

THE **EDGE** Top Property  
Developers Awards 2018

PATRICK GOH / THE EDGE

## No. 2 – IJM Land Bhd

	2018	2017
<b>Overall</b>	<b>2</b>	<b>4</b>
Quantitative	4	7
Qualitative	2	4

# Right combination of location, product and pricing is essential

BY **RACHEAL LEE**  
city.country@bizedge.com

**T**he lockscreen display of IJM Land Bhd managing director Edward Chong's mobile phone is the timezones of four countries — Malaysia, China, Vietnam and the UK.

"These are the countries where we have projects ... I look at the time before calling them. You can't be calling people in the middle of the night," he quips.

No stranger to *The Edge Malaysia* Top Property Developers Award, IJM Land — the property arm of IJM Corp Bhd — was privatised and made a wholly-owned subsidiary of the group in 2015.

It has a diverse portfolio that includes townships, commercial properties, landed and high-rise residences, luxury homes and sustainable developments in Penang, Pahang, Greater Kuala Lumpur, Seremban, Johor, Sabah and Sarawak. Its notable developments include Bandar Rimbayu and Pantai Sentral Park in the Klang Valley, The Light Waterfront Penang and Seremban 2.

As at September last year, its land bank stood at 4,585 acres in Malaysia and eight acres overseas, with a combined gross development value of RM32.91 billion.

Chong sees better market sentiment for certain locations and property types, such as landed homes priced from RM500,000 to RM800,000 as well as high-rise developments priced about RM500,000. He adds that the right combination of location, property type and pricing is essential in selling a project.

"We must be flexible in our development process and always have our ear to the ground to know the heartbeat of the buyers and what they want, because there are demands. You need to know exactly what they are looking for. It is not only about pricing ... but it is with that pricing, what property type are they looking for," he says.

The right balance is key, he says, adding that it is important for one to be positive as the property development industry is cyclical. It is like choosing to see a glass half full or half empty.

Chong speaks to *City & Country* about IJM Land's strategies in challenging times as well as its plans.

"We must be flexible in our development process and always have our ear to the ground to know the heartbeat of the buyers and what they want ... It is not only about pricing" — Chong

### **City & Country: How would you describe IJM Land's performance in FY2017?**

**Edward Chong:** FY2017 has been a positive year in terms of property sales. I think we have been doing better and sentiment is improving in certain niche areas and segments. Of course, this is not applicable to the whole property market. I am very pleased that all the projects we have launched in the past few years have achieved a take-up rate of at least a 60%.

### **What is the impact of the current market situation on the group's business and what is your strategy moving forward?**

The market is not as good as before but it is not that bad either. Of course, we need to work harder and be more diligent about what products we put up. I think the market is sufficient for us to get through, it is just whether we work hard enough or not.

The key thing we have done over the last few years is that we have been focusing on the cus-



MOHD IZWAN MOHD NAZAM / THE EDGE



**Housing and Local Government Deputy Minister Datuk Raja Kamarul Bahrin Shah (third from left), with (from left) The Edge Media Group chairman Datuk Tong Kooi Ong, Chong and The Edge Media Group publisher and CEO Ho Kay Tat**

tomers experience. It is about how buyers feel when they deal with us — from the moment they step into our sales gallery.

We even take it one step 'before' — we talk to residents in the area before we start planning a project. We want to know what kind of project they want and what product would excite them. We do a lot of groundwork and we talk to many parties to get the right feedback before the team brainstorms to see whether we can create something the people want at the pricing they desire.

### **How you differentiate yourself from other developers?**

I think we must be willing to listen to the buyers ... keep redesigning and relooking at what we are doing to make sure that, ultimately, buyers' needs are fulfilled. We focus on what the customers want and then we work backwards. We can see that this effort is bearing fruit as we are seeing the results. Sales numbers have improved close to 20% and we believe that in

PICTURES BY IJM LAND



## IJM Land Bhd

FINANCIAL YEAR-END (RM MIL)	2017	2016	2015	2014	2013
Revenue	1,626.25	1,160.25	2,029.84	2,046.24	1,250.06
Pre-tax profit	430.65	174.03	513.60	701.03	320.11
Paid-up capital	1,999.90	1,558.85	1,558.85	1,558.85	1,415.62
Shareholders' funds	4,294.18	3,965.06	3,859.48	3,565.86	2,693.33
Profit attributable to shareholders	271.60	96.28	344.67	533.23	215.06
Dividend payout ratio (%)	NA	NA	NA	16.92	31.32

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	GDV (RM MIL)	LAUNCH DATE (MONTH/YEAR)
Seri Riana Residences, Wangsa Maju, Kuala Lumpur	Residential	620	June 2012/ June 2013
The Light Collection IV, Penang	Residential	525	April 2014
Penduline, Bandar Rimbayu, Selangor	Residential	346	March 2016/ June 2016/ Nov 2016
Centra Residences, Nasa City, Johor Bahru	Residential	283	Nov 2014
Wisteria, Bandar Rimbayu, Selangor	Residential	225	Jan 2015

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	GDV (RM MIL)	LAUNCH DATE (MONTH/YEAR)
Savio @ Riana Dutamas, Kuala Lumpur	Residential	580	From Nov 2017
Kalista 2 (Seremban 2) & Rimbun Vista, Rimbun Ara, Rimbun Irama, Rimbun Harmoni (S2 Heights), Seremban	Mixed development	425	Jan 2016 to Jan 2017
Blossom Square and Livia, Bandar Rimbayu, Selangor	Mixed development	416	Aug 2016 to Oct 2017
Riana South, Kuala Lumpur	Residential	370	From Aug 2017
Austin Duta Phases 4, 5 & 6, Johor	Residential	306	May 2017 to June 2018

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	GDV (RM MIL)	EXPECTED LAUNCH
Mezzo, Penang	Residential	510	2019
Riana Dutamas Phase 2, Kuala Lumpur	Mixed development	505	July 2018
Swans & Starling, Bandar Rimbayu, Selangor	Residential	388	Nov 2018 & 2019
3 Residence, Penang	Residential	318	Oct 2018
The Terraces, Penang	Residential	238	2019

the current financial year, we will achieve at least the same results as last year, if not better.

The whole planning process starts a lot earlier, and we are testing the market until the last minute to ensure that our offering is right. The validation process is important and we keep doing it throughout the journey for each project. All these require a mindset change among the staff and I think we are coming along well in this regard.

For example, we are currently looking at Phase 2 of Riana Dutamas in Jalan Segambut, Kuala Lumpur. Earlier, we launched Phase 1 with 1,000 units and we have since sold more than 70%. We are learning from Phase 1 which layout sells well and which does not, as well as the reasons. The layouts that are not well received will not be available in Phase 2.

We are always improving and tweaking the products along the way so they will almost perfectly meet the desires of the buyers.

#### What is happening in Penang?

There are a lot of plans to improve the infrastructure there. When all these plans move ahead, the state will be very vibrant and it will bring up the economy as well. Transport will enhance connectivity, and hence, property values. This is good for the state and we are pleased that we have land there.

Our latest launch there was 3 Residence, in September, in Karpal Singh Drive. The immediate launch before that was Waterside Residence, where all non-Bumiputera units have been sold.

For The Light Waterfront Penang Phase 2, we are now in the process of finalising the bank loans. With a gross development value of over RM3 billion, it will comprise a retail mall, Penang's largest convention centre — known as Penang Waterfront Convention Centre — two hotels, a 28-storey office tower and residential projects.

We want to make sure we have all the money required to realise the entire project ... there is no point in rushing to start work. At least when we break ground later, we will know we have the funds ready that can support us until completion. Having said that, we are constantly relooking at the plan to see whether we need to make changes. We want to make sure all the components are right because the retail market is evolving. It takes a few years to build a mall and we do not want it to be outdated when it is completed. We keep reviewing our plans now because if it is a wrong product today, we still have a chance to change it. If we move ahead without changing and build for the sake of building, we will have bigger problems at the end.

We should be able to conclude all the loans by the end of this year. If there are not many chang-

**Some 70% of Savio @ Riana Dutamas has been sold**

**Rimbun Vista @ S2 Heights consists of 389 super-link houses**



es to the plans, we can break ground next year.

#### What about your international projects?

Our London project — Royal Mint Gardens — is now under construction and we expect to deliver it by October next year. It is on top of a portion of Docklands Light Railway near the Tower of London, Tower Bridge and St Katharine Docks. We have two phases there — Phase 1 of 254 residential units is 90% sold. We have yet to launch Phase 2, for which we have consent for a hotel and apartment development. We are seeking approval to convert it into a full residential development.

In China, we are getting the final approval to sell Yin Hai Complex. It is an 8-storey office tower located within the Central Business District of Changchun.

In Vietnam, we are selling off the entire project — Nhon Trach City Centre — in Dong Nai to a local buyer. We realised the project is not suitable for us, so we are exiting. We will focus on Ho Chi Minh City going forward. We are in the process of finalising the sale.



The corner garden of Swans in Bandar Rimbayu