

GREEN REWARD

THE EDGE - CITY & COUNTRY

Written by Racheal Lee

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Developer-cum-contractor Ken Holdings was not aiming for any award when it started rehabilitating an abandoned office tower in Bukit Bandaraya, Bangsar. But the effort it put into designing Ken Bangsar paid off when it won the coveted Green Mark GoldPLUS Award (final certificate) from Singapore's Building and Construction Authority. Kenny and Sam Tan, the father-and-son team behind the company, talk to Racheal Lee about their green journey.

Specialist engineering services provider Ken Holdings Bhd had ventured into low to medium-high-cost residential property development in 2000. Then in 2005, it acquired a tract of land with an abandoned 12½-storey office tower on it in Bukit Bandaraya, Bangsar, Kuala Lumpur for RM15 million from national asset management company Pengurusan Danaharta Nasional Bhd. This purchase marked the group's foray into the high-end property market. That building, to which finishing touches are now being applied, has been awarded the coveted Green Mark GoldPLUS Award (final certificate) by Singapore's Building and Construction Authority (BCA), making Ken Holdings the first company in Malaysia to secure the award.

Early this year, Sunway Palazzio in Sri Hartamas, Kuala Lumpur — a high-rise residential development — obtained the BCA Green Mark Gold Award (provisional) while Sunway Challis Damansara in Sunway Damansara received BCA's Green Mark Certified Award (provisional). The latter was the first landed residential development to receive the BCA award. "Provisional" means the developers have to fulfil certain conditions before the final certificates are issued.

For Ken Holdings, the BCA award must be all the more sweeter because Ken Bangsar was created out of an abandoned building. Since the main structure of the building was already in place, the new developer faced certain constraints in terms of design and implementation. Despite the setback, Ken Holdings redesigned the building into an attractive and environmentally friendly 15-storey serviced apartment tower.

Kenny B K Tan, the managing director of Ken Holdings, was understandably elated by the award — the first given outside Singapore. The award is based on five key criteria: energy efficiency; water efficiency; site/project development and management; good indoor environmental quality and environmental protection; and innovation. Depending on the points scored, buildings are awarded Platinum, GoldPLUS, Gold or Certified ratings.

Interestingly, it was not part of the plan for Ken Bangsar to meet BCA's green standards. "We did not plan to apply for the certification at first. We just kept upgrading our project throughout the construction process to give the buyers the best we can. When the project was approaching completion, we consulted our valuer and he suggested that we go for this. That is how we got the award," Tan tells City & Country.

Ken Bangsar, which is 50% sold, is scheduled to be ready by end-August, after which it will be put on the market officially. The apartments were opened for sale in a preview in early-2007. At the time, the typical units were tagged at RM700 to RM1,000 psf or RM1.25 million to RM2.8 million each while the penthouses cost RM7 million to RM8.6 million each. The planned maintenance fee is 50 sen psf but the developer feels this may dip eventually due to the energy-efficient features of the building.

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The RM120 million development, construction on which started in August 2006, comes in four designs, square layouts and built-ups of 1,926 to 2,672 sq ft for the typical units. Among the total of 80 apartments, there are four triplex penthouses, with built-ups of 6,818 to 8,557 sq ft and an 8m by 3.5m swimming pool on the topmost level, which opens up to the sky. The tower has a three-level lower ground car park.

Sales were smooth, with some 60% of the units taken up, until the credit crisis struck. Since then, about 10% of the buyers have reneged on their agreements. The developer is thus concentrating on finishing the project. "We want to sell the actual units and show the buyers what they are buying. We believe in our product. We may price it from RM800 to RM1,200 psf. Of course we could price it higher but we want to give buyers future appreciation," Tan says.

Chan Wai Seen, research & consultancy director of JS Valuers Property Consultants Sdn Bhd, says it is a pleasant surprise that Ken Holdings could turn an abandoned project into an award-winning residential development. "They must have done a lot of work on the design and the surrounding area to get the award. This award also allows them to raise selling prices, especially when demand for green buildings is now on the rise," he tells City & Country. Chan says the indicative selling price of an average RM1,000 psf is reasonable with the specifications Ken Bangsar offers, citing the remaining units in Bandar Raya Development Bhd's One Menerung condo project in the vicinity that are going for RM1,100 psf onwards.

Green energy

Developer-cum-contractor Ken Holdings was able to upgrade the building's specifications during the construction process quite easily. This meant a much higher construction cost but Tan says they needed to walk the extra mile to assure the market that their product was of superior quality.

Kenny Tan and his son Sam took City & Country to the project site recently and it became clear that the two men were familiar with every detail of the project's construction and design history. In fact, it was Sam, a trained civil engineer, who created the air tunnel in the building's lobby area. This is further cooled by an environmentally friendly water feature that runs on a system called CHEEL, which he designed.



To reduce dependence on air-conditioning in the building's double-volume lobby and lift lobby, a system harvests cool condensates from the management office's air conditioner while a heat pump is utilised to harvest the hot air from the compressor of the air conditioner. The heat pump then produces energy for hot water that is stored in the water tank for the common toilets while cool air is routed to the evaporative 2-storey-high waterfall for natural ventilation, providing residents with better indoor comfort.

The CHEEL system aside, Sam says one of the major changes the company made was to install laminated low-emissivity tempered glass with PVB (polyvinyl butyral) for all its windows and glass doors. This kind of glass offers soundproofing, 100% ultraviolet protection, heat reduction and safety, he adds.

The developer's other green efforts include the usage of the energy-efficient multi-split inverter air-conditioning system, the VRV air-conditioning system, T5 fluorescent tubes and PLC light bulbs as well as a motion light sensor. Low volatile organic compound paint is also used for better indoor environmental quality. Rainwater is harvested as well to water the plants while old floor tiles have been recycled to decorate two planter boxes at the entrance of the project.

Sam says the building would have qualified for a BCA Platinum ranking if they had built it with a green award in mind. "For instance, we were not aware that BCA placed emphasis on areas such as the provision of a short and long flush. Had we known, we might have sacrificed aesthetics by installing the two-flush system instead of the current and more expensive single flush system," he explains.

What's next

Going forward, Ken Holdings plans to develop an office tower for lease in Taman Tun Dr Ismail, Kuala Lumpur, by the end of the year. The developer had bought the site, comprising two adjoining parcels of freehold commercial land totalling 1.2 acres on Jalan Burhanuddin Helmi, in early 2007 for RM16 million from ProKhas Sdn Bhd. ProKhas was set up to manage the remaining assets of Danaharta, which was wound up at the end of 2005.

Earlier plans for a 20-storey-high building were scuttled when residents in the area protested. The developer has since reduced the height of the building to 12 storeys. The office tower, which will be equipped with facilities equivalent to that of a 5-star hotel and four levels of basement parking, will have food and beverage operators on the ground floor while an entire floor will be a ballroom that can double as a meeting room. There will also be recreational facilities such as a swimming pool, gym and sauna for tenants.



Sam says the office tower, which will house Ken Holding's corporate headquarters, will also offer energy-efficient features which it plans to implement in all its future developments. Another of Ken Holdings' ongoing project is the RM500 million KEN Rimba in Shah Alam. In 2003, the developer bought 69 acres of freehold land in Shah Alam from Hock Hup Development Sdn Bhd (a subsidiary of NCK Corp Bhd) for RM25 million. The mixed development, which will come up over the next five to seven years, will see the relocation of Kampung Rimba Jaya under Selangor's squatter resettlement programme. Ken Holdings is completing low-cost apartments for residents of the kampung on 10 acres and plans to hand over these by the end of the year. Although plans have not been finalised, the vacated site will most probably see 328 units of 2-storey terraced houses and 109 units of 2 to 3-storey shops. The developer plans to launch the residential component by the end of the year and the retail component by 1H2010. It also plans to build apartments on the site.

Ken Holdings had entered property development in 2000 with the launch of KEN Damansara 1, comprising three 20-storey condominium blocks on two acres of freehold land. All the units were sold out. At 1,239 sq ft, each unit was priced at RM280,000 but today, these can fetch as much as RM360,000 on the secondary market, according to the developer.

Built next was the RM130 million KEN Aman, a mixed development, on 20 acres of leasehold land in Seri Kembangan. The development also involved the relocation of squatters from Kampung Aman, which was completed in December 2006. While developing KEN Aman, the company launched KEN Damansara 2 in 2004 on two acres of freehold land opposite KEN Damansara 1. This was completed in late 2006. KEN Damansara 3, which was launched in October 2005 on another two acres of freehold land nearby, was ready by late 2007.

With so many feathers in its cap, Ken Holdings is fast being recognised as a developer and not just a contractor.

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