



VISIONARY DEVELOPER

TSI Group Malaysia (TSI) may have made their name from specialist contracting activities with market presence in Indonesia, Philippine, Singapore, Thailand and Middle East, their property division is quickly catching up in terms of success. Group managing director Lim Seng Kok gives iProperty.com a breakdown of the company's mission and vision.



TSI is a relatively new player to the property development scene as the group has all the while been involved specialised construction and contracting.

Group managing director Lim Seng Kok says, "In the mid-nineties, we (TSI) had a chance to acquire many landbanks therefore at the turn of the century, we decided to venture into property development."

TSI functions with a core group of staff and outsources whatever they could, building great work relationships with their suppliers along the way.

The past decade has been busy for TSI with seven completed residential and commercial development projects with a total gross development value (GDV) of about half a billion RM under its belt.

Fast forwarding to today, TSI continues their growth with three ongoing projects and another one in the pipeline. Ongoing projects include First Residence, the property divisions' first foray in Kepong and their ambitious GM Klang wholesale city, envisioned to be the largest wholesale city in the country as well as South East Asia once fully completed.

First Residence in Kepong

TSI's maiden property development venture in Kepong is First Residence, a RM160 million GDV mixed development project comprising of two levels of shops and 474 units of condominiums in two towers. Response so far has been promising as all premier shops at ground floor were sold out, leaving some remaining units available on the first floor.

Non-Bumiputra units of the Block A condominiums are also sold out while 30 percent of Block B has been sold. A two-storey podium in the development houses a total of 32 facilities for the residents. Maintenance is estimated to be between 22 to 25 sen. However, from the handing over of the project, the developer has committed to maintain the facilities and common properties at its own cost until the formation of the residents' management body and committee as required by the new law.

"We are quite happy with the sales so far, considering that the project was launched beginning of the year," says Lim, before adding that it is expected that the rest of the units will be taken up within the next year.

Lim believes that one of the strong key points that TSI has is how well their properties are managed and maintained. Even years after the

delivery of properties, Lim stresses that TSI is still very much involved in the maintenance of their properties.

"Kepong is a very mature area and the population has been growing rapidly. There are a lot of buyers in the vicinity looking to upgrade from single-storey homes or maybe some high rise units," says Lim.

Wholesale vision

Hot off the heels of the group's success in developing Plaza GM, Malaysia's largest wholesale plaza as certified by the Malaysia Book of Records, TSI is now developing what they envisioned to be the biggest in South East Asia.

Located in Bandar Botanic, Klang, the new GM Klang wholesale city is built on 14.5 acres of land. When fully completed, GM Klang will have 2,800 units of shops dedicated for wholesale businesses on a built-up area of 1.5 million sq ft. Gross development value of the project is estimated to be RM1.5 billion.

Phase 1A of GM Klang is complete and open for business in October 2009. 80 percent of the 170 rental-only single-storey shops are already taken up. Another 80 shops will be offered in Phase 1B in the first half of 2010.

TSI has been selective with the Phase 1 tenants at GM Klang to encourage variety and segregation of wholesale products offered.

"By the time GM Klang is complete, everything will be offered there. It will be a one-stop solution for traders, businesses and maybe even for retail consumers looking for premiums or even wedding accessories," says Lim.

Lim adds, "The location of GM Klang is strategic because it is located in the middle of Port Klang, Subang Airport and the LCCT."

According to Lim, GM Klang has already attracted foreign interests and TSI is doing their part to help them set up business in Malaysia by introducing them to the right parties. There are also plans to work with the state government to work together to use GM Klang to promote entrepreneurship as well as local products to the rest of the region.

"GM Klang is a project that stems from our pleasant experience in Plaza GM in Chow Kit. The latter has more than 230 lots dedicated solely for the wholesale business of various sizes," says Lim.

Lim explains that although the first two years since the launch of Plaza GM was very tough but pressed on by personally attending to owner's grouses and continue ploughing in money to the project.

"Part of the properties at Plaza GM was sold but when things were not doing well, maintenance charges were difficult to collect from owners. TSI refused to let the maintenance to be neglected and made advance payments to the maintenance account. The sum went up as high as RM100,000 a month," adds Lim.

TSI's insistence on good maintenance stems from the company's strong belief that for properties to survive, security is important, especially within the Chow Kit area, followed by cleanliness. Shops were rapidly taken up from 2006 onwards and according to Lim, rental has been increasing year-on-year.

What's coming

Casa Tropika in Puchong will be TSI's next project. A mixed residential development located at Batu 14 Puchong, the project will have 520 units of condominiums and 12 units of conventional shops. Projected GDV of Casa Tropika is RM130 million.

"Just like Kepong, Puchong has come a long way. As population increases, so does the demand for new accommodations as well upgrade homes," says Lim.

He added, "The key is how to package and market these homes to make them attractive. It is helped by the fact that Puchong is a great location."

When asked about their views of the property market for 2010, Lim says, "It will be a very competitive environment. Developers must be more innovative and fully understand the needs of purchasers."

"Consumers have money and there is a pent-up demand for properties, but let us not forget that modern consumers are a lot savvier. They tend to do more research and there is a lot more convincing to do. Developers that deliver on that front will win the game," opines Lim.

Despite the soft market situation in 2009, TSI has not buckled to the trend of offering incentives like low downpayment, zero interest, etc. Lim says that those incentives are not a sustainable solution.

"We have a more conventional way of looking at property development. TSI does not rush into the market, even after successful projects. We always aim to deliver the right product that adds value to customers," summarises Lim.

Although TSI group already has overseas presence, their property development arm has yet to venture abroad. The company does feasibility studies overseas and Lim has expressed that they will definitely develop abroad in the future.