

All is still silent on the abandoned Plaza Rakyat

OVER 10 years have passed since former Kuala Lumpur City Hall (DBKL) Mayor Datuk Ahmad Phesal Talib pledged to revive the stalled Plaza Rakyat project but the council's efforts have continued to drag on, turning into a prolonged waiting game.



By JOSEPH WONG

Way back in December 2012, DBKL was battling to reclaim the property from Plaza Rakyat Sdn Bhd (PRSB), a subsidiary of delisted Wembley Industries Bhd, linked to Sarawak's former tycoon the late Tan Sri Ting Pek Khiing. The project, initially announced for revival in 2012, had also seen failed attempts in 2005, 2007 and 2009.

Since then, the council has seen four other mayors, namely Mhd Amin Nordin Abdul Aziz whose term ended in September 2018, Nor Hisham Ahmad Dahlan (ended September 2020), Mahadi Che Ngah (ended March 2023) and Datuk Kamarulzaman Mat Salleh who is the DBKL's current and 14th Mayor.

In the meanwhile, Plaza Rakyat project, once a promising venture aimed at revitalising a key area of Kuala Lumpur, has continued to face numerous hurdles and setbacks. The site has remained an eyesore in the cityscape, with its skeletal structure symbolising unfulfilled promises and stalled progress. Many buyers, investors and stakeholders had given up hope on the long-dead Plaza Rakyat until news broke that Ivory Properties Group Bhd might be the company to revive it, sparking renewed interest in 2012.

Proposal rejected

However, DBKL eventually rejected Ivory Properties' proposal, citing different plans for the site, resulting in further delays. The council sought a shopping mall development akin to Sungai Wang Plaza, not the plans proposed by Ivory Properties. Officially rejecting the proposal, DBKL stated it did not recognise the receiver and manager AdamPrimus Chartered Accountants, who had taken over the revival efforts.

In the subsequent period, efforts to get an update on the project's progress have been met with silence from DBKL officials. Multiple attempts to contact the previous mayors for an update were also unsuccessful. As a result, the progress of the abandoned project continued to persist since

Failed attempts

2005



2007



2007



2012



2015



2019



The aerial view of the abandoned Plaza Rakyat project in Kuala Lumpur. — FAIHAN GHANI/The Star

stalling in 1998 after the 1997 Financial Crisis. The project, which once held the promise of transforming the city's landscape and providing numerous economic benefits, continues to languish, caught in a web of bureaucratic red tape and conflicting interests. The lack of clear communication and decisive action has only added to the frustration of those who have a vested interest in seeing Plaza Rakyat come to fruition.

Plaza Rakyat was launched in 1994 as a mixed skyscraper complex in one of the busiest areas of Kuala Lumpur, occupying a large triangular tract of land facing Pudu Road and Robertson Road, previously occupied by the Selangor Chinese Club.

Original designer

The project, originally designed by American architectural firm Skidmore, Owings and Merrill LLP, was to comprise a 79-story office tower, a 46-story condominium, a 24-story hotel and a seven-story shopping centre.

Plans to revive Plaza Rakyat were again 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.

Neighbouring project The Robertson's developer hinted to the writer that a China contractor had been approached to kick start Plaza Rakyat's revival since DBKL had already successfully reclaimed the site. A source from DBKL confirmed that the new developer intended to bring in a contractor from China for the project's revival.

Saving millions of ringgit

To recap, Profit Consortium Sdn Bhd was offered the resuscitation project as it had offered the council a sweeter deal than Ivory Properties when the council tendered out the project, allowing DBKL to save millions of ringgit. The consortium was believed to have bought the aban-

er this year, 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.

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

New risks

In the same article, Malaysian Institute of Architects (PAM) immediate past president Sarly Adre Sarkum stated that the longer a project is delayed, the more complicated it becomes. He highlighted the mounting challenges in resolving issues and revitalising stalled projects, citing the involvement of multiple stakeholders as a key factor.

He pointed out that the original Plaza Rakyat project may no longer be suitable for the current environment in the Jalan Pudu area, where significant changes have occurred over time. He noted that initial profit margins can erode with delays, introducing new risks and impacting the site's overall quality.

Sarly also questioned the rationale behind taking on such risks, suggesting that the Plaza Rakyat project would require intervention from a government-linked company (GLC) with sufficient financial capacity to navigate and manage the complexities involved.

This begs the question if Plaza Rakyat will ever see the light of day? The last known statement from DBKL is that the council is currently conducting comprehensive feasibility, technical and commercial studies to identify optimal implementation strategies for the project's future.

And this leaves the next question hanging - what happened to the white knights who were supposed to rescue this long-standing abandoned project?



The late Ting (right) explaining to then Kuala Lumpur Mayor Datuk Mohamad Shaid Mohd Taufek (left) the Plaza Rakyat project. Looking on was then Global Upline Sdn Bhd chairman Tan Sri Amar Dr Sulaiman Daud (centre).

doned project from DBKL for RM740mil in October 2015, a sharp contrast to Ivory Properties' supposed offer of RM560mil.

When DBKL won the award to terminate the agreement with PRSB and take back the site, it had to repay PRSB RM100mil for work done on the site and settle outstanding bank loans with interest. DBKL also had to pay a further RM140mil to a consortium of lenders led by RHB Bank Bhd for loans taken by PRSB.

In 2017, Profit Consortium announced it planned four skyscrapers on the site, slated for completion in 2022. A showroom was built at the site in preparation for the launch, which never materialised. The outbreak of the Covid-19 pandemic further derailed plans and since then, the site remains abandoned until 2020.

DBKL's Corporate Communications Department stated that several rounds of discussions had been held with the company involved in the Plaza Rakyat project to explore viable methods for its advancement. Despite these efforts, no definitive solution has been reached thus far.

In an interview with StarMetro earli-