



Penang's commercial property market is on the up and up with more new malls making their appearance. One new giant – Penang Times Square, developed by Ivory Properties – is taking a brave new approach to retail and entertainment.

Sign of the times

By Rosalind Chua



DATO' KERAMAT in Penang is a rundown, crowded neighbourhood just outside George Town's CBD and heritage zone; putting it bluntly, not exactly the location of choice for a premier lifestyle mall. The area was once home to one of Malaysia's oldest smelting works – Escoy Smelting – which introduced Straits Refined Tin to the world. The smelting works have long closed down, leaving behind a legacy of grimy shophouses, small foundries and hardware businesses. The scene seemed set for the long, slow slide into urban decay until 2004, when Ivory Properties announced their intention to redevelop the site and transform it into a commercial and residential development grandly christened Penang Times Square.

The name Penang Times Square already gives an insight into Ivory Properties Group chairman/ chief executive officer, Datuk Low Eng Hock's mindset. In terms of built-up area Penang Times Square is among the world's largest and the 13-acre development even rivals KLCC's land area which is half the size. The Penang Times Square project, styled as an "urban village", comprises residential and commercial units with a Gross Development Value (GDV) of over RM1.2bil. Low has plans to transform the commercial aspect of the first phase into a gastro-hub for Penangites and visitors to the island. "Food is the first thing that comes to mind when you talk about Penang, so to differentiate ourselves from the other malls, Penang Times Square will focus on F&B. By November we expect at least 50 restaurants and a food loft that will include a wide range of Penang hawker food all under one roof. People won't need to drive around the island hunting for food and worrying about parking and the heat anymore," he explained.

Despite being relative newcomers to property development, Ivory has made a name for itself as THE developer to turn to when things get rough.



Clockwise from below: Ivory Properties Group chairman/CEO Datuk Low Eng Hock, Palace Hill and Penang Times Square.

Opposite page: Birch the Plaza



Ivory has successfully rescued and resuscitated a number of challenging projects on the island that other more established developers shunned at the time; Tanjung Park, Plaza Ivory and The View Twin Towers are prime examples; The Peak is Ivory's latest case. According to Low, the Tanjung Park development had originally been earmarked as medium-cost apartments, with half the units suffering from poor frontage. "When the Tanjung Park project was presented to us I could immediately see why pre-sales were so slow. The views from the original plans would have been bad. We immediately realigned the two blocks so that all apartments were sea facing. We upgraded the specs and sold out all the units very quickly after that."

"Tanjung Park was completed in 2003 just four years after Ivory was established. At this time I felt that many developers were still doing the same old things in Penang, with very little thought given about how to enhance the value of the land. It's a fact that land is always scarce, but on a small island like Penang land is even scarcer! After we completed Tanjung Park as luxury condominium blocks the

value of the property had appreciated by 40%. We also added lighting to the roof so these could be seen from a distance at night. The effect is impressive and even today when I look at the condominiums I still feel proud of what we accomplished," he said.

Rescuing land banks and building sites in distress is not a job for the conventional and Low attributed his developer's savvy to time spent in the family business. "I'm a civil engineer by training and when I returned from my studies in Canada in the 1980s, I joined the family construction business. I worked on DID and JKR projects to begin with until we (Tehware Sdn Bhd) had the opportunity to take on the Gold Coast development project in Bayan Bay. This was my first time as developer and it was extremely stressful for me, especially as I had a tough time working with the consultants. Looking back, that was actually a blessing in disguise as it forced me to problem-solve, to learn all about planning and local council guidelines. Because of this experience I've learnt to be less reliant on consultants. Sometimes they (consultants) are great at conceptual-

ising very bold, exciting new buildings, but are less aware of building guidelines and what can and cannot be approved."

Keeping an open mind and having the willingness to approach seemingly problem projects have been the key to Ivory's tremendous growth over the past decade. According to Low, Penang's property market has also gone through a seismic shift. "It's taken some time but KL developers have finally realised how much potential there is in Penang. Fifteen years ago when I talked to my KL counterparts there wasn't much interest, even though Singaporean investors back then already knew that Penang's property market could only get stronger and stronger. It's good that there are now a number of large KL developers in Penang, it means that we all have to raise our standards to offer house buyers better value.

"Looking ahead for Penang we have very limited land and I feel it's time to seriously look at reclamation and hillside development. It may sound controversial but it isn't. If Penang is to be a developed world-class city it has to keep growing. The landscape needs to change with the times in order to create a liveable city environment. Look at Dato' Keramat, the area has been in decline for years and now the opening of Penang Times Square has added some life and excitement to the area. I'm confident it will have a positive impact on the surrounding area as well as on the lives of the inhabitants. At the moment the state is just pockets of development that are not linked very well. In spite of this I do believe that residential property prices in Penang will remain stable for the foreseeable future with prices buoyed by international investors primarily from Hong Kong, Singapore and Australia. Recently we have also experienced a surge in sales from KL investors," Low noted.

Low is also quietly optimistic about Ivory's prospects once the company lists on Bursa Malaysia. "For the past 11 years we've had to be very cautious with our spending, you wouldn't believe how many landowners have come knocking at my door asking me to step in and troubleshoot. Of course due to cash flow considerations we couldn't take up all the projects; in future we hope to be able to undertake bigger and more challenging projects with better cash flow." ☉