



ECRL route set to accelerate property value

by S BIRRUNTHA

PRICES for property near the East Coast Rail Link (ECRL) Northern Alignment route are expected to increase rapidly with the booming demand for transportation infrastructure and better connectivity.

Centre for Market Education fellow and Bait Al Amanah economist Fariq Sazuki said with the latest ECRL realignment, industrial towns like Serendah and Kapar in Selangor may see a rapid increase in property value.

He said owners of logistics and industrial property such as warehouses and factory buildings will benefit from this project.

Fariq added that residential property in Selangor will also see a fast rise in value as a by-product of the infrastructure project. "The areas nearby ECRL stations, namely Kapar, Puncak Alam, Gombak (in Selangor), and even Bentong (in Pahang) may blossom to become highly demanded residential regions for those working in Port Klang and industrial areas in Selangor.

"It should be noted that property values in Selangor may rise even without the ECRL, but since it will cater to cargo freights, property values in industrial regions are expected to rise dramatically," he told *The Malaysian Reserve (TMR)*.

Additionally, Fariq said the ECRL may steer away demand for housing from the Klang Valley towards other areas along the route, such as Kuantan and Temerloh in Pahang, because of the better connection to Selangor.

He said due to higher costs of living in the Klang Valley, a "living in Kuantan, working in Kuala Lumpur (KL)" phenomenon is possible in the future.

Therefore, Fariq said demand for rental houses in areas nearby ECRL stations will rise as well.

However, in terms of development for investment, Fariq concurred with Selangor Menteri Besar Datuk Seri Amirudin Shari's opinion that the Southern Alignment could have created new high-value regions, such as in Jekebu and Kuala Kelawang, Negri Sembilan.

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"The ECRL could have increased the property prices significantly in those areas, while attracting developers.

"Hence, property owners on the Southern Alignment are losing from the recent ECRL update. Although their property prices are still rising, it is at a much slower pace," he added.

Apart from the property sector, Fariq said regardless of which alignment is agreed upon, among the biggest beneficiaries of the ECRL development are the logistics and transportation sectors due to its port connectivity.

Meanwhile, in terms of passenger transportation, he noted that the ECRL will be an important medium for people traversing the Klang Valley, Pahang, Terengganu and Kelantan, as it will be an alternative to the increase in traffic between the Klang Valley and the East Coast, limited highway access (especially for Kelantan) and low number of flights available (especially for Terengganu).

On a larger picture, Fariq said China is expected to be a main beneficiary, as it

aims to pursue the Belt and Road Initiative through ECRL, bypassing Singapore in the trade path.

"The ECRL development will also create a huge spillover effect, benefitting other industries related to the project, for example, the construction sector due to rising property markets nearby the ECRL stations and paths.

"Higher demand for housing and higher property values will attract developers to build residential buildings," he added.

Overall, Fariq said Selangor will benefit the most from the latest realignment because there is better connectivity within the state.

He also noted that a dense state like Selangor will always have a demand for transportation due to a rapid growth of the manufacturing and services sectors.

Besides that, he said the state can decentralise the over-concentrated economic centre by moving developments away into areas like Puncak Alam and Kapar.

Meanwhile, CCO & Associates (KL) Sdn Bhd director Chan Wai Seen also agreed that the ECRL will benefit property owners around the stations, as there is currently no train

connectivity along the Northern Alignment.

He said naturally, increases in demand and property prices are expected.

"However, I personally think that the sustainability of the prices will depend greatly on the efficiency of the ECRL after completion.

"When you look at the impact of KTM ETS (Keretapi Tanah Melayu electric train service) services, it does not really create a significant impact on the local property market," he told TMR.

Chan added that it has been envisaged that ECRL would cater mainly to cargo movement as opposed to travellers due to its connectivity to ports like Kuantan Port and Port Klang.

He suggested for the government to focus on creating more industrial developments around ECRL while ensuring the stations are well equipped to support industrial developments.

"Industrial developments will encourage population growth, increase income of the local residents and eventually stimulate the demand for local property," he said.