, Kuala Lumpur.

He notes the possibility of two stops at Mont’Kiara, with one near the Bukit Kiara Equestrian Park and Country Resort, as well as at Universiti Malaya and Mid Valley City. From there, the line may head to Sungei Besi, at the site of the Bandar Malaysia affordable housing scheme. The MRT line is expected to then join the existing light rail transit (LRT) line to Pekan Ampang and Ampang Point before going back to Sentul.

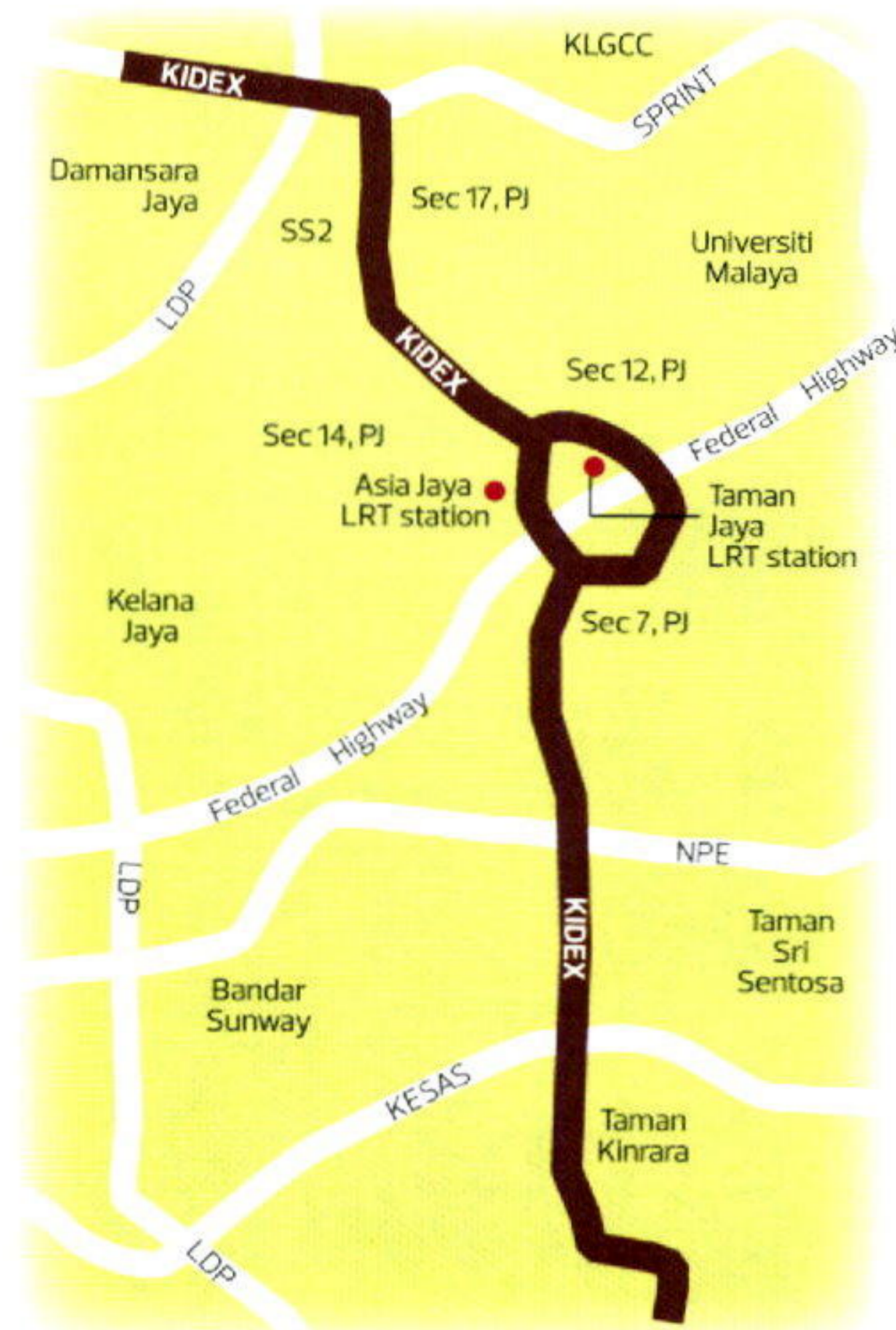
Greater Kuala Lumpur — highways

Ho highlighted four significant new highways that are being planned — the Damansara-Shah Alam Highway (DASH), Kinrara-Damansara Expressway (KIDEX), Serdang-Kinrara-Putra Highway (SKIP) and Sungei Besi-Ulu Kelang Elevated Expressway (Suke).

He pointed out that these highways were

Why [is Penang] looking at infrastructure now? With infrastructure, it means real estate values will rise... — Ho

KIDEX: Kinrara-Damansara Expressway



coming up within what he calls “first-tier locations” for investments based on a 20km radius from its centre located between Petaling Jaya and Puchong. This circle encompasses Batu Caves, Sungai Buloh, Kuala Lumpur, Petaling Jaya, Shah Alam, Klang, Puchong, Cyberjaya, Putrajaya, Cheras and Kajang.

The Dash highway runs through the north of Shah Alam before looping around Mutiara Damansara and neighbouring Kota Damansara. He noted that the highway will serve as a shorter link to the Penchala Link, which currently connects the Damansara-Puchong Highway (LDP) to Jalan Bukit Kiara.

Some of the projects that will benefit from Dash are the Sunway SPK Damansara township in Kepong and Montere Golf & Country Club in Shah Alam. Work on the highway is scheduled to begin in the middle of this year, but residents of Mutiara Damansara, Damansara Perdana and the Desa Temuan Orang Asli Resettlement have protested the current alignment and called for it to be redesigned.



DASH: Damansara-Shah Alam Highway



Meanwhile, the KIDEX highway was proposed to alleviate the heavy traffic currently congesting the LDP. “That means the maximum capacity [of the LDP] has been already reached, [but] people still like to use [the LDP]. So, [what is the] solution? Have another highway running in the same north-south direction, starting from Sprint, coming near Section 19, Section 13, Jalan Utara, near Assunta Hospital [along Jalan Templer in Petaling Jaya], coming to PJ Old Town and cutting across the river to Kinrara,” he said.

The SKIP highway will run around the Air Hitam Forest Reserve in Puchong before coming down to Taman Equine in Seri Kembangan, connecting to the LDP and ending at Putrajaya. “There is an offshoot that services Seri Kembangan and Serdang. Bear in mind that there is already a Maju Expressway (MEX),” he said.

Last but not least is the SUKE highway. “The Middle Ring Road 2 is also jammed, so SUKE seeks to take some traffic off the Federal Highway, and then cut across, hugging the Hulu Langat Forest reserve to the Pandan, Ampang areas before joining Pekan Ampang and the MRR2,” Ho pointed out.

Iskandar Malaysia

In Iskandar Malaysia, Johor, Ho said the new Coastal Highway has given Nusajaya, Danga Bay and the areas in its vicinity a boost, transforming them into hot spots.

The Senai-Desaru Expressway will benefit its tourism projects. “The traffic is a bit weak because the Desaru population is not very big,” he said.

The Eastern Dispersal Link has been generally well received by Singaporeans and Malaysians in the island republic despite some criticism of aspects of the highway, such as the workmanship and toll charges.

Other projects

Also worth looking at is the high-speed rail project that will connect Kuala Lumpur and Johor Baru to Singapore, said Ho.

He singled out an empty tract near the Republic Polytechnic and Woodlands MRT station, which was part of the three tracts of land Singapore swapped with Malaysia as part of the Tanjong Pagar KTM land settlement agreement. Under the agreement, KTM was supposed to move its station at Tanjong Pagar to Bukit Timah, while the land between the two areas would revert back to Singapore.

Taking a long-term view of the area’s investment potential, Ho said that this area would be worth looking at in 2018 as that’s when the area is scheduled to be developed.

In Kuala Lumpur city, Ho expected the Warisan Merdeka tower near Stadium Merdeka to be a boost to real estate values in the area should it take off.

When asked by a member of the audience if there will be an MRT station in Cyberjaya, Ho replied that as the Putrajaya Sentral ERL station is already close to Cyberjaya, all that is required is a shuttle-bus system.

“That means those who invest in Cyberjaya could benefit. If you don’t want to take the train, you can take the MEX highway,” he said. ■