

Vertically Challenged in Malaysia

The Petronas Twin Towers, the world's tallest at 1,438 feet, tower over the rest of Kuala Lumpur.



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Agence France-Press

Petronas Is Long on Views, Short on Tenants

By WAYNE ARNOLD

KUALA LUMPUR, Malaysia — Clearly, Shaharuddin Yusof is not afraid of heights.

Two or three times a year, Mr. Shaharuddin, a former soldier, stuntman and father of five, climbs a slender set of rungs to the very top of one of the Petronas Twin Towers, 1,438 feet above the ground. There, he changes a light bulb that flashes to warn passing aircraft away from the world's two tallest buildings.

But Mr. Shaharuddin and the team of maintenance men he supervises are alone at the top. While the towers scrape the sky 33 feet higher than the previous record holder, the 110-story Sears Tower in Chicago, their highest full-time occupant is down on the 81st floor of the 88-floor Tower 1 — the president and chief executive of the building's majority owner, Petroliam Nasional, or Petronas.

Above him are only boardrooms, and on the highest floors — the 87th and 88th — equipment to wash the towers'

32,000 windows and polish its 700,000 square feet of stainless steel skin. The top 276 feet are occupied by empty spires, colossal hats culminating in two pinnacles.

While the World Trade Center was occupied to the top and the Sears Tower still is, the Petronas Towers have much unrented space. It is not fear of terrorist-piloted aircraft that keeps the towers so depopulated, but the buildings' designs, which allot 13 floors to machinery — and the fact that the owners have kept rents at double the market rate during a slump. "There is a glut of office space," said Terence Wong, a property analyst at the brokerage firm G. K. Goh Securities.

Qualms about tall buildings after Sept. 11 find little resonance in this Muslim nation. Just in case, though, the building management added airport-style security, complete with X-ray machines and metal detectors. Tenants are required to undergo training for three types of disaster and can evacuate the towers in just 32 minutes, a statistic proved

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in periodic fire drills.

"That's when you wish you were on a lower floor," said S. Kuhan, a consultant at Asia Telecommunications on the 40th floor of Tower 2.

As they hustle down, office workers pass through staircases encased in 30 inches of concrete. In contrast to the gypsum wallboard that enclosed the stairwells in the World Trade Center, these stairwells are designed to withstand a blast and subsequent fires.

Charles H. Thornton, the American engineer who helped design the Petronas towers, has argued that they could withstand a Sept. 11-style attack, not only because of the high-technology concrete but because their circular form makes them inherently more stable than a steel box. A bridge connecting the towers at the 41st and 42nd floors provides an alternative escape route should the stairwells be blocked.

"We feel quite safe here," said Alan Kam, the country director for the telecommunications company Avaya, which shares the 70th floor of Tower 2 with a division of Royal

When the towers were being built on the site of a former horse-racing track, Mr. Mahathir used to drop by unannounced to inspect progress by the two companies — one Korean, one Japanese — pitted against each other in a race to erect them. Mr. Mahathir is said to have sketched on a napkin the eight-point Muslim star the American architect Cesar Pelli used as the basis for the towers.

A remarkable amount of space is unoccupied, however. Like the two top floors, the first eight stories are occupied by mechanical equipment, as are three floors in the upper thirties. And while state-owned Petronas occupies all of Tower 1, only 65 percent of the 75 rentable floors in Tower 2 are occupied, according to Arlida Ariff, managing director of the buildings' manager, KLCC Urusharta.

Since the economic crisis, Kuala Lumpur has had a glut of office space, with roughly 20 million square feet left unoccupied, said Benny Chew, a property analyst at Merrill Lynch. Petronas Towers tenants get lower rates the more space they rent and the longer they rent it, but space in the towers still costs roughly double what it does elsewhere in downtown Kuala Lumpur.

The Petronas Towers are far more than just tall buildings, however. Tenants can choose to rent from 2,500 to 25,000 square feet in Malaysia's first "intelligent building," with a fiber optic backbone and 28 elevators that ensure that no one waits more than 30 seconds for a ride. Air-conditioning can be shunted to several different zones on each floor, so part of an office can be kept cool without paying to cool the entire floor. Special temperature sensors turn the air-conditioning off when a room is empty.

As for keeping the towers gleaming, that is a full-time job. Mr. Shaharuddin and his cleaning staff use a special polish for the corrosion-resistant stainless steel. When the steel sparkles, the building is so dazzling that birds dash themselves against it, providing a macabre chore for the cleaners — collecting the carcasses from ledges.

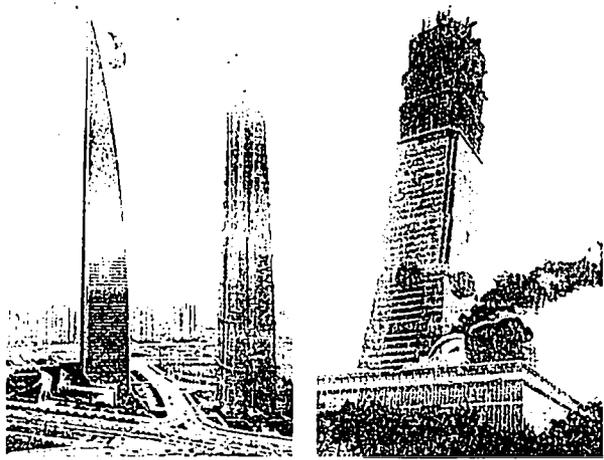
The two towers are just part of a \$2 billion, 100-acre "city within a city" that includes an 864-seat concert hall, a landscaped park, a five-star hotel and a mosque hand-decorated by craftsmen from Uzbekistan.

The shopping mall at the bottom is a runaway success, with 280 department stores, shops, restaurants and cafes. And, of course, there's a Starbucks, where tower tenants get a 10 percent discount.

"I like this place," Mr. Kam of Avaya said. "It's a reflection of your business. My customers love to come here for meetings."

What's not to love? Next year, a convention center is due to open across the park. Visitors can already drive from the airport to the basement parking lot, Ms. Arlida said, without hitting a single traffic light.

As for the rent, Mr. Kam says the towers are cheap compared with other cities. Rent is roughly \$25 a square foot. The average in downtown Singapore is about \$37, and around \$48 in Midtown Manhattan, according to Cushman & Wakefield.



A computer-enhanced photograph, left, shows the latest design of the 1,614-foot skyscraper rising in Shanghai, while a 1,667-foot building, at right, is under construction in Taipei, Taiwan.

The Petronas towers have also been designated a distant spur of the Multimedia Super Corridor, Malaysia's answer to Silicon Valley. Companies in the towers are thus eligible for special tax incentives, including a five-year holiday on income and investment tax, waivers on import duties and grants for research and development.

Not surprisingly, the list of tenants in Tower 2 includes some of the biggest names in technology. Below Avaya on the 70th floor, is Computer Associates on the 69th and Alcatel on the 68th. E.D.S. is on the 63rd, I.B.M. on the 53rd. Microsoft occupies two floors, the 29th and 30th.

The towers' biggest draw, however, is not fiber optics, tax incentives or discount cappuccino. "The best thing about working here is status," said Mr. Kuhan from Asia Telecom.

"People look at you differently."

So prestigious is a Petronas Twin Towers address that Petronas originally declined to admit nontenants at all. It was only after an outcry in the local news media that the bridge connecting the buildings was opened for viewing.

The buildings' management will not even deign to rent out the top 10 floors of Tower 2 unless it can fill all 10. Otherwise, Ms. Arlida said, it is not cost-efficient to run the elevators at those levels or pump up cool water for air-conditioning.

Not that there have not been offers. Ms. Arlida said some prospective tenants have offered exorbitant sums to rent the 86th floor, but they were not what the owners consider the right kind of tenant. "Some things," she said, "money can't buy."

Windows anyone? Two floors of Microsoft; 32,000 of the glass kind.

Dutch/Shell, the towers' loftiest paying tenants.

Indeed, as Asian cities vie to establish economic dominance, the urge to lay claim to the tallest-building title appears to have overcome any fears about tempting terrorists. Booming Shanghai has resumed construction of a 1,614-foot skyscraper. Taipei is already building a 1,667-foot usurper, and in Seoul, plans are afoot to erect one that would soar 1,772 feet.

Shanghai's new skyscraper will stand near what is now the world's third-tallest building, the Jin Mao Tower. But the Petronas Twin Towers are roughly double the height of any other office building in Kuala Lumpur. Rising incongruously over the verdant Malaysian capital, they are a tribute to the economic achievements of this formerly impoverished tropical nation and its indefatigable prime minister, Mahathir Mohamad.

Completed in 1998 for \$400 million, the towers were only one of Mr. Mahathir's megaprojects, begun in the heady decade before the Asian financial crisis in 1997. There is also a 550-mile highway stretching the length of peninsular Malaysia, a new \$2.3 billion international airport outside Kuala Lumpur and a new \$5.3 billion seat of government, Putrajaya.