

A Shangri-La for Dayabumi

KLCCP Stapled Group plans to build 540-room hotel and 60-storey office tower

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KUALA LUMPUR: KLCCP Stapled Group, which is planning to build a 60-storey office and hotel tower next to Menara Dayabumi, is currently in talks with the Shangri-La group to manage the facility.

KLCCP Stapled Group, which comprises KLCC Property Holdings Bhd (KLCCP) and KLCC real estate investment trust (KLCC Reit), is planning to build a 540-room hotel on the top-half of the tower block.

"We are currently finalising a hotel management agreement with the Shangri-La group," said KLCCP and KLCC Reit chief executive officer Datuk Hashim Wahir on the sidelines of the group's AGM yesterday.

He said the new tower would be built on the current City Point shopping centre, which is currently being demolished. City Point is part

of Kompleks Dayabumi.

The plan for a new tower next to Menara Dayabumi was first announced in 2013. It is expected to have a 540-room hotel, 500,000 sq ft of office space and five levels of retail podium.

"We are expecting the tower to be completed by 2019. We are looking at a potential yield of more than 10% since we are building it," Hashim said.

He added that the group was also planning to add another 35,000 sq ft of office space at Menara Dayabumi, which would see the building's atrium transform into three levels of office space.

Shangri-La Malaysia owns and operates its flagship 29-storey, 662-room hotel in Kuala Lumpur. It also owns and operates various properties in Malaysia, including Traders Hotel Penang and Rasa Sayang Resort & Spa in Penang.

The Shangri-La hotel group was founded by Robert Kuok. Kuok Brothers Sdn Bhd, which is the Kuok family vehicle, owns a 22.28% stake in Shangri-La Hotels (Malaysia) Bhd.

Meanwhile, Hashim said the group hoped to acquire three towers that were currently being developed by its parent company KLCC (Holdings) Sdn Bhd.

"We have the first right of refusal on any development projects by KLCC (Holdings) around the KLCC area," he said.

Two of the three towers are being jointly developed by KLCC (Holdings) and Qatari Diar Real Estate Investment Co, the investment arm of the Qatari Investment Authority.

The two towers are expected to be completed in 2020 and will have mixed developments of 56-storey and 77-storey buildings. One of the two towers will be a 700-room hotel by Fairmont Raffles Hotels International Inc.

"The other tower will be an office block where rental space will be underwritten by the shareholders," said Hashim.

It is reported that the whole project could be worth some RM8bil.

The third tower, which is on Lot 91 measuring about 7,605 sq m, is located adjacent to the KLCC Convention Centre.

Hashim, who is also the CEO of KLCC (Holdings), said the building on Lot 91 was a joint venture with Sapura Resources Bhd. They plan to build a 52-storey building that includes a premier office tower, exhibition space and a retail podium.

On the tenancy of the ExxonMobil building, Krishnan C K Menon, who is KLCCP and KLCC Reit chairman, said the group was in talks with the tenants for a long-term tenancy beyond 2017.

The tenancy for the ExxonMobil tower expires in 2017.