

Bringing back the lustre

Ivory Properties Group's Penang Times Square project set to revitalise Georgetown property landscape

BY JENNIFER GOMEZ

Penang Times Square, a RM700 million mixed development project taking shape in the heart of Georgetown, could just be the medicine to bring back the lustre Penang seems to have lost over the years.

It is being developed by Ivory Properties Group and is planned with high-end residential units, a 500-room 5-star hotel, 150,000 sq ft of Grade A office space coupled with 60,000 sq ft of exhibition and convention facilities and about 300 retail outlets. It took off early last year when the developer launched its condominium units.

The integrated development is designed with a two-level commercial podium, a 4-storey car park sitting atop the podium and the condominium, office and hotel blocks above the car park level.

It is being developed over a 13-acre freehold site in four phases — the first and second phases are made up of commercial space and the condos while the third phase is the commercial space as well as the office and hotel blocks. The fourth phase involves the renovation of the interior of the existing 100-year old Birch House, which is categorised as a historical building. To be used as the Ivory group's corporate office, these renovation works are expected to be completed in February.

On why it has been named Times Square, Ivory Properties' director and general manager Chok Keng Vui offers: "Penang island has been on the world map for more than two centuries ever since Francis Light landed in the late 18th century. It deserves its own recognition as a global destination and we believe by planning the concept and naming our project after a globally recognised landmark, it will rekindle the imagination and enthusiasm both within and outside Malaysia to strengthen Penang's position on the global travel destination list."

To date, of the 418 condo units in the first phase, dubbed Birch The Plaza, over 60% have been sold. The units, sized from 1,010 to nearly 2,000 sq ft for the penthouses are pegged from RM300,000, based on RM285 psf onwards. Full condo facilities here include gym, swimming pool, sauna and multipurpose hall.

According to Chok, a show unit will be opened for viewing in conjunction with the busy Chinese New Year period, to catch the "balik kampung crowd" coming back to Penang from other states as well as from abroad. He says: "The target market for these RM300,000 condo units are urban professionals and small families who prefer to live in the town area where they have grown up. Many Penangites have decided on the buy for investment purposes since there are no more large land parcels in the prime areas of Georgetown that allow for such a development. The monthly rental for comparable property less than 500m away is already in the RM1,800 to RM2,200 range, which makes this [Birch The Plaza] an irresistible opportunity."

As for the running of the hotel, Chok says they are in discussion with several international chains. "We will expect

our third phase, which includes the proposed hotel, to be ready in 2010, after completion of phases one and two in 2008 and 2009, respectively," he says.

Phase three will see the building of 150,000 sq ft of office space to be housed in a proposed 20-storey office block. This will be ready together with the hotel in 2010. "We have yet to decide whether to sell the units or lease them to corporate clients. We have been contacted by international financial corporations to explore various arrangement possibilities," Chok says.

As for the retail units, the developer hopes to open nearly 200 units in end-2008. The number, he says, will reach 300 in 2010 when all phases are completed.

The design concept

Design wise, from the onset the developer wanted the project to be more than just a commercial destination. "Our goal is to contribute to the social well being of the city and its residents, and help revitalise and focus the community spirit which had been lost for years. We hope Penangites will once again find living in Georgetown a charming proposition," Chok says.



Penang Times Square is a RM700 million mixed development

According to Chok, their in-house planners and architects kicked off with a unique "town square" concept which features a centrally located open space with lush landscaping and water features to act as the crowd puller. "This is to offer Georgetown residents a place to gather and share their stories, much like the town squares in historical European cities. The nearly 2-acre open space alone is worth over RM12million. The estimated budget for landscaping the entire project is RM7 million."

The other project components are designed to face this 'town square' open space, and unlike the typical shopping mall with one single-spine circulation route and with no more than two entrances, the ground level floor plans of all Penang Times Square project components are planned to encourage multiple axis circulations, much like what are found in our city streets layout. There are also multiple entrances and more than a dozen drop-off and pick-up points, Chok explains.

Supply and competition

For the benefit of Klang Valley folk, Chok says Penang Times Square boasts



Chok: Ground floor rates to start from RM20 psf and RM12 psf upwards for first floor units

the qualities that have made malls like Suria KLCC, Mid Valley Megamall and 1 Utama successful.

"In terms of location, we are in the city centre, so that's like KLCC. Our exhibition and convention facilities will also be complementing the mall's operations — just like Megamall. We have an immediate catchment similar to 1 Utama's, where there are many neighbourhoods within walking distance, except ours will be in circular loops and urban street patterns, while 1 Utama,

Penang's numerous retail districts (similar to Petaling Jaya's SS2 area) play an important role in the retail scene, as they are scattered all over the island and are mostly very successful with the high population density, Chok elaborates.

He says some shopping malls in northern Penang island reportedly have long waiting lists for their prime spaces on the lower floors; yet the upper floor units are unoccupied. "So it is very difficult to categorise whether there is or isn't an oversupply. We do believe in the quality of professional mall management, which we will practise in Penang Times Square.

"And because we will make Penang Times Square our corporate home, we will offer to manage all retail outlets for our customers from the tenancy agreement to rental collection and retail performance monitoring. We hope this will greatly reduce the unfavourable uncertainties which have long been associated with commercial unit investments."

Rates and rents

Some of the units on the ground and first floor at Penang Times Square have been earmarked for sale, with the rates going for about RM1,400 psf for ground floor and RM750 psf for first floor units.

As for rents, Chok says their surveys showed that the current ground floor units' monthly rental ranges from RM18 to RM25 psf in comparable shopping malls. He expects that ground floor rates at Penang Times Square to "easily start from RM20 psf" when it is completed in 2008, with first floor units' rental at RM12 psf onwards.

The developer does not want Penang Times Square to become another typical box-shape mall. They are keen to bring in traditional trades and ethnic restaurants for the perimeter retail units, which operate late into the night, and feature the more conventional shopping centre retail outlets inside the centre.

Chok says while they welcome a "suitable high quality anchor tenant", this is not a top priority as there are already several large-scale departmental stores in the neighbourhood. He says a few prospective anchor tenants have shown keen interest to come into the mall but nothing has been firmed up yet.

What do Penangites look for in a shopping centre? Chok says: "They are sophisticated shoppers — price is often not the only important criteria as many travel regularly to KL and other regional shopping destinations. Branded goods are not always sought as the latest styles are often only found in bigger cities like Singapore and Hong Kong. They love to compare and seldom rush into any purchase. Unlike KL where many residents are originally from areas outside the city, most Penang residents are born and raised on the island with a more even age distribution pattern across the population."

For sure, excellent customer relationships and favourable references play an important factor for a successful retailer on the island. Thus, it is one important operational strategy for shopping centre management, sums up Chok. ■

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