

Matrix Concepts to build more high-end homes

BY CHAI YEE HOONG

Better known for building affordable residential and commercial properties, Seremban-based developer Matrix Concepts Holdings Bhd is planning to target the mid- to high-income market with the launch of higher-end properties.

The company was incorporated in 1997, and listed on Bursa Malaysia's Main Market in 2013.

"We intend to grow the share of high-end properties to make up 30% of the company's in-the-pipeline gross development value (GDV), which currently stands at over RM10 billion. This will last the group until 2022," group managing director and CEO Datuk Lee Tian Hock tells *City & Country*.

The group plans to launch more high-end landed developments under the Hijayu 2 series at Bandar Sri Sendayan, its 5,233-acre flagship in Seremban, Negeri Sembilan, in the second half of the year. Phase 2(a) of Hijayu Resort Homes, comprising 124 superlink houses, is slated for launch in October. Phase 2(b) of Hijayu Resort Homes, 74 two-storey semi-detached houses, will be launched in December. The two phases have a GDV of RM94 million and RM117 million respectively.

Prices will begin at RM708,888 for the 22x80 superlink houses and RM1.48 million for the 50x100 semi-detached units.

The Hijayu 2 series was first launched in May last year, offering 64 two-storey semi-detached houses (50x100). The houses are selling for RM1.33 million to RM1.89 million and have a take-up rate of 87.5%.

Lee says the group is planning more launches in the high-end series until end-2017. Spanning 186 acres, the Hijayu 2 series has a total GDV of RM1.18 billion and is expected to be completed by 4Q2020.

"The group is incorporating more high-end properties at Bandar Sri Sendayan to cater for the increasingly affluent population of the township," Lee says.

He says the growing workforce at the township's 1,000-acre Sendayan TechValley industrial park has attracted a total foreign direct investment of approximately RM4 billion to date. Of the 18 companies that have bought land at the industrial park, seven have commenced operations while the remainder are building their factories or are in the planning stages. About 226 acres of industrial land is still available for sale at Bandar Sri Sendayan, worth some RM407 million.

"Our investors are typically engaged in the high-tech and advanced manufacturing sectors, which attract highly skilled workers and significant investments into the state. We believe people prefer to live near where they work ... We anticipate a growing number of people who are working in the industrial park to live in our township," he says. "Hence, we have confidence in our upcoming launches."

The foreign investors in the industrial park include Daihatsu Engine Manufacturing, Hino Motors Manufacturing and Akashi Kikai Industry from Japan, France's Messier-Bugatti-Dowty, Schmidt + Clemens Asia from Germany and the Weir Group from the UK.

Lee says Bandar Sri Sendayan is set to benefit from the Malaysia Vision Valley (MVV) integrated development under the 11th Malaysia Plan, which was tabled last year. Located in west Negeri Sembilan, where Bandar Sri Sendayan is situated, the MVV is reported to span 108,000ha, encompassing Nilai, Seremban and Port Dickson.

While the MVV project aims to stimulate economic growth in the area by bringing more development, including infrastructure, Lee



Residensi SIGC, a RM229 million gated and guarded development, will comprise 148 two-storey terraced houses, 38 two-storey semi-detached houses and 31 two-storey bungalows



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bungalows (60x100) from RM2.08 million to RM3.07 million.

"The clubhouse at Residensi SIGC will house a gym, swimming pool and activity space," Lee adds.

The developer soft-launched Residensi SIGC in May to invited parties who had registered and an official launch may be held next year. Residensi SIGC is expected to be completed by 2H2019.

Other upcoming launches

Matrix Concepts plans to launch mid- to high-end homes in the Suriaman series at Bandar Sri Sendayan. Suriaman 1 (Phase 4), which comprises 124 two-storey terraced houses that measure 20x70, with a GDV of RM69 million, is expected to be launched next month. Suriaman 2A, comprising 267 terraced houses measuring 20x70 with a GDV of RM170 million, will be launched in December.

Last month, the group launched Suriaman 2B, 232 units of 22x80 double-storey terraced houses costing between RM608,888 and RM1.35 million. To date, Suriaman 1 (Phases 1 and 2), which comprises 385 units of 22x80 double-storey terraced houses, has been 91% taken up.

Launches at Bandar Sri Sendayan for the second half of the year include Sendayan MetroPark 3 Retail City (Phase 2), which has a GDV of RM96 million and comprises 87 double-storey 22x75 shopoffices as well as the RM52 million Suriaman B12, 38 two-storey

shopoffices measuring 22x85.

According to Lee, 60% of Bandar Sri Sendayan's purchasers are from the Klang Valley or Kuala Lumpur, a significant increase compared to 40% in 2013.

Even though it takes 45 minutes to an hour travelling time to Kuala Lumpur, he says many upgraders who work in the Klang Valley or Kuala Lumpur are willing to do so to have the quality of life in a landed property, which has become increasingly unaffordable in Kuala Lumpur.

"Double-storey terraced houses in Kuala Lumpur now range from RM900,000 to RM1.2 million. Two-storey terraced houses in our Seremban township, measuring 22x75 to 22x80, are priced from around RM500,000. These houses are spacious and a good size for families with children," he says.

"It also makes financial sense for some upgraders. For example, upgraders from Kuala Lumpur, who can sell their apartments for RM800,000 or more and buy a landed house in the township for around RM500,000, will have a surplus after paying off their mortgage."

In addition, Lee anticipates the population of Bandar Sri Sendayan, which is currently over 20,000, will grow by 8,000 to 10,000 when the Royal Malaysian Air Force moves from the current base in Sungai Besi to its 750-acre academic and training centre in the township. He says aircraft training will



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An artist's impression of the 116-acre Sendayan Icon Park town centre



Suriaman 2B will comprise 232 units of 22x80 double-storey terraced houses, costing between RM608,888 and RM1.35 million

not take place at the new RMAF base, as it is strictly for academic and training purposes.

He says that the move was supposed to take place at the end of this year but has been postponed to the middle or end of next year. "When the RMAF moves to Bandar Sri Sendayan, it will stimulate economic activities in the surrounding areas." The 750-acre parcel was sold to 1Malaysia Development Bhd in 2011.

In Johor, Matrix Concepts has lined up launches for 2H2016 with a total GDV of RM169 million at its 900-acre Bandar Sri Impian (previously known as Taman Sri Impian) in Klang.

The launches are Impiana Bayu 2 (64 double-storey 22x75 terraced houses), Impiana Indah (124 units of 20x70 single-storey terraced houses), Impiana 2 (52 units of 20x70 double-storey terraced houses) and Impiana Damai 1 (198 units of 22x75 double-storey terraced houses).

First foreign foray

M.Carnegie, its maiden high-end boutique apartment project in the suburb of Carnegie in Melbourne, marks Matrix Concepts' debut in Australia.

"We bought a small piece of land, about 1,800 sq m in size, in Melbourne, which is ranked the most liveable city in the world. I like Melbourne very much," says Lee.

With a GDV of about A\$33 million (RM100 million), approval has been obtained for 52 one- to three-room apartments with built-ups of 570 to 1,800 sq ft for the project located

15km from Melbourne's central business district. M.Carnegie is targeted at investors and owner-occupiers from Australia as well as foreign buyers. It is close to transport facilities, commercial and leisure amenities as well as the Monash Caulfield campus. Selling prices are from A\$419,000 to A\$859,000.

Launched in Melbourne on May 25 and Kuala Lumpur on June 18, the project has seen a 50% take-up rate to date. The group is confident of achieving full take-up by the fourth quarter of this year.

"While Bandar Sri Sendayan and Bandar Seri Impian remain our core projects, we are gaining our initial experience in Australia with M.Carnegie. We are taking it one step at a time and aim to make our maiden Australian project a success over the next two years," Lee says.

On the drawing board

Over the last two years, the group has acquired a 1.1-acre parcel adjacent to the Putra World Trade Centre in Kuala Lumpur and a 5.8-acre tract in Puchong, Selangor.

Lee says plans to launch a RM400 million condominium project on the Kuala Lumpur parcel last year have been put on the back burner due to the softer high-end property market in the capital. The earlier proposal for the development was for 700 studio apartments with built-ups of 300 to 400 sq ft. But the group is amending the plans to enhance affordability and marketability and intends to submit these changes to the authorities this year. "Due to



The recently opened d'Tempat Country Club at Bandar Sri Sendayan

the current softer market conditions, we are planning to launch this project at a more opportune time," he says.

As for Puchong, the group acquired the initial plans for a RM500 million condominium project, including approvals for 318 high-rise units and 28 four-storey link villas.

"However, to make the project more affordable, we have applied to the authorities to increase the density from 60 units to at least 90 units per acre with an estimated GDV of at least RM550 million," Lee says. The tentative new plan comprises about 650 one- and two-bedroom apartments.

Lee tentatively plans to launch the Puchong project by early next year, and the KL project sometime next year.

Company strategy

Lee reveals that the company has lined up RM1.2 billion worth of properties to be launched each year for the next three years. "Over the last 12 months, we have hit over RM800 million in sales. This year, we target to sell RM900 million worth of properties with an anticipated 10% growth for each subsequent year," he says.

"At our ongoing flagship projects, we have delivered 8,000 houses at Bandar Sri Sendayan and 4,000 in Bandar Seri Impian, and

will continue to do so," he says.

Lee says diversification is important for the group in order to broaden its income streams and to mitigate any risks. "Hence, we have invested in education with the group's wholly-owned Matrix International School at Bandar Sri Sendayan, which is now in its second year."

He says enrolment at the school has grown to 647 students from 320 in the first year and hopes that by its fifth year, it will have 2,000 students.

The group is currently making arrangements for a student transfer programme with some schools in China. Lee says the programme entails Chinese schools sending their students to Matrix International School for a specified duration, such as for 1½ years. The group is also planning a similar programme with schools in India.

Other diversified businesses at Bandar Sri Sendayan include the upcoming hospitality and retail components of the Icon Park town centre, and the newly completed d'Tempat Country Club, which commenced operations in March last year.

Apart from the recently acquired Kuala Lumpur and Puchong land, the group has 900 acres of remaining landbank at Bandar Sri Sendayan, 240 acres at Bandar Sri Impian, 227 acres at Kota Gadong Perdana in Negeri Sembilan and another 2.1 acres in Seremban.