



Despite Plaza Rakyat's central location in Kuala Lumpur, plans to revive it have continued to fail. — Photos: RAJA FAISAL HISHAN and FAIHAN GHANI/The Star

Delays complicate project

Plaza Rakyat's city centre location still does not help revival efforts

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IT HAS been nine years since the announcement on the revival of the abandoned Plaza Rakyat project in Jalan Pudu, Kuala Lumpur, yet there seems to be little to no progress at the site.

Recent checks by *StarMetro* found the site to be cordoned off with hoarding and with metal piling visibly jutting out of the uncompleted project.

A small building, which appeared to be the showroom, was also off-limits due to hoarding placed around it.

A parking attendant in the area, who gave his name only as Awang, said there had been no activity at the construction site for years.

"I have never seen anyone enter the site either," he said, adding that he was unaware of any plans to rebuild the abandoned complex.

An aerial check by *StarMetro* also found stagnant water inside the complex, alongside untrimmed overgrowth.

Plans to revive Plaza Rakyat were announced in 2015 by then federal territories minister Datuk Seri Tengku Adnan Tengku Mansor.

This followed a series of legal proceedings and negotiations by the Kuala Lumpur City Hall (DBKL) to acquire the site.

However, it was unclear what became of the revival and the plan was mooted again by Tengku Adnan's predecessor Khalid Abdul Samad in 2019.

He said the development was supposed to take between 36 and 50 months to be completed.

A DBKL source with knowledge of the matter said the developer had plans to bring in a contractor from China for the revival.



Commuters at the Plaza Rakyat LRT station which is located inside the abandoned Plaza Rakyat project.



Soo says so much has changed in the Jalan Pudu area and the original Plaza Rakyat project may no longer be suitable there.

"However, the Covid-19 pandemic soon hit and there has been no update since then," he told *StarMetro*.

DBKL's Corporate Communications Department, in a statement, revealed to *StarMetro* that several rounds of discussions had been held with the company involved in the Plaza Rakyat project to explore

viable methods for its advancement.

However, no definitive solution has been reached thus far.

The statement added that DBKL was currently engaged in conducting comprehensive feasibility, technical and commercial studies aimed at identifying optimal implementation strategies for the project in the future.

Challenges abound

Located within a 5km radius of major attractions such as Dataran Merdeka and the Central Market and with an LRT station and track running through it, the Plaza Rakyat project has all the ingredients for a vibrant commercial and retail space.

Yet, attempts to revive the project over the years have continued to fail.

Retail property consultant Allan Soo said reviving the project, although possible, would be mired in challenges.

"So much time has passed since the inception of the project,

which brings into question whether or not it is still relevant.

"Usually, a development project is planned with the area's character taken into account.

"So much has changed in the Jalan Pudu area, and the original project may no longer be suitable there," he said.

The rapid development of newer and more modern retail spaces, added Soo, had caused intense competition in the retail property market.

He cited the recently opened Menara Merdeka 118, located about 2km from Plaza Rakyat.

"Unlike these newer malls, Plaza Rakyat is considered to be in the downtown area of Kuala Lumpur.

"Many shoppers prefer to head to newer malls located in more upbeat and vibrant parts of the city," he said.

Soo said for the revival to succeed, the breakdown between residential and commercial spaces in the project must be reviewed.

"A mix of residential units and low-budget to medium-



No activities have been sighted at the Plaza Rakyat project for years, according to locals, despite plans to revive it.

budget hotels will likely do well there, but the same cannot be said for a mall.

"The developer also needs to find ways to fit the revised development plan into the existing structure," he added.

Malaysian Institute of Architects (PAM) immediate past president Sarly Adre Sarkum says the longer a project is delayed, the more complicated it becomes.

He highlighted the challenges in resolving issues and revitalising the project as complications mount.

"This complexity can be due to the involvement of multiple stakeholders.

"Also at the beginning, there

is a profit margin to work with, but after delays, everything changes, introducing risks and impacting the quality of the site, such as Plaza Rakyat," he said.

Sarly also questioned the rationale behind assuming such risks, suggesting that Plaza Rakyat would require intervention from a government-linked company (GLC) with sufficient financial capacity to navigate and mitigate these risks effectively.

For some of the buyers, it has been a long wait for compensation or any revival attempts.

Thirty years ago, Seng Tee, a tailor from Teluk Intan, bought a unit in Plaza Rakyat.

Now, at the age of 71, he continues to await any form of compensation from the developer of the abandoned project.

"At my age, I'm too weary to continue the struggle. Whether it's offering us a unit in their new project, requiring additional payment for the unit, or providing some form of compensation, I'm open to it.

"I simply wish to end this cycle of hope and waiting," he said.

Long history

The Plaza Rakyat mixed development project was abandoned in the late 1990s during the Asian financial crisis after



Menara Merdeka 118 towers behind the abandoned Plaza Rakyat project.

(Below) This pedestrian walkway is used by commuters to travel in and out of the Plaza Rakyat LRT station, which is located inside the abandoned project.



its developer Plaza Rakyat Sdn Bhd (PRSB) ran into financial trouble.

The development, then valued at RM1.4bil, was only 30% completed at the time.

It was to include a 96-storey tower comprising 10 storeys of office space, 50 storeys of serviced apartment and a 26-storey hotel.

In 2010, the Federal Government terminated PRSB's contract and the company went into receivership and came

under the administration of a consortium of lender banks.

In 2014, DBKL took vacant possession of the site after repaying a RM150mil loan taken by PRSB from those banks.

The local authority then undertook works lasting three months to drain stagnant water inside a seven-storey basement at the site.

In 2015, DBKL signed an agreement with a new developer to take over the project for a sum of RM740mil.