

# PJ New Town - ripe for rejuvenation?

BY NATALIE KHOO

**M**any who have grown up in Petaling Jaya would likely have fond memories of attending birthday parties thrown by their schoolmates at the oldest A&W fast food restaurant in town.

Located in Section 52, Petaling Jaya, the area — which is better known as PJ New Town or PJ State — is also home to the scenic Taman Jaya Park. Less than 10 minutes' drive from the small but bustling PJ New Town area is the Bukit Gasing hiking trail.

Many local government buildings are located here, including Menara MBPJ, Bangunan Persekutuan Petaling Jaya (PJ Federal Building) which houses or used to house government offices such as the National Registration Department and a branch of the Ministry of Domestic Trade and Consumer Affairs. Another old landmark here was the State Cinema.

Rahim & Co International Sdn Bhd director Choy Yue Kwong recalls that in the past, PJ New Town was commonly referred to as "State" due to the presence of the State Cinema, which is now the Lotus Five Star PJ State Cinema that shows Tamil

films. It is located along Jalan Yong Shook Lin.

"Essentially, PJ New Town lies within Section 52, Petaling Jaya. The original "State" or PJ New Town was confined to the area bounded by a part of Jalan Selangor, Jalan Sultan and Jalan Yong Shook Lin including the area occupied by Majlis Bandaraya Petaling Jaya (MBPJ) or Petaling Jaya City Council with offices to the south of Jalan Yong Shook Lin.

"It also encompasses the government offices to the north of Jalan Sultan," Choy explains, referring to the former National Registration Department, and the Jalan Sultan Post Office, a single-storey building on elevated land at the junction of Jalan Sultan and Jalan Barat.

However, over the years, the public has come to perceive PJ New Town as encompassing the commercial area along and off Jalan Barat, comprising shop offices as well as the PJ Hilton hotel. In the future, it may also include the upcoming PJ Sentral being developed by Malaysian Resources Corporation Bhd (MRCB), says Choy.

### What is in PJ New Town

According to Choy, typical shop offices in PJ New Town are on 22ft by 75ft or 1,875 sq ft lots offering two, three, four and four-and-a-half floors with built-ups from 3,575 sq ft to 11,000 sq ft.

HASB Consultants Selangor Sdn Bhd director Victor Huang Hua notes that most businesses operating there include decades-old traders such as hardware shops, tailors, jewellers and others.

"Poh Kong, State Tailor, PJ Textile and Supper Club to name a few, have been there for years. The PJ Sunday Car Market that usually operates around Kompleks A car park located along Jalan 52/12 and its surroundings is also an attraction on Sunday mornings. Usually, the car owners will bring their cars here to be sold and one can find a bargain on certain vehicles," says Huang.

According to Huang, the shop office rentals here vary with the number of storeys and the location of the property. Typically, asking prices for the ground floor starts from RM6,000 per month whilst the upper floors range from RM1,300 to RM3,000 per month.

"Asking prices range from RM2.7 million onwards for the double-storey units while rental yield are roughly around 3% to 5%, depending on when

the property was first purchased and the asking price," says Huang.

Meanwhile, Choy says that rental for a ground floor shop unit can go up to RM7,000 with rental yield hovering about 4%.

"There was only one sale transaction of a 2-storey shophouse (land size of 1,873 sq ft) fronting Jalan Yong Shook Lin at slightly more than RM2.8 million in 2015 over the period of the last three years.

"Until today, the shop has remained vacant. Another transaction of a two-storey shop office (land size of 1,873 sq ft) was at end 2012 at RM2.48 million," Choy offers.

According to data from EdgeProp.my, over the past seven years, there were only six sale transactions. The highest absolute price transacted as well as on a RM psf basis was in April 2012 for a 2,400 sq ft shophouse located on Jalan 52/1 which changed hands for RM4 million (RM1,666 psf).

Other transactions were in 2013 when a 1,873 sq ft shophouse along Jalan SS52/10 was sold for just RM1 million. A year before that, in 2012, a similar-sized shophouse along Jalan 52/1 was sold for RM3.05 million while another bigger unit of 2,400 sq ft was sold for RM4 million. In 2011, a 1,873 sq ft lot along Jalan Yong Shook Lin was sold for RM2.3 million.

The current listings for shophouses in PJ New Town on EdgeProp.my are seeing average asking prices of RM585 psf or RM2.9 million in absolute price. Meanwhile, the average asking rental is RM2.60 psf or RM7,071 per month.

Huang points out that the current slow property market has not affected the sale and rental of the shophouses as 95% of the shophouses are occupied. The vacant ones, however, may see some rental discounts being given.

"Although transactions were few in the last five years, landlords are probably holding on to the property in view of the current market and adopting a wait-and-see policy. With the development of PJ Sentral, it is likely that the landlords will want to see how the development plays to their advantage," says Huang.

PJ Sentral is a proposed 40-acre mixed development comprising 60-storey office towers, a retail mall, serviced residences and hotels located along Jalan Persiaran Barat.

Meanwhile, in August, the franchise and landowner of the 1.05-acre site of A&W PJ Drive-In KUB Malaysia Bhd announced that it will "likely" dispose of the land or jointly develop the site.

"Because we are not in property development, if we get a better valuation for a disposal, we would probably sell it," KUB Malaysia president and group

## Fun facts about PJ New Town

- 1 One of its most iconic landmarks, which will soon be gone is the **A&W PJ Drive-in**
- 2 Colourful **street murals** line Jalan 52/17's back alley, created as part of an MBPJ-sponsored project in 2014
- 3 **Restoran Kam Heong** located on Jalan Tengah whips up some of the best Chinese hawker food in town including Penang Hokkien Mee, Char Kuey Teow, Wan Tan Mee and braised duck
- 4 Fancy **Tamil movies**? Head to the Lotus Five Star PJ State cinema along Jalan Yong Shook Lin as it specifically caters to Tamil movie fans.
- 5 Love antiques and collectibles? Visit **Amcorp Mall** along Jalan Timur for its popular weekend antiques and flea market.
- 6 Get a workout and some fresh air at **Taman Jaya lake garden** located along Jalan Barat, opposite Amcorp Mall

managing director Datuk Abdul Rahim Mohd Zin had told reporters. Rahim added that the indicative offer KUB Malaysia has received for the land so far is about RM38 million.

### **Growth can be better**

Rahim & Co's Choy points out that while PJ New Town is located within walking distance from the Taman Jaya LRT station and although its shopoffices here command relatively lower rentals than those in areas like SS2 and Section 14, Petaling Jaya, the area still needs to raise its attractiveness to investors.

For instance, it has limited parking facilities which deters customers from patronising the shops here. Business hours are confined to 8am-6pm which does not help to pull in the crowd after office hours. There is also insufficient collective effort by owners, tenants and the local authorities to spruce up the area.

"MBPJ must insist on or incentivise shop owners to give their properties a new coat of paint, in order to give the whole area a fresh look and a distinct identity. Not only that, more parking lots must be made available to the public. The relatively huge open space in front of the PJ State Cinema which is meant for occasional weekend traders should be opened up for parking to the public during weekdays. This will easily create an additional 50 parking lots," says Choy.

He adds that unlike areas such as SS2, Section 14 and Damansara Uptown, where shops are open until at least 9pm or 10pm, the majority of shops in PJ New Town are closed after 6pm.

Because the shops are privately owned, there is no way the local council can compel them to remain open until late at night thus contributing to its "lifelessness" at night, he adds.

However, he suggests that the space around the sunken plaza which belongs to MBPJ can be used

to build semi-permanent single-storey shops to be rented out. "With the right tenant mix, MBPJ as the owner can control the opening and closing hours which should be until at least 10pm or later every night," Choy suggests, adding that if these shops are attractive enough, other shops which normally close early may be motivated to also open for business till late. "This is one way to inject commercial life into PJ New Town at night," Choy notes.

HASB's Huang concurs with Choy that many of the area's buildings and shoplots need a fresh coat of paint, but acknowledges that it remains a good place for day time businesses, considering its strategic location with easy access via several highways such as the Kerinchi Link, SPRINT highway and Lebuhraya Damansara Puchong.

### **Future growth**

"MBPJ has done quite a bit to improve and upgrade the public amenities such as the roads, pavements, car parks and street lights. The PJ Sentral development, which covers the vast majority of the area that formerly and currently houses some government buildings, would offer some spillover effect on the surrounding properties in future, something akin to how Brickfields benefitted when KL Sentral was first completed," says Huang.

He believes that the maturity of the area itself and the shops and businesses that have been there for years will continue to support the commercial scene as it is one of the few matured commercial areas in Petaling Jaya.

"Rejuvenating the place is quite a huge task as it involves not just the local government but also the occupiers of the shopoffices.

"Nevertheless, as PJ New Town is where the MBPJ headquarters is located. We believe it will continue to attract people to the commercial area here as long as there is continuous upgrading of the amenities and facilities in the area," Huang concludes.



Choy says that rental for a ground floor shop unit can go up to RM7,000 with rental yield hovering about 4%.

### Shoplot transactions in PJ New Town from 2011 to 2018

YEAR	ADDRESS	LAND AREA (SQ FT)	TRANSACTIONED PRICE (RM MIL)	UNIT PRICE PSF (RM)
Dec 2011	Jalan Yong Shook Lin	1,873	2.3	1,228
April 2012	Jalan 52/1	1,873	3.05	1,628
April 2012	Jalan 52/1	2,400	4	1,666
Dec 2012	Jalan 52/8	1,873	2.48	1,324
July 2013	Jalan 52/10	1,873	1.0	534
March 2015	Jalan 52/18	1,873	2.85	1,523

DATA FROM EDGEPROP.MY, RAHIM AND CO AND HASB CONSULTANTS



Colourful street murals brighten up the back alleys of PJ New Town.



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HASB CONSULTANTS SELANGOR

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Menara MBPJ is one of PJ New Town's most iconic landmark.

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## SUMMARIES

Many who have grown up in Petaling Jaya would likely have fond memories of attending birthday parties thrown by their schoolmates at the oldest A&W fast food restaurant in town. Located in Section 52, Petaling Jaya, the area — which is better known as PJ New Town or PJ State — is also home to the scenic Taman Jaya Park.