

Hektar aims to be retail specialist

By **DANNY YAP**
danny@thestar.com.my

KUALA LUMPUR: Hektar group, which has injected two of its companies into a real estate investment trust (REIT) scheduled for listing next month, aims to be Malaysia's first retail management specialist focusing largely on shopping centres.

The two companies are Hektar Premier Sdn Bhd and Hektar Black Sdn Bhd, which fully own Subang Parade in Selangor and Mahkota Parade in Malacca respectively.

Chairman Datuk Jaafar Abdul Hamid said the shopping centres had reached a sufficient level of maturity in terms of occupancy and yield to be placed in a REIT.

The REIT, known as Hektar-REIT, has a combined property value of RM523mil and total net lettable area (NLA) of 957,025 sq ft.

"We are a pure-play retail management specialist and managing ailing shopping centres back to health is our core competency," Jaafar told *StarBiz* yesterday.

He said the group had a team of professionals with expertise to turn around poorly managed retail shopping centres with good assets.

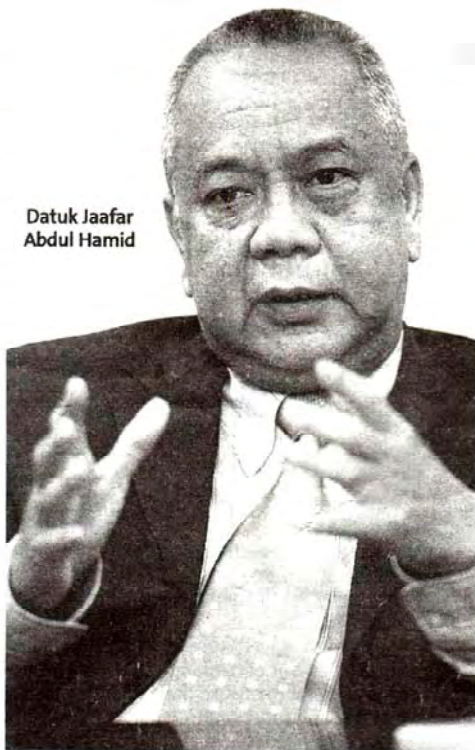
"Before going into retail management we conducted market research and studies on over 30 world-class shopping centres to find out their strengths," he said, adding that the group was prepared

to outsource experts if required.

On Hektar's strategy, Jaafar said in deciding to manage a retail shopping centre, the company looked at the leasing structure, asset enhancement opportunities and yield potential, adding that Hektar preferred to have at least 51% equity in a shopping centre for better management control.

The group has another company, Hektar Klasik Sdn Bhd, which fully owns land in Nusajaya on which it aims to develop a new lifestyle shopping centre with a planned NLA of one million sq ft.

Asked if the shopping centre would be injected into Hektar-REIT, Jaafar said: "It depends on the shopping centre's potential to achieve the occupancy level and yield target." He added that the group also needed to package the shopping centre well to attract investors.



**Datuk Jaafar
Abdul Hamid**

On the possibility of the group acquiring poorly managed shopping centres, Jaafar said: "It depends on whether the shopping centre has the leasing structure, asset enhancement opportunities and yield potential we are looking for."