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Sime-UEM Sunrise to kick-start project by year-end

by **Charlotte Chong**

KUALA LUMPUR: The joint venture (JV) between Sime Darby Property Bhd and UEM Sunrise Bhd in Bukit Jelutong, Selangor, will finally kick off this year-end, two years later than initially planned, according to its top officials.

The 50:50 JV called Radia, now has a gross development value of RM1.6 billion against an estimated RM1 billion previously.

The project covers a gross floor area of 2.7 million sq ft, consisting of 640 units of serviced apartments, office space (400,000 sq ft) and retail space (880,000 sq ft).

Sime Darby Bhd group COO Datuk Abd Wahab Maskan said the development is slated for completion in 2018 in four phases.

Wahab, who is also the managing director of Sime Darby Property, said there was a delay in the project as the company had to satisfy certain conditions and get approval from the relevant authorities.

He said Sime Darby Property needed to discuss new ideas with the authorities on the mixed development.

"Sime Darby Property and UEM Sunrise will collaborate to leverage each other's expertise," Wahab said, adding that the partnership would add credence and the power of attraction to the marketability and sustainability of the project.

UEM Sunrise, the largest developer by market capitalisation on Bursa Malaysia, is the real estate investment and property arm of UEM Group Bhd, which in turn is wholly owned by Khazanah Nasional Bhd.

Sime Darby Property is the country's largest developer by landbank and controlled by Permodalan Nasional Bhd.

The Radia project was initially planned to be jointly undertaken in 2011 by Sime Darby Property and Sunrise Bhd, which later merged with UEM Land Holdings Bhd to create an enlarged entity, UEM Sunrise.

Sime Darby-Sunrise Development Sdn Bhd was incorporated to undertake the Radia project which occupies 20.95 acres (8.38ha) of land.

Wahab said the Radia project is strategically located in Bukit Jelutong due to its connectivity to the major cities via highways such as the New Klang Valley Expressway, Guthrie Corridor Expressway, Federal Highway and the North-South Expressway Central Link.

UEM Sunrise managing director Datuk Wan Abdullah Wan Ibrahim said it is not expecting "a quick profit" from the project as the prices of the units will be "fair".

He said, for instance, residential units of the Radia project will

be priced from RM500,000.

"The prices are to be based on the format of the development that we have planned," said Abdullah, adding that the profit margin for the project would be in line with the industry's average.

Wahab said upon the completion of Radia, there will still be an undeveloped six-acre tract adjacent to the development.

"We are not offering to sell [the six-acre of land] to individuals," he said, adding that the company

might build a commercial shopping lot on the undeveloped tract.

Wahab said the company has been on the lookout for retail operators or tenants for the future commercial project.

He said the notion that Sime Darby Property builds houses only for the middle and higher income groups is not true.

"We have up to 60% of our products selling below RM1 million," Wahab said.

On housing affordability, he said the company is positive the move to raise incomes of Malaysians would help address the issue.

Wahab said Sime Darby Property is in talks on more joint venture developments with its current partners.



From left: Abdullah, Wahab and Sime Darby Property development head Zulkifli Tahmali at a preview of integrated development Radia in the heart of Bukit Jelutong yesterday.