

RM850psf plus shares

Govt's 'final and best offer' for Kampung Baru landowners

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KUALA LUMPUR: Kampung Baru landowners will be offered RM850 per sq ft for their land, and an additional RM150 per sq ft in the form of shares.

Federal Territories Minister Khalid Abdul Samad said this was the government's "final and best offer" to acquire Kampung Baru land, adding that landowners who opt to buy real estate in the new development project would also get a 15% discount.

"The shares will be in the special purpose vehicle (SPV) of the development project to be set up in the future.

"The details of the structure of the shares will be fine-tuned by the relevant government agencies and finalised before the agreement is signed.

"The shares mean landowners will continue to have ownership rights over the land that is developed, and will get returns from the development.

"The landowners will be involved in the design and the approach taken in the area's development," he said during a press conference at Kuala Lumpur City Hall yesterday.

He added: "This means landowners will still own a 15% stake of the land."

To a question on whether the shares are transferable, Khalid said he hopes the shares will not be sold to others.

"We will not want that to happen, if possible we don't want the shares to be sold but for the landowners to get the benefits and returns.

"We hope for the landowners to return and settle there," he said, adding that allegations that the Malays were being displaced from the area are false.

He said landowners may also be further compensated should the nature of the structures developed in the future further pushes up the valuation of the land.

On the 15% discount of the newly developed property, Khalid said landowners must

indicate their interest to do so when the agreement is finalised.

The government had previously offered to buy the land at a rate of RM850 per sq foot as compensation to landowners, but many of the landowners considered the price to be too low.

During a townhall session on Sept 21, Khalid presented landowners with four compensation options – cash, a completed house, a combination of cash and house or become a shareholder in the new project.

Khalid now urged the landowners to submit the feedback forms regarding the offer to the Kampung Baru Development Corporation, giving them the deadline of Nov 30.

He also aimed for the decisions and plans to be finalised by June 2020, and for cash payments to be disbursed then.

He said it is estimated that the buyout will cost the government about RM6.7bil in compensation.

The sum, he added, was not accounted for in Budget 2020 and will thus be a special allocation.

"The amount will not be raised through federal funds; it may be from other funding such as through the banks or sukuk," he said, adding that some banks have approached him to offer funding packages.

He added that the gross development value of the finished project is estimated to be about RM30bil.

Kampung Baru is a traditional Malay village enclave, which spans a total of 124.37ha, and is surrounded by major tourist areas of Jalan Ampang, Jalan Sultan Ismail and Jalan Raja Laut.

The government had been looking into redevelopment plans for Kampung Baru, which would see 45,000 units of affordable houses being built at the site, covering 70% of the development area.

The rest of the development area will be for commercial purposes, and a Malay heritage park and food court were also part of the plans.

Pewaris: Share offer may not be best deal for landowners

By FARID WAHAB
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KUALA LUMPUR: The government's latest offer to Kampung Baru landowners had raised more questions from stakeholders.

Besides RM850 per sq ft for their land, they were offered RM150 per sq ft for shares in a future special purpose vehicle (SPV) of the development project.

Additionally, those who opt to buy a house in the new development project will be offered a package of 15% discount for the new house price.

Federal Territories Minister Khalid Abdul Samad estimated the price for a unit, after discount, to be RM255,000.

Pertubuhan Pemilik Tanah dan Waris Kampong Bharu (Pewaris) secretary Zainudin Ismail said the latest announcement had further confused landowners, especially the elderly folk in Kampung Baru.

"We were not told who would manage these shares or what was even the purpose of these shares? It would have been better if the government had just made a flat offer of RM1,000 per sq ft instead of introducing this concept of shares," he added.

Lawyer Shahrom Mohd Haron, who is representing Pewaris, said the government must properly explain what the shares entail.

"That is a tall order, to explain to the landowners about the concept of shares. Not

everyone will be able to understand what that would mean for him or her," he said.

He added the government must also explain if these shares can be sold to individuals or parties who are not landowners in Kampung Baru.

Malay Agricultural Settlement honorary secretary Shamsuri Suradi also expressed caution against the shares idea, saying many landowners would not be able to grasp what it meant.

He added many questions remain unanswered despite the latest announcement by Khalid.

"During the townhall which was conducted on Sept 21, we were told that the landowners would be paid in two stages. In the first stage, they would receive 10% of the compensation amount while another 90% would be paid later.

"However, we are yet to receive any further updates on the payment structure. This has caused a trust deficit among the landowners towards the government's intention for redevelopment," he said.

On Oct 22, *StarMetro* reported that Pewaris proposed for landowners to be given the right to make decisions and redevelop the land themselves, with funds provided by the government via bond issuance.

"Although they have good intention, the organisation itself does not have any experience in property development," said Shamsuri.