city&country

REAL ESTATE MATTERS

Building a diversified portfolio

In recent years, Titijaya Land Bhd has continuously adapted to uncertain economic conditions. Group managing director Datuk Lim Poh Yit and his sister, executive director Charmaine Lim, talk to **Chin Wai Lun** about navigating the real estate industry's dynamic and shifting landscape. Turn to Page 4.

PICTURE BY PATRICK GOH/THE EDGE

COVER STORY

Reaping the rewards of recurring income

BY CHIN WAI LUN
city.country@bizedge.com

It has been more than three years since Titijaya Land Bhd (KL:TITIJYA) founder Tan Sri Lim Soon Peng handed over the reins of the company to his son, Datuk Lim Poh Yit, who was appointed group managing director. Soon Peng now serves as group adviser.

Poh Yit, along with his sister Charmaine, the group's executive director, spearheads the company's management, embarking on strategies to better capture new industry opportunities.

Although the transition took place during the Covid-19 pandemic — a period of uncertainty when businesses were disrupted — for Poh Yit, the timing was just right.

"Having played a significant role in the company, my father had always been preparing for the transition. Even now, he is still providing valuable insights and leveraging his extensive network and experience in the industry to help the company," says Poh Yit in an exclusive interview with *City & Country.*

It was a smooth and simple transition, Charmaine chimes in, adding that they have been in the industry since young and have built a solid business foundation with their father's guidance.

Diversifying beyond property development

The pandemic caused disruptions and inevitably changed how businesses operate. Resilience amid a crisis is vital for businesses to thrive. So, Titijaya looked into a strategic mix of investment portfolios.

"The pandemic happened and we took this opportunity to come up with a different portfolio for the company. In this instance, we have decided to venture into a recurring income portfolio as part of our diversification efforts," says Poh Yit.

"For example, we noticed many have decided to digitalise their processes, and we decided to embark on a diversification journey of our own. Instead of just focusing on the traditional build-and-sell business, we need another stable income stream for the company."

Charmaine says the process began with Titijaya's maiden venture into logistics development. In 2022, the company announced plans to invest about RM200 million in a modern logistics commercial complex in Bayan Lepas, Penang.

This first-of-its-kind complex on the island is leased to DHL Properties (M) Sdn Bhd for recurring income. It will provide mainly semiconductor logistics solutions for the electrical and electronics sector.

She adds that Titijaya has begun partially handing over the logistics hub to DHL. "By 2025, it will be running in full swing. In terms of financial contribution, we are looking at 15% to 20% of our revenue. In addition, the complex's strategic location in Bayan Lepas as well as the National Semiconductor Strategy have contributed largely to the demand for such a complex."

Furthermore, the logistics complex is part of the overall development of the Bayan Lepas Waterfront master plan.

"Bayan Lepas Waterfront is a new commercial hub poised to cater for the thriving industrial space in Penang. It is envisioned to be an important part of the greater effort for Penang state in attracting and supporting more high-value investments with its strategic proximity to nearby amenities, the expressway, airport and free industrial zone, as well as a catalyst to stimulate the next level of economic development in the state," says Charmaine.

Besides industrial projects, the developer has also entered into hotel development. In Borneo, nestled in the luxury mixed development The

PICTURES BY TITIJAYA LAND

(Above) An artist's impression of the swimming pool at The Ria, a transit-oriented development in KL Sentral; and (below) the project

PATRICK GOH/THE EDGE

Shore in Kota Kinabalu, Sabah, is the 396-room Citadines Waterfront Kota Kinabalu.

Opened earlier this year and managed by Ascott Malaysia, Citadines Waterfront offers rooms with unobstructed sea views, overlooking the South China Sea, along with an array of facilities such as a swimming pool, gymnasium, roof garden and lounges.

"We plan to strengthen our diversification portfolios further. We hope to achieve 50% recurring income after a few years, maybe seven or eight," says Poh Yit.

Current projects

Meanwhile, Titijaya has ongoing projects in the pipeline for 2025, including Seiring Residensi (in Bukit Subang) and Dahlia & Daniel (in Kapar, Klang) slated for completion by the second quarter.

The freehold Seiring Residensi condominium, which has a gross development value (GDV) of RM217 million, comprises 370 units in four towers, with built-ups ranging from 665 to 972 sq ft. Featuring modern and practical layouts, the units are priced from RM405,000. "It is about 85% sold, with construction progress at 60%," says Poh Yit.

Dahlia & Daniel, which has a GDV of RM73 million and is 35% sold, comprises 67 two-storey bungalows measuring 40ft by 70ft and priced from RM975,000.

Most recently, in July, the developer launched its latest serviced apartment The Ria, which has a GDV of RM588 million. The 63-storey development has 752 units in two- to three-bedroom configurations, with built-ups ranging between 650 and 800 sq ft and priced from RM685,000. Charmaine says it is expected to be ready by the second quarter of 2028.

The Ria is the second phase of Riveria City, a transit-orientated development (TOD) jointly developed by Titijaya and Prasarana Integrated Development Sdn Bhd in KL Sentral, Kuala Lumpur. The first phase — The Riv — is a 54-storey tower block comprising 784 office suites and fully sold, with a GDV of RM374 million.

Charmaine adds that the company is also developing a hybrid-concept industrial project that combines offices, retail and warehouses. Situated on prime freehold land in Bandar Bukit Raja, Klang, Zone Innovation Park offers 47 two-storey shoplots that can be converted into multifunctional and practical layouts to suit a myriad of business operations.

The industrial park, which has a GDV of RM130 million, was 57% sold as at early September and is expected to be completed by 2Q2027.

"Consider it a one-stop centre. The front can be a retail concept store and the back can be converted into a warehouse for the storage area," she says.

Earlier this year, Titijaya purchased a five-storey medium-cost flat comprising 97 two-bedroom units in SS15, Subang Jaya, from Bank Negara Malaysia for RM44.5 million.

"It is located right next to our corporate headquarters. So, this location is very close to our hearts and literally close to us. Land in this mature area of Subang Jaya is hard to come by. We saw the opportunity and quickly put up an offer without hesitation," says Charmaine, adding that the low-rise flats used to serve as quarters for the bank's staff.

> Instead of just focusing on the traditional build-and-sell business, we need another stable income stream for the company." — Poh Yit

There are no concrete plans yet to redevelop the building or land. "We are looking to launch this new development, maybe in one to two years," she says.

Staying flexible and prudent

Both siblings have adopted a flexible approach to property development. "Under current market conditions, people consider industrial properties the rising star. Residential is still the main core business, however, and people will still want to buy houses," says Poh Yit, adding that 60% of Titijaya's product mix are residential projects and the rest are commercial properties.

Still, he says, the company's philosophy on land banking is to be open to any product type as long as the land is feasible for development and there is demand for that product. "We have to build a product suitable for the market," says Poh Yit.

Charmaine agrees, saying: "We are quite flexible and dynamic in that sense. We don't restrict ourselves, for instance, to pocket land or land in the KL area. We practise flexibility when it comes to land banking."

Nevertheless, Poh Yit says the company is building on its solid foundation and going on to its next phase of growth.

"We will continue to diversify our revenue streams and customer base, and expand beyond the Klang Valley. Our focus remains on delivering innovative and customer-centric developments that appreciate in value over time." E

An artist's impression of the 396-room Citadines Waterfront Kota Kinabalu, which is part of luxury mixed development The Shore

PATRICK GOH/THE EDGE

> "We are quite flexible and dynamic. We don't restrict ourselves, for instance, to pocket land or land in the KL area. We practise flexibility when it comes to land banking." — Charmaine

An artist's impression of the logistics complex leased to DHL in Bayan Lepas, Penang

An artist's impression of the RM130 million Zone Innovation Park, comprising 47 two-storey shoplots