

01/03/2003

## New paradise on enchanting isle

Deborah Loh

WHEN stress levels at the office hit a high, we go for vacations. But who would have thought that you could actually own a piece of paradise?

At the five-star Langkawi Lagoon Resort, you can. The RM100 million resort by M K Land Holdings Bhd gives property investors a chance to own their dream holiday home on the beach or better still, over the sea.

Langkawi Lagoon Resort is being launched today, and the event is significant in several ways.

For one, it's a sign that tourism in Malaysia is alive, healthy and most of all, safe, says Tan Sri Mustapha Kamal Abu Bakar, M K Land's executive chairman.

With Prime Minister Datuk Seri Dr Mahathir Mohamad doing the official launch, witnessed by a host of international tourism industry players and foreign dignitaries, the resort is set to gain international attention as the latest tourist destination.

It also reaffirms Malaysia as a safe place to visit amid fears about coming to this region after the Bali bombing, says Mustapha.

The resort is owned by M K Land's subsidiary, Tema Teladan Sdn Bhd, and began operations last June. It is managed by another subsidiary, Pujaan Pasifik Sdn Bhd.

More than a holiday sanctuary, the resort is also a property investor's dream, as it offers unique Malay kampung houses built over the water.

The resort features 96 beach-front hotel suites and 78 sea villas and four sea bungalows perched on stilts over the calm waters of the Andaman Sea.

It's this "living on the sea" concept that makes the resort, with its tagline "Paradise Over the Andaman Sea", stand apart from other five-star resorts on the island, says Mustapha in an interview with the New Straits Times.

With exteriors designed like traditional Malay kampung houses, the sea units come with modern comforts and amenities inside. Luxurious furnishings are mixed with quaint, Malay knick-knacks, evoking the trappings of a rich Malay "bangsawan" lifestyle.

The sea bungalows have three bedrooms, a kitchenette, jacuzzi and a large outdoor terrace where one can relish the vast expanse of sea and sky. The villas have the same features, with one or two bedrooms and a private balcony.

MK Land is possibly the only developer with such a product, says Mustapha. "To our knowledge, ours is the only project in Malaysia where purchasers have the opportunity to own a property on the sea.

"Investors view this as being good for returns and also because of its capital appreciation," he says.

The beach front hotel suites are also for property investments. All units in Langkawi Lagoon can be purchased under a Guaranteed Return Rental (GRR) scheme, which allows buyers to fund a portion of their payment from the rental of their property.

The GRR for beachfront suites is seven per cent for six years, for sea villas six per cent for six years, and for sea bungalows six per cent for three years.

Beachfront suites range from RM326,000 to RM700,000; sea villas from RM526,000 to RM1.24 million; and, sea bungalows from RM1.3 million.

All the hotel suites and most of the sea villas have been sold,

totalling a gross development value of RM54 million.

Although the sale of sea villas is a little slow, Mustapha says more of such units will be built as they are the type of accommodation most preferred by foreign tourists.

"The next phase of the resort will have six blocks of 76 villas, a five-storey commercial complex, and a block of serviced apartments."

The entire resort is scheduled for completion over a 10-year period and will eventually cover 23ha. The present phase of development is 17.5 per cent of the total area.

Since the resort began operations last June, occupancy has been at 25 per cent or more during off-peak seasons and 100 per cent during peak periods.

Mustapha adds that the majority of guests are foreigners, including those from the UK, Japan, Bosnia, Germany and the US.

He doesn't think Langkawi is saturated with hotels as some critics might say. Rather, the resort enhances the island's image as a five-star destination, which is how it is promoted overseas.

"Two million tourists, mostly foreigners, are expected to visit Langkawi this year. There is good demand for hotel accommodation, especially of five-star standards.

"Our vision is for the resort to become the preferred holiday destination for international and local tourists looking for a unique form of accommodation."

Two other special features of the resort are the breakwater wall that forms the lagoon and the cosy Rajawali Seafood Restaurant.

The breakwater structure stretches across the bay for 2.7km and has a footpath that allows for quiet, romantic evening strolls to enjoy golden sunsets or just to watch yachts and fishing sampans go by.

Mustapha hopes the breakwater can later be used as a tourist attraction and income-generator for the community by setting up bazaars or stalls.

The Rajawali Restaurant, meanwhile, offers diners a visual feast in addition to the culinary delights. Set overlooking the rivermouth of Sungai Melaka, diners can watch fishermen dock their colourful boats and haul in their catch.

The resort's strongest impact would be the creation of jobs for locals by opening the surrounding land as a new tourism area.

Many locals are employed by the resort, which also uses local subcontractors and suppliers.

The resort is near the paddy fields of Padang Matsirat, next to the estuary of Sungai Melaka.

In rainy seasons, this area turns a vibrant green as the paddy stalks ripen. The scenery is complete with buffalos, birds, and farmers tending their plots. Mustapha knows that this pastoral scene is what appeals to tourists.

However, without a five-star resort in the area, tourists often by-pass the place on their way to other attractions.

Mustapha's vision is that visitors staying at Langkawi Lagoon will form a customer base for the villagers living near the river mouth. This area has been named and packaged as the Kuala Melaka River Park by the Langkawi Development Authority (Lada), which has entrusted the management and maintenance of the park to MK Land.

Mustapha says it has engaged local traders, businessmen and fishermen's associations with a view to opening up new shops and services in the park.

In the future, these could include food and craft bazaars, transport and tour operators, family games and activities, cultural shows, a "pasar tani" and fish market.

He has even thought of recreating traditional Malay weddings complete

with a procession through the kampung and the bersanding and renjis ceremonies for his hotel guests, with the villagers' help.

Lada general manager Datuk Anwar Abd Rahman is all for MK Land's contribution to the river park.

"It is strategic to have the Langkawi Lagoon nearby. Lada has developed infrastructure for the park but has not been able to create incentives to attract people here. We want to make this a new recreation area," he says.

MK Land is also playing its role as a corporate citizen of this island by involving the local community, he adds.

The resort and the river park would have a mutually beneficial relationship and the success of one would also influence the other.

However, Mustapha is also mindful of his role as an investor and developer, and so he urges the locals to take advantage of the opportunities he is providing.

"I'm a property developer. Managing the park won't be our core business. We are just orchestrating things in such a way as to give the locals the opportunity to do business. My job is to get the tourists here, and I hope this will benefit the locals," he says.

Langkawi Lagoon is MK Land's third resort project after the Bukit Merah Laketown Resort, which includes a water park, and the Taiping Golf and Country Club with its 18-hole course.

He says the challenges of building seafront properties are different and have added valuable experience to MK Land's portfolio.

Initially, Langkawi Lagoon was planned as an apartment project. Market conditions, however, placed greater favour on resorts instead of apartments, and MK Land decided to take the plunge.

"The investment for Langkawi Lagoon was different because we were expecting a longer return of investment period and a heavier upfront investment amount, compared to the other two resorts.

"The change in initial plans from apartments to a five-star resort meant that additional facilities, which were not planned for, had to be added and this was an increase in cost," he says.

The construction of Langkawi Lagoon involved some issues not dealt with in the other two resorts.

For one, the logistics of transportation, labour and materials from the mainland had to be considered.

The company also had to comply with requirements under the Environment Impact Assessment, which was particularly important for the units built over the sea, waste treatment and movement of materials.

"These issues led us to incur more than double the construction cost as compared with the other two resorts."

While MK Land's name was established through building affordable housing projects, the company has recognised that tourism properties actually enhance real estate sales.

The serviced apartments and holiday villas at Bukit Merah Laketown Resort and the Taiping Golf and Country Club, for example, continue to be well-received by investors.

"This has helped us provide an opportunity for the surrounding areas to be developed, even in the interiors, where the land costs are lower. At the same time, this opens up new areas of development for the country," he says.

MK Land is not limiting itself as a developer of housing or resort property only. "We have a whole range of different types of products in our land bank to cater for all market demands including affordable housing, lifestyle living, commercial development and tourism.

"Our vision is to be a 'property supermarket'. We're able to take advantage of any change in market demand."

The company has nine projects in its stable. Apart from the three resorts, it has affordable housing in Taman Bunga Raya in Bukit Beruntung, Damansara Damai in Petaling Jaya, and Taman Bercham Raya and Taman UK Raya in Ipoh.

It has also developed the Damansara Perdana intergrated township in Petaling Jaya, the Cyberia Smarthomes in Cyberjaya, and the mixed development project of Bandar Lembah Beriah in Perak's Kerian District.

With 20 years of property experience under his belt, including three economic recessions, Mustapha brought MK Land onto the main board of the Kuala Lumpur Stock Exchange in August 1999 with three projects at the time.

The company's expansion into the nine projects covers a land bank area of 2,645ha. The gross development value of all nine projects would take up a period of 15 years and would be worth nearly RM20 billion. MK Land is one of the largest public listed companies with a paid-up capital of RM1.174 billion. With property sales in Langkawi Lagoon performing well and with more units to hit the market in the future, he is confident of good returns for the company and its stakeholders.

Those wishing to make enquiries can contact the Langkawi Lagoon sales offices in Kuala Lumpur at 03-77251200 or fax 03-77251808, and in Langkawi at 04-9557861 or fax 04-9557860. Also visit its website: [www.langkawilagoon.com](http://www.langkawilagoon.com).

From now till Dec 19, packages for families, honeymoon couples and meetings are available at special rates ,which cover buffet breakfasts, discounts on food and beverage and use of facilities.

The packages are only for Asean country nationals and are not available from Sept 29 till Oct 5 owing to the Langkawi International Maritime and