

Landowners to gain from Genting investment

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KUALA LUMPUR: Property developers with landbank near Genting Malaysia Bhd's hilltop casino resort are likely to benefit from the over RM3 billion investments Genting is pouring in to rejuvenate its appeal to an increasingly discerning audience in the coming five years, analysts said.

Even before Genting announced its RM400 million tie-up with Twentieth Century Fox to recast its 35-year-old outdoor theme park into one with international appeal, property developers are already drawn to Genting Highlands, thanks to the high occupancy rates enjoyed by the hotels there.

The 10,000 rooms at the hilltop resort, located about an hour's drive from Kuala Lumpur, consistently enjoy over 95% occupancy rates, the analysts said. Plans are underway to add at least 1,300 rooms by end-2015, Genting Malaysia chairman and CEO Tan Sri Lim Kok Thay told reporters last Friday.

"We don't mind at all. The more the merrier," Lim told The Edge Financial Daily in reply to questions on third party hotel operators and developers eyeing a share of visitors to Genting Highlands.

Niche developer, NCT Development Sdn Bhd, recently announced the launch of a luxury serviced apartment project, called Elemen, on a 10-acre (4ha) plot near Genting Highlands, located 1,800m above sea level.

Best Western International Inc, which has more than 4,000 hotels in over 100 countries, has reportedly been selected to manage the three blocks of serviced apartments to be developed in three phases, slated for completion in 2017. Some 65% of Phase 1, with an estimated gross development value (GDV) of RM230 million, is said to have been taken up.

YNH Property Bhd has a mixed development project in Genting Highlands with a GDV worth some RM800 million in the pipeline, its head of corporate services Daniel Chan told The Edge weekly in a recent interview. According to Chan, the company plans to start with a five-acre plot out of the group's total 95 acres which, he says, is just a "three-minute drive to Genting Highlands".

"The cooler temperature at Genting Highlands is definitely an added appeal for those interested in getting a weekend home away from the city," one analyst said.

Whatever the case, market watchers reckon Genting Malaysia will probably be the biggest beneficiary from all its investments to breathe new life into the resort that Genting group founder, the late Tan Sri Lim Goh Tong, began building in 1965 with the first hotel opening in 1971.

It is understood that Genting has only used some 4% of its landbank in Genting Highlands but this could not be officially confirmed at the time of writing.

In a recent interview, Lim said the availability of land for expansion is not an issue for Genting as it has “quite a bit” of undeveloped land in Genting Highlands. “We do not want to over-develop [Genting Highlands],” he explained.

Lim said Genting is still working on a five-year redevelopment master plan, which analysts expect to include additional rooms, casino tables, food and beverage outlets, and retail space. This article first appeared in The Edge Financial Daily, on July 29, 2013.

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