

Future looks bright for Cheras Sentral

BY E Jacqui Chan

Running a mall is no longer what it used to be. Michael Chee, the retail general manager of Malaysia Land Properties Sdn Bhd (Mayland), recalls the days when one could open a mall and people would flock to it without having had to do much promotion.

"I remember seeing people queue up on opening day for something as simple as a free pack of tissue. You can't do that anymore. Today's consumers are more discerning and demanding. You have to offer them what they want, or they will go to the next mall," says Chee.

One can hear the excitement in Chee's voice as he talks about the refurbishment, redirection and upcoming opening of Cheras Sentral, the former Plaza Phoenix in Cheras, at the end of the year.

The mall, at the 10km mark of Jalan Cheras, has been a familiar sight to Cheras folk for more than 15 years. Mayland acquired the 880,000 sq ft mall in 2008 after it had closed down in August 2005.

Mayland owns 85% of the strata-titled mall and spent about RM125 million to refurbish it, an amount which Chee jokingly told Mayland founder and Hong Kong-based tycoon Tan Sri David Chiu, could be spent on building a new mall. "But Chiu saw the potential and has a vision of Cheras Sentral becoming a new icon for Cheras," says a confident Chee.

Cheras Sentral comprises a mall and the 300-room three-star Silka Hotel, a brand under Dorsett Regency Hotels.

Chee firmly believes the timing is right to reopen Cheras Sentral despite some misgivings in the market due to concerns of an oversupply of retail mall space in the volatile global economy, not to mention Plaza Phoenix's unsuccessful run.

"Plaza Phoenix's timing wasn't right. Back then, people living in the surrounding neighbourhood were mostly not affluent. For example, Isetan was one of the anchor tenants. But at that time, Isetan was considered the crème de la crème of retail outlets; it was seen as a Japanese fashion house, the market here was just not ready," says Chee.

The layout was also a contributing factor. Chee feels it was designed to squeeze money out of every square foot, resulting in a cluttered and cramped environment.

Everything is set to change with Cheras Sentral, says Chee. For starters, the residents in Cheras are growing more affluent, which can be seen in the increasing number of medium to high-end developments in the area.

The road system has also improved with the widening of Jalan Cheras into a six-lane highway, among others. Its location ensures a popu-

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HARIS HASSAN/THE EDGE

lation catchment of 1.7 million consumers and the forthcoming opening of the proposed mass rapid transit (MRT) station on the Sungai Buloh-Kajang line, which will be directly opposite the mall, will add to the footfall. MRT Co, the asset owner of the MRT project will develop a 1,000-bay multi-level car park as part of its Park and Ride facility and it will be linked to the mall. The car park is expected to be ready in 2014.

The first thing Mayland remedied was the layout. It took out some of the units, reducing the net leasable space to 400,000 sq ft, to create more open spaces to give the mall a comfortable and airy feel.

"Nowadays people want to shop in a comfortable and open environment. The new layout is also more accessible. We put in bubble lifts that go all the way up to the ninth floor, as well as travelators," says Chee, adding that the mall will house 450 retail outlets.

Mayland will increase the number of parking bays from 931 to 2,000 with the acquisition of the 450-bay car park block next to the mall and the addition of the Park and Ride multi-level car park. Security is of the utmost concern; over 182 CCTV monitors will be installed in the mall and the company is looking at placing panic buttons.

"Once a panic button is pressed, an alert will be immediately sent to specially made watches worn by security guards. I'm also looking at linking the panic button system to our car park barricade system, which means that at the press of the button, the barricades will go up and no cars can leave the mall," says Chee.



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Knowing your target market

Positioned as part destination and part neighbourhood mall, Cheras Sentral is targeted at generation Y, classified as those born between 1981 and 2000. According to Chee, this group comprises social animals and up-and-comers, and their buying habits are often influenced by their peers.

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Mayland has already secured Jaya Grocer (25,000 sq ft); Tanjung Golden Village, which offers an eight-screen Cineplex; Moon Palace Chinese Restaurant (8,000 sq ft) and Celebrity Fitness (15,000 sq ft).

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However, the key to the success of a mall remains knowing and understanding your target market, says Chee. "When it comes to malls, you need to marry your customers

to your tenants. You need to know who your target market is, what they want, their habits and spending power."

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make it a habit for them to come to yours," says Chee.

"The leisure and entertainment focus of the mall will generate more traffic. We have a hotel, so that will help bring in the transient crowd. These days malls are very integrated as the other components help generate traffic. A standalone mall is more difficult to run," he adds.

Mayland is looking for and courting retailers with new concepts and new players in the Klang Valley. "Most major malls have the same tenants and it can get tiring after a while. We are looking at a few things, including a fashion house from Johor, and Bread Story is coming up with a new concept for our mall," says Chee. Mayland is looking at an average rental rate of RM6 psf, which Chee believes is a good start.

To help encourage more new retail concepts, Mayland is developing a programme for young entrepreneurs. "If you have a strong business concept, we can give you a rental-free space for a period of time. We want to create opportunities for young entrepreneurs and if the concept works, it benefits us too," says Chee.

Chee is not worried about the perceived oversupply of retail space in the Klang Valley and the feared economic slowdown. He contends that the fear has been there for a few years and that well-positioned, well-managed and well-segmented malls are still doing well.

"For retailers, if they keep coming up with new things, people will keep on buying. The same goes for malls, they need to refurbish every five to six years to give it a new look and bring in new tenants with new concepts. The ones that know their market will do well," he says.

As for the hotel, the question is how it can attract customers as Cheras is not exactly known as a tourist destination. The mistake, says Chee, is that most people assume only tourists and business people stay in hotels.

"These days, a lot of people stay in apartments and apartments are getting smaller. They will have friends and relatives visiting. The apartment may be too cramped, so where will they stay? Hotels in the city centre are too far away. So how about our hotel, which is linked to a mall? The extended family is an overlooked market that we want to tap into," he says.

With the work done by Mayland and the positive factors such as the growing affluence of the area and the new MRT station, Chee is confident the future is bright for Cheras Sentral. ■

