

## Technology Park Malaysia Phase 3 hopes to attract top technology companies

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**T**echnology governs everything we do. It is also a source of income that would benefit any nation that embraces it. Technology Park Malaysia Corporation Sdn Bhd (TPM) is looking to do just that on its remaining land bank.

The technology park was established in 1996 with a total land area of 686 acres. The park was divided into three phases. Phases 1 and 2 have been developed and account for 371 acres. Phase 3 spans 315 acres and is available for development. What sets Phase 3 apart from the previous two is that it will include residential and commercial components.

TPM chairman Datuk Abu Samah Bachik tells City Country in an exclusive interview that TPM aims for Phase 3 to be the place technology companies want to be.

"The goal is to facilitate Industry 4.0 and to invite all leading technology companies in the world to invest in TPM Phase 3," he says. "For example, we have got the official go-ahead from the prime minister for us to invite Huawei to invest. We want companies similar to Huawei to come to TPM Phase 3. We also intend to invite drone maker DJI of China, which Tan Dr Mahathir Mohamad visited last year. Companies of that stature will be invited to invest here."

"In addition, we are dividing the 315 acres into nine segments. One will be for residential and the other for commercial. The remaining seven will be for technology," he says. "The theme of this phase involves four elements — live, work, play and learn... We will also provide other facilities for use by the public and residents. We are also trying to get an international university for one segment."

JLL Malaysia has been engaged as the exclusive marketing agent for TPM Phase 3. JLL recently sent out a request for proposal (RFP) and interested parties — specifically technology companies or master developers — can purchase the documents and submit their proposals by end-May. JLL managing director Y Y Lau says the RFP exercise is to secure interested parties to jointly develop Phase 3 with TPM.

"TPM will provide the land and assist the interested parties — whether they are master developers of technology parks who have a large following of industry players who can come in and participate in the park, or owner occupiers such as existing technology companies looking for space to house, say, their research and development centre," she says.

The company is targeting technology companies and master developers to quicken the pace of development. "We want to speed up the overall development. If we just target industry players who build fit-out, it can be slow but by bringing in a top master developer, the whole project can come up faster," Lau says.

The land is for sale by way of sub-lease. TPM will pass the remaining lease period, which is 75 years, to the buyer. TPM sits on freehold land under the Federal Land Commissioner, which is leased to the technology park. Under the RFP exercise, Technology Park Malaysia Corp Sdn Bhd will then lease the site to the successful tenderers.

The estimated land price for TPM 3, based on prevailing land prices in the vicinity, is RM130 to RM150 per sq ft, depending on the size of the plot. Land prices in Phases 1 and 2, also done by way of sub-lease, ranged from RM65 to RM100 per sq ft.

The gross development cost of TPM Phase 3 is estimated to be in excess of RM10 billion. However, according to Lau, this figure could increase.

"TPM is seeking to increase the plot ratio, which is currently two times, to four times. If this is approved, the development cost will increase," she says.

Abu Samah adds that TPM Phase 3 aims to create 12,000 high-paying jobs for skilled knowledge-based



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lion to the country's gross domestic product by 2046. To help facilitate this, earthworks and basic infrastructure have been completed for about half of the 315 acres at a cost of RM400 million. Abu Samah says this means that companies that set up here could start building their facilities immediately. Earthworks and basic infrastructure for the remaining land, which will be done at a later date, will cost about RM250 million, he says.

One of the plans for TPM Phase 3 is to incorporate an internal tram service for the workers to get to their place of work. This service may be extended to Phases 1 and 2 at a later stage. A Bus Rapid Transit service is also being looked into to ferry people from the nearby Bukit Jalil LRT Station and a provisional MRT Station.

Apart from the RFP exercise, there is also an expression of interest exercise being held for food and beverage retailers, as several sections of land that face the Bukit Jalil Highway have been allocated for such outlets. A previous study highlighted the need for more F&B offerings.

There are also plans for a high-tech mall that will provide products with a technology slant.

"In the commercial section is a retail mall, which will include a lot of 'smart' elements," says Lau. "Whatever they exhibit and market, retailers must have technology elements in their products, whether you are talking about electric cars and smart home appliances. Beyond retailing, we are also looking at holding e-concerts."

Apart from the hardware, TPM Phase 3 will also have softscapes and landscaping for the workers and residents. The public facilities will include jogging and cycling tracks, a multi-purpose hall, electric car charging stations, public parks and free WiFi. Other conveniences include a food court, cafés, convenience stores, grocers and banks.

Lau says the development of TPM Phase 3 will be governed by urban design guidelines for a holistic

development of the land. "The vision is to produce a sustainable township that meets the diverse needs of the community for now and the future and provides a high quality of life," she says.

For security, TPM 3 will have its own auxiliary police force on patrol, assisted by technology such as AI-enabled CCTVs. The usual security checks to enter the secure work areas will be in place to ensure that only recognised personnel have access.

One concern about investing in TPM Phase 3 could be the current soft real estate market. However, according to JLL Research, industrial land prices in the Klang Valley have doubled since 2010. Its research shows that Malaysia continues to attract high levels of foreign manufacturing investment despite the challenging global economic times. Apart from foreign manufacturing projects (use 103% to US\$12.98 billion last year, compared with US\$8.31 billion in 2017. Most of the foreign direct investment was in new projects (88.5%).

"Demand for industrial, manufacturing and technology companies is very high now. There are a lot of requests for space, whether it is for data centres, logistics and warehousing or for manufacturing," says Lau. Another question that might arise is why would technology investors choose to set up in TPM Phase 3 rather than other technology parks.

"TPM stands out mainly due to its location and facilities," says Lau. "First, TPM is located within Bukit Jalil, between Kuala Lumpur and Cyberjaya. Secondly, the neighbourhood offers full facilities such as a range of accommodation, lifestyle necessities (food and entertainment), universities (potential workforce) and many other upcoming catalytic developments."

"Also, the site has access to many major highways such as Bukit Jalil Highway, MEX Expressway, KESAS and Bessaya Highway. So, the travelling time to Kuala Lumpur and Petaling Jaya is shorter than that of other technology parks. Lastly, TPM covers not only the technology sector but includes engineering, biotechnology, nano-technology, energy-efficient technology, robotics, drones, smart technology and many more," she adds.

Going forward, TPM could be looking at upgrading and refurbishing or redeveloping certain buildings in TPM Phases 1 and 2. However, that is very much in the future and the focus right now is to get TPM Phase 3 off the ground.

"I personally will assist JLL to secure three to four leading international technological companies to come and invest in TPM Phase 3," says Abu Samah. "We are confident we will achieve the four elements of live, work, play and learn, and make TPM Phase 3 a new base for Malaysian technologists. That is

