

# SARAWAK PROPERTY BULLETIN

*“Work Together With You”*

PPK 344/6/2007

## RETAIL REVIVAL IN SARAWAK



Electra House, Kuching



Sarawak House, Sibul



Wisma Tunku Pelita, Miri

*The first 3 purpose built retail complex in Sarawak*

Shopping complexes were essentially non-existent in Sarawak until about 2 decades ago. Not only were shopping complexes a rare sight in Sarawak then, it was confined only to the capital and old towns of Kuching and Sibul.

The 1<sup>st</sup> shopping complex in Sarawak was Electra House erected in 1965, at what is now the old city center of Kuching. Providing only less than 3,000 sm. of retail space, it was nonetheless the shopping trademark and a landmark in Sarawak with almost every celebration/parade/activity of the capital being held in and around its vicinity. This was followed by another smaller shopping arcade, namely, Kenyalang Commercial Centre, built in a suburban residential area of Kuching. A similar retail complex called the Sarawak House, was subsequently built in 1970 in Sibul, a busy commercial centre in Sarawak.

Although small in size, these pioneer retail complexes set the stage for more modern shopping complexes in later years. The retail scene started to change since 1980 with the completion of Kuching Plaza which kicked start a steady string of shopping complexes almost every two years. Eight (8) shopping complexes were completed during the 1980's but the 1990's were really the "wonder years" for retail as developers added another eighteen (18) retail complexes during that decade to Sarawak, out of which, half were in Kuching.

Like most cities in other parts of Malaysia, the shopping complexes in Kuching, Sibul and Miri are fairly well scattered throughout the town and are found in both urban and suburban locations. The retail spaces normally cover 2 to 5 levels and range from a small size of less than 3,000 sm to the bigger size of about 20,000 sm such as Wisma Saberka in Kuching; and Imperial Mall, Bintang Plaza and Boulevard in Miri. It is noted that the retail complexes in Miri tend to be comparatively bigger in size, being more modern and having to appeal to a greater number of foreign visitors, from Brunei and the expatriate community.

The retail spaces are mostly strata titled for sale. However, a considerable portion is usually maintained for rentals to anchor tenants as well as to enable developer-owners to retain a certain amount of control over the trade-mix of the complex. This is crucial for long term survival and satisfactory performance of any retail complex.

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## RETAIL REVIVAL IN SARAWAK

There are, currently, 37 retail complexes in Sarawak offering more than 2,370 retail outlets with a total nett lettable area of not less 265,000 sm.

### Retail Complexes in Sarawak

	Location	Existing complexes (nos.)	Complexes UC (nos.)	No. of levels	No. of Retail Ouelets (approx)	Lettable floor space area (sm)
1	Kuching	23	5	2 to 7	>1300	125,000
2	Miri	7	0	4 to 5	600	98,500
3	Bintulu	2	1	3	120	7,500
4	Sibu	5	1	2 to 5	350	36,500
	Total	37	7		>2370	267,500

\* UC – Under Construction  
Source: WTWY Research, 2007

After the retail complex construction boom in the mid 1990's, there was a lull, especially right after the 1997/1998 economic recession. Thus, the past 10 years were rather quiet for the retail complex construction scene as it went into a gestation period for the market to fully absorb the sudden insurge of retail spaces.

However, as the economy recovered and the existing retail spaces were taken up by increased business activities supported by increased domestic demands driven by growth in local population and household purchasing power, the need for new additional retail space has propelled the construction of a number of sizeable retail complexes which are currently underway, especially in Kuching.

This revival in the retail complex sector for Sarawak is evident by the number of complexes that have taken off the ground in 2006. This new retail wave will put in total at least another eight (8) new shopping complexes onto the market by 2008, adding another 120,000 sm or so of retail space. The latest complex to be opened was the Sing Kwong Shopping Complex in Sibu, in February, 2007.

The anticipated arrival of these new complexes have generated much excitement among the locals who are eager to patron these complexes which boast of bigger areas and an ultra modern feel and look.

### Retail Complexes under construction in Sarawak, 2007

	Town	Complex	No. of retail storey	No. of retail units	Lettable Area (sm) (est)	Expected Date of Completion
1	Kuching	The Spring	2½	approx. 150	40,000	Q4 2007
2	Kuching	Boulevard Kuching	5	88	37,000	Q4 2007
3	Kuching	The Novotel	3	Na	12,500	Q1 2008
4	Kuching	Green Heights Mall	2	9	4,000	Q1 2008
5	Kuching	ONE TJ	4	80	6,000	Q2 2008
6	Sibu	Delta Shopping Centre	4	96	8,800	Q4 2007
7	Bintulu	ParkCity Mall	3	84	8,700	Q2 2007

Source : WTWY Research, 2007

The shopping complexes in Sarawak have performed considerably well in terms of occupancy rate which hovers between an average of 85% to 90% in the past years. Although the rental rates of retail spaces in Sarawak are comparatively low compared to its other Malaysian counterparts, the rates have been increasing steadily from RM50 psm to RM100 psm in the last decade for prime units, and an overall average rental increase of anything between 5% to 10% for this sub-sector. Rentals are normally quoted inclusive of service charges which are actually contributions for maintenance of the building, which nowadays, also incorporate insurance and complex promotions.

## RETAIL REVIVAL IN SARAWAK

The selling prices of retail commercial units in shopping complexes have also increased from about RM8,000 psm to RM13,000 psm within the last 10 years for prime locations within complexes.

The high occupancy rates and the increasing rental and sale rates for retail complexes is a promising sign for this sub-sector in Sarawak.

Comparing retail space vis a vis population, Sarawak has one of the lowest, if not the lowest, retail space per capita in Malaysia at a ratio of 0.11 : 1. This is an indication that there is much room for expansion for this retail sub-sector.

With increased prosperity and changing lifestyles of the Sarawak population, the general shift towards preference for one-stop shopping is here to stay. It is perceived that more ultra modern complexes will be built in the coming years to replace the traditional shophouses in view of the current shopping trends. However, long term survival of such complexes would call for continuous reassessment, innovation, upgrade and revamp in order to keep up with the competition and the changing times.

### SIBU

Despite the long history and highly commercial nature of Sibu town itself, the number of shopping complexes being built in Sibu have been slow with only four (4) added so far since the 1<sup>st</sup> Sarawak House was established in 1970. To-date, the largest shopping mall is located at Wisma Sanyan occupying 5 levels and offering 14,350 sm. of retail space.

Sing Kwong Shopping Complex was the newest addition of retail complex to Sibu and Sarawak.



Delta Commercial Centre

*Delta Commercial Centre due to be completed by end of 2007*



Sing Kwong Shopping Centre

*The new Sing Kwong Shopping Centre opened in Feb 2007*



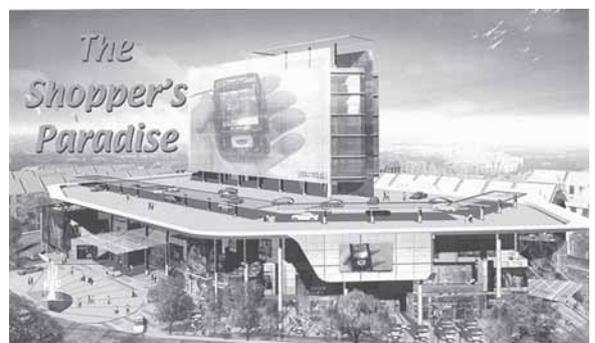
Wisma Sanyan

*Wisma Sanyan, a shopping landmark in Sibu*

### BINTULU

There are to-date only 3 retail complexes (including the yet to be completed Park City Mall) in Bintulu. Nonetheless, developers and investors are constantly eyeing Bintulu as a potential location to build more of such retail complexes to meet the needs of the young growing population in Bintulu.

The absence of any new shopping complexes since 1998 for Bintulu will be halted when Park City Mall opens for business in mid 2007. Part of a 10-storey commercial cum office building located at Tanjong Batu Road in the commercial centre of Bintulu town, it would offer 25,000 sm of retail space spread over 71 units, ranging in price from RM688 psf (2F) to RM1,288 psf (GF) and occupying 2½ storeys. It would be serviced by a 1½ storey car park. Launched in July, 2005, it is due to be completed by June 2007.



*Due for completion by 2008*

*(Cont'd on back page 12)*

# E C O N O M Y

## Malaysia Economy

Malaysia's economy is expected to grow by 5.4% in 2007, slower than 5.9% in 2006 before rising to 5.7% for 2008, according to the Asian Development Bank Outlook 2007. Developing Asian economies is expected to expand at 7.6% in 2007 and 7.7% in 2008, compared with 8.3% in 2006, its fastest rate in more than a decade. However, according to the latest Bank Negara Malaysia report, BNM expects Malaysia to expand 6% in 2007 and inflation to be maintained between 2.0% to 2.5%. The Malaysian Ringgit has also been gaining in strength, latest at 3.462.

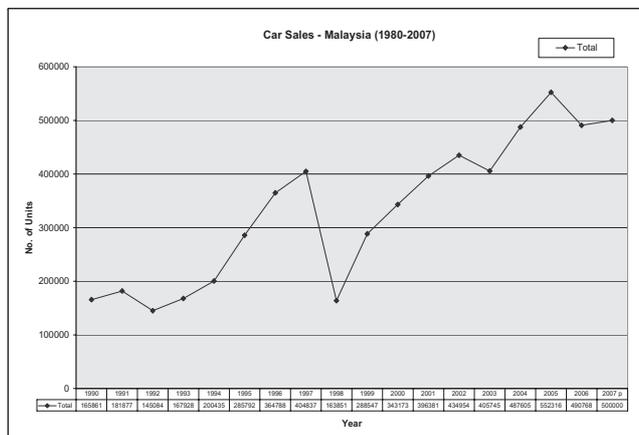
Source : The Borneo Post, 28/3/2007 and 2007 BNM Annual Report

## Economy Healthy

With a healthy 6% GDP growth projected for 2007, Malaysia expects to maintain this growth momentum driven by strong domestic demand and reinforced by the external sector. Real private investment which has been on an uptrend since 2003 had expanded at a robust 9.7% in 2006 while growth in total investment by the public sector increased to 6.5%. Malaysia's economic outlook remains positive with good underlying support. Robust income growth and high savings rate has provided issuers of financial instruments and users of capital with a substantial pool of funds in funding investments.

Source : The Borneo Post, 29/3/2007

## Motor Vehicles Sales

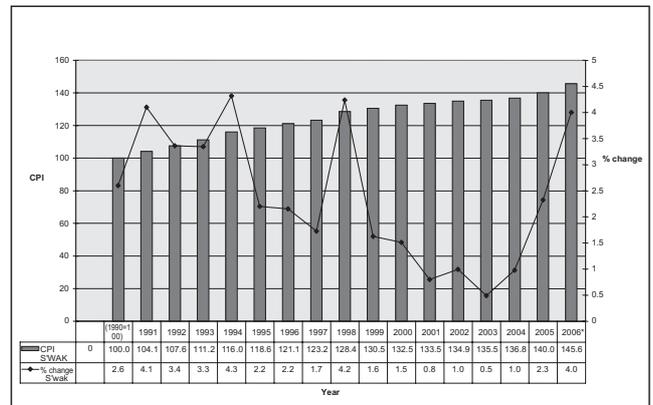


Motor vehicle sales continue to drop for the year 2007 to-date as fewer passenger cars and commercial vehicles were sold in February, especially the latter. This was partly due to no new models being launched among the "bread-and-butter" segment of the market and more stringent credit measures. Production was also scaled down to 54,866 units which was 38% lower than the same period last year of 54,866 units.

However, the Malaysian Automobile Association (MAA) has maintained its earlier vehicle sales forecast of 500,000 units for 2007. Last year, 490,768 motor vehicles were sold against 552,316 units in 2005 whilst production dropped to 54,886 units from 88,504 units the previous year.

Source : MAA, 3/2007

## CPI for Sarawak (1990-2006)



## ADB Outlook

GDP Growth (%)	2007	2008
Cambodia	9.5	9.0
Indonesia	6.0	6.3
Laos	6.8	6.5
<b>Malaysia</b>	<b>5.4</b>	<b>5.7</b>
Myanmar	na	na
Philippines	5.4	5.7
Singapore	6.0	5.5
Thailand	4.0	5.0
Vietnam	8.3	8.5

Source : ADB Outlook 2007

## World Bank GDP growth forecast (% change from previous year)

	2005	2006	2007	2008
Emerging East Asia *	7.6	8.1	7.3	7.0
Developing East Asia **	9.0	9.5	8.7	8.1
South East Asia	5.1	5.4	5.5	5.7
Indonesia	5.7	5.5	6.3	6.5
Malaysia	5.2	5.9	5.6	5.8
Philippines	5.0	5.4	5.6	6.0
Thailand	4.5	5.0	4.3	4.5
Transition Economies				
China	10.2	10.7	9.6	8.7
Vietnam	8.5	8.2	8.0	8.0
Small economies	7.6	7.2	5.9	4.9
NIEs ***	4.8	5.4	4.5	4.9
South Korea	4.0	5.0	4.4	4.9
3 other NIEs	5.5	5.8	4.6	4.9
Japan	2.6	2.2	2.3	2.4

Note : \* Emerging East Asia = Developing East Asia  
 \*\* China, Indonesia, Malaysia, Philippines, Thailand, Vietnam and some other similar economies  
 \*\*\* Hong Kong, S Korea, Spore and Taiwan

Source : World Bank, 3/2007

### The Islamic Capital Market

The Islamic capital market in Malaysia has emerged as a significant area of growth to become an anchor component of capital market development. It has evolved not only in terms of size and efficiency but more importantly, in terms of segments and range of products offered. It has diversified from Islamic credit to banking to REITs. The increasing acceptance of Islamic capital market products by international investors is a great opportunity for Malaysia as an Islamic hub. With the relaxation of rules by the Foreign Investment Committee to allow 100% foreign equity ownership in the country's Islamic financial bodies, it would pave the way for greater expansion of this sector.

Source : The Borneo Post, 16/1/2007 and 28/3/2007.

### Zero hardcore poverty by 2010

The State government hopes to achieve zero hardcore poverty by 2010 which was over 50% in the 1970's. In the rural areas, it is hoped that the level of poverty will be reduced to 5.95%. This is in line with the main objective of the 9<sup>th</sup> Malaysia Plan.

Source : The Eastern Times, 12/3/2007

### Consumer Sentiments Index (CSI)

The latest MIER survey shows that the CSI has improved since last quarter 2006, mainly due to an increase in the civil servant's bonus. The 4<sup>th</sup> Quarter CSI improved 3.4 pts to 110.9 pts which was the highest level recorded for last year. However, Business Conditions Index decreased slightly from 107.8 pts to 107.2 pts.

MIER forecasts Malaysia to grow by 5.2% for 2007 against the government's figure of 6% for 2007. Economic growth for 2008 is expected to be at 5.5% supported by domestic demand. Inflation is expected to drop amidst reduced consumption and a stronger Ringgit. The manufacturing sector is forecasted to expand by 5.8% in 2007 compared to 7.6% in 2006 and service sector expected to grow 5.3% in 2007 against 6.0% for 2006.

Source : Malaysian Institute of Economic Research (MIER) Report, 18/1/2007

## C O M M O D I T I E S

### Oil Palm Project on Sarawak Native Lands

Some 13,000 ha of native customary rights (NCR) land in Genaan Sebauh will be developed into an oil palm plantation following a joint-venture agreement between Pelita Holdings SB (a wholly owned subsidiary of LCDA) and Mutiara Hartabumi SB. The project will involve 780 NCR landowners from 28 longhouses in the area.

To-date, there are 26 NCR joint-venture schemes totalling 196,025 ha. Eleven (11) more schemes comprising 165,000 ha have been approved by the State and 17 more are under application. Altogether, these will make up 656,700 ha of NCR joint ventures.

Source : The Star, 8/2/2007

### Oil Palm Futures

Palm Oil prices are expected to move at the current high level to between RM2,000 to RM2,200 per tonne as palm oil sales are set to rise due to substantial reduction in soya oil production in the US. Palm oil exports rose 29.87% to 1.051 million tonnes in March this year compared to 809,533 tonnes for February. Crude Palm Oil production in Sarawak was up 6.14% to 100,238 tonnes for March from 94,436 tonnes previously.

Palm Oil prices which are traded at a discount of about \$50 per tonne gives it a better chance of capturing the market. Palm oil and soya oil which compete for the same market, cover the bulk of the world's demand for edible oils.

Source : Borneo Post, 29/3/2007 and Malaysian Palm Oil Board, 3/2007.

### Boost to State Pepper Industry

Under the 9MP, allocation totaling RM106 million has been approved by the Government for the development of pepper industry in the country which includes RM22 million for 13 projects carried forward from the 8MP.

Two special projects were the Cluster Pepper Development Project at Sq Asap in Bakun costing RM10 million and the small-scale farmer productivity and income improvement project totaling RM74.6 million. Six new areas for cluster cultivation of pepper to be implemented during the 9MP were Sg Asap, Nanga Spak Betong, Serian, Sarikei, Suai-Niah and Lundu which are expected to increase the country's production to 30,000 metric tonnes annually.

Currently at 21,000 metric tonnes, Sarawak is the largest producer of pepper in the country with the largest acreage compared with Sabah and Semenanjung Malaysia with 95% of the families involved coming from Sarawak. Malaysia, with output of 21,000 metric tonnes annually, is the 6<sup>th</sup> largest producer of pepper after Vietnam, India, Brazil, Indonesia and China and the main importers are Japan, Europe and the United States. The development programme aims to produce better quality pepper and value added products at all levels.

Source : Eastern Times, 5/1/2007

## NEW PROJECTS LAUNCHED

### KUCHING



**One TJ Shopping Complex**, a 4-storey commercial centre, launched and to be developed by KenBest Sdn Bhd offers 80 strata titled units ranging from RM270,000 per unit for the uppermost floor to RM550,000 per unit for the ground floor. Located next to the Heights Drive Commercial Centre at the new Jalan Stutong link road, it aims to be a one-stop ICT hub.

Located beside the existing Polarwood, off Jalan Lapangan Terbang, **Sandalwood Villa** comprises of 16 units of double-storey semi-detached houses and 10 units of double-storey terraced houses. With land sizes of more than 11 pts and walled up area of about 2,750 sf, the semi-detached units are selling from RM650,000 onwards. The terraced units which range between 6 and 12 pts with built up area of 2,350 sf are selling for more than RM380,000.



Exclusive double-storey link homes at **Sinar Serapi**, a residential project based on the gated neighbourhood concept, launched by Jalinan Bernas Sdn Bhd, offers 76 pre-designed and fully furnished units at a starting price of RM388,900. The units range in size from 4.8 to 10.63 pts with a walled up area of more than 1,600 sf. Sinar Serapi is sited at Jalan Sg. Tengah in the Matang area.

**Hakka Avenue Estate** was launched in mid January 2007 by Bodco Engineering & Construction Sdn Bhd. Situated along 6<sup>th</sup> Mile, Jalan Penrissen, the development offers 139 units of double storey terraced houses in 2 types and 20 units of semi-detached houses for its 1<sup>st</sup> phase. From 4.5 pts onwards, the terraced units are selling at RM258,000 and above.

### SIBU



**Jalan Kiew Nang**



**Jalan Ulu Oya**



**Jalan Teku**

Developer	Takexcel Sendirian Berhad	Vila Mekar Sendirian Berhad	Moverstar (M) Sendirian Berhad
Type of Property	DH2T and DH2SD	DH1SD, DH2SD, DH1T and DH2T	DH2D, DH2SD and DH2T
No. of Units	DH2T – 57 DH2SD – 12	DH1SD – 2 DH2SD – 2 DH1T – 44 DH2T – 25	DH2D – 4 DH2SD – 6 DH2T – 63
Price (RM)	DH2IT – RM272,000 DH2CT & DH2SD – N/A	DH1SD – RM310,000 DH2SD – N/A DH2T – RM225,000 - RM261,000 DH1T – RM160,000 - RM199,975	DH2D – N/A DH2SD – From RM400,000.00 DH2T – RM230,000 - > RM320,000
Land Area	DH2IT – 4.5 pts DH2CT & DH2SD – N/A	DH1SD – 14 pts DH2SD – N/A DH2T – 4.7 - 8.2 pts DH1T – 4.7 - 7.5 pts	DH2SD – From 10 pts DH2CT – From 10 pts DH2T – From 4 pts
Wall Up Area	DH2IT – 6.7m x 13m + 6.7m x 11.5m	DH1SD – 129 sq. metres DH2SD – 209 sq. metres DH2T – 181.0 sq. metres DH1T – 105 sq. metres	DH2SD – N/A DH2CT – 24' x 42' DH2IT – 24' x 42'

**BINTULU**



**GrandMet Industrial Estate,  
Bintulu Miri Road**



**Bintulu Sibul Road**



**Jalan Sibiew**

Developer	Victory Ocean Construction SB	YME Development Sdn Bhd	Paling Construction Sdn Bhd
Type of Property	IN2D, IN2SD	IN2SD	DH2T
No. of Units	IN2D – 5 IN2SD – 37	16	24
Building Dimension	IN2D – 45.92' x 104.96' (G/F) 45.92' x 26.24' (F/F) IN2SD – 29.52' x 50.84' (G&F floor)	25'x 80' (G/F) 25' x 20' (F/F)	Type A – 24' x 43' (G/F) 24' x 36' (F/F) Type B – 24' x 44' (G/F) 24' x 38' (F/F)
Land Area	IN2D – 38.6 - 97 pts IN2SD – 12.8 - 41.8 pts	16 - 22.6 pts	4.9 - 10.6 pts
Price Range (RM)		550,000 – 720,000	Type A – 218,000 - 228,000 Type B – 250,000 - 295,000

**MIRI**



**Desa Pujut 2, Bandar Baru Permyjaya by Naim Cendera SB**

Type of Property	DH1D	DH1SD	DH1SD
No. of Units	8	24	24
Price (RM)	From 364,888	From 218,888	From 259,888
Land Area	From 17 pts	From 11 pts	From 11 pts
Wall Up Area	120.0 s.m.	From 119.6 s.m.	From 104.24 s.m.



**Desa Viana, Jalan Bakam**



**Taman Lopeng Jaya**

Developer	Viana Fokus SB	Esto Perpetua SB
Type of Property	DH1SD; DH1T	DH2SD; DH2T; DHVDL
No. of Unit	DH1SD – 24 units; DH1T – 18 units	DH2SD – 12 units; DH2T – 20 units; DHVDL – 2 units
Price (RM)	DH1SD – From 260,000; DH1T – From 178,000	DH2SD – From 408,000; DH2T – From 288,000
Land Area	DH1SD – From 8.8 pts; DH1T – From 5.3 pts	DH2SD – From 400.0 sm; DH2T – NA
Wall Up Area	DH1SD – 94.8 s.m.; DH1T – 110.7 s.m.	NA

## NEW PROJECTS SUMMARY QTR 1 2007

### New Residential Projects launched for 1<sup>st</sup> Quarter 2007

Type	Kuching	Sibu	Bintulu	Miri
DH1T	42 (685)	44 (57)	0 (16)	22 (317)
DH1.5T	0 (45)	0 (0)	0 (0)	0 (0)
DH2T	255 (187)	259 (208)	24 (57)	48 (123)
DH2.5T	0 (0)	0(0)	0 (0)	0 (0)
DH1SD	0 (24)	2 (0)	0 (0)	113 (6)
DH2SD	65 (78)	80 (32)	0 (10)	44 (6)
DH1D	0 (1)	0 (0)	0 (0)	8 (14)
DH2D	0 (5)	4 (0)	0 (0)	2 (12)
<b>Total</b>	<b>362 (1025)</b>	<b>389 (297)</b>	<b>24 (83)</b>	<b>237 (478)</b>

Source : WTWY Q1 2007 Survey  
Figures in bracket denotes 1Q 2006 figures

### Selling Prices of residential units launched for 1<sup>st</sup> Quarter 2007

Type	Kuching	Sibu	Bintulu	Miri
DH1T	198,000 - 258,000	160,000 - 200,000	-	178,000 - 228,000
DH2T	240,000 - 575,000	285,000 - 320,000	218,000 - 295,000	288,000 - 300,000
DH1SD	-	310,000	-	218,000 - 310,000
DH2SD	400,000 - 832,000	335,000 - 450,000	-	408,000 - 528,000
DH1D	-	-	-	364,888
DH2D	-	-	-	-

Source : WTWY 2007 1Q Survey

## PROPERTY ISSUES

### Abolishment of RPGT

W.e.f. 1<sup>st</sup> April 2007, the government will abolish real property gains tax as a boost to the Malaysian property sector. The announcement was made by the Prime Minister at the Invest Malaysia 2007 Conference, including several other measures to boost the equity market and the South Johor Iskandar Development Region (IDR).

Source : Various newspaper sources, 23/3/2007

### 350,914 Acres Of Land Still Not Developed

According to Malaysia Oil Palm Board, Miri has the largest land area for oil palm plantation as there are currently 350,914 acres of land still not developed in Miri. This is followed by Mukah with future oil palm area of about 223,613 acres and Sibu with about 124,666 acres. Bintulu is ranked 4<sup>th</sup> with plantation area of 117,293 acres.

Overall, Sarawak is the fourth largest oil palm plantation state in Malaysia and has great oil palm development potential as Sarawak has large undeveloped vacant lands suitable for oil palm plantation. Unlike the past, the revision of land rule on native land has now allowed the use of Native lands for agriculture purpose.

Region	Undeveloped oil palm plantation land	Developed oil palm plantation land
Northern Sarawak	561,778	318,841
Limbang	34,192	11,910
Miri	350,914	190,812
Bintulu	117,293	116,119
Central Area	433,990	117,759
Kapit	83,515	18,890
Sarikei	2,196	3,922
Sibu	124,666	57,384
Mukah	223,613	57,384
Southern Sarawak	289,888	106,800
Kuching	51,215	35,140
Samarahan	77,945	36,758
Sri Aman	91,056	16,280
Betong	69,672	18,622

Source : See Hua Daily, 13/1/2007 (Translated)

### Relocation of Industries in Miri

It was pointed out by the deputy chief-minister of Sarawak that all the home factories in the residential areas of Krokop, Pujut and Riam will be moved to proper designated industrial area in 5 years' time in order to cut pollution and noise from these residential areas. It was crucial and important that factories be relocated to designated industrial zones in view of safety and health standards.

So far, the government had approved to open for application 1,000 units small and medium industrial lands for this purpose.

Source : See Hua Daily News, 17/1/2007

### Revision In House Price

The State cabinet will make a decision on the adjustment of house price, after taking into consideration the increased price of building materials.

The increase in the price of building materials have raised the capital cost of the building compared to the sale price in 2005 and 2006. For example, the price of bitumen which has increased by 65% from RM85 in 2005 to RM140 per ton in 2006; cement which has increased by 15% from RM12.5 per pack in 2005 to RM14 and RM14.5 in 2006 and the price of steel which has increased from RM1,800 per ton in 2005 to RM2,000 per ton in 2006. This increase in price has made it difficult to maintain the affordable house pricing below RM42,000.

Source : See Hua Daily News, 25/1/2007

### APS

8 developers in Kuching have signed on with Assar Chemicals Engineering Sdn Bhd to install prepaid piped gas in their new housing schemes. The ASSAR Prepaid System (APS) provides piped gas to homes via a prepaid meter. Gas-powered appliances such as water heaters and cloth dryers will be included to complement the system. The APS for these projects will be installed in stages over 3 years and is expected to be worth over RM10 million.

Source : The Star, Starbiz Section, 6/3/2007

## DEVELOPMENT PROJECTS

### 5,000 MW hydroelectric dam for Sarawak

Sarawak Energy Berhad (SEB), formerly Sarawak Enterprise Corp Bhd, plans to develop several hydroelectric dam projects to generate > 5,000 MW to make Sarawak a major regional power producer. The company is targeted to generate some 6,800 MW through hydro and coal-fired plants by 2020. Together with the Bakun hydroelectric dam project and other existing power plants, the state should have a combined capacity of 10,000 MW by 2020 of which 70% of the 10,000 MW would be from hydro plants and the balance from coal and gas fired stations, and other sources like solar, wind and biomass.

Of the projected peak demand, 1,500 MW is expected to be for local domestic demand, 2,400 MW to be exported to Peninsular Malaysia from Bakun, and another 4,000 MW to be used up for smelter plants, glass, solar panels, pulp and paper as well as other heavy users which means that there will still be 2,000 MW in excess capacity.

The proposed hydro dams are :

- 1) The 160 MW Limbang dam project in northern Sarawak which is expected to be completed in 5 years;
- 2) The 900 MW Murum dam projects in the upper reaches of Rejang River in 2013;
- 3) The 1,000 MW Baram dam in 2015; and
- 4) The 900MW Balleh dam in 2016;
- 5) Trusan dam (160MW) and Tinjar dam (130 MW) in Limbang Division;
- 6) Tutoh dam (130 MW); and
- 7) 3 dams in the upper reaches of Baram River (730 MW); Belepeh (110MW); Linau (290 MW) and Danum (200MW).

Source : The Star, StarBiz, 3/4/2007

### Sarawak plans 2 aluminium smelter plants

2 aluminium smelter plants have been planned for Sarawak to take advantage of the huge supply of hydro-electricity that will be generated by Bakun and 2 other dams under planning in Murun and Balleh. The 1<sup>st</sup> plant will draw its energy from Bakun dam which is expected to start producing electricity latest by 2010, while the 2<sup>nd</sup> plant will draw its energy from Murun dam. The 1<sup>st</sup> phase of development of the aluminium plant will produce 600,000 tonnes.

This would be a good boost to the central region of Sarawak which is earmarked as a major economic zone.

Source : The Eastern Times, 26/3/2007

### Tanjung Manis Deepsea Fishing Port

The Deepsea Fishing Port (TMDFP), about an hour's drive from Sarikei, is set to commence operation on January 16 upon completion of the 1<sup>st</sup> phase of the project which cost RM332 million. The TMDFP is the largest of its kind in the country with landing jetties, cold storage, ice processing factory, multi-purpose hall, fuel depot, administrative office and dockyard. The 2<sup>nd</sup> phase of the project would be implemented under the 9MP to make it a full-fledged deepsea fishing port which is anticipated to cost RM600 million.

Source : The Borneo Post, 12/1/2007

### Tanjung Manis Shipbuilding

Sarawak Timber Industry Development Corporation (STIDC) hopes to add another 49 hectares of land to its existing shipbuilding industry at Tanjung Manis. Added to the existing 81 hectares which have been fully taken up, the shipbuilding industry at Tanjung Manis would occupy 130 hectares of land. The Tanjung Manis Shipbuilding zone cater for sea faring vessels up to 20,000 tonnes.

Source : The Borneo Post 15/3/2007

### RM2 billion boost to Miri's infrastructure

Under the 9<sup>th</sup> Malaysia Plan, Miri is expected to get RM2 billion worth of proposed infrastructure development which included:

- 2 flyovers at Pujut Corner and the Puchong roundabout;
- Proposed link roads from the Miri-Lutung road to facilitate traffic flow to the city and airport;
- Link road from the Asean bridge to the Miri-Bintulu road;
- Linkages to the Miri by-pass road;
- Dual carriageway for Tudan;
- Cleaning and beautification of Miri River;
- Relocation of riverine squatters to low cost housing schemes;
- Road from Curtin University of Technology Sarawak campus to the beach along the Kuala Baram Road;
- 2 family park projects, one to be located in the north at Tudan-Permyjaya area;
- Relocation of over 1,000 small and medium industry operators within 5 years to various areas outside the city.

Source : The Borneo Post, 17/1/2007

### Rumah Mesra Rakyat for Kabong

188 units of Rumah Mesra Rakyat has been designated to be built in Kabong, an agricultural town, a transit point for tourists coming in from Sibul, Sarikei and Kuching and well integrated as MARDI and PORIM had research base there. The government had allocated RM12 million for this project.

Source : The Eastern Times, 13/3/200

### Kingwood Hotel Expansion

The expansion of Kingwood Hotel in Sibul will see the erection of another 18-storey building, adding another 244 rooms to the existing 168 making it one of the biggest hotels in Sarawak. The hotel hopes to be upgraded to 5-star upon completion of works.

Source : Sinchew Jit Poh dated 14/3/2007

### Infrastructural Upgrade at PJ, Kuching

A RM1.4 million grant has been approved to upgrade the village roads and lanes at Semariang in Petra Jaya, Kuching. The Ministry of Rural Development has also approved RM180,000 to build three roads and lanes at Kampuing Samariang Lama.

Source : The Borneo Post, 26/2/2007



Celebrating 50 Years of Nationhood

## Visit Malaysia Year 2007

**Visit Malaysia Year 2007** is estimated to attract 20.1 million tourists, an increase of 14.9% for the year. If the average consumption per visitor is RM2000, the total tourist expenditure is expected to reach RM40.2 billion, which would make it the second highest foreign exchange earner for Malaysia.

Because of our country's reputation as an "Islamic Center", the West Asian tourists are expected to increase in numbers which is a boost to our retail industry since tourists from Saudi Arabia and Middle East have the highest consumption ability and longest average stay in Malaysia (2005: RM730 per day and 9.4 days stay). In 2006, the average consumption of Saudi Arabian and United Arab Emirates' tourists were RM7841 and RM5954 respectively.

Malaysia is leading Thailand and Singapore with 1.3 million tourists monthly, whilst the average number of tourists per month for Thailand and Singapore is 745,000 and 941,000 respectively.

Source : Nanyang Siang Pao, 3/1/2007

### 3.5 MILLIONS VISITORS expected for Sarawak

3.5 million visitors are expected to visit the State of Sarawak this year, barring unforeseen circumstances. There were about 3 million visitors to Sarawak last year out of a total of 17 million visitors nationwide and the revenue generated from tourism for Sarawak was RM5 billion against RM30 billion nationwide.

In conjunction with Visit Malaysia Year 2007, the state government will play its part in promoting the State as a tourism area of culture, exploration and nature with emphasis on eco-travel. Events like the Rain Forest World Music Festival which is an annual international event held in Kuching, Sarawak and the World Traditional Dancing Festival will be highlighted.

For Sibul, in addition to the yearly event like Borneo Cultural Festival, a big event named World Tattoo Campaign will be held this year which is anticipated to attract a lot of visitors, local and foreign.

The other events are the Jazz Musical Festival in Miri, Pineapple Festival in Sarikei, Kite Festival in Bintulu and the Mona Festival in Mukah.

Source : Sin Chew, 10/1/2007 and Borneo Post, 3/2007

### Luncheon Talk by SHEDA 2007

A **LUNCHEON TALK** jointly organized by the Sarawak Housing and Real Estate Developers' Association, RHB Bank Berhad and CH Williams Talhar Wong & Yeo Sdn Bhd was held on **1<sup>st</sup> March, 2007** at the Grand Ballroom of the Kuching Hilton. Entitled "Sarawak Property Market Report 2006 & Sarawak Property Market Outlook 2007", the talk was well attended by developers, bankers and business associates and graced by the Minister of Housing Sarawak, YB Dato Sri Abang Haji Abdul Rahman Zohari bin Tun Abang Haji Openg. The talk was presented by Mr Wong Ing Siong, Managing Director of **CH Williams, Talhar, Wong & Yeo Sdn Bhd.** followed by a Q & A session. Participants were treated to a sumptuous buffet lunch at the same venue thereafter.



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# RETAIL REVIVAL IN SARAWAK

(Cont'd from page 3)

## MIRI

Shopping complexes only came into the Miri market in 1985 with the building of Wisma Pelita Tunku, the 1<sup>st</sup> premier shopping center in Miri. This was followed by the Soon Hup Tower in 1992. Since then, six (6) shopping complexes have been completed between 1994 and 2003, with three (3) in the city center and three (3) in the suburban areas.

Although not as many in terms of numbers compared to Kuching, Miri has surprisingly held the upper hand in terms of retail shopping as the shopping complexes in Miri are new, spacious and modern; and offer great varieties. Most of the complexes are crowded during weekends with increased visitors from neighbouring Brunei. The Bruneians' patronage and higher purchasing power have continued to ensure the success of the retail complexes in Miri.

Offering about 98,500 sm. of purpose-built retail space, Miri ranks 2<sup>nd</sup> after Kuching, contributing about one-third of the total supply of purpose-built retail space in Sarawak.



Bintang Plaza



Boulevard



Imperial Mall

*Modern Shopping Complexes in Miri built in the late 1990's with retail space of close to 20,000 sm each*

## KUCHING

As the capital of Sarawak, Kuching has seen the most retail activities through the years, although shopping complex developments have slowed down in recent years in Kuching with a lull since 2000.

However, the retail scene seems set for rejuvenation with the onset of at least four (4) sizeable retail projects underway in Kuching which would boom in 2 years' time. Anticipation for these complexes are high as two (2) of these complexes would be the biggest by far in both Kuching and Sarawak and are hyped to offer lifestyle shopping. These complexes could very well be the answer to the increasingly affluent Kuchingites who frequently shop in KL for their retail needs.

Kuching currently ranks 1<sup>st</sup> in Sarawak with about 125,000 sm. of purpose built retail space.



Boulevard



The Spring



Green Heights Mall



Novotel

*Two big complexes due to be completed by end 2007*

*Due for completion by 2008*

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