

Ivory sees potential in high-rise properties on Penang island

HIGHER construction costs can lead to shortage of high-rise properties with price ranging from RM300,000 to RM400,000 on the island over the next two years.

Ivory Property Sdn Bhd general manager Chok Keng Vui said the properties would be in high demand, as the rising cost of fuel would make it expensive to travel on a long distance to work at the island.

Having said that, Chok believed that it was still possible to construct high-rise properties on the island at affordable selling prices.

"Ivory is able to undertake such projects as we operate and manage our own construction company and design team, which helps to reduce the construction costs," he said.

Chok said the company was reviewing one of its high-rise projects on the island – The Peak.

Originally scheduled for launching this month, he said: "We are waiting for the construction costs to stabilise before deciding on the exact launch,



An artist's impression of Ivory Property's Island Resort project launched earlier this year

possibly by year-end.

"The Peak condominium units were originally priced at

RM330,000," he said.

Earlier this year, Ivory Property group launched the Island Resort

project in Batu Ferringhi with a price tag between RM280,000 and RM600,000 per unit.

The project, which is 65% booked, is now selling for RM360,000 to RM700,000. The Island Resort is scheduled for completion in 2011.

Mah Sing Group Bhd managing director Datuk Seri Leong Hoy Kum said the group would still implement its South Bay project in Batu Maung as planned.

"Our target market is the medium-high to high-end segment, which is more resilient to the rising costs environment.

"We will look at properties that are in good locations, concepts and designs. Properties have proven to be the best hedge against inflation," he added.

IJM Land Bhd managing director Datuk Soam Heng Choon said the company would constantly study the market scenario to time its launches.

"Given our penetration across all

market segments, we can review the type of properties to be launched according to the demand. We can also adapt our design concept for certain specific target market.

"We believe that in a negative interest rate environment, properties will be a good hedge against inflation. Given the stock market volatility, investors can shift from the equity market to physical property assets," he said.

IJM Land would be launching its Summer Place condominium scheme at the Jelutong Expressway early next year.

"We are able to keep the selling price at RM288,000 to RM420,000 per unit, as most of the contract works for the scheme have been awarded," he added.

The built-up area for a Summer Place unit ranges between 960sq ft and 1,440sq ft.

Soam said the selling price for the group's new launches many be increased by 20% to 30%.