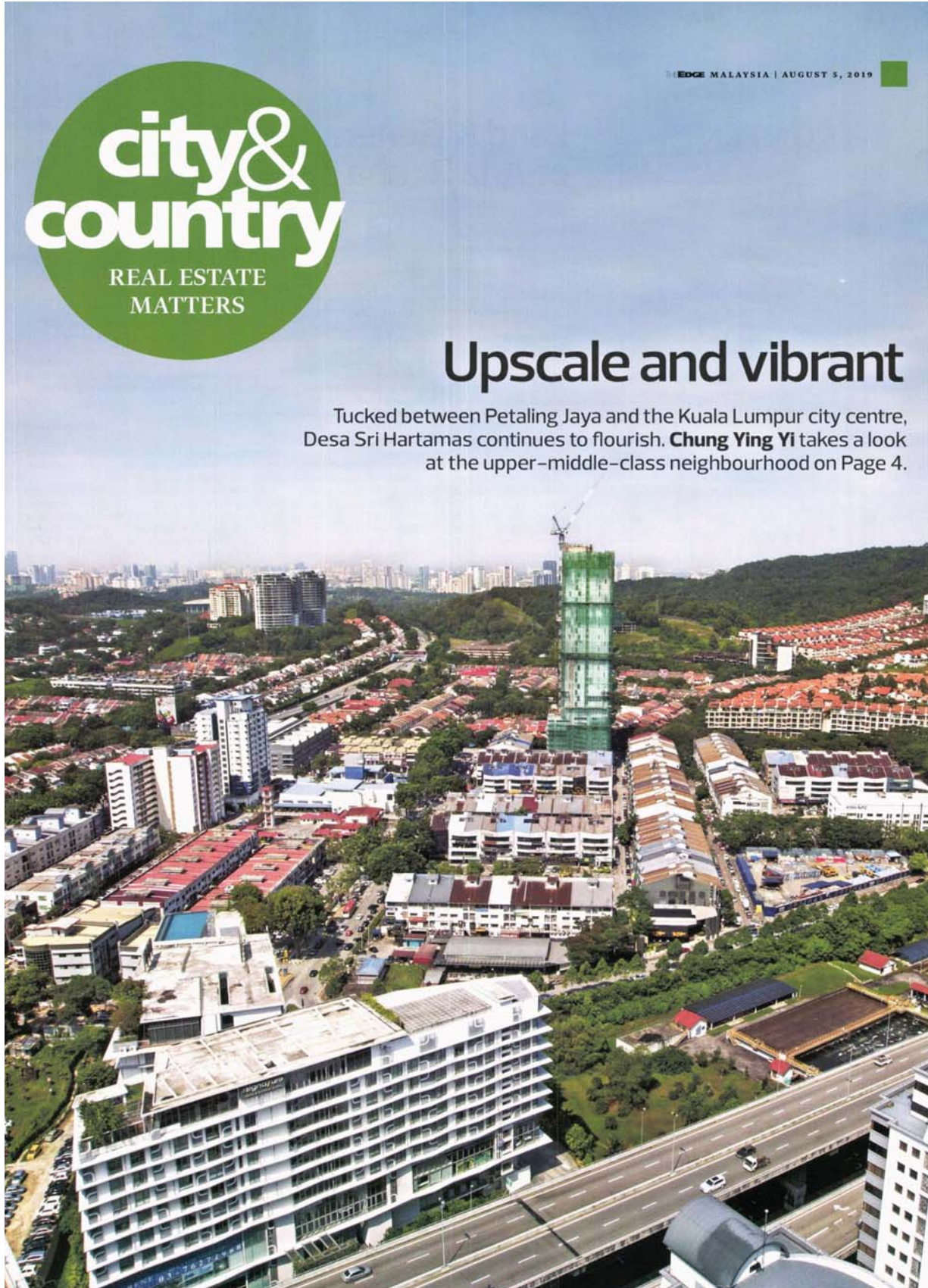


05 AUG, 2019

An affluent and vibrant township

The Edge, Malaysia



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THE EDGE MALAYSIA | AUGUST 5, 2019

Upscale and vibrant

Tucked between Petaling Jaya and the Kuala Lumpur city centre, **Desa Sri Hartamas** continues to flourish. **Chung Ying Yi** takes a look at the upper-middle-class neighbourhood on Page 4.

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An affluent and vibrant township

BY CHUNG YING YI
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Packed restaurants and heavy traffic are common sights in Desa Sri Hartamas. This is especially true during lunch and dinner, when popular F&B outlets such as Naughty Nuri, Nasi Kandar Pelita, Nasi Kandar Bestari, The Ice Cream Bar, Starbucks and Souled Out see brisk business.

Located between Petaling Jaya and Kuala Lumpur city centre, the amenities in upmarket Desa Sri Hartamas include schools, F&B outlets, clinics, hair salons and banks.

The 260-acre township, which comprises landed properties, condos, semi-detached houses, terraced houses and shop lots, was developed in the 1990s on a rubber plantation.

According to Laurelcap Sdn Bhd head of capital markets Lou Minn Yian, MBF Property Services Sdn Bhd was appointed by Sri Hartamas Development Sdn Bhd as a project manager to develop the township.

Sri Hartamas Development was set up by real estate tycoon Tan Sri Chong Kok Lim, who built Sungei Wang Plaza in 1977, Datuk Syed Kechik of Kumpulan Syed Kechik Sdn Bhd and Datuk Wong Kee Tat of Kuala Lumpur Industries Holdings Bhd, says Lou.

CBRE|WTW managing director Foo Gee Jen calls Desa Sri Hartamas an upper-middle-class neighbourhood in Kuala Lumpur. "The area serves the F&B and entertainment needs of [the residents of] Mont'Kiara, Taman Sri Hartamas and other nearby affluent areas. Most of the shops cater for relatively affluent Malaysians and expatriates.

"Developers such as SP Setia Bhd Group, CapitalLand Ltd, Sunway City Bhd, Glomac Bhd, Ireka Corp Bhd and Malaysia Land Properties Sdn Bhd (Mayland) have a presence in the Desa Sri Hartamas/Sri Hartamas/Mont'Kiara area," he adds.

Meanwhile, Henry Butcher Malaysia Sdn Bhd chief operating officer Tang Chee Meng notes that in terms of market performance, Desa Sri Hartamas is comparable with developments in Sri Hartamas and Mont'Kiara. "The area has more shops, 2-storey terraced houses and bungalows, whereas in Mont'Kiara, the prevalent property types are condominiums and serviced apartments," he adds.

Upscale and vibrant township

Located adjacent to Mont'Kiara and across the road from Sri Hartamas, Desa Sri Hartamas' demographic comprises mostly young couples and families, both local and expatriate.

Tang notes that educational institutions in Desa Sri Hartamas — SK Sri Hartamas and SMK Seri Hartamas — and Taylor's University College in Sri Hartamas attract families with school-going children.

"Two international schools — Garden International School and Mont'Kiara International School — are located in neighbouring Mont'Kiara. (French international school) Lycée Français Kuala Lumpur is located in Dutamas, catering for the sizable expatriate community in the area," says Tang.



Desa Sri Hartamas has more shops, 2-storey terraced houses and bungalows than Mont'Kiara." — Tang



The area is known as a commercial and entertainment hub with abundant restaurants serving foreign cuisines." — Foo



Traffic congestion is one of the most common issues in the area



Parcel earmarked for Optimax Eye Specialist Centre



Clockwise from top left: Three popular F&B outlets. Nasi Kandar Pelita, Starbucks and Souled Out



Commercial centres such as Hartamas Shopping Centre, Plaza Damas and Taman Sri Hartamas offer various popular eateries. "Desa Sri Hartamas is known as a commercial and entertainment hub with abundant restaurants serving foreign cuisines. The exclusive area provides upscale facilities and amenities," says Foo.

The area sees a combination of investors and owner-occupiers. According to Laurelcap's Lou, landed properties are mainly owner-occupied while high-rise projects have a mixture of investors and owner-occupiers. Foo adds that most of the commercial shop offices are rented out.

Desa Sri Hartamas' property sector has maintained its occupancy rates and value while overall demand has exhibited an upward trend for the past 10 years.

"However, we do not foresee large-scale landed developments due to the high cost and limited land availability, except for the occasional acquisition and reconstruction of isolated plots by individuals. Current landed properties comprise mainly 2-storey terraced houses, semidees and bungalows," Foo explains.

The built-ups of landed residential properties range from 1,671 to 7,341 sq ft. According to Tang, prices of residential landed properties in Desa Sri Hartamas range from RM878 to RM1,145 psf, with rents ranging from RM3,200 to RM20,000 a month and yields of 2% to 3% per annum.

Although well received, residential high-rise properties are being affected by the soft market conditions. According to Tang, among the affected residential high-rises are Sunway City Bhd's Sunway Vivaldi and Kiara Seleksi Sdn Bhd's The Signature. Kiara Seleksi is a member of MBM Group. "The built-ups at Sunway Vivaldi range from 2,573 to 4,047 sq ft, with selling prices ranging from RM741 to RM933 psf. Rental rates are RM6,500 to RM15,000 a month with yields of 3% to 6% per annum. Meanwhile, The Signature offers built-ups ranging from 435 to 515 sq ft at selling prices of RM1,082 to RM1,279 psf. Rents are RM2,300 to RM2,900 with yields of 5% to 6% per annum," he adds.

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Latest transactions of residential properties

TYPE	BUILT UP (SQ FT)	PRICE PSF (RM)	ASKING RENTAL (RM)	AVERAGE GROSS YIELDS (%)
Terraced: Intermediate	1,671	1,077	3,200	2
	1,686	878	3,400	3
Terraced: End lot	1,671	1,125	NA	NA
	2,335	1,006	4,200	2
Bungalow	6,200	1,145	NA	NA
	7,341	1,049	20,000	3
Serviced residence (The Signature)	7,190	953	NA	NA
	435	1,150	2,300	6
	515	1,082	2,900	6
Condominium (Sunway Vivaldi)	469	1,279	2,500	5
	4,004	874	13,000	4
	3,466	866	9,000	4
	4,047	741	15,000	6
	3,983	829	9,800	4
	2,573	933	6,500	3

Rentals for residential and commercial properties in 2016 & 2017

TYPE	AVERAGE FLOOR AREA (SQ M)	RENTAL RANGE PER MONTH (RM)		AVERAGE RENTAL CHANGE (%)	AVERAGE GROSS YIELD (%)
		2016	2017		
Double-storey terraced	177	2,800 - 3,000	2,800 - 3,800	13.8	2.6
Apartment/Condominium	155	7,000	7,000 - 7,500	3.6	5.4
	370	11,000	11,000 - 12,000	4.6	4.8
Shop	163	9,000 - 15,950	10,000 - 16,000	4	NA
Offices	163	2,500 - 4,900	2,500 - 4,900	Stable	NA

Latest transactions of commercial properties

TYPE	BUILT UP (SQ FT)	PRICE PSF (RM)	ASKING RENTAL (RM)	AVERAGE GROSS YIELDS (%)
Shopoffice	6,177	502	NA	NA
	4,697	581	NA	NA
	6,279	605	22,000	7
	7,197	507	NA	NA
	5,699	654	18,000	6

Prices for residential properties in 2016 & 2017

TYPE	AVERAGE LAND AREA (SQM)	AVERAGE FLOOR AREA (SQM)	PRICE RANGE (RM/UNIT)		AVERAGE PRICE CHANGE (%)
			2016	2017	
Double-storey terraced	153	172	1,550,000 - 1,730,000	1,500,000	-8.1
Double-storey semi-detached	379	314	NA	2,500,000 - 2,530,000	ND
	348	358	NA	3,150,000	ND
Three-storey semi-detached	345	394	NA	3,100,000	ND
	400	439	2,700,000 - 2,900,000	2,880,000 - 2,900,000	3.2
	333	409	3,000,000 - 880,000	3,250,000 - 728,000	8.3
Townhouse	NA	137	700,000 - 880,000	700,000 - 728,000	-11.1
Apartment/Condominium	NA	239	NA	2,060,000	ND
	NA	322	2,850,000 - 3,150,000	2,700,000 - 3,100,000	-2.1
	NA	370	2,850,000	2,900,000	Stable



Clockwise from top left: Sunway Vivaldi, The Signature and SMK Seri Hartamas are the landmarks in the area



The land scarcity and freehold status should lead to value appreciation in the long term." - Lou

Available land

There are currently three undeveloped parcels, one ongoing project and one abandoned project in Desa Sri Hartamas.

According to Lou, a development comprising a 26-storey commercial building and a 4-storey car park by Rapid Synergy Sdn Bhd has been proposed for the first piece of land located opposite Sunway Vivaldi.

As for the parcel next to The Signature, YNH Property Bhd has proposed to build a mixed-use development comprising two 16-storey serviced apartment and SoHo blocks, a 4-storey retail podium and a 4-storey car park.

An Optimax Eye Specialist Centre has been proposed for the final parcel located at Jalan Sri Hartamas 22.

The abandoned project by Maymont Development Sdn Bhd is located next to SMK Sri Hartamas.

The only ongoing project in the area is The Societe, a mixed-use development by SCP Group. Sitting on a 0.54-acre freehold parcel, the 33-storey tower will comprise 334 SoHo units (498 to 643 sq ft), 16 duplex SoHo units (801 to 1,044 sq ft) and four retail shops on the ground floor. The SoHo units are priced from RM508,000. The development is expected to be completed by the end of this year.

Challenges and future prospects

Despite its popularity, the area faces some challenges due to inadequate planning. As population density has increased over the years, issues such as traffic congestion, lack of parking spaces, cleanliness and security have become more pronounced.

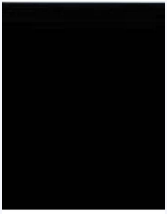
Hailey Chu, who has lived in Mont'Kiara for nine years and used to work in Desa Sri Hartamas, says the roads are narrow and the area is heavily congested during peak hours.

"There are only two entries and exits. Parking spaces in the area are limited and the congestion is aggravated by rampant double parking," she says. "The improper disposal of waste at restaurants has caused the area to be dirty and unhygienic."

Foo is mindful of these issues and says they have to be addressed to preserve and maintain the value of properties in Desa Sri Hartamas.

However, they will not dampen the outlook for Desa Sri Hartamas. "Even though the current market softness has affected short-term demand, property values in the area should continue to improve in the medium to long term," says Tang.

Desa Sri Hartamas will continue to be a popular area due to its location, accessibility and public amenities. "The land scarcity as well as the freehold status should lead to value appreciation in the long term," says Lou.



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SUMMARIES

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