

# Lum Chang comfortable with its niche

- **Singapore-based** construction group makes its mark in Klang Valley's eastern corridor with its Twin Palms development in Sungai Long
- **Despite** a low profile, the developer's construction roots are apparent in the quality of its projects



by  
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**M**ORE known for its construction business in Singapore, not many know that Lum Chang Group has a track record in the Malaysian property segment that spans more than two decades with landmarks such as the Kuala Lumpur Golf & Country Club.

Locally, the developer's current flagship projects are Twin Palms, a 51ha gated and guarded community in Sungai Long, Selangor, as well as an upcoming mixed development on a 1.3ha leasehold plot in Section 13, Petaling Jaya.

"As property players, we must constantly innovate to stay relevant in the industry, and the fundamental principles that remain consistent throughout our portfolio are quality design, construction standards and market judgment," says Lum Chang Holdings Ltd director (property development) Adrian Lum Wen Hong.

## Looking ahead

In propagating these principles, Lum Chang emphasises future-proofing in its development philosophy for Twin Palms, particularly in terms of the infrastructure and ecosystem.

"You have to look at tomorrow's problems today, and address them in your design. Planning ahead costs a lot less than rectification after the fact, and goes a long way towards ensuring the sustainability of your project," says Adrian.

"We have a sizeable resident population, with more coming in all the time. If you only start catering for these future residents two years down the line, when it becomes a problem, it will already be too late."

As a testament to the group's roots in infrastructure, Twin Palms' entry points, road widths



From left: Cham, Adrian and Ow have identified windows of opportunity in the Malaysian and Singapore markets as they recover from years of cooling measures

and highway access have all been planned with the community's future needs taken into account.

In addition, it has invested heavily into maintaining and upgrading its facilities and landscaping. This includes road resurfacing to ensure smooth traffic for residents despite ongoing construction works, as well as upgrades for Twin Palms' water features and parks such as a viewing deck and children's playground.

"We're also exploring proptech applications such as construction technologies to minimise manpower onsite across our businesses, though individual markets have different trigger points," says Adrian, adding they are looking into future-proofing their buildings so that "we can 'plug and play' new technologies as they come along".

The second son of Lum Chang Holdings managing director David Lum Kok Seng and nephew of executive chairman Raymond Lum Kwan Sung, Adrian is an engineer by training, graduating from Imperial College London in 2001 with a major in aerospace materials. He joined the family business in 2006.

## Centre of attention

Having celebrated its 10-year anniversary last September, Twin Palms has the advantage of a mature community and ecosystem, with fully-developed greenery in its landscaping. This

applies to surrounding vicinities as well, which developed as satellite townships to Kuala Lumpur.

"The look and feel of the area has changed. Suburbs in Sungai Long and Mahkota Cheras have grown to complement older neighbourhoods to the north in Cheras such as Taman Permata, Taman Midah, Taman Mutiara and so on," says Malaysian Institute of Estate Agents immediate past president Siva Shanker.

Further to the south, Kajang has developed nicely, while to the east, Semenyih has drawn players such as Eco World Development Group Bhd and SP Setia Bhd. With these areas coming up, everything else in between will develop as well."

Developed by Lum Chang Holdings subsidiary Fabulous Range Sdn Bhd, Twin Palms lies just off the Kajang Dispersal Link Expressway (Silk Highway), with the highway bisecting the development into two precincts: Palm East and Palm West.

"The Twin Palms story began in 2004, when we were first offered the two plots of land on which it would be sited. The northern precinct, closer to Kuala Lumpur, is surrounded by greenery as well as matured housing estates in Cheras," says Fabulous Range managing director Cham Kooi Joo.

"We saw the potential for a community there, particularly with key developments such as Kuala Lumpur International

Airport and Putrajaya in place. Today, with much of Twin Palms completed, the 17.53ha remaining constitute prime assets for future Lum Chang launches," he adds.

## Crafting a community

The project is divided into nine phases, taking its name from the first letters of each phase: Tsara, Westiara, Indica, Naria, Palmyra, Areca, Latania, Maya and Sierra, corresponding to different species of palm trees. Latania comprises the community's latest launch (see sidebar).

To-date, 404 units have been launched in Twin Palms, with 300 handed over to an estimated population of 1,290. A total of 573 homes are planned, for a population of about 2,500 once it is completed.

Encompassing 22.26ha, Palm East caters primarily towards larger built-ups with bungalow units, with Palm West offering superlink and semi-detached layouts across its 28.74ha.

Both precincts leverage on Twin Palms' amenities, which range from linear parks and recreational ponds to the Orinoco Clubhouse, with leisure facilities such as an infinity pool, poolside cafe, gym, multipurpose hall and spa.

"We're fortunate in that we have a 97% collection rate for maintenance fees, but beyond that, our property management team also fosters a sense of community with residents through



Twin Palms is set amid the greenery of Klang Valley's eastern growth corridor, off the Silk Highway in Sungai Long

## Roots in construction

**L**UM Chang Holdings Ltd was founded in Singapore in the 1940s as Lum Chang General Contractors, a sole proprietorship under the late Lum Chang, an immigrant from China and the forebearer of the Lum Chang family.

Expanding its interests in the construction sector, the company's scope grew to include property development and investment activities as it evolved, from Lum Chang Building Contractors Pte Ltd in 1970 to Lum Chang Holdings Pte Ltd in 1982.

Lum Chang Holdings Ltd was listed on the Singapore Stock Exchange in 1984, and today, its construction portfolio alone includes projects valued at more than S\$9 bil (RM26.9 bil).

"The group has built nearly everything imaginable. This includes MRT [mass rapid transit] stations, roads, hotels, residential and retail projects, and more," says Lum Chang Holdings Ltd director (property) Peter Ow.

"Malaysia is similar to Singapore in that both have had rounds of cooling measures

implemented to curb speculation, leading to a slowdown in terms of transactions in recent years. However, we see opportunities moving forward in both markets, and are working to leverage on these."

In Singapore, these include the redevelopment of two properties, namely The Verge, a shopping mall along Serangoon Road in Little India, and One Tree Hill Gardens, a low-rise apartment block on Jalan Arnap in the Orchard Road locality.

Closer to home, the developer's property pedigree in Malaysia has been well established with projects such as the Kuala Lumpur Golf & Country Club (now TPC KL), Bukit Kiara in 1991, The Forum on Jalan Tun Razak in 1993, and the Tembeling

Resort Condominium in Kuantan, Pahang in 1996.

With Ow's guidance, Lum Chang is planning the development of an integrated project on a 1.3ha leasehold plot in Section 13, Petaling Jaya, in addition to future launches in its Twin Palms community in Sungai Long.

The land in Section 13 was acquired in 2016 for RM63.75 mil by Sterling Model Sdn Bhd, a 50:50 joint venture vehicle between Tien Wah Press Holdings Bhd and the Lum Chang Group.

While plans are still under wraps, Ow shares the project's retail component will feature a unique tenant mix to differentiate it from existing retail hubs in the area such as Jaya One, Jaya 33 and Jaya Shopping Centre.

## Setting the bar high

**L**ATANIA is Twin Palms' current launch, comprising 26 units of three-storey semi-detached homes and two three-storey bungalows, with built-ups ranging from 3,371 to 4,052 sq ft and price points from RM1.75 mil.

A future launch currently planned for the phase features 18 semi-detached units and three bungalows in an adjacent parcel, dependent on the uptake of the initial 28 units, which the Lum Chang Group aims to be fully sold by June.

Latania will feature the last semi-detached launches in the development as the developer shifts to more agile built-ups. It follows the launch of Westiara in Palm East, comprising 28 three-storey bungalows. The units available offer built-ups from 4,769 to 4,983 sq ft with prices from RM2.85 mil.

A major differentiator for Twin Palms is its compliance with the Construction Industry Development Board Malaysia's Quality Assessment System in Construction (Qlassic) standard, in keeping with its roots in construction.

"We began Qlassic assessments six years ago, achieving scores of around 76% at the time. We exceeded this benchmark over the past two years, with Sierra scoring 81% and Westiara scoring 82%," says Fabulous Range managing director Cham Kooi Joo.

The score is ranked among the top percentile of Qlassic's achievements, where evaluations above 80% are recognised and the highest recorded score to date is 85%.



Latania, the latest launch within the Twin Palms community, comprises 26 semi-detached and two bungalow units with built-ups from 3,371 to 4,052 sq ft

family days and educational events such as feng shui sessions with Datuk Joey Yap," says Cham.

Maintenance fees for Twin Palms homes are set at RM280 per month for superlink units, to RM380 per month for semi-detached homes and RM480 per month for bungalow units, in a departure from the conventional per-square-foot method.

### Roads to the future

In terms of infrastructure, Palm East features a residents-only entrance, with a separate entrance for heavy machinery to facilitate development of the future launch of Naria and Indica. Once the phases are complete, the second entrance will serve as the main residential entrance for easier access from the highway.

Aside from the Silk Highway, Twin Palms offers connectivity to the Cheras-Kajang Expressway (Grand Saga) and Kajang-Seremban Highway (Lekas), facilitating travel to Kuala Lumpur as well as destinations south.

In addition, the upcoming East Klang Valley Expressway (EKVE), which is set to connect Sungai Long to Ukay Perdana, Ampang, will offer alternate access to the city centre once completed, relieving congestion on existing routes.

The EKVE is currently more than 25% complete, with projected launch in September 2019.

"Sungai Long's connectivity is top-notch. With smooth traffic, you can get from there to Petaling Jaya in under half an hour, via the Federal, East-West Link, Cheras-Kajang and Silk Highways," says Siva.

"Semenyih is just 15 minutes away via the Silk Highway, and Seremban half an hour away via the Lekas Highway. With connectivity improving, the area is seeing more development prospects, with more condominiums and serviced apartments coming up," he adds.

Twin Palms' proximity to educational institutes such as Universiti Tunku Abdul Rahman's Sungai Long campus and the University of Nottingham in Semenyih also benefits the families that make up the majority of its purchasers and resident population.

Moving forward, Lum Chang is keen to expand its domestic operations, though it does not plan on going head-to-head against established developers.

"We have identified possibilities in the affordable housing segment in Johor, which is currently undersupplied, relative to demand.

"From here, it's a matter of finding the right land price, construction costs and joint venture partner," says Lum Chang Holdings director (property) Peter Ow.

FocusM

# Not a state-sanctioned crackdown of practitioners

### From P.11

amended Act, this new scale includes rates of up to RM20 per unit for low-cost apartments and up to RM30 for mid-to-low cost apartments, with negotiable discounts.

There are 1,100 registered property managers and up to 1,400 qualified building surveyors in the country. They are drawn from a pool of about 8,000 qualified property management graduates since 1975.

Today, public institutions of higher learning such as Universiti Teknologi Malaysia, Universiti Teknologi Mara, Universiti Malaya and Universiti Tun Hussein Onn Malaysia account for some 420 property management graduates annually.

Against this figure, BOVAEP says there are up to 5,000 property managers in the country who are eligible for registration.

### Laying down the law

Under the amended Act 242, BOVAEP is empowered to act on complaints against registered property managers.

This process includes pre-investigative inquiries by a complaint management committee composed of six



Errant practitioners will be liable to suspension or removal of their registration as well as fines of up to RM25,000, says Kamaruzaman

persons with a monthly meeting schedule. It determines the validity of complaints.

BOVAEP board member Kamaruzaman Jamil says: "There are five penalties for errant practitioners. They include removal of their registration or suspension of not more than three years or admonishment with a record of the offence.

"In addition, those found guilty can be admonished with a fine of up to RM10,000 along with a record. The most severe sanction is a fine of up to

RM25,000 along with a record and suspension if payment is not made."

Enforcement is further facilitated by the insertion of clause 30A into the amended Act.

This specifies that a police officer not below the rank of inspector shall be empowered to investigate offences under the Act, with the provisions of the Criminal Procedure Code in effect.

The Valuation and Property Services Department deputy director-general Zailan Mohd Isa notes that such police support is a step forward for strata management, and will assist in ensuring that errant practitioners cease and desist their operations.

However, she notes that the move should not be seen as a state-sanctioned crackdown on unregistered practitioners (*see sidebar on P. 11*).

"The registration of property managers is a liberalisation exercise. While there have been concerns that the amendments would allow property management in Malaysia to be controlled by valuers, registration under the Act is open to all, provided they meet the criteria," Zailan says. FocusM

## The other side of the coin

**W**HILE most quarters have lauded registration as benefiting the industry, some stakeholders have raised concerns that the move will lead to a monopoly of property management services.

The Building Management Association of Malaysia (BMAM) argues against the centralisation of property management under a single board.

The association says it results in a jurisdictional overlap between such a board and the Commissioner of Buildings, which reports to the Ministry of Urban Wellbeing, Housing and Local Government (KPKT).

It also raises potential abuse through the possible denial of registration to deserving managing agents with extensive industry experience.

"We are of the collective view that the KPKT should be the sole jurisdictional, regulatory and enforcement authority for all matters pertaining to building maintenance and management, and not the Ministry of Finance, under whose jurisdiction the Board of Valuers, Appraisers and Estate Agents is," its deputy president Tan Sri Teo Chiang Kok said in statement last August.

Other concerns include the "cherry-picking" of practitioners for high-end properties at the expense of lower-cost ones, as well as the introduction of redundancies into the management process.

Teo says presently, property managers who are valuers, appoint sub-contractors who are practising non-valuer managing agents, to maintain and manage buildings for which the



There have been five unsuccessful attempts to amend Act 242 prior to the 2017 bill, according to Teo

former have been contracted to manage.

"This ultimately adds cost but no real added value. It also burdens building owners with higher maintenance charges, which is significant for low and medium-cost apartments and flats," he says.

Five attempts were made by valuers over the past 15 years, Teo says, to amend the Valuers, Appraisers and Estate Agents Act 1981 (Act 242), as well as the Building and Common Property (Management & Maintenance) Act 2007 and the Strata Management Act.

None of the attempts were approved by Parliament until the Valuers, Appraisers and Estate Agents (Amendment) Bill 2017.

Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP) board member Kamaruzaman Jamil says it implemented the 12-month window period for unregistered property managers to give them a chance to apply, "so we're not depriving them of any opportunities".

"However, I believe that regulations must be there. Under BOVAEP, there are clear-cut and fair procedures to investigate wrongdoing in property management and resolve complaints."

While many of the concerns raised by BMAM and other stakeholders have been addressed by BOVAEP and provisions of the amended Act 242, only time will tell if the changes will have the intended impact on the industry.