

# Goodwill Polygon sees potential in Shah Alam

BY Wong King Wai

The property development industry is not an easy one to enter. It takes plenty of foresight, the right location and the financial backing to see a project to its end.

For Prudence Wong, director of CASB Group of Companies and Goodwill Polygon Sdn Bhd, the group's property division, her journey into property development has been a steady climb from small personal investments to establishing a property investment company. Goodwill Polygon's maiden project in property development is a purpose-built office building in Shah Alam, Selangor, called Qube.

Wong started investing in property in 2002, after leaving her position as group brand manager for a multinational corporation, which she had held for 10 years. The long hours had taken a toll on her family. One day, when her then five-month-old baby would not hug her, she decided that something had to change.

So she attended a seminar to learn about property investment. Much of what she has learnt since then, though, has been by trial and error. Going into property investment has not only given her more time with her family, it has allowed her to do something she loves. "I'm passionate about property investment. I can view 20 properties a day," Wong says with a smile.

She eventually formed CASB Group of Companies with a business partner in 2005. Property investment was initially its main activity, whereby Wong would buy and rent or sell condominium units, shophouses, factories, vacant land and bungalows.

The company eventually went into redeveloping and refurbishing property. "I bought a dilapidated bungalow in Ampang at an auction in 2005," says Wong. "Many advised me against the purchase, but I saw potential in the property."

The bungalow, which she purchased for RM1.7 million, was refurbished at a cost of RM300,000. Today, the property is valued at RM5.5 million.

Another project was the refurbishment of two adjoining shophouses in Sri Melawati. The renovation and refurbishment also cost RM300,000. The value of the shophouses has since increased by some 300%. Wong says that some of the refurbished properties are sold while others are leased out for recurring income.

Wong has learnt many things from her varied experience. One lesson she has learnt from her involvement in the property industry is the importance of research — after a mistake cost her a large sum of money. "My biggest mistake in property investment resulted in me losing RM100,000," she says. "I put down an earnest deposit for a piece of land in Petaling Jaya based on advice from a third party. I later regretted my decision after doing some research on the property, and had to forfeit my deposit. I learnt from that day to never rush into a deal and to always do your research."

In 2008, Wong acquired a plot of

leasehold land, measuring less than three acres, in Shah Alam's Seksyen 13. She then engaged property consultancy CH William, Talhar and Wong (WTW) to carry out a comprehensive study on the Shah Alam property market.

The study revealed that there were only eight purpose-built office buildings in the Selangor capital, offering 1.7 million sq ft of office space, and they were over 95% occupied. The study also showed that there hadn't been any new office supply since 2000. Armed with this knowledge, Wong set her sights on creating a unique office building.

According to the National Property Information Centre's (Napic) 1Q2011 report, there are 24 office buildings in Shah Alam. However, Wong clarifies that only eight of these are private purpose-built office buildings. The rest are used by the local authority.

## Qube

Qube is located adjacent to the Federal Highway. Phase 1 of the project, which takes up 1.21 acres of land, comprises an 18-storey building with a gross development value of RM150 million. Already 70% sold, Qube 1 is



ABDUL GHANI ISMAIL/THE EDGE

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GOODWILL POLYGON

slated for completion in 2014.

Plans are already underway for Phase 2, which will take up 1.67 acres. Registration for Phase 2 opens in October, says Wong. "Qube 2 is still in the planning stages, but I want to create a lifestyle business centre," she says.

Wong says the company has received approval to build an access road from the Federal Highway that will lead directly to the Qube development. The cost of the access road, estimated to be RM2 million, will be borne by the developer.

Qube 1 comprises a retail component, which takes up the first three levels and has a net lettable area of 60,000 sq ft, business suites and corporate floors.

A total of 140 business suites take up the next 10 levels. The suites, with sizes ranging from 548 to 2,347 sq ft, are priced from RM250,000, or about RM450 psf. These suites come with attached toilet facilities, providing privacy for the tenants and owners, unlike other buildings that have shared toilet facilities.

The remaining five levels are the corporate floors. Each floor, measuring just under 15,000 sq ft, is priced from RM6.8 million. Two corporate floors have already been sold.

There are also 600 parking bays spread across four levels. The sinking fund and maintenance fee come to 35 sen psf.

The entire retail portion of Qube 1 has been sold to a private Malaysian enterprise, which Wong declines to identify. "We have already sold the retail units in Phase 1, and the owners have agreed to let us manage the tenant mix via a subsidiary."

Wong declines to reveal how much

An artist's impression of Qube 1, which is slated for completion in 2014

the sale was, but does mention that the tenant mix will comprise F&B outlets and banks.

Metrohomes Sdn Bhd director See Kok Loong says there is demand for purpose-built offices in Shah Alam, mainly from state government agencies, but demand from the private sector is low as purpose-built buildings have to compete with traditional shophouses.

See notes that while construction costs in Shah Alam are the same as those in Kuala Lumpur, most developers choose Kuala Lumpur as rental yields and capital values are better there. Moreover, unlike Petaling Jaya, Shah Alam does not have a large concentration of professionals. The distance from Kuala Lumpur is another reason why there are fewer office buildings in Shah Alam.

These challenges do not put Qube at a disadvantage, says Wong, as its location and the product she is offering cater specifically for businesses in Shah Alam. She believes that the city is slowly coming into its own.

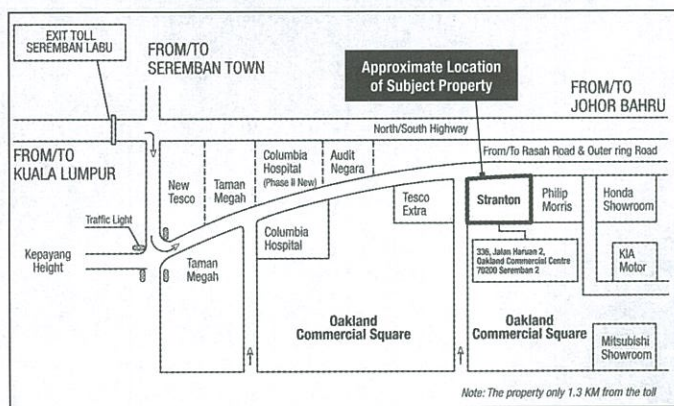
"I see Shah Alam as a hidden gem," Wong says. "In the past, nobody would buy the factories in Glenmarie, which were going for RM300,000. Now the factories are going for RM1 million."

Going forward, Goodwill Polygon is looking to develop factories in Klang and Shah Alam via joint ventures. However, Wong declines to provide details as negotiations are still ongoing. She does emphasise that her company will focus on developing boutique commercial and industrial projects rather than residential ones as that is where her interest lies.

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