

Long Island makes its mark in KL

by Wong King Wai

From developing golf resorts, Long Island Corp founder and executive chairman Cheah Min Loong has taken on housing developments. Cheah got involved in property development when he ran Instangreen Corp Bhd, a listed company he divested in 1996, which specialised in developing golf courses and golf resorts. His projects included the Saujana Golf & Country Club in Subang Jaya, Selangor; the Sultan of Brunei's private golf course; and Lakeview Golf & Country Resort in Zhuhai, China. Instangreen has completed 40 golf course projects around the world.

The largest project he has ever been involved in is the 1,000-acre Sanctuary Lakes Resort at Point Cook in Melbourne, Australia, which was developed by Hong Kong-based Premier Pacific Ltd and several Malaysian partners in 2000. The A\$880 million (RM2.6 billion) venture is the largest integrated residential development in Melbourne involving the construction of 2,500 bungalows around an 18-hole Greg Norman-endorsed golf course and a 100-acre man-made lake. The project was sold to an Australian firm, Links Living Ltd, in 2006.

Cheah set up Long Island in 1996, the same year he divested Instangreen. Long Island currently has a landbank of about 300 acres and six ongoing projects — three in Kedah and one each in Kuala Lumpur, Negeri Sembilan and Penang — with a total GDV of RM632 million. It is also planning a 40-acre project in Melaka beside the Melaka River.

Ukay Seraya

Long Island recently expanded into the Klang Valley, with its first luxury bungalow development known as Ukay Seraya in Ukay Heights, Ampang in Kuala Lumpur.

Ukay Seraya comprises 30 bungalows, with average lot sizes of 9,200 sq ft and built-ups of 5,813 to 7,336 sq ft. The freehold 10-acre project, being developed by the group's wholly-owned subsidiary, Long Island Properties, has a GDV of RM125 million. With its official launch slated for the end of this month, nine villas had already been taken up at press time.

There are four designs, with an emphasis on space. Type A comes with eight rooms, seven bathrooms, two large living areas, a dry and wet

Desa Seraya was spared from the recent flood, thanks to the developer's foresight to raise the height of the land, which was previously padi fields

Left and right: Artist's impression of Ukay Seraya, which features large spaces on flat land; Cheah has several ongoing projects, but Ukay Seraya is his first luxury development in the Klang Valley



kitchen and three storage rooms. "The eight rooms give the homeowner a choice of having a children's playroom or a gym, and even a guest room," says Cheah.

The homes come with concealed piping and wiring for all essential items, such as the phone, TV, security alarm and CCTV, as well as air-conditioning ducting. "This will eliminate the hacking of walls later," explains Cheah. "As a standard feature, we also install external sensor detector lights and solar water heaters that deliver hot water to all baths and the kitchen."

Some units come with approvals for swimming pools of up to 60ft long. If home buyers wish to have a swimming pool built during construction, they only need to pay a separate fee. Otherwise, once the house has been handed over, they will need to engage their own contractors.

The "pre-launch" prices for the bungalows started from RM1.6 million. "The sale price will be increased by about 8% after the launch to defray a portion of the escalating material and labour costs, which are beyond our control," says Cheah.

About 20 years ago, the previous landowner divided the land into 34 lots, which he then decided to sell in 2007. Cheah bought all the lots except five, which had been sold by the previous owner. Only recently did he manage to buy one of those five lots. Cheah decided not to merge the individual titles so as to build something special and of higher value for the homeowners.

"We want the buyer to benefit when buying our houses. They can choose to live here comfortably or make money should they decide to sell the house," he says.

Desa Seraya

Long Island's first project was a 120-acre housing development in Alor Star, Kedah, called Desa Seraya, which it launched in 2002. Comprising 1,190 semi-detached homes, terraced houses and shops, the development has a GDV of RM236 million. The first phase was launched in May 2002. In the subsequent five years, there were six phases, in which 620 units were completed and handed over, with a 100% take-up rate. The development will have a total of 11 phases, says Cheah.

The ongoing Phase 7, launched in May 2008, comprises 184 semidetached and terraced houses, about 90% of which have been sold. The terraced houses come in three variants. One is 2½ stories with a built-up of 3,494 sq ft, five bedrooms and starts from RM399,888. The other two are 2-stories and have built-ups of 2,244 sq ft onwards, starting from RM268,888.

The semidetached also come in three designs — built-ups for the 2½-story version start from 3,796 sq ft, with prices starting at RM587,307. The 2-story versions have built-ups of 3,167 sq ft and are priced from RM458,888.

The large number of rooms in the houses is to cater for family members returning during the festive season. "Most young people leave Kedah to work elsewhere, but their parents will still be there," Cheah explains. "So when the children return to their home town, there will be enough rooms for everyone."

The construction of the shops is being held back for the time being, until the population of the residential projects has grown, he says.

The prices of Desa Seraya homes on the secondary market have appreciated over the years, and may rise further since the area was spared from the recent floods that affected parts of Alor Star. The development land, which was padi fields previously, would have been flooded had it not been for the foresight of the developer.

"We spent large sums of money to raise the

level of the site," Cheah explains. There is also a large monsoon drain which prevents flooding.

CH Williams Talhar & Wong (Kedah) manager Er Soon Chin says based on the data collected, the houses built under the previous phases have all shown appreciation. For instance, when Phase 1 was launched in 2002, the 2-story terraced houses and semidetached houses were sold for RM158,800 and RM258,800 respectively. They are currently going for RM220,000 and RM350,000 respectively, an increase of 38% and 35% over eight years.

Er adds that the site is only 2km from the PLUS expressway, only 5km from the city centre.

Other projects

Another project Long Island is developing in Kedah is Taman Gurun in the town of Gurun. The mixed-use development, which comprises 164 terraced houses, semidetached, bungalows and shophouses, has a GDV of RM34 million.

The developer is also building the Long Island Trade Centre in Alor Star city centre. Of the 32 commercial lots available, 17 units have already been booked even though the official launch date has yet to be confirmed. The GDV of the project is RM21 million.

Cheah says its housing development in Tampin, Negeri Sembilan, will also be launched soon. The project, comprising 101 units of 2-story terraced homes that are priced from RM240,000 has a GDV of RM24 million.

As for Long Island's BM Utama 1 and BM Utama 2 projects in Bukit Mertajam, Penang, which comprise 189 terraced houses, semidetached and bungalows, Cheah says the company is in the process of obtaining the necessary approvals and hopes to launch the projects by end-2011 or early 2012. The GDV of the two projects is RM89 million.

Melaka

At the end of this year, Long Island will start work on a mixed-use development that is located on reclaimed land in Melaka. The project, which has an estimated GDV of RM700 million, will begin with the building of a promenade, which will take up over an acre of the 40 acres of reclaimed land. Also in the works are hotels, condominiums and office blocks.

Cheah bought the land reclamation rights for RM50 million in 2000. The reclamation exercise was subsequently completed in 2002. The land, adjacent to the mouth of the Melaka River, has an unobstructed view of the sea. At present, there is an operational RM35 million marina on part of the land.

The RM16.5 million promenade will have 33 shops, measuring 20ft by 80ft in a two-story building. Plans include a pedestrian walkway and an open air area for alfresco dining. Although no selling price has been set, the units are estimated to be worth at least RM500,000 due to their location.