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A winner at RM80,000 range for MK

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PROPERTY developer MK Land Holdings Bhd's achievement of RM1 billion in sales from the sale of affordable housing priced under RM80,000 in its projects in Selangor over the past three years has proven that there is money to be made from this sector of the market.

MK Land executive director P. Kasi said: "We embarked on a development mechanism based on lower margins combined with high volume of properties and this has proved to be commercially viable and sustainable for us throughout the economic downturn."

To date, the company has launched 20,322 units of affordable housing representing 68 per cent of the total number of units planned in its Damansara Damai and Taman Bunga Raya developments and had sold 96 per cent.

Of the units launched, 57 per cent, or 11,587 have been completed, while the rest are in various stages of construction.

Low-cost housing is a major component in both developments, with almost 50 per cent of the total number of units planned falling into this category.

The construction of affordable housing in MK Land's two developments is being carried out under a privatisation agreement with the Selangor state government, which calls for the company to build 83,333 units of such housing in various parts of the state. Of this target, 35 per cent have been approved for Damansara Damai and Taman Bunga Raya.

MK Land executive chairman Tan Sri Mustapha Kamal said the two developments had not only proved viable for the company, but had also generated income for some 200 contractors and sub-contractors and almost 9,000 workers.

"We awarded downstream contracts amounting to RM598 million to contractors to undertake the construction," he said.

He added that MK Land's achievement in completing such a large volume of affordable housing was proof that privatised schemes could provide a win-win situation for government, buyers and developer.

MK Land subsidiary Medan Prestasi Sdn Bhd, which is developing Damansara Damai, will hold a symbolic handing over of keys ceremony to 20 purchasers at the project site tomorrow (Sunday). The ceremony will be witnessed by Prime Minister Datuk Seri Dr. Mahathir Mohamed and Selangor Menteri Besar Datuk Seri Dr Mohamed Khir Toyo.

The 162ha development sandwiched between the North-South Highway and Sungai Buloh trunk road has been approved for 11,118 units of affordable housing and more than 3,000 units of shops and high-end houses. A 19ha urban park has also been set aside within the development for the recreational needs of the population.

It is expected to be completed by 2005 and will sustain a population of about 60,000.