

Mulpha sells Jalan Sultan Ismail land for RM3,300 psf

ABDUL GHANI ISMAIL



Sarkunan: Price of RM3,300 psf can be considered a record.

Price a new benchmark for development lands in Kuala Lumpur city centre

by **E Jacqui Chan**

FD@bizedge.com

KUALA LUMPUR: Mulpha International Bhd disposed of a 0.72-acre (31,516 sq ft) tract in Jalan Sultan Ismail, Kuala Lumpur late last year for RM104 million. This works out to RM3,300 psf, a benchmark price for development lands in Kuala Lumpur city centre.

The site was originally slated for a proposed Grade "A" office building initially dubbed Menara Mulpha.

It is believed that the tract was sold to a company with links to Penang-based Monoland Corp Sdn Bhd and CA + Associates, which has several notable projects in Penang such as The Cove and Central Park.

The sales and purchase agreement was signed late last year and came with an approved development order. The land was owned by Menara Mulpha Sdn Bhd.

There is a premium attached to the sale as it comes with an approved development order, enabling the developer to construct immediately.

Hence the high price of sale, said a real estate consultant.

The low profile CA + Associates appeared on the KL property development

ratio. The deal was transacted around the same time as the Mulpha deal.

Prior to this, two notable transactions in the vicinity were the acquisition of the 1.59-acre Wisma Angkasa Raya (land and building) by Sunrise Bhd in 2008 for RM2,588 psf and the acquisition of a 0.66-acre tract in Bukit Bintang for a record RM7,209.80 psf by Urusharta Cemerlang (KL) Sdn Bhd from CDL Hotels (M) Sdn Bhd, a member of London-based Millenium & Copthorne Hotels Plc.

"In my opinion, you can't take the RM7,209.80 psf sale into account as it is an exception. So, the price of RM3,300 psf can be considered a record," said Sarkunan.

Based on previous reports, Mulpha acquired the tract in 1996 for about RM1,000 psf and had plans to build a 23-storey Grade "A" office building with a lettable area of about 270,000 sq ft and an estimated gross development value of over RM350 million.

Sarkunan believes that future land sales with approved development order will be pushing the RM3,300 psf level but tracts without, will still hover around the RM2,300 to RM2,600 psf.

"The acquisition is a real show of confidence in the KLCC office market at a time when there are concerns of oversupply of office," said Sarkunan.

KLCC currently has a supply of 46.75 million sq ft of office space with another 4.87 million under construction.

scene not too long ago with several notable developments including Vipod Residences and Quadro Residences, both in Kuala Lumpur city centre (KLCC).

According to Sarkunan Subramaniam, executive director of Knight Frank Malaysia, the latest comparable transaction was Dijaya Corp Bhd's purchase of three adjoining tracts in Jalan Sultan Ismail at RM2,400 psf with similar zoning and plot