

Ireka buys KLCC land from Kuoks

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The almost one-acre tract in Jalan Kia Peng that Ireka Corp Bhd is acquiring for RM87 million, or about RM2,000 psf, has been on the market for about two years.

According to a party familiar with the freehold land on which the Top Hat Restaurant once stood, the vendors — Kuok Chiu Hoon Selina, Kim Kuok Strickland and Farah Azman — had initially put it up for sale at RM2,000 psf but later upped the tag to RM2,500. The vendors are related to Malaysia's richest man, Tan Sri Robert Kuok.

A Korean party is believed to have been interested but the deal fell through with the onset of the economic downturn early this year. The property was then put back on the market, this time at RM2,000 psf.

Although Ireka Corp, through wholly-owned subsidiary World Trade Frontier Sdn Bhd, is the buyer, the land will be jointly owned and developed together with Aseana Properties Ltd (APL). Paving the way for this is a memorandum of understanding signed between Ireka Corp and APL on Dec 11, the same day the land deal was inked.

Ireka Corp, controlled by the Lai Siew Wah family, together with the Lai family, owns about 40% of APL, a

property development company listed on the London Stock Exchange since April 2007. The company was established to take advantage of upmarket property development opportunities in Vietnam and Malaysia.

Ireka Corp and APL will co-develop the land on a 30:70 basis. The roundabout way in which the two companies are involved in the deal is to enable the vendors, represented by Zerim Properties, to avoid paying the 5% real property gains tax, which will kick in from Jan 1, 2010. Having a foreign party in the land deal would have meant a delay in signing the sale and purchase agreement as certain approvals would have to be first sought.

The land, currently tenanted to and occupied by a car park operator, has a commercial title. Ireka Corp's executive director Lai Voon Hon tells *The Edge* that several proposals for a building with sustainable features have already been completed. The plan is to kick-start the project as quickly as possible.

Subject to planning and development approvals, one block of high-end serviced residences with an estimated gross development value of RM272 million will come up on the tract. The developer is confident the

small to medium-sized upmarket serviced residences will appeal to urban Malaysians and foreigners who want to live near the famed KLCC Park and Petronas Twin Towers.

The latest land deal in the KLCC area comes on the heels of the acquisition last month of Bok House — within a stone's throw of the Petronas Twin Towers — by Dijaya Corp Bhd, which is paying about RM2,200 psf.

In May last year, Sunrise Bhd acquired the 24-storey Wisma Angkasa Raya — which separates the Bok House land in Jalan Ampang from the Petronas Twin Towers — for RM2,588 psf.

A month before that, in April 2008, YTL Group had acquired a one-acre tract in Jalan Stonor, also in the KLCC area but further away from the Twin Towers, for RM2,000 psf.

The Top Hat land sits across the road from the Trader's Hotel and is close to the Kuala Lumpur Convention Centre. Depending on what buildings eventually take shape between the site and the Twin Towers, Ireka Corp's planned serviced residences could find the view of the Twin Towers partially blocked.

Still, the land carries the prized KLCC address, one that the Ireka group is believed to have been eyeing for the last five years. ■