

MCIS selling PJ headquarters

This is following a 'review' of its strategy

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PETALING JAYA: Wisma MCIS and its annexe block, which is a fairly well-known landmark near PJ Hilton in PJ New Town, previously known as PJ State, is in the market for a sale and leaseback deal.

The sale is subject to a partial leaseback by MCIS Insurance Bhd for a period of three years, a statement from MCIS Insurance Bhd said.

Land owner MCIS Insurance is inviting expressions of interest for the 1.75 acres fronting Jalan Barat, which is located adjacent to the redevelopment site known as Petaling Jaya Commercial Centre.

Property consultancy Knight Frank has been exclusively appointed to advise the insurance group.

The expression of interest closes on June 30, 2017. The MCIS land is on a leasehold basis and expires in 2067.

MCIS Insurance said in a statement to *StarBiz* that it is divesting the land following "a review" of the company's strategy going forward.

MCIS Insurance Bhd CEO Kobus Vlok said regulatory and competitive technological pressures and external market factors had necessitated a review of the company's strategy and its positioning in Malaysia. One of the strategies is to move away from non-core activities.

"We will move away from activities that tie up resources in non-core activities," Vlok said

in the statement.

An example of non-core activities that would be discontinued would be the business of acquiring, letting and maintaining property.

"While only a small portion of total investments are in property, the property-related activities tie up valuable resources. It also carry risk beyond the company's appetite.

"The view is held that there are more attractive ways and investment vehicles to acquire access to attractive returns of property as an asset class of choice," Vlok said.

Following the corporate review and the divestment of its headquarters (HQ), the company would focus on solutions and services as the group aimed to be a major player in the preferred segments in the Malaysian life insurance industry, the statement said.

Knight Frank's executive director of capital markets James Buckley said Wisma MCIS and Annexe is a rare opportunity to purchase a fine location adjacent to the PJ Commercial Centre.

Wisma MCIS and Annexe is located about 200 metres from the Federal Highway.

He said the MCIS HQ is "an income-producing office and retail investment property with medium-term redevelopment potential."

In an advertisement in the local media, Knight Frank said the property has a net lettable area of about 180,000 sq ft, which can be increased to about 450,000sq ft if redeveloped. The commercial land has a plot ratio of 1:6, which means the parcel can be developed up to about six times its land area.