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Newly-listed Teladan Setia allocates RM30 million to acquire land in Melaka

By Kathy B. - March 16, 2021 @ 12:41pm

Teladan Setia Group Bhd is allocating RM35 million for future landbank acquisitions in Melaka, says its managing director Richard Teo Lay Ban.

The company plans to develop houses as Melaka is seeing strong demand for landed properties, Teo said during a virtual press conference today following the listing of Teladan Setia on Bursa Malaysia.

According to the company's prospectus exposure with the Securities Commission, it has identified four pieces of land in Tanjong Minyak, measuring a total of 37.7 acres.

The Melaka-based property developer made its debut this morning on the ACE Market at a 25 per cent premium or 12 sen higher at 60 sen.

The stock, whose initial public offering (IPO) price was 48 sen apiece opened with a trading volume of 32.53 million shares.

Teo said of the RM77.3 million raised from the IPO, RM35 million will be used for future land bank acquisitions.

He said the company plans to build affordable residential units priced from RM400,000 to RM500,000 as properties in this segment are more sellable.

On the piece of land the company had acquired in Seri Kembangan, Selangor, Teo said the plan is to undertake a high-rise project.

The project in Seri Kembangan will be the first for Teladan Setia outside of Melaka.

But Teo said that as for now, the company will remain focused on developing projects in Melaka.

Established in 1997, Teladan Setia's portfolio comprises landed, low-rise, and high-rise residential properties, shop houses, offices, and retail shops in Melaka.

To date, the company has completed projects worth a total gross development value (GDV) of RM2.1 billion.

It has now on-going and pipeline projects with a GDV of RM1.6 billion.

Teo said these projects will keep the company busy for the next four years.

As of September 2020, Teladan Setia has a property inventory of RM43 million.

The company's website list Taman Desa Bertam 2 & 3, Taman Belimbing Setia 2, Taman Bertam Setia, and Bali Residences as its on-going projects.

Taman Desa Bertam, which is surrounded by developments like Bukit Rambai and Tanjung Minyak industrial estate, has fully sold its single-storey terraced units (1,041 sq ft) that were being offered at RM180,000.

Teo said the company is planning to launch Phase 3B and Phase 4 of Taman Desa Bertam, comprising two-storey semi-detached homes and single-story cluster houses.

Teladan Setia will also launch Bertam Heights, a gated and guarded development located next to Taman Desa Bertam.

Teo said the current low-interest rates and the on-going Home Ownership Campaign (HOC) is expected to attract home buyers, especially first-time purchasers.

He said the property market is currently in a recovery mode and if house prices move uptrend, the company will enjoy healthier profit margins.

According to him, the company recorded a profit margin of 17 per cent to 18 per cent, amid the on-going Covid-19 pandemic.