

Building communities through niche developments

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The headquarters of DK Group of Companies is located in an industrial area in Puchong. As we settle down for our interview with managing director and founder Danny Koek, we can hear the sound of machinery within the compound.

The group began with DK Leather Corp Bhd, which produces automotive leather upholstery products. In 2004, it diversified into property development, incorporating DK-MY Properties Sdn Bhd, and embarking on its first project — the RM3.1 billion DK City, a three-phase development in Bandar Sunway, next to Taylor's University Lakeside Campus.

The first phase was the RM300 million DK Senza, which was launched in 2011 and completed in 2014. The second phase, the RM800 million D'Latour, was launched in 2012 and completed in 2016. The last phase is yet to be launched.

In the second quarter this year, the developer has two launches scheduled — D'Immersione at Dutamas and Menara The Suites in Jalan Ampang, Kuala Lumpur.

D'Immersione

Occupying a 2.8-acre freehold parcel in Persiaran Dutamas, D'Immersione will comprise a corporate office block and a tower of small office/home offices (SoHo) with a 4-storey shoplex in the podium. The gross development value is RM800 million.

According to Koek, the 4-storey shoplex will be a beauty and aesthetics hub.

"It will be the first dedicated beauty and aesthetics hub in Southeast Asia. We are bringing in the latest technology and equipment, such as stem cell research and treatments. Doctors from Hong Kong and South Korea will be coming here," he says.

The beauty hub will occupy the second and third floors while the ground and first floors will host food and beverage outlets. The retail lots on the second and third floors will be for sale.

"We will manage the ground floor and first floor and select the tenants. The main focus will be the beauty and aesthetics hub. There will be a beautiful sailing concept courtyard at the centre of the hub," says Koek.

Built-ups for the 96 shoplex units will be 468 to 3,710 sq ft with prices from RM1,200 to RM2,500 psf.

The helix-shaped office tower will have 16 floors, which the developer will be selling on a per floor basis. Each floor, with a built-up of 2,600 sq ft, will have a unique 360° view of the city.

Fifteen floors will be sold at prices from RM3.12 million. The fourth floor will house executive business facilities, such as a multi-function hall to cater for international conferences and other events, meeting rooms, press conference rooms and conference rooms.

The executive business facilities will be open to all buyers of D'Immersione, says Koek.

The 16-floor SoHo tower will comprise 506 units and it will be used for residential purposes, Koek says, adding that this is an investment product that will cater for the rental market.

There will be single-key and dual-key units in the SoHo tower. But most units will be dual-key. The single-key units will be targeted at owner-occupiers.

Renting a room is not easy, Koek says. Often, there is no privacy and some unit owners do not allow the tenants to use the kitchen. So, studio units with a kitchen and living room will be offered. Built-ups range from 780 to 1,596 sq ft, with selling prices from RM950 psf. The maintenance fee will be 40 sen to 50 sen psf.

Of the 506 units, the developer will retain 160, which will be run like a hotel with services such as concierge and a parcel holding store. Other hotel services include housekeeping, changing of linens and towels and room service. Like a hotel, each unit will have a safe deposit box for owners to store their valuables. When the cleaning crew arrives, the occupants need not be in the unit and their valuables



An artist's impression of D'Immersione

will be safe.

Koek says these are à la carte services and owners will have to pay separately for them. "We want the owners to feel hassle-free so they can enjoy their weekends."

The units that are on sale will be semi-furnished while those retained by the developer will be fully furnished.

Facilities for the residents, such as a swimming pool and shared kitchen, will be located on the rooftop.

Menara The Suites

Menara The Suites is an existing building — Plaza Palas in Jalan Ampang — which the developer has purchased and plans to refurbish.

The 22-storey office tower will have 916 small office/flexible offices (SoFo) with built-ups from 340 to 1,245 sq ft. Prices start from RM423,000.

The project will cater for young working-class people, says Koek.

On the rooftop is a helicopter pad, which the developer will re-purpose into a lounge with meeting rooms. Other facilities on the rooftop will include a swimming pool, gym and barbecue area.

Next to this office tower is Palas Condominium. Both buildings, according to Koek, are abandoned. "We took over the office tower and we are now talking to the condominium owner, who is a Singaporean, to lease it, refurbish it and manage it for him/her."

The plans for the condominium are similar to those of the SoHo tower in D'Immersione. The units in the condominium are quite large, says Koek, and the plan is to partition them into dual-key units and rent them out to young couples and working-class people.

Both buildings are in a terrible state, he says, and DK-MY Properties is the white knight coming in to rescue them. "I think the neighbourhood will appreciate our efforts."

Building a community

Koek says the company plans to inject co-living and co-working elements into these two projects, as well as for upcoming projects.

"It is all about sharing now, and the concept of co-living and co-working is connecting people and building a community. This is our direction going forward," he says.

At D'Immersione, the office and shoplex tenants and owners will share the exclusive business facilities. There is no need for them to build their own meeting rooms and conference rooms in their own units, says Koek.

The rooftop facility floor will have sharing spaces such as a kitchen and dining area. "The building plans for this project were approved a few years ago and, at the time, we did not plan for co-living and co-working spaces. We will inject some elements of

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— Koek



An artist's impression of Menara The Suites

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Menara The Suites will also include shared facilities such as meeting rooms on the facility floor, similar to D'Immersione's exclusive business facilities.

"We want to build a community ... a place where people can come together in shared spaces and connect with each other. People do not talk to their neighbours and treat their house like a hotel — a place to shower and sleep. They spend most of their time outside the home. We want to build a place where people will not feel the need to go out because there is a community," Koek says.

Future plans

The developer has 10 projects in the pipeline, located in Kuala Lumpur and Selangor, which will be launched in the next two to three years.

"We will continue to focus on Kuala Lumpur and Selangor. We do have some land bank in Penang, so there is a possibility of expansion to that state only. We will focus on KL and Selangor because the population is increasing," says Koek.

The total GDV for these projects is RM6 billion to RM7 billion.

The developer also bought SStwo Mall in Petaling Jaya last year. The transaction was listed as one of the top 10 property deals of the year by property experts. (See *The Edge* "Property deals of the year", Dec 31, 2018, Issue 1247). Koek says the developer is still mulling over what to do with it.

The company has an ongoing project in Seksyen U5, Shah Alam. DK Impian, which was opened for sale in the fourth quarter of 2017, comprises 658 SoHo units on a 2.4-acre leasehold parcel. Built-ups range from 592 to 893 sq ft and prices from RM335,920 to RM599,698. The official launch is set for the second quarter, with 40% of the units already sold. Completion is scheduled next year.

Koek says the market cannot always be good and as long as the product is good, in a good location and priced reasonably, it will sell out.

"Of course, sales will not be like the good times ... it will take longer to sell. Bank borrowing is still growing but at a slower pace. To me, the market is quiet but it is not a recession. This is the norm and we accept it and will learn to survive ... I consider the good times a bonus."

Going forward, the developer will focus more on providing housing for the younger generation and will focus on projects for the rental market.

"We will still cater for owner-occupiers. We cannot ignore them, and having some owners in the building is good as they will take good care of it," Koek says.

"To sum up, we will continue to be a boutique developer and focus on building communities. Our target market is young people and young families with one or two children. The projects that we build will have hotel-like services so residents can live there hassle-free. These are our hallmarks."