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NEW STRAITS TIMES

Sky's the limit for EXSIM: Expanding outside of Klang Valley starting with Penang

By Kathy B. - August 3, 2021 @ 6:28pm

EXSIM Group plans to set foot in Penang, Perak, Sabah, Johor, and Kelantan. An artist impression of D'Quince Residence in Damansara Perdana courtesy of EXSIM

EXSIM Group plans to set foot in Penang with the launch of 22 Macalisterz, a serviced apartment project located on 0.45 hectares along Jalan Macalister this year.

This will be the first property project for the developer outside of Klang Valley.

Established in 2008, EXSIM has launched 28 property projects with a total gross development value of RM12 billion, with another RM18 billion in the pipeline. The majority of the projects are located in Bukit Jalil and Petaling Jaya.

EXSIM head of corporate communications Michelle Siew told NST Property that EXSIM is looking to make its mark in major states across the country in a drive to expand the group's portfolio.

According to her, besides the Penang market, EXSIM is looking at development projects in Perak, Sabah, Johor, and Kelantan.

Siew said EXSIM plans to utilise part of the funds from the group's RM2 billion sukuk musharakah programme for the next level of growth into other states.

"Penang is our first target and we plan to strengthen our foothold there with more development projects in the future. We are looking for land and development partners for our expansion," she said.

22 Macalisterz comprises 418 units of serviced apartments, selling from RM491,900 to RM744,000.

Siew said the project is targeted to launch in the current quarter.

On the outlook, she believes that the market will recover in the next two years.

"Of course when we reach herd immunity, the market will be bouncing back but not as pre-pandemic level. Hopefully, in the next two years, the market will be back to normal, which is why we are planning our expansion outside of Klang Valley now. We want to be ready when the market recovers with new launches.

"We believe more and more people will be looking to buy properties with different concepts and within an affordable range in Penang, Perak, Sabah, Johor, and Kelantan," she said.

Meanwhile, EXSIM managing director Lim Aik Hoe said the second tranche of its RM2 billion sukuk programme will provide liquidity for future development projects and help it achieve the next level of growth.

Lim said the latest issuance of Islamic Medium Term Notes (IMTN) by UOB Malaysia will help EXSIM to sustain the capital expenditure and working capital requirements of the group's new and existing real estate development projects.

"This transaction, which is part of an innovative sukuk programme, will also enable us to deliver more value to our stakeholders," he said in a statement.

The RM2 billion sukuk programme monetises future earnings of two of EXSIM's sustainable residential developments in the Klang Valley.

This is not the first time that UOB Malaysia is supporting EXSIM with the sukuk programme.

Last year, UOB Malaysia supported EXSIM's sukuk programmes totaling RM3 billion, secured against the future earnings of Scarletz Suites in Kuala Lumpur, the group's commercial real estate development.

UOB Malaysia has priced and placed out the issuance of four-year RM323 million IMTN by EXSIM at a fixed profit rate of 4.5 per cent per annum

The IMTN issuance will be secured against and backed by the executed sales and purchase agreements of EXSIM's two residential development projects namely D'Quince Residences and D'Vervain Residences.

D'Quince Residences is a leasehold apartment project located in Central Park Damansara, Damansara Perdana. There are 1,310 units available in this project with built-up from 550 sq ft to 1,100 sq ft.

The project was launched about a year ago and is currently selling from RM270,000 to RM694,000, or at about RM490 per square ft (psf).

According to Siew, the sales rate for D'Quince Residences is close to 98 per cent.

The project is expected to be completed in the second quarter of 2024 (2Q2024).

D'Vervain Residences has a total of 1,066 units and take-up rate is 99 per cent. Courtesy image

D'Vervain Residences is another leasehold condominium located in Central Park Damansara and it has a total of 1,066 units with built-up from 550 sq ft to 1,100 sq ft.

The units are selling from RM270,000 to RM678,900 with a median price of RM490 psf.

Siew said D'Vervain Residences has achieved a 99 per cent sales rate and the project is expected to be completed in 2Q2024.