

New life in KL plan
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By [Sharen Kaur](#)

Kuala Lumpur: Urban regeneration projects in Malaysia may be given a new breath of life with the RM9 billion Tamansari Riverside Garden City development in Kuala Lumpur starting soon.

The first regeneration project for Malaysia was the development of Subang Jaya in Selangor in the 1960s, initiated by second prime minister, the late Tun Abdul Razak.

The idea was later mooted by Tun Abdul Razak to regenerate the Pekeliling flats area, located along Jalan Tun Razak-Jalan Pahang in the 1970s, which is now known as Tamansari.

Pekeliling flats were among the city's earliest public housing projects, dating back to 1967.

"We believe Tamansari will stir interest among developers to start a new chapter in real estate development," Tamansari developer Asie Sdn Bhd founder Datuk Khalil Asahah said.

Khalil said developers are less interested in undertaking regeneration projects because of the amount of work and investments involved to clear land, demolish structures and relocate people.

"It is difficult to get support from banks and that is why urban regeneration projects in Malaysia cannot move forward. We went through many difficulties but have overcome them today," he said in an interview with Business Times recently.

Asie has full rights and approvals to build residential and commercial properties, malls and retail on 23ha at Tamansari.

It signed the privatisation agreement in 1999 with the government. Under the deal, it is required to build 3,500 units of public housing and facilities in exchange for the land. Khalil claimed that Asie has invested a substantial amount since 1973, the time it first bid for the project.

The first round of bids was in 1973, attracting more than 1,000 proposals. But the project was put on the back burner after Tun Abdul Razak's passing in 1976.

A fresh bid was called for in 1997 and three business models were shortlisted including the one by Asie.

Asie won the bid as it submitted the most competitive proposal.

Despite getting approval from a local bank to fund the project, it was put on hold following the Asian financial crisis in 1997/1998.

Then in 2005, Asie obtained financing from Bank Pembangunan to build public houses in Taman Melawati so it could relocate the people staying at Pekeliling flats. Asie has handed over 3,000 units as at end-2006.

In 2009, the collapse of Lehman Brothers and Merrill Lynch led to the project being put on hold again.

"After 30 years of waiting, we have cleared 30 per cent of the land and awarded Mah Sing a contract to build properties for RM900 million," Khalil said.

Asie expects to award two more contracts by year-end to build properties worth over RM1 billion.

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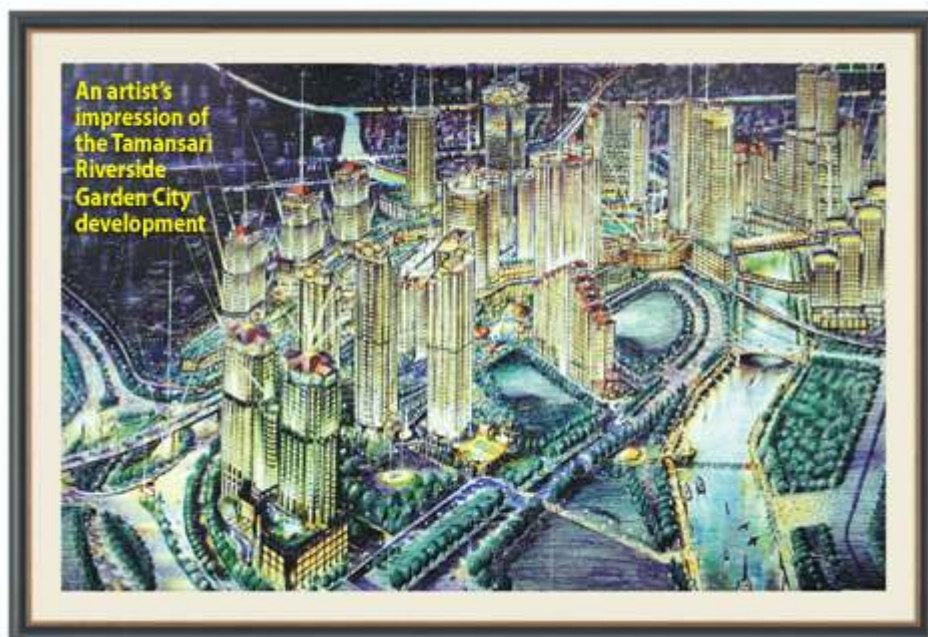
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