


SARAWAK PROPERTY BULLETIN

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SARAWAK PROPERTY MARKET REVIEW 2012 AND OUTLOOK 2013

More projects under the Sarawak Corridor of Renewable Energy (SCORE) commenced in 2012. By September 2012, Sarawak had recorded the third highest capital investments in the country totalling RM4.68 billion from 24 projects and attracted the most foreign investment in Malaysia of about RM3.75 billion. To-date, a total investment of RM29.1 billion had been approved under the SCORE initiative, comprising 12 projects in Bintulu, 4 in Mukah and 3 in Tanjong Manis.

A surplus budget for 2013 to the tune of RM83 million as announced in the Sarawak State Budget together with a higher expected GDP growth of 5% for 2013 (4.5% for 2012) and an improved 10.5% growth anticipated for the construction sector, would spell more construction activity in the State for the coming year. The inflation rate is expected to be about 3%. With Sarawak earmarked as one of the nation's main regional development areas under the current 10th Malaysia Plan, more funds will pour into the State in the coming years to sustain continued development in all sectors.

There is increased activity in the commercial shophouse sector especially in Kuching and Sibu with increased construction and prices reaching as high as RM1.5 million and RM1 million respectively for an intermediate shophouse unit.

Even though housing has generally been overshadowed by commercial development activities in 2012, the residential sector remains the mainstay of the property industry. However, recent accelerated growth in property prices especially in housing, is a cause for worry as housing affordability is likely to suffer, if prices are left unchecked.

2013 will see more activity in the industrial sector with more SCORE and 10MP projects underway. This in turn, will attract more workers, increasing the need for basic properties like housing and accommodation. At the same time, down-stream activities could trigger further expansion in the office and retail sector.

KUCHING

Continuing its run from 2011, 2012 has been a very active year in terms of property development for Kuching, with a significant number of launches in the 3rd quarter of 2012, coinciding with the Sarawak Builders' Expo (SARBEX) in September 2012.

Developers who were notably more aggressive in 2012 were:

- M/s Lee Onn introducing sizeable mixed development projects in the secondary locations of Batu Kawa-Matang
- M/s Chong Kia Hoi building its commercial precinct named Metro City in the new Matang Road area
- M/s Ibraco continuing the latter phases of its Tabuan Tranquility project in the Stutong area, and
- M/s MJC City Development launching its mixed retail cum apartment project within the vicinity of the Batu Kawah New Township.



Tabuan Tranquility by IBRACO



City One



Newly completed Hotel 56

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Other significant players include M/s Indah Kerjaya for its retail complex named Moyan Square at the Batu-Kawa Tondong area, M/s Sarafield for its 111 shophouses at Matang and M/s Batu Cergas for its commercial shophouse centering round Emart at Batu Kawa.

Most of these newly launched commercial projects are concentrated in the secondary locales, in suburban-outskirt area, away from the city's built up area.

The Batu Kawa area ranks 1st in terms of construction starts followed by the Kuching Serian area. However, the Kuching Built Up Area (BUA) would be leading in terms of total number of strata-titled units .

The socio-economic growth of Kuching has also spilled into the adjacent Samarahan area where the construction starts were not far behind that of Batu Kawa with housing projects such as Palm Villa and Desa Damai by M/s Hock Peng, Taman Bukit Berangan by M/s Yong Seng and Bandar Riyal. M/s MD Kwang Tai is another big developer with their on-going project at Central City in Samarahan.

Kuching has also been deluged by constant infrastructure works happening concurrently with the other property development projects such as the upgrading of Jalan Tun Jugah, construction of the Jalan Tun Jugah-Jalan Song flyover (a major thoroughfare in South East Kuching) to ease traffic flow and improve connectivity from the Kuching airport and the Kuching city centralised sewerage system project for efficient waste management.

Office Sector

The purpose-built office sector for Kuching was rather quiet in 2012 with no new official launches or starts.

Two (2) office buildings were completed during the year, namely Sarawak Energy Berhad HQ, a 9-storey green GBI-certified Corporate Building at a cost of about RM232 million at the Kuching Isthmus; and Kompleks Islam Sarawak, a 17-storey building with a dewan and 4 retail floors on a 0.83 hectare site costing RM100 million at Jalan Haji Mohamad Kassim, near the Satok Commercial area. Both were built for government-linked entities.

Office rents remained stable between RM2.50 psf and RM3.00 psf on average and yields for purpose built offices in Kuching remain at 5.5% at most for prime areas. The new office buildings are government owned and occupied so no new rental rates have been recorded. Most of the office buildings built in the last 2 years have yet to be fully occupied. Office rents are likely to remain unchanged for 2013.

Office values for 2012 are maintained at RM300 psf. There was no purpose built office transaction recorded for 2012. The office supply is expected to be stable with no unexpected jolts for 2013 and no large overhang.

Retail Sector

There was prolific development of retail malls for 2012 with the completion of a few major malls:

- Kuching Sentral at the new Kuching transportation hub at 7th Mile Sentosa area in Q1 2012
- Boulevard Phase 2, an extension of the Boulevard Shopping Centre in mid 2012, and
- Plaza Merdeka, in the old Kuching town area which opened in December 2012.

These have added approximately more than 1 million sq ft of retail space to Kuching city.

Kuching Sentral is a mid-market mall built mainly to cater to travellers on transit whilst the Boulevard Extension offers higher-end retailing to supplement its earlier mid-market Phase 1.

Plaza Merdeka, set amidst the more historical part of old Kuching and which had been in the pipeline for the last decade was officially opened on 12/12/2012, adding much retail excitement and enlivening the atmosphere of an otherwise quiet part of town. Its anchor tenants include Parkson which takes up four floors of 130,000 sq ft, Everrise (more than 22,000 sq ft), Cotton On (9,000 sq ft) and Esprit (5,000 sq ft.) The shopping mall at Plaza Merdeka will be further complemented by a boutique hotel which is currently under construction.

The retail sector does not seem to be slowing down anytime soon, judging from the commercial complexes that are currently underway, from the thriving suburbs to outskirts as far as Siburan, 17 miles from Kuching. The following are expected to come on board by 2013, contributing another 1.5 million sq ft of retail space.

Retail complexes due to be completed by 2013

	Complex	Location	No. of Units	Lettable floor space area (sq m) est	Expected Date of Completion
1	City One	BUA	>400	68,000	Q1 2013
2	ST3	BUA	280	5,708	Q1 2013
3	Kuching Plaza (refurbished)	BUA	>100	6,500	Q1 2013
4	Summermall	Samarahan	234	23,993	Q1 2013
5	Eastern Mall	Siburan	81	50,860	Q1 2013

Source : WTWY Research (2012)

These malls are nearing completion with City One and ST3 expected to fully open before Chinese New Year 2013. Once completed, City One will overtake Boulevard as the biggest shopping mall in terms of lettable area. Kuching Plaza which has been closed for the last few years for refurbishment is also expected to reopen by 2013. Summermall will be the 1st shopping mall in Samarahan and hopes to entice even patrons from Kuching with its water theme park, built atop the complex.

For 2012, retail rents are capped at RM20.00 psf more or less with some actual rentals transacted at a lower rate due to structuring of flexible rents based on revenue. Retail prices for new complexes launched this year in more outlying areas have not reached last year's all-time high of RM2,400 psf. The rental yield is expected to remain at between 5% and 5.5%. There were no retail buildings transacted in 2012.

There is some concern as to the performance of retail complexes with the big influx of retail space into the market these few years and wariness as to whether the occupancy can be maintained especially when there is increasing competition between retail and basic needs such as food, housing, utilities and transportation which have experienced inflationary pressure.

The emergence of new shopping malls has also resulted in tenants opting out from older complexes into newer ones. The next few years will be a true test of the resilience of the retail market in Kuching.

Hotel Sector

The supply of 3-5 star hotels in Kuching remains unchanged for 2012, although there were increased accommodation supply in terms of B & Bs and lodgings taking up shophouses and old detached houses in and around the city, to cater to the budget-conscious. Hotel 56, a business hotel, located off Jalan Tun Jugah, a busy commercial area, was completed recently in December 2012 and is expected to open soon.

There are quite a number of hotels in the works at the moment, namely, the 360 Waterfront Hotel @ Plaza Merdeka in the city main bazaar area, Imperial Hotel @ Boulevard and Citadines Kuching Uplands @ ST3 in the thriving residential suburban areas. These are parts of mixed development projects and aim to cater to retail shoppers of the annexed malls.

The abandoned hotel, next to the Riverside Majestic Hotel in the golden triangle area, was given a new lease of life with SEDC taking over the helm of building a new 18-storey 268-room 4-star hotel to be named Majestic Tower Hotel. Preliminary construction works on the hotel has started and is expected to be completed by July 2014.

The introduction of new hotels into the Kuching market suggests strong business confidence for the hotel and tourism business in general. These hotels located in different locales catering to different segments of tourists ensure that travellers have ample choices which is good for tourism and the local economy.

Moderate growth has been recorded in the tourism sector, with increases in tourist arrivals, occupancy rates and average room rates. Both foreign and domestic tourists into Sarawak are expected to reach four million this year and exceed that number in 2013. This increase in tourists is expected to augur well for the future of the hotel industry in Kuching.

Condominium Sector

The increasing scarcity of land especially in the built up areas of Kuching, coupled with the growing affluence of the population for more comfort and security, has spurred many condominium/apartment developments in the past few years. The number of units currently under construction and coming into the market will more or less double the current existing supply.

Stacks 128 consisting of medium cost apartments was completed by M/s Lee Onn at the beginning of 2012 as well as the last block of The Ryegates sited opposite the Kuching International Airport sometime in mid 2012. Sky Villa developed by M/s MJC City Development within their flagship development of Batu Kawa New Township was also completed during the year.

Condominiums/apartments launched in Kuching/Samarahan, 2012

	Developer	Name of Project	Location	No. of Storeys	No. of Units
Kuching					
1	Polar-Link Sdn Bhd	Samajaya Apartments (final phase)	Jln Muara Tabuan	4	240
2	Coramax Sdn Bhd	Jazz Suites @ VivaCity	Jalan Wan Alwi	8	672
3	Genesis Base Sdn Bhd	d'JEWEL	Jalan Sherip Masahor	11	118
4	Spago	Greenwich South	Jalan Batu Kawa	6	72
5	The Timber Land Group	Centre Court Residence @the Centre Court Tower (City Square)	Jalan Pending	5	30
Samarahan					
6	Naim Holdings Berhad	Riveria Bay (Phase 3)	Off Kuching-Samarahan Expressway	3	24
7	Tiya Development	The Orchard Residences	Off Kuching-Samarahan Expressway	6	72
Source : WTWY Research (2012)					

D'Jewel is a high-end condominium project developed by M/s Genesis Base, a subsidiary of M/s Lee Onn, along Jalan Sherip Masahor going into the old established Hui Sing housing area. It consists of 118 units in 2 tower blocks with swimming pool, gym and other amenities. Its price starts from RM700,000 for an average 3-bedroom unit of 2,000 sf and the units are believed to be fully sold.

JazzSuites @ VivaCity is another high density condominium project of 672 units sitting atop the retail podium of VivaCity to be developed by M/s Coramax with units ranging from 850 sf to 1,200 sf priced from RM340,000 onwards.

Response to condominium and apartment launches has been encouraging with more than 50% sales recorded within the first year of launch. With suburban housing areas becoming more congested and lack of development lands in and around the city, there will continue to be an increasing interest in this sector, both from developers and home buyers.

Landed Residential Sector

There was no big major housing project launched in Kuching for 2012. Most housing developments launched were small and piecemeal, spread out in land pockets scattered in and around the city. Kuching Built up Area recorded the highest number of housing launches, mainly concentrated in South-East Kuching, considered the prime housing area for Kuching where the houses are highly sought after.

Park Windsor at Stampin, Sin Hai Min Garden 10 at Stutong Baru in the Kuching BUA and Stevenson Heights at Batu Kawa were some of the comparatively bigger projects launched for 2012 of over 60 units each. Prices have breached RM500,000 for double-storey intermediate terraced houses in prime locations and close to RM350,000 for secondary locations. Although there were many projects launched in Petra Jaya area in 2012, the number of units in each project was small.

Tabuan Tranquility being developed by M/s IBRACo at the Muara Tabuan-Stutong area would be the only major on-going housing project in Kuching at the moment, comprising more than 900 units including 76 shophouses which have been completed and some semi-detached industrial units in a later phase.

In contrast, most of the bigger housing projects are now sited across Sg Kuap in the Samarahan district due to scarcity of development lands in Kuching and by virtue of Samarahan being adjacent to South East Kuching which has a high residential population. Major

on-going housing projects in Samarahan include Central City/Central Villa (>800 units) and Academia Lane (>150 units) along the KORR-Samarahan Expressway, Palm Villa (about 200 units) along Jalan Datuk Mohd Musa and Taman Desa Damai (>100 units) at Bandar Baru Kota Samarahan.

Despite the continued increase in house prices, sales are still good. However, there is a worry that this demand is highly speculative, resulting in further increases in prices, making basic housing unaffordable for the general population.

Industrial Sector

After the launch of The Sarawak Factory Wholesale Centre at Jalan Bako in 2011, there were few industrial projects launched in 2012. These were two small project launches, namely Hartamas Industrial Park and RH Park at 9th Mile, Jalan Kuching-Serian, priced at RM150 psf and the latter at more than RM700,000 per unit for their semi-detached factories. Most of these factories are occupied by small-scale light industrial workshops like car workshops, furniture manufacturing/assembly, dry food packing/storage etc.

The price of industrial lots in Kuching is around RM50 psf (at most) and rent yields for industrial units in Kuching remain at between 5% and 6%.

The Samajaya Free Trade Industrial Zone set up in the 1990's to boost foreign investments in hi-tech industries has been facing many hiccups, the latest of which is the restructuring of Sanmina-SCI which has laid off 800 of its workers. This followed earlier restructuring of 2 other companies, namely, First Silicon to X-FAB Sarawak Sdn Bhd and Komag to Western Digital and later, Hitachi.

No major changes are expected in the industrial sector in Kuching for 2013 which is expected to remain rather conservative and stable, with any major industrial developments guided and controlled by the State government. It is hoped that in the coming years, the activities and programs generated by the SCORE projects will eventually fuel more down-stream industries which could be located in Kuching.

MIRI

In Miri, it is anticipated that the housing development will remain stable, with smaller piece-meal projects being launched. Currently condominium / apartment projects are in the spotlight in Miri's market, targeting mainly high end buyers. Several condominiums/apartments are well underway and expected to be completed next year.

The retail sector in Miri will experience a boost with the anticipated completion of MYM Mall at Lutong (nearing completion) and the 7-storey Imperial City Mall at Jalan Asmara/Merpati (to be linked to the present Imperial Mall by a bridge) by next year.

Phase 8 of Senadin Commercial Centre consisting of 248 units of 2 and 3-storey shophouses which started construction in 2011 has several blocks nearing completion this year and all units have been sold. This commercial project is part of an 80-acre project by Miri Housing Development Realty Sdn. Bhd. which incorporates a water theme park, shopping complex, cultural village, amphitheatre, hotel and a proposed man-made island. The project to be developed in three stages, is planned to be completed in three years. The Marina Square Phase II was launched this year as well as commercial projects within Bandar Baru Permyjaya i.e. Pusat Bandar Phase 4, Desa Murni & Desa Bahagia commercial centres. All the units in these projects enjoyed brisk sales.

The Eastwood Valley Industrial Park and Senadin Enterprise Park are currently the only on-going industrial projects in Miri with most units nearing completion. However, take-up rates are rather slow. It is anticipated that the industrial sector will continue to remain sluggish next year.

For 2012, Miri witnessed the construction of several major infrastructure projects aimed at alleviating traffic jams during peak hours due to the growth of housing developments in the areas of Bandar Baru Permyjaya, Taman Jelita (Taman Tunku Phase II) and their surrounding areas. These included:-

1. Conversion of Pujut 7 roundabout to a traffic light at the Pujut-Tudan-Kuala Baram road interchange project (Completed in July 2012).
2. Expansion of the bridge link to Bandar Baru Permyjaya with a new 150-metre parallel bridge. (Completed in July 2012 simultaneously with the Pujut 7 traffic light)
3. A 146-metre bridge linking Jalan Piasau and Jalan Pantai-Peninsula (Piasau Camp), constructed alongside the existing bridge (Completed).
4. Upgrading Tudan-Kuala Baram Road (Phase 2) (Currently under construction)
5. Construction of a 5-km access road fringing the runway of Miri Airport, linking Taman Jelita to Miri-Bintulu Road. (Currently under construction) .

Prices and sales which have been on a steady rise, especially for the housing market, are expected to continue to improve with time, with the number of buyers increasing. The prices of houses will remain competitive next year and increase further due to rising costs of land, abetted by market speculation.



Grace Heights Apartment



Palm Villa



RV Housing Estate

BINTULU

In Bintulu, the demand for housing and other amenities has manifested itself in the spatial spread away from the town centre with recent developments concentrated in the sub-urban areas such as Jalan Tun Hussein Onn and Jalan Sungai Sibiyu area. The price for these properties have increased from an average of RM390,000 to RM430,000 for double-storey terraced houses and from RM500,000 to as high as RM888,000 for double-storey semi-detached houses.

The retail market in Bintulu remained steady in 2012 with no additions to the existing 3 retail commercial complexes, namely, Li Hua Plaza, Parkcity Mall and City Point. However, new retail space is expected in 2013 with the anticipated completion of Times Square Mall at Jalan Tun Hussein Onn and Commerce Square at Jalan Tun Ahmad Zaidi which are currently under construction.

In Bintulu, most of the newer shophouses continue to be located outside the existing commercial core, in Parkcity and suburban areas due to the limited land available for commercial development at the existing town centre area. Most of the recent launches in Bintulu are 3-storey terraced shophouse which are transacted well above RM950,000 per unit.

Currently, on-going industrial projects in Bintulu are sited along Jalan Bintulu-Miri, namely:

1. Nyabau Industrial Park comprising 10 units of double-storey detached industrial buildings and 14 units of double-storey semi-detached industrial building developed by BBC Construction Sdn Bhd and,
2. Eastern Gateway Industrial Park developed by Hong-Yet Development Sdn Bhd comprising 87 double-storey semi-detached factory units.

The apartment/condominium sector in Bintulu will experience a boost with on-going projects such as Double Dynasty Holding Sdn Bhd's proposed Condominium Tower & ancillary sports hall cum supporting facilities estimated to be completed in 2013 as well as the Southbank Apartment and Pinnacle Condominium. Most of these projects are located along Jalan Tun Razak which is near to Tanjung Batu Beach area, Taman Tumbina and Bintulu Water Promenade. With good panoramic seaviews facing the South China Sea, it is one of the reasons investors are interested to invest in the apartment/condominium properties in this area.

Property prices will rise steadily in Bintulu, especially for the housing market. Large-scale projects such as Samalaju Industrial Park, a heavy industrial park under the Sarawak Corridor of Renewable Energy (SCORE) development plan, will have a positive impact on the property sector in this region. The anticipated increase in resident population as a result of increased migrant workers, expatriates, investors and businesses from SCORE, will make the property market in Bintulu more vibrant and competitive in the coming years.



Dynasty's Condominium Tower & Ancillary cum Sports Hall cum Facilities

SIBU

2012 saw the continued liveliness of commercial shophouse developments in the town areas as well as the outskirts although the slower take up rate continued. SibU might see an oversupply of commercial shophouses as occupancy rates have not improved much for newly completed shophouses. Despite the situation, all newly launched 3-storey commercial shophouses continue to witness a significant upward revision in prices.

Jalan Tun Ahmad Zaidi Aduce and its surrounding areas have become one of the hottest development areas in SibU with many on-going 3-storey shophouse projects underway, even though the road faces flash floods during heavy downpours. Several new schemes were launched in 2012 and average prices recorded for intermediate units in this area indicated a range of between RM950,000 and RM1,000,000 per unit.

The industrial sector experienced a slight improvement in 2012. Both the demand and supply situation for industrial properties appear to be slightly better, compared to the previous year. Jalan Ding Ling Kwong area is still the preferred area for industrial developments although more light industrial developments are now moving towards the Jalan Tun Ahmad Zaidi Aduce area. The prices of newly launched double-storey semi-detached industrial units located along Jalan Tun Ahmad Zaidi Aduce, with land area of about 610.8 square metres, commands about RM750,000 per unit.

The performance of the housing market in SibU has remained stable with a continued increase in selling prices. Prices of new semi-detached houses have increased to around RM650,000 per unit in prime areas. Generally, selling prices of terraced houses are more than RM380,000 for intermediate units and above RM480,000 for corner units, depending on the land size and location. Sales of high end residential units have slowed down due to market affordability issues. Sales for apartments in SibU are still slow-moving partly due to this housing type being an unpopular choice amongst local house buyers. Nevertheless, the selling prices continued to increase. The 2012 prices for most recent transactions as well as remaining units for Medan Jaya Apartment have reached RM300,000 per unit.



On-going (Pear Avenue) residential development at SibU Jaya.



Newly completed shophouses within the SibU Town Extension at Kampung Datu.



UCTS campus under construction (as at September 2012).



WTK commercial centre along Jalan Kampung Nangka.

HAPPY GARDEN**2-storey Intermediate Terraced House**

Land Area : 6.3 pts
 Term of Title : 99 years
 Selling price : RM420,000.00
 Remarks : Well maintained

RUBBER ROAD WEST**Double Storey Semi Detached House**

Land Area : 7.32 pts
 Selling price : RM690,000.00
 Remarks : Renovated & Furnished

JLN KULAS**3 units of 4-storey Corner & Inter. Shophouse**

Built-Up Area : 20' x 60'
 Rental per month : RM32,000.00
 Remarks : With lift

TMN STUTONG**Double Storey Semi Detached House**

Land area : 11.26 pts
 Term Of Title : Perpetuity
 Selling price : RM1,290,000.00
 Remarks : Extra Large Built Up/Furnished

MATANG JAYA**Single Storey Corner Terraced House**

Land area : 7.21 pts
 Term Of Title : 11/5/2071
 Selling price : RM270,000.00
 Remarks : Renovated

KUBAH RIA**Vacant Land (Mixed Zone)**

Land area : 47.98 pts
 Term Of Title : 21/5/2111
 Selling price : RM1,872,000.00

For further enquires, kindly contact: WTWY Real Estate Sdn Bhd. Tel : 082-428 436

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Indulge in boutique shopping and dining at nearby alfresco cafés available along Central Park, a gorgeous green lung nestled right in the heart of Icon City or sample delicious fare at Gourmet Street Shops. Icon City houses the latest F&B and retail haven in PJ based on the complete retail concept with escalators and lifts.



Icon City, a truly integrated city in the heart of Petaling Jaya.



Central Park Shops is a chic shopping and dining hub fronting a lushly landscaped park.

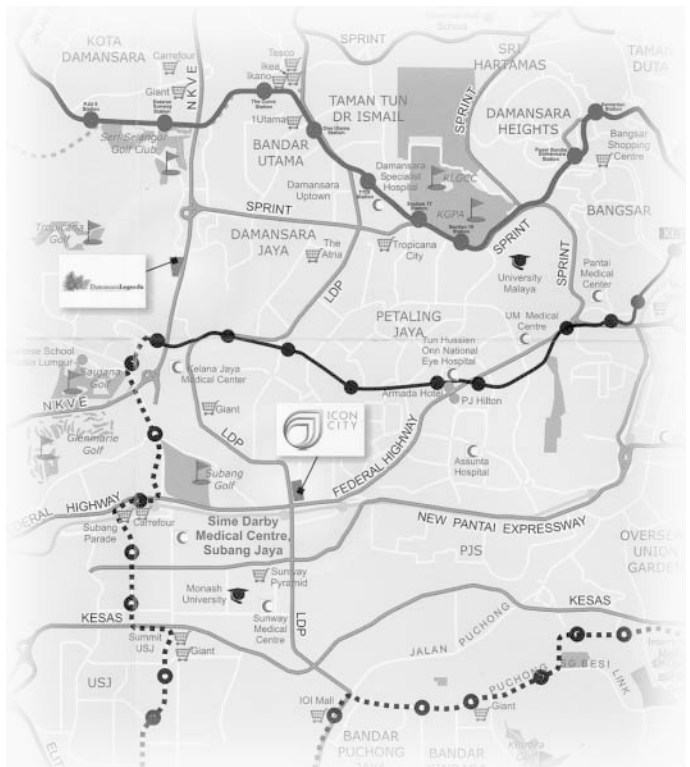


Gourmet Street, a world stage of local and international cuisines and flavours.

Designed for Success

Gourmet Street and Central Park Shops:

- 6m/20ft-high ceiling on level 1 allows flexibility for additional Mezzanine level
- Each 2-storey shop can be alternatively designed into 2 individual units operating different businesses on different levels
- Escalators and lifts seamlessly connect all 4 levels within Central Park Shops 7 Gourmet Street with covered walkway
- Full window display for ultimate exposure on level 2
- Ample car park
- Broadband infrastructure ready
- Ideal for chic alfresco F&B outlets, entertainment outlets & other specialty shops
- Facing 2-acre green & water-themed Central Park
- Dual frontage with direct access to car park
- Located adjacent to lobby of offices and residences
- Direct link to proposed shopping mall and hotel in Phase 2



For further enquires, kindly contact: WTWY Real Estate Sdn Bhd. Tel : 082-428 436 / 013-8778822 (Alex)

Sarawak Property Market Review 2012 and Outlook 2013 (Cont'd)

Other Significant Projects

The new Sibü airport terminal which opened in August 2012 marked a new chapter for Sibü tourism. With the upgraded Sibü Airport, there is a possibility of having more flights as well as catering to international flights in the near future.

A Technical University, namely, **University College of Technology Sarawak (UCTS)** is being planned for Sibü as part of efforts to produce highly skilled personnel to fill the demand of projects under Sarawak Corridor of Renewable Energy (SCORE). The site, adjacent to the Old Sibü Airport runway, covers about 96.98 acres. Construction of Phase 1 of UCTS covering 30 acres is progressing well and expected to be completed by July 2013.

Table 1 New Housing Units 2012

Region	Type	Units Completed	Units Under Construction	Units Launched 2012	Units Construction Started 2012	
	1S terraced	393	2021	256	498	
	2S terraced	707	2003	879	608	
	3S terraced	6	0	0	0	
	1S semi-d	24	246	59	76	
	2S semi-d	205	848	284	210	
	3S semi-d	10	32	12	12	
	4S semi-d		16	0	0	
Kuching	Quadruplex	7	8	0	0	
	Total	1352	5174	1490	1404	
	SS terraced	174	803	357	349	
	DS terraced	347	666	220	331	
	TS terraced		33	33	66	
	SS semi-d	8	26	24	4	
	DS semi-d	56	135	72	123	
	Total	585	1663	706	873	
Samarahan	SS terraced	593	808	446	519	
	DS terraced	766	1478	1020	1074	
	SS semi-d	16	10	0	8	
	DS semi-d	124	298	202	176	
	Townhouse	0	0	80	0	
	Total	1499	2594	1748	1777	
Sibü	SS terraced	94	78	0	44	
	DS terraced	136	955	519	546	
	SS semi-d	62	16	0	0	
	DS semi-d	58	311	95	112	
	Total	350	1360	614	702	
	Bintulu	SS terraced	700	939	392	551
DS terraced		283	731	185	516	
SS semi-dee		202	412	207	256	
DS semi-dee		88	472	282	99	
Townhouse		62	0	0	0	
DH1.5SD		14	14	0	0	
DH2.5T		24	0	0	0	
DH1.5T		0	74	0	10	
DH3SD		0	10	0	0	
DH2.5SD		0	28	28	28	
Total		1373	2680	1094	1460	
Miri						
		Total	1373	2680	1094	1460
Grand Total						

Source : WTWY Research (2012)

Table 4 Selling prices of shop-offices/shop-houses 2011 (RM)

Region	2-storey int	2-storey corner	3-storey int	3-storey corner	4-storey int corner	4-storey
Kuching	438,000 - 898,000	533,000 - 690,000	738,000 - 2,180,000	808,000 - >3,000,000	1,110,000 - 1,560,000	1,500,000 - 1,600,000
Samarahan			947,000 - 1,289,000	910,000 - 1,894,000	NA	NA
Sibü	From 588,000	From 668,000	900,000 - 1,000,000	From 1,000,000	From 1,000,000	From 1,200,000
Bintulu	850,000	1,250,000	From 900,000	950,000 - 1,400,000		
Miri	NA		1.55 - 2.13 mil			

Source : WTWY Research (2012)

Table 6 Selling prices of semi-detached industrial units launched in 2008

Region	Land size (sm)	Built-up area (sm)	Selling prices (RM)
Kuching	NA	NA	NA
Sibü	NA	NA	From 700,000
Bintulu	NA	200 - 350	615,000 - 1,200,000
Miri	From 600.0	NA	From 450,000

Source : WTWY Research (2012)

Table 2 Selling prices of houses launched in 2012 (RM)

Type	Kuching	Samarahan	Sibü	Bintulu	Miri
SS terraced - Int.	148,000 - 286,000	146,000 - 220,000	220,000 - 250,000	n/a	185,888 - 328,800
SS terraced - corner	240,000 - 400,000	189,000 - 366,000	From 270,000	n/a	244,888 - 388,888
DS terraced - int.	278,000 - 600,000	268,000 - 363,000	350,000 - 400,000	388,000 - 433,000	From 365,800
DS terraced - corner	325,000 - 1,000,000	380,000 - 558,000	480,000 - 550,000	415,000 - 700,000	From 420,000
SS semi-dee	263,000 - 750,000	330,000 - 363,000	400,000	n/a	From 326,000
DS semi-dee	370,000 - 1,280,000	443,000 - 770,000	600,000 - 680,000	600,000 - 888,000	446,000 - 688,000
Detached plot	>RM700 psm	n/a	RM350 psm	n/a	RM360psm

Source : WTWY Research (2012)

Table 3 Shop-offices/Shop-houses 2012

Region	Type	Units Completed	Units Under Construction 2012	Units Launched	Units Construction Started 2012
Kuching	2-storey shop	30	75	59	49
	3-storey shop	166	927	363	189
	4-storey shop	90	222	4	8
	6-storey shop	0	9	12	1
	Total	286	1233	438	247
Samarahan	3-storey shop	143	228	266	208
	4-storey shop	11	93	73	93
	Total	154	321	339	301
Sibü	2-storey shop	75	52	24	24
	3-storey shop	101	449	391	264
	4-storey shop	15	44	24	12
	Total	191	545	439	300
Bintulu	2-storey shop	0	72	8	145
	3-storey shop	0	413	136	0
	4-storey shop	0	0	0	0
	Total	0	485	144	145
Miri	2-storey shop	28	227	67	67
	3-storey shop	97	458	67	67
	4-storey shop	0	18	0	0
	Total	125	703	134	134
Grand Total					

Source : WTWY Research (2012)

Table 5 Industrial units 2012

Type	Units completed	Units Under Construction	Units Launched	Units Started
Kuching	131	427	131	10
Sibü	104	144	120	130
Bintulu	2	178	154	154
Miri	90	65	0	
Total				

Source : WTWY Research (2012)

Table 7 3-star and above hotel

Region	Existing hotels		Under Construction		Proposed	
	No.	Rooms	No.	Rooms	No.	Rooms
Kuching	23	4,371	9	>1800	5	1450 e
Sibü	5	1,022	0	0	0	0
Bintulu	8	867	1	336	2	186
Miri	6 *	1,114	1	176	1	560

Note : * 1 service apartment upgraded to hotel

Source : WTWY Research (2012)

Steady economic growth of between 4.5% and 5.5% in 2013

The Malaysian economy is forecast to grow between 4.5% and 5.5% in 2013, driven by domestic demand and improving exports expected for 2nd half 2013, when 2013 Budget pick up pace. Fiscal deficit is expected to be reduced to 4% of GDP in 2013 from 4.5% in 2012. Domestic demand is expected to maintain its strong momentum driven by robust private sector investment and consumption.

The government expects the services and manufacturing sectors to contribute 4.2 percentage points to the GDP growth with the former supported by major initiatives of the NKRA (National Key Results Areas) and NKEAs (National Key Economic Areas) and manufacturing boosted by export oriented-industries following an anticipated recovery in global trade. Domestic-oriented industries are also expected to benefit from better consumer sentiment and business confidence. Emphasis will also be in mining and quarrying with higher production of crude oil and natural gas in response to higher regional demand. Several new oil fields are expected to start production in 2013. A recovery in the output of plantation commodities is also expected. Construction is expected to continue to grow underpinned by on-going construction under the Economic Transformation Programme.

The residential subsector is also projected to expand but at a moderate pace after several years of strong growth.

Source : The Star, 28/9/2012

OPR expected to stay at 3% until mid-2013

The Overnight Policy Rate (OPR) set by Bank Negara Malaysia (BNM) is expected to be kept at 3% until mid 2013. Since inflation is expected to moderate in 2013, there is no immediate pressure to hike policy rate. The budget for 2013 is targeted at a lower deficit of 4% compared to 4.5% for 2012 (2011: 4.8%).

Source : The Edge dated 27/11/2012

The minimum wage order gazetted on July 1, 2012

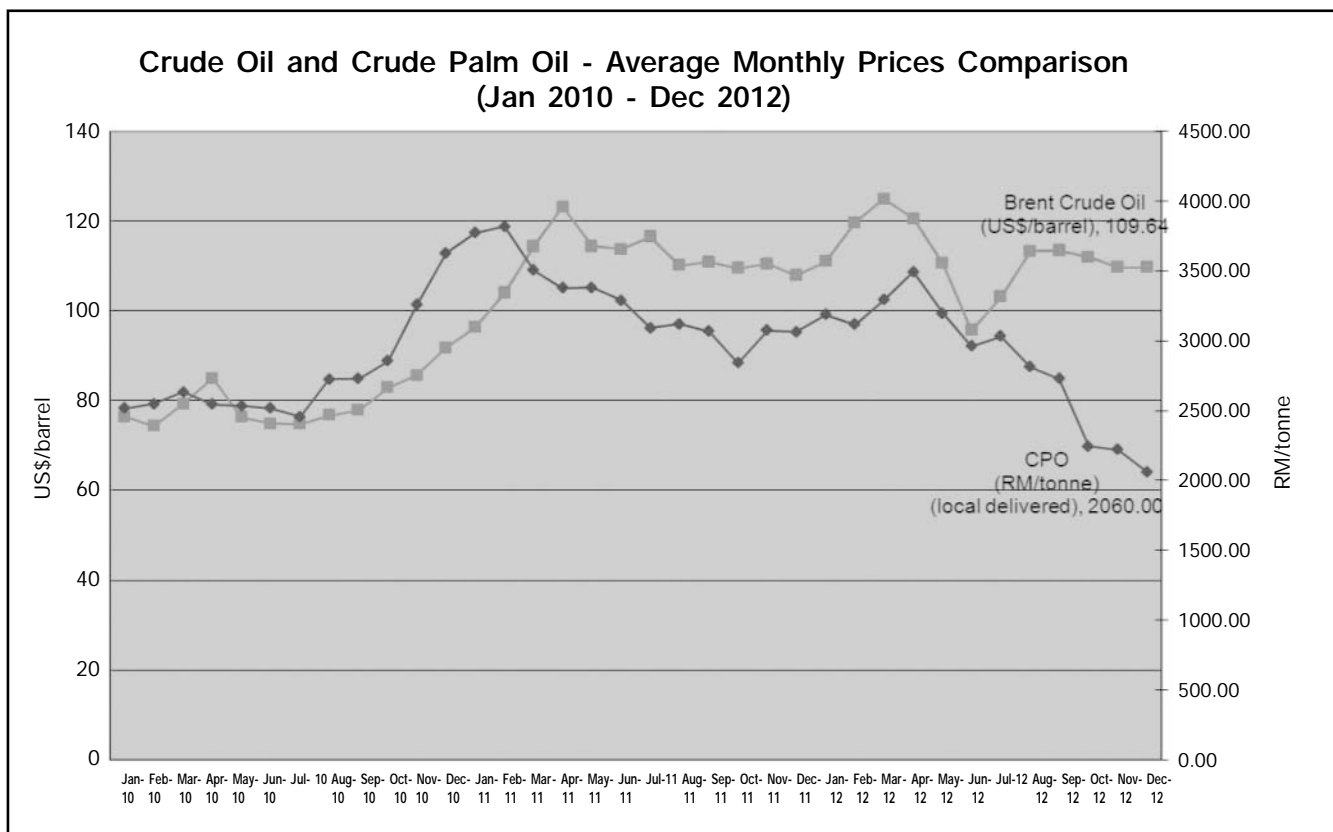
The minimum wage order gazetted on July 1, 2012 will be enforced six months after the date of gazette for private sector employees. A minimum monthly wage for private sector employees was set at RM900 a month in the peninsula and RM800 a month in East Malaysia.

Source : The Star, 12/6/2012

The Minimum Retirement Age Act 2012

The Minimum Retirement Age Act 2012 for the private sector gazetted on August 16, 2012 which extends the minimum retirement age from 55 to 60, will be implemented from July 1, 2013. Employers can apply to defer implementation up to Dec 31, 2013 but must apply for it by the end of February.

Source : The Star, 7/12/2013



Mixed Reactions to 2013 Federal Budget from property players

- ◆ **1Malaysia Housing Scheme (PR1MA)** – RM1.9 billion to build 123,000 homes under this scheme to increase affordable housing was welcomed as the country's annual demand for housing currently is about 80,000 units of which half was for houses below RM500,000 but the stock produced in the last three years is only about 25,000 units a year due to high cost of land, building materials and lack of cheap labour.
- ◆ **My First Home Scheme (MFHS)** – Raising the maximum income for individual buyers to RM5,000 and RM10,000 for married couples and raising the maximum value to RM400,000 would entitle more young professionals to participate.
- ◆ **Real Property Gain Tax (RPGT)** – Raising the RPGT to 15% for the 1st 2 years and 10% for the 3rd to 5th year of disposal from 10% and 5% respectively was seen as not having much impact on the industry as the said construction period for new projects usually take more than two years to complete and the move has also been anticipated.
- ◆ **Duties on heavy machineries and equipment** – These duties were not reduced despite appeals by Master Builders Association Malaysia as it was felt that reduction would encourage industry players to upgrade to new machineries that are more productive and cost efficient.
- ◆ **50% exemption on stamp duty** – some property consultants felt that a direct grant of RM10,000 would have been more useful.

SARAWAK STATE BUDGET 2013

(RM million)	2013		2012	
	Subtotal	Total	Total	% change
Budget Surplus		83	167	
A Expenditure		4067	4535	-10.32%
1 <i>Development (Refer *)</i>		2550	3318	-23.15%
2 <i>Operating/Recurrent Exp</i>		1517	1217	24.65%
<i>Personal Emoluments</i>	560			
<i>Supplies & Services</i>	551			
<i>Grants & Fixed Payments</i>	365			
<i>Assets</i>	28			
<i>Other Operating Expenses</i>	13			
B Revenue		4150	4702	
Tax Revenue		975		
<i>Forestry & Timber</i>	522			
<i>Sales Tax</i>	317			
<i>Royalties fro raw water and mining</i>				
<i>Land Rents</i>	136			
Non-tax revenue		3047		
<i>Oil & Gas Rights</i>	1629			
<i>Investment income</i>	926			
<i>Land Premium</i>	310			
<i>Others</i>	182			
Non-revenue receipts		9		
<i>Federal grants & reimbursements</i>		119		

Source : 2013 Sarawak State Budget as tabled at the DUN Sitting, 19/11/2012

Total Development Expenditure Budget * 2013

Development Items	RM million	%
Commerce and Industry	2043	60.0%
Transport & Communication	220	6.5%
General Administration	429	12.6%
Agriculture, Land & Rural Devt	168	4.9%
Utility Devt	214	6.3%
Social & Community Devt	333	9.8%
Total Development Budget	3,407	

Source : 2013 Sarawak State Budget as tabled at the DUN Sitting, 19/11/2012
* RM148 billion from federal government

Focus of Budget 2013

Sectors such as consumer, construction and property would be the main focus of Budget 2013 so government measures would be aimed at alleviating the rising cost of living and boosting domestic consumption to drive domestic economic growth as external demand is expected to be weak. The goods and services tax (GST) has been deferred again. The government also aimed at helping the young population to own a house. The 1Msia People's Aid (BR1M) will continue to be disbursed to those eligible.

Source : Extracted and adapted from The Edge, 27/8/2012

Projected Growth For Different Sectors, Sarawak

	2012	2013
	%	%
World Growth (IMF)	3.3	3.6
National GDP growth	4.5-5.0	4.5-5.5
State GDP Growth	4.5	5.0
State Inflation	1.8	<3
State CPI		
<i>Growth Sector :</i>		
Mining & Quarrying	1.8	2.0
Agriculture & Livestock	2.9	3.3
Construction	9.0	10.5
Manufacturing	5.2	5.7
Service	5.3	5.8
Public Investment	5.0	3.3
Private Investment	5.9	10.4
Public Consumption	2.9	2.4
Private Consumption	4.0	4.8

Source : 2013 State Budget Speech, DUN Sitting, 19/11/2012

PROPERTY NEWS

REHDA Survey Revelations

Based on a survey of 180 companies from 1,003 Rehda members, the Real Estate and Housing Developers' Association Malaysia (Rehda) expects the housing and property market in Malaysia to plateau in the second half of 2012, but will remain resilient with more launches planned for the 2nd half.

Property developers remain cautious about the first half of 2013 due to certain factors, including the outcomes of the 13th general elections and Budget 2013 and uncertainty in the current global economic situation.

The results of the survey show that the property market in the first half of this year is still driven by the domestic market, despite beliefs that foreigners are buying more local properties. Last year, only 2% of total properties transacted were from foreigners.

In 2011, 1.04 million units out of the total 4.51 million total residential stock were low-cost homes. There is a need for more stringent control of low cost housing applications so as to reduce abuse and unfairness.

Due to shortage of prime land and rising building costs, there is a concern over tightening of property supply which would cause property prices to trend upwards. There is an urge for government to establish an automatic-release mechanism to enable the release of unsold bumiputera units.

Source : Adapted from The Star, 5/9/2012

PROPERTY DEVELOPMENT NEWS

A big housing project is being planned for **Tanjung Manis** which is a part of the Sarawak Corridor of Renewable Energy (SCORE) and the state's Halal hub as well. The government would be spending RM1 billion for water supply from Sibu to Tanjung Manis. About RM500 million has been implemented on basic infrastructure and a second coal fired power station, capable of generating more than 600KW of energy in Mukah is expected to take off next year. Another 80kw power station would also be constructed by 2013.

Source : Bernama, 30/8/2012

The RM1.8 billion **Samalaju Port** is expected to be completed by Q1 2016. It will have an annual handling capacity of 18 million tonnes of cargo for industries operating in Samalaju Industrial Park (SIP), which is part of the Sarawak Corridor of Renewable Energy (SCORE). The port plans to provide facilities for industries at SIP starting in Q2 2013 with an annual handling capacity of four million tonnes of cargo. Bintulu Port Holdings Bhd has been given the task to build, own and operate the Samalaju Port on some 450 ha. of land set aside by the state government.

Source : Bernama, 31/10/2012

Naim Holdings Berhad plans to develop a "mini KLCC" in Bintulu to be named Bintulu Paragon, a mix of ultra-modern commercial, residential, retail and hospitality developments at the 15-hectare old Bintulu Airport site with a GDV of RM2 billion. The whole project would be undertaken over a period of 10 to 15 years.

The RM900mil Phase One will comprise 37- and 39-storey residential condominium blocks — the town's tallest — along with a three- and six-storey street malls on top of which will be a six-storey serviced and virtual office (SOVO), a business hotel as well as other amenities.

A shopping mall, an office tower and other components are planned for Phase Two.

The Bintulu Paragon would be officially launched in January 2013, with Phase One scheduled for completion in four years.

Source : The Edge, 2/10/2012

PUBLIC COMPANY ANNOUNCEMENTS

Sarawak Plantation Berhad, through its wholly owned subsidiary, Sarawak Plantation Property Holding Sdn. Bhd. had on 30 July 2012 entered into a Sale and Purchase Agreement with Everlasting Prosperity Sdn. Bhd. for the disposal of 65 parcels of land, described as Lots 433 to 497 all of Block 26 Kemena Land District measuring approximately 23,340 square metres for a total consideration of RM7,200,000.

Source : Bursa Malaysia Company Announcement Ref. No. SP-120730-45374 dated 30/7/2012

Zecon Berhad, through Zecon Land Sdn Bhd (ZLSB) (a wholly owned subsidiary of ZECON) and Zecon Petra Jaya Sdn Bhd (a 51% owned subsidiary of ZLSB), had on 19 July 2012 entered into a Sale and Purchase Agreement with Lembaga Tabung Haji (LTH) for the proposed sale of a Retail Mall/Supermall to be developed by ZLSB for LTH at a total cash consideration of RM155,851,684.00.

Source : Bursa Malaysia Company Announcement Ref. No. ZE-120719-0777A dated 19/7/2012

WTWY New Staff for 2nd Half 2012

Town	Staff Name	Position
Kuching	Alex Lim Chieng Kiong	Head, Project Marketing
Kuching	Tie Ching Yiew, Henry	Real Estate Negotiator
Kuching	Wong Mei Shan, Sandy	Real Estate Negotiator
Kuching	Wee Kui Ho, Hunter	Real Estate Negotiator
Kuching	Irene Kang Guak Leng	Real Estate Negotiator
Sibu	Lau Ung Hieng	Valuation Executive





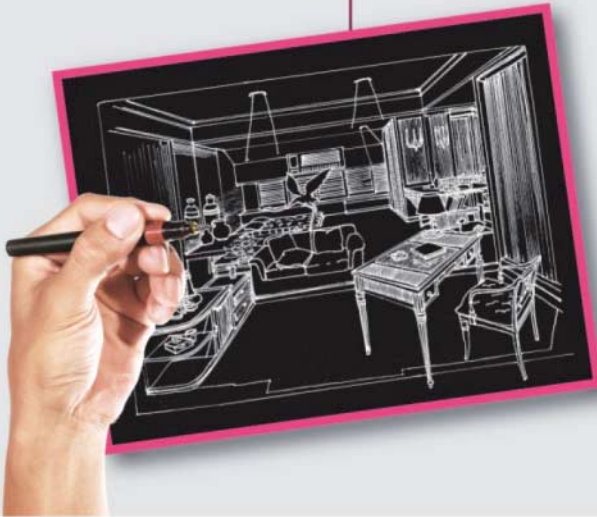
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