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Integral to build RM15m mall in Bukit Bintang

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PRIVATELY-owned Integral Accord Sdn Bhd will be building a RM15 million shopping mall in the commercial district of Bukit Bintang, Kuala Lumpur, aimed at catering to West Asian tourists.

"The four-storey mall will be built at an estimated cost of RM15 million and will accommodate between 10 and 25 retail outlets once it is completed," Integral Accord's managing director Zaaba Chemat told Business Times in a telephone interview.

Zaaba said the targeted revenue is RM450,000 per month or RM6 million per year, with net profit of at least RM1.5 million after tax deduction and expenses for upkeep and maintenance. "The figure is attainable if the mall's space is fully occupied," he said.

On the current property market outlook, Zaaba is optimistic. "I believe it (the property market) is recovering and everything should be fine by next year. Furthermore, the economic growth is currently very encouraging," he said.

Zaaba added that there is no reason for low take-up rates if the mall has a unique selling proposition.

"If we create something that's already in the market, definitely it won't sell as well as something unique, and I believe that what we have is different.

"Once completed, the shopping mall will have about 80,000 sq ft of built-in area," he said.

According to Zaaba, the mall's construction is still pending approval from the Kuala Lumpur City Hall, and the estimated date of completion is five months after obtaining the development order.

The development order is expected to be obtained by the end of this year or February next year. The land is being leased by Integral from City Hall.

According to the Property Market Report, the current rental rate of retail space in the area ranges from RM1.

Currently, Integral has secured two major tenants for the shopping complex.

BMW will be one of them, occupying 12,000 sq ft of lettable space, of which 10,000 sq ft will consist the showroom area. The remaining 2,000 sq ft will be for administrative office.

BMW has signed up for a five-year lease, with an option to renew it for another five years.

International mediterranean restaurant chain Marche has also voiced its interest to set up a franchise in the mall.

"We have received some enquiries and feedback from West Asian businessmen as well. Arab tourists would want to feel at home despite being in other countries," he said.

For that, Zaaba plans to make the mall different by introducing other exclusive upmarket retail outlets selling jewellery, duty-free goods, as well as introducing al-fresco cafes, West-Asian restaurants and belly-dancing clubs.

"Having a retail mix is important because although our market target is the middle-eastern (West Asian) tourists, their arrival is seasonal. So, we will ensure that the mall will have a balanced retail mix to serve the locals and other tourists as well," he said.

Therefore, apart from outlets catering for Arab tourists and the

upmarket bracket, plans are in line to introduce handicraft shops, boutiques and an international food court at the topmost floor of the mall.

Zaaba said another reason why the mall has a chance of success is the willingness of the Art, Culture and Tourism Ministry to cooperate.

"They will work closely with us to market the mall as a tourist destination by giving free publicities and new ideas," he said.

According to Zaaba, the idea to set up the mall was the brainchild of Prime Minister Datuk Seri Dr Mahathir Mohamad.

"It is to attract more middle-eastern (West Asian) tourists to visit Malaysia," he said.

From January to July this year, tourist arrivals totalled 8.37 million, of which 136,597 were from West Asia.

Tourist arrivals in the fiscal year 2002 are expected to be 19.2 per cent or 14.3 million higher than the 12 million projected this year.

The Government, under the 8th Malaysia Plan, has allocated RM1.01 billion to develop tourism in the country.

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