

MALAYSIA PROPERTY AWARDS SPECIAL

Special Advertising Section

A dirty, lifeless river is reborn to flourish

Malacca River's promenade now is a favorite tourist destination dotted with shops and restaurants

A SIX-YEAR project to restore and conserve the Malacca River in the State of Malacca has transformed a dirty and neglected waterway that now supports marine life and revived the waterfront promenade into a thriving commercial and tourist hub.

The Malacca River Rehabilitation project, covering a stretch of five kilometers of river that flows through the city, is a significant public infrastructure project that has achieved the dual role of environmental conservation and economic revival. It is no surprise that the project won the Malaysia Property Award 2011 in the category of Special Award for National Contribution.

This idea of this 234 million ringgit (US\$74 million) project was mooted by Datuk Seri Mohd Ali Rustam, chief minister of Malacca, who wanted the historic Malacca River to have a new lease of life. The project started in 2002 and was completed in 2008.

Today, the river promenade is a top tourist destination. In the same year the restoration and conservation work was completed, the city was designated a UNESCO World Heritage Site.

"The river which was once perceived as dirty, lifeless and poorly managed is now one of the main

tourist hubs here," says Datuk Seri Mohd Ali Rustam, who had personally monitored the project's progress at every stage.

The project's architect/planner was Haji Mohd Nazam MD Kassim, managing director of Focus Architects & Urban Planners Sdn. Bhd. "Winning the prestigious FIABCI Malaysia Property Award 2011 for National Contribution is a pleasant surprise and a hat trick for us. The project has won the 2009 Malaysian Institute of Architects (MIA) Award and the 2009 Malaysia Institute of Planners Award previously.

"It is satisfying because our efforts toward creating a built environment which is livable and generating economic benefits have been recognized by the jury," says Mr. Nazam. It is an outstanding example of the role of public architecture in the effort of urban rejuvenation and tourism stimulation.

This project has rehabilitated and revitalized the river promenade while promoting and integrating significant urban design elements into it to enhance its vitality and character as an important historical and tourism entity.

There are pleasure boat cruises along the river and shops and restaurants are thriving along the promenade.

The project's primary objective



Suspended boardwalk along the Malacca River.

was to retain the architectural building fabric along the river. Houses were reconstructed to faithfully resemble their original architecture.

In the 17th century, Malacca was at its zenith, an important seaport strategically located along the spice

trade route. There were turbulent times when Portuguese and Dutch forces conquered the town seeking to control the spice trade and in later years, it was colonized by Great Britain.

Since its heyday, the Malacca

River has slowly degenerated from an important historical lifeline to a large sewage drain that nobody wanted to see.

One significant exercise undertaken in the project was to not only clean up but recycle the original laterite stones from the Dutch era (possibly even Portuguese) that had fallen into the river over the centuries. The stones have been recycled and used to construct the river embankment right up to the city square. Throughout its restora-

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tion, no new component was added for commercial reason.

This redevelopment was a catalyst that brought about economic spinoffs like business and commerce, revenue derived from tourism activities and better water quality and ecosystem.

The preservation of the riverscape and existing architecture of its buildings were the main thrust of the project. If traders of the 17th and 18th century saw it today, they would not have recognized much difference in the Malacca River now—except for its new modern amenities.

A government that actively promotes its real estate market along with its very liberal transaction policies

FEW governments would intervene in the open market by aggressively promoting their countries as choice property investment destinations.

But Malaysia is different. Its approving authority has taken the offensive and in a pioneer public-sector initiative established Malaysia Property Incorporated (MPI), to facilitate and promote investment in the country's real estate.

MPI has conducted property road shows in the U.K., Hong Kong and Japan, and has set up The MPI Property Gallery at Shenton Way in Singapore as a permanent showcase promoting real estate investment opportunities.

Chris Tan, who is the legal adviser to the MPI's board of directors, says the agency is focused and driven to explore any feasible platforms in the entire value chain of real estate. The target markets are: the U.K., China, South Korea, Japan, India, Hong Kong, Singapore, the Middle East and Indonesia.

"A lot of business matching has been [done] through MPI as the first port of call for any foreign investor for real estate investment into Malaysia," says Mr. Tan, who is based in Kuala Lumpur.

"The mere presence of MPI also

makes it a first point of contact by the Singapore media on real estate in Malaysia. The channel of credible feedbacks from MPI to the Singapore media has brought renewed interest in Malaysia as a viable investment and hospitality destination," says Mr. Tan, whose company, Chur Associates, is active in real estate advisory work.

Properties in Malaysia were undersold for many years but have remained attractive because of the government's liberal real estate regime that allows foreign ownership. Malaysia is arguably the most liberal among Southeast Asian countries in term of allowing foreign ownership. Neighboring countries like Indonesia and Thailand, for example, do not permit foreign direct or indirect ownership.

Even before the initiative to promote real estate overseas, the Malaysian government has introduced a long-stay program in 2002 to lure foreigners to live in the country. Under this program, known as Malaysia My Second Home (MM2H), the government issues five-year visas to participants with an option to renew their visas for another five years.

Penang-based Patricia J. Peters, CEO of Globus Asia Pacific

Consulting's representative office in Malaysia, whose company has helped people register under the program, says that through January, 15,316 people have participated in the MM2H program.

Program participants were attracted by benefits such as the ability to buy cars; purchase property valued 500,000 ringgit (US\$158,000) or more; hire domestic help; enroll their children in international schools where the lessons are in English. They are also permitted to work in selected industries, says Ms. Peters.

In addition, long-stay foreigners can enjoy low inflation, high economic growth, low property prices, relatively low transaction costs and the potential for high capital gains.

MM2H is a rebrand of the original Silver Hair Program introduced in the early 1990s by the Malaysian government to attract retirees. The main selling points remain the same: warm climate, friendly people, a country not hit by natural disasters, knowledge of English, quality living and low costs, Ms. Peters adds.

The program is part of the Ministry of Tourism's "Malaysia Truly Asia" campaign, which aims to attract visitors to discover many areas of the country.

MPI has in the past worked with

the Japan Long Stay Foundation to promote MM2H in order to enhance Malaysia's position as the No. 1 long-stay destination for Japanese people.

Chinese nationals top the list of nationalities who have resided in Malaysia under MM2H since its inception, followed by those from Bangladesh, the U.K., Japan, Iran and Singapore.

Mr. Tan of Chur Associates says Penang's popularity as the choice for foreign participants in the MM2H program is producing a

big jump in foreign buying interest in its property market. Penang already has the highest number of MM2H participants in Malaysia.

MM2H is clearly an important feature in making Malaysia a popular property investment destination.

The text of this Special Advertising Section was written by K.Y. Pung

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