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A GOOD seven years may have passed since the abandonment of 8.9 acres of commercial project in Ara Damansara, but the Newfields group's intervention has been a timely saving grace for disgruntled buyers of the previously-known Platinum Damansara.

Newfields has renamed the building Maisson, a five-block freehold residential building with a gross developmental value of RM850mil.

At the point that the previous developer Dataran Mantin Sdn Bhd, which is a subsidiary of Kumpulan Langkawi Resorts, left the project in 2007, it was only 40% complete when buyers had already completed 83% in payment over two years.

The previous developer had overstretched its financials and could not complete the job.

"In the earlier stages, we had much pacifying to do although the heat was targeted at the previous developer," Newfields Property Management Sdn Bhd executive director Khoo Boo Ti tells *StarBizWeek*.

In stepped Newfields with a solution to appease the buyers.

To pacify the existing 680 buyers (of a total of 1,247 units for sale), Newfields proposed they pay an additional 25% on top of the original asking price for their unit.

Given that they had already paid 83%, the top-up of 25% essentially meant an additional 8%, which was Newfields' solution for existing buyers to make good their purchase.

"We initially thought that the 25% would cover their share of restoration costs but it was later decided we will find compensation in the balance of unsold units," Khoo says. "Restoration costs up to an additional RM100 per sq ft."

Newfields was also aware that there were concerns over the dilapidation of the building over time.

"All these issues have been addressed and settled. We have also engaged professionals to test the strength of the structure and ultimately, the original contractors and designers for this building have been assembled as they are familiar with the details," Khoo says, adding that the electrical and mechanical services facet of the construction from wiring and plumbing to sewage management will be replaced.

Newfields is an off-shot of boutique financial advisory company Newfields Capital, founded by seasoned corporate hand Seow Lun Hoo.

Previously chief executive officer and president of Hong Leong Credit Bhd (now known as Hong Leong Financial Group Bhd) after a 28-year career with the bank, Seow started Newfields Capital in 2002.

A firm believer of long-term value creation, Seow carved a niche by taking on tough corporate restructuring that the big names in financial advisory shun.

His early clients included the likes of KFC Holdings. Today, his clients include Multi Purpose Holdings Bhd and IJM Corp Bhd.

Apart from The Maisson, there are two other property development projects, namely Puchong Gateway, an integrated commercial hub with a gross developmental value of RM1bil, and The Sanderson, a RM160mil-three-block freehold condominium in Bukit Serdang.

Interestingly, Puchong Gateway was a unique opportunity for Seow after his company bought the 52 acres when its owner ran into odds with its bank.

"That's how we started com-

Newfields adds new job to its stable

Group revives abandoned project in Ara Damansara



mercial real estate," says Newfields Property executive director Seow Voon Ping.

So it was not entirely surprising when Newfields took on the task of reviving the abandoned Platinum Damansara – a taxing situation unlike starting on a clean slate when a developer starts building from ground up.

Viability of Ara Damansara

Newfields saw the viability of the project for several reasons.

Firstly, the scarcity of new land in Petaling Jaya gave Ara Damansara the advantage of being one of the last few plots of prime land in the area coupled with its accessibility to the North Klang Valley Expressway and backroads leading to the Damansara-Puchong Highway.

"We wanted it for its unique location. Previously, it might not have been ideal to take over an abandoned project in Ara Damansara given its lack of connectivity, but over the last eight years, much of the infrastructure has changed and the neighbourhood has matured. In some abandoned projects, there is a win-win situation, but not all locations are ideal like this," Voon Ping says.

Construction for Maisson will begin by end-April and development is slated for completion in March 2017.

Maisson comprises five blocks of residential service apartments of 21 storeys (two blocks) and 23 storeys (three blocks), with units ranging from 500–1,385 sq ft.

The average price is RM700 per sq ft, up 75% from the original selling price of RM400 per sq ft barely a decade ago.

Demand for the units – priced between RM360,000 and RM1.15mil per unit for the first four blocks, and RM454,469 to RM991,688 for the fifth block – has been quite strong as 80% of Maisson



units has been sold within 45 days since it was launched in March, Seow says.

"Many in our buyers profile have bought units here for their children," Seow says. "A number are residents within 2-3km radius."

Maisson maintains its commercial title as the previous developer had purchased the land with the intention of building a hotel and serviced residences with a buy-and-leaseback policy.

Maintenance fees of 30 sen per sq ft per month inclusive of sinking fund are a fair price to pay for the convenience of a two-storey retail podium with about 30-40 shophots, which will be maintained and managed by Newfields.

Besides typical sporting and recreational facilities, Maisson will also feature a 2.3-acre landscaped deck that includes a two-storey retail podium with lifestyle boutiques and food and beverage outlets.

"The added benefit of these facilities are the extra security for dwellers as non-residents need to go past these layers of security to access the residential units," Khoo says.

It is perhaps fair to say that each neighbourhood has its own share of peculiarities, with Ara Damansara's being its issue of traffic congestion during peak hours.

"Accessibility within Ara

Damansara is fine, but it is the getting out during peak hours that dwellers complain of," Khoo says.

"But the local council told us that this neighbourhood has the best planned roads in Petaling Jaya. You don't see cars parked by the curb."

Speaking on the softening of the residential property market, Seow recognises that the restrictions imposed by the central bank have impeded borrowing ability.

"Demand is still strong although people are more cautious," Seow says. "People know that with the goods and services tax, property prices won't go down although it may soften a little (in the short term)."

"Newfields is not a listed company, therefore, we're not constrained by delivering sales on a quarterly basis, allowing us to focus on delivering quality products over the longer term."

Moving forward, Newfields is looking to launch a small project of 110-120 units of 2,000 sq ft link houses in Ampang in the third quarter of the year.

"We are also looking to do some joint venture development in Kuala Lumpur. It will depend on the attractiveness of the terms. On our end, we are able to impart our knowledge on strong financing as we have built a good name for ourselves with the bank," Seow says.

KEYPOINTS

Given that they had already paid 83%, the top-up of 25% essentially meant an additional 8%, which was Newfields' solution for existing buyers to make good their purchase.

① The Platinum Ara Damansara project which is being revived by Newfields Property and renamed Maisson.

② Voon Ping: 'We wanted the project for its unique location.'

③ Khoo: 'All the issues have been addressed and settled.'