

UDA seeks RM100m

> 150 retailers at Bukit Bintang Plaza affected by MRT project

compensation for plaza tenants

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KUALA LUMPUR: UDA Holdings Bhd is seeking an initial sum of RM100 million compensation from the Treasury or MRT Corp Bhd, owner of the My Rapid Transit project, for the 150 tenants of Bukit Bintang Plaza (BB Plaza) who will be affected by the construction of the Bukit Bintang underground station.

UDA chairman Datuk Nur Jazlan Mohamed said while it is willing to "sacrifice" for the MRT project, it would hamper the company's business and its agenda to provide space for bumiputra retailers in the city.

Speaking to reporters at the launch of UDA's IT Transformation Programme yesterday, he said 60% of the affected 150 tenants are bumiputra retailers.

MRT Corp is taking over the frontage of BB Plaza and the adjacent Yayasan Selangor building next month for the construction of the Bukit Bintang underground station, which is part of the 51km MRT connecting Sungai Buloh to Kajang. MRT Corp wants the basement of BB Plaza as space for equipment and tools for construction of the underground station.

Jazlan said: "For the next four to five years, we will still lose BB Plaza

frontage when MRT Corp starts construction work... this will affect the business...that's why we put forward the suggestion that MRT Corp compensates the tenants."

He said the company is leaving it to the finance ministry to decide but will certainly raise the issue with the authorities.

"MRT Corp is under pressure to begin operations by 2017 so we expect to have the decision very soon," he said. BB Plaza has 400,000 sq ft of space, of which 280,000 sq ft are net lettable area with a market value of over RM300 million.

On plans to sell BB Plaza to MRT Corp or to redevelop the mall, Jazlan

said: "We are in discussions now, but it doesn't mean we'll sell.

"If the redevelopment of MRT does go ahead, we have to weigh losing rental income and we have to demolish the building and build it again, which will have additional problems like higher cost of redevelopment and this cannot be acceptable to the

Bumi agenda."

UDA's managing director Ahmad Abu Bakar said company's recurring revenue from BB Plaza is RM20 million to RM25 million per year, or 25% of the its total revenue.

"It is very important to maintain cash flow and if there's any redevelopment, we expect added value rather than being stagnant," Ahmad said.

Jazlan said UDA will not bear the responsibility of relocating tenants as it does not have an alternative place for them.

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