

# SARAWAK PROPERTY BULLETIN

“Work Together With You”

PPK 344/6/2008

## PROPERTY MARKET REPORT 2008



### 2008 Outlook

Against the risk of slower economic growth and the threat of all-round higher inflation, 2008 is expected to be another year of consolidation for the Sarawak property market.

Buying sentiments in the housing sector is expected to be dampened by the uncertainty of the quantum of increase of petrol price in 2008. Fresh buying demand is unlikely to enter the housing market until after the Federal Government announcement of the increase in petrol price. New house prices are likely to remain stable at high levels due to the rising cost of building materials and labour. Sale launches of new housing projects are not expected to differ much in numbers from 2007.

Apart from the on-going construction of a few retail complexes and the possibility of the start of construction of another new megamall in Kuching, activities in the retail sector are also expected to be quiet and slow.

For the industrial sector, 2008 would be another quiet year.

By the end of 2008, we may witness the completion of one or two new hotels and the start of construction of more hotels in Kuching.



Ongoing residential developments under construction in Miri

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## PROPERTY MARKET REPORT 2008



Various residential developments in Kuching

Table 1 New Housing Units 2007

| Region    | Type               | Units completed    | Units Under Construction | Units Launched 2007 | Units construction Started 2007 |
|-----------|--------------------|--------------------|--------------------------|---------------------|---------------------------------|
| Kuching   | SS terraced        | 650 (1158)         | 1024 (913)               | 261 (1039)          | 752 (613)                       |
|           | DS terraced        | 1245 (1029)        | 1288 (1569)              | 913 (980)           | 973 (837)                       |
|           | SS semi-dee        | 207 (168)          | 196 (261)                | 142 (125)           | 142 (153)                       |
|           | DS semi-dee        | 378 (319)          | 508 (510)                | 418 (242)           | 376 (216)                       |
|           | DS quadruplex      | 504 (0)            | 0 (504)                  | 0 (0)               | 0 (0)                           |
|           | <b>Total</b>       | <b>2984 (2674)</b> | <b>3016 (3757)</b>       | <b>1734 (2386)</b>  | <b>2243 (1819)</b>              |
| Samarahan | SS terraced        | 997 (1157)         | 1400 (1684)              | 1353 (277)          | 713 (846)                       |
|           | DS terraced        | 401 (338)          | 172 (456)                | 133 (263)           | 117 (196)                       |
|           | SS semi-dee        | 106 (177)          | 80 (140)                 | 70 (38)             | 46 (66)                         |
|           | DS semi-dee        | 90 (36)            | 26 (112)                 | 4 (68)              | 4 (28)                          |
|           | <b>Total</b>       | <b>1594 (1708)</b> | <b>1678 (2392)</b>       | <b>1560 (646)</b>   | <b>880 (1136)</b>               |
| Sibu      | SS terraced        | 279 (197)          | 694 (442)                | 188 (883)           | 531 (333)                       |
|           | DS terraced        | 833 (849)          | 1479 (1740)              | 487 (1007)          | 572 (964)                       |
|           | SS semi-dee        | 22 (0)             | 50 (30)                  | 14 (68)             | 42 (26)                         |
|           | DS semi-dee        | 339 (149)          | 460 (569)                | 190 (282)           | 230 (256)                       |
|           |                    | <b>Total</b>       | <b>1473 (1195)</b>       | <b>2683 (2781)</b>  | <b>879 (2240)</b>               |
| Bintulu   | SS terraced        | 43 (48)            | 149 (32)                 | 160 (35)            | 160 (35)                        |
|           | DS terraced        | 211 (167)          | 124 (311)                | 24 (129)            | 24 (117)                        |
|           | SS semi-dee        | 0 (0)              | 0 (0)                    | 8 (0)               | 0 (0)                           |
|           | DS semi-dee        | 70 (119)           | 57 (127)                 | 28 (46)             | 0 (28)                          |
|           | <b>Total</b>       | <b>324 (334)</b>   | <b>330 (470)</b>         | <b>220 (210)</b>    | <b>184 (180)</b>                |
| Miri      | SS terraced        | 387 (1364)         | 985 (636)                | 229 (722)           | 736 (444)                       |
|           | DS terraced        | 407 (219)          | 268 (453)                | 121 (256)           | 222 (194)                       |
|           | SS semi-dee        | 166 (134)          | 199 (157)                | 199 (96)            | 208 (88)                        |
|           | DS semi-dee        | 274 (96)           | 212 (363)                | 100 (268)           | 123 (215)                       |
|           | <b>Total</b>       | <b>1234 (1813)</b> | <b>1664 (1609)</b>       | <b>649 (1342)</b>   | <b>1289 (941)</b>               |
|           | <b>Grand Total</b> | <b>7609 (7724)</b> | <b>9371 (11009)</b>      | <b>5042 (6824)</b>  | <b>5971 (5655)</b>              |

\* Figures in ( ) denotes whole year figures for 2006

Table 2 Selling prices of houses launched in 2007 (RM)

| Type                 | Kuching           | Samarahan         | Sibu              | Bintulu           | Miri              |
|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| SS terraced – Int.   | 133,800 - 198,000 | 90,000 - 150,000  | 148,000 - 186,000 | 40,000 - 205,000  | 88,000 - 188,000  |
| SS terraced – corner | 168,800 - 258,000 | 125,000 - 185,000 | 185,000 - 220,000 | 47,000 - 295,000  | 172,000 - 268,000 |
| DS terraced – int.   | 209,800 - 408,800 | 208,000 - 250,000 | 230,000 - 310,000 | 218,000 - 228,000 | 92,888 - 288,000  |
| DS terraced – corner | 250,000 - 574,800 | 230,000 - 330,000 | 285,000 - 380,000 | 250,000 - 295,000 | From 260,000      |
| SS semi-dee          | 154,800 - 272,000 | From 210,000      | 238,000 - 310,000 | 245,000 - 351,000 | 208,000 - 348,000 |
| DS semi-dee          | 363,000 - 750,000 | 345,000           | 355,000 - 468,000 | 295,000 - 310,000 | 408,000 - 688,000 |
| Detached plot        | 200 - 550 psm     | 200 psm           | N/A               | N/A               | 300 - 400 psm     |



Various residential developments under construction in Bintulu

## PROPERTY MARKET REPORT 2008

Table 3 Shop-offices/Shop-houses 2007

| Region             | Type             | Units completed    | Units Under Construction | Units Launched 2007 | Units construction Started 2007 |
|--------------------|------------------|--------------------|--------------------------|---------------------|---------------------------------|
| Kuching            | 1-storey shop    | 0 (0)              | 0 (0)                    | 0 (0)               | 0 (0)                           |
|                    | 2-storey shop    | 10 (2)             | 0 (10)                   | 0 (35)              | 0 (0)                           |
|                    | 3-storey shop    | 175 (263)          | 400 (358)                | 147 (246)           | 217 (178)                       |
|                    | 4-storey shop    | 66 (89)            | 72 (92)                  | 53 (6)              | 46 (6)                          |
|                    | <b>Total</b>     | <b>251 (354)</b>   | <b>472 (460)</b>         | <b>200 (287)</b>    | <b>263 (184)</b>                |
| Samarahan          | 3-storey shop    | 31 (18)            | 16 (31)                  | 16 (0)              | 16 (0)                          |
|                    | 4-storey shop    | 10 (0)             | 0 (10)                   | 0 (20)              | 0 (0)                           |
|                    | <b>Total</b>     | <b>41 (18)</b>     | <b>16 (41)</b>           | <b>16 (20)</b>      | <b>16 (0)</b>                   |
| Sibu               | 2-storey shop    | 87 (10)            | 43 (87)                  | 49 (43)             | 43 (43)                         |
|                    | 3-storey shop    | 0 (17)             | 186 (76)                 | 91 (144)            | 110 (47)                        |
|                    | 4-storey shop    | 47 (44)            | 11 (58)                  | 0 (18)              | 0 (19)                          |
|                    | <b>Total</b>     | <b>134 (61)</b>    | <b>240 (221)</b>         | <b>140 (205)</b>    | <b>153 (109)</b>                |
| Bintulu            | 3-storey shop    | 30 (186)           | 166 (190)                | 0 (96)              | 6 (190)                         |
|                    | 4-storey shop    | 7 (0)              | 0 (7)                    | 0 (7)               | 0 (7)                           |
|                    | <b>Total</b>     | <b>37 (186)</b>    | <b>166 (197)</b>         | <b>0 (103)</b>      | <b>6 (197)</b>                  |
| Miri               | 2-storey shop    | 32 (52)            | 48 (80)                  | 0 (32)              | 0 (21)                          |
|                    | 3-storey shop    | 18 (117)           | 63 (81)                  | 0 (21)              | 0 (31)                          |
|                    | <b>Total</b>     | <b>50 (169)</b>    | <b>111 (161)</b>         | <b>0 (53)</b>       | <b>0 (52)</b>                   |
| <b>Grand Total</b> | <b>513 (788)</b> | <b>1005 (1080)</b> | <b>356 (668)</b>         | <b>438 (542)</b>    |                                 |

Table 4 Selling prices of shop-offices/shop-houses 2007 (RM)

| Region    | 2-storey int | 2-storey corner   | 3-storey int        | 3-storey corner   | 4-storey int | 4-storey corner |
|-----------|--------------|-------------------|---------------------|-------------------|--------------|-----------------|
| Kuching   | -            | -                 | 830,000 - 1,450,000 | From 980,000      | 1,080,000    | 1,580,000       |
| Samarahan | -            | -                 | 528,800 - 628,800   | 718,800 - 866,800 | -            | -               |
| Sibu      | 295,000 +    | 350,000 +         | 630,000 - 700,000   | 750,000 - 880,000 | -            | -               |
| Bintulu   | -            | -                 | -                   | -                 | -            | -               |
| Miri      | From 366,000 | 560,000 - 680,000 | From 510,000        | From 800,000      | -            | -               |

Table 5 Semi-detached industrial units 2007

| Type         | Units completed | Units Under Construction | Units Launched   |
|--------------|-----------------|--------------------------|------------------|
| Kuching      | 0 (128)         | 64 (22)                  | 20 (120)         |
| Sibu         | 46 (144)        | 56 (52)                  | 50 (40)          |
| Bintulu      | 0 (0)           | 24 (24)                  | 58 (0)           |
| Miri         | 30 (0)          | 12 (30)                  | 10 (72)          |
| <b>Total</b> | <b>76 (272)</b> | <b>156 (128)</b>         | <b>138 (232)</b> |

Table 6 Selling prices of semi-detached industrial units launched in 2007

| Region  | Land size (sm) | Built-up area (sm) | Selling prices (RM) |
|---------|----------------|--------------------|---------------------|
| Kuching | NA             | 216.3              | 460,000             |
| Sibu    | From 690       | 223                | From 435,000        |
| Bintulu | 517 - 1692     | 644 - 915.30       | 550,000 - 720,000   |
| Miri    | 475 - 790      | 135 - 496          | 256,000 - 530,000   |

Table 7 3-star and above hotels

| Region  | Existing hotels |       | Under Construction |       | Proposed |         |
|---------|-----------------|-------|--------------------|-------|----------|---------|
|         | No.             | Rooms | No.                | Rooms | No.      | Rooms   |
| Kuching | 15              | 2,950 | 2                  | 748   | 2        | 535     |
| Sibu    | 5               | 792   | 1 **               | 230   | 0        | 0       |
| Bintulu | 2               | 386   | 0                  | 0     | 1        | No Data |
| Miri    | 6 *             | 1,114 | 1                  | 176   | 1        | No Data |

Note : \* 1 service apartment upgraded to hotel  
 \*\* Sibu Kingwood Hotel's extension



Delta Mall



Sing Kwong Shopping Centre

New retail complexes in Sibu



## 2008 STATE BUDGET

## Sarawak State Budget 2008

| (RM million) |  | Revised     |               |
|--------------|--|-------------|---------------|
|              |  | 2008        | 2007          |
|              | Subtotal                                   | Total       | Total         |
|              | <b>Budget Surplus</b>                      | 61          | 415.4         |
| <b>A</b>     | <b>Expenditure</b>                         | <b>3489</b> | <b>3225.6</b> |
| 1            | <i>Development (Refer *)</i>               | 2300        | 2100          |
| 2            | <i>Recurrent Exp</i>                       | 1189        | 1050          |
| 3            | <i>Revision Amount</i>                     |             | 75.6          |
| <b>B</b>     | <b>Revenue</b>                             | <b>3550</b> | <b>3641</b>   |
|              | <i>Oil &amp; Gas</i>                       | 1326        |               |
|              | <i>Forestry</i>                            | 641         |               |
|              | <i>Investment &amp; Interest</i>           | 894         |               |
|              | <i>Sales Tax</i>                           | 194         |               |
|              | <i>Land Premium</i>                        | 200         |               |
|              | <i>Non-tax revenue</i>                     | 186         |               |
|              | <i>Non-revenue receipts</i>                | 14          |               |
|              | <i>Federal grants &amp; reimbursements</i> | 95          |               |

Source : From various sources on the 2008 Sarawak State Budget as tabled at the DUN Sitting, 19/11/2007

## Projected growth for different sectors, Sarawak

|                         | 2006          | 2007 Revised | 2008       |
|-------------------------|---------------|--------------|------------|
|                         | %             | %            | %          |
| <b>GDP Growth</b>       | <b>5.5</b>    | <b>5.8</b>   | <b>6.0</b> |
| <b>CPI</b>              | <b>4.4% *</b> | <b>1.7%</b>  |            |
| <i>Growth Sector :</i>  |               |              |            |
| Mining & Quarrying      | 4.1           | 4.3          | 4.3        |
| Agriculture & Livestock | 9.2           | 11.7         | 11.0       |
| Construction            | 6             | 6.5          | 7.0        |
| Manufacturing           | 5.3           | 5.8          | 6.0        |
| Service                 | 6.5           | 6.8          | 6.9        |
| Public Investment       | 5.7           | 7.7          | 8.6        |
| Private Investment      | 5.7           | 7.4          | NA         |
| Public Consumption      | 6.4           | 4.8          | 5.0        |
| Private Consumption     | 2.6           | 3.2          | 4.2        |

Source : 2008 State Budget, DUN Sitting, 19/11/2007  
\* based on 1st 8 months of the year

## Total Development Expenditure Budget \*

|                                     | RM million  | %     |
|-------------------------------------|-------------|-------|
| <b>Development Items</b>            |             |       |
| Commerce and Industry               | 1783        | 62.23 |
| Transport & Communication           | 218         | 7.61  |
| General Administration & Urban Devt | 349         | 12.18 |
| Agriculture & Land Devt             | 186         | 6.49  |
| Utility Devt                        | 165         | 5.76  |
| Social & Community Devt             | 164         | 5.72  |
| <b>Total Development Budget</b>     | <b>2865</b> |       |

Source : From various sources on the 2008 Sarawak State Budget as tabled at the DUN Sitting, 19/11/2007

\* RM4 billion from federal government



## Listed Companies' Announcements

## Acquisition of land by SPAD

Sarawak Plantation Agriculture Development Sdn Bhd (SPAD), a wholly owned subsidiary of Sarawak Plantation Berhad has entered into an agreement with Lembaga Amanah Kebajikan Masjid Negeri Sarawak (LAKMNS) on 28/11/2007 to acquire 4 parcels of plantation land, measuring approximately 7,620 hectares for a total purchase price of RM19,050,000. The lands are located in the Bawan and Mukah Land Districts.

Source : Bursa Malaysia Announcement Ref. : SP-071121-74178 dated 28/11/2007

## RM32 million land sale from CMS to KKB Engineering

Cahaya Mata Sarawak (CMS) finalized the sale of land situated at Kampung Goebilt, Kuching belonging to its subsidiary,

CMS Steel Bhd to KKB Engineering for a disposal price valued at RM32 million. Formerly the site of CMS Steel's plant, the land includes several buildings and is fronting the Sungai Sarawak at Sejingkat and covers an area of 27.6 hectares.

Source : Bursa Announcement ref. :O & -071107-59495 dated 7/11/2007

## Synergy Drive acquires stake in Bakun dam project

Synergy Drive Berhad has obtained the Government's approval to acquire a 60% stake in Sarawak Hidro Sdn Bhd, owner of the 2,400 MW Bakun dam project. The Bakun project would provide a good alternative supply of power to coal which price jumped by some 40% over the past one year.

Source : The Star, 17/11/2007

## DEVELOPMENT PROJECTS

**SEMENANJUNG DEMAK PROJECT**

Zecon has obtained approval from the Sarawak authorities to build a RM613.9 million property development project in Semenanjung Demak in Kuching. Zecon is also the turnkey contractor for 4,166 low and medium houses in the proposed 220 ha Petra Indah project for Syarikat Perumahan Negara Berhad (SPNB), about 6 km from town, which is part of the overall 808 ha with a gross development value of RM2.21 billion. The remaining 606 ha will be made into an eco-park township featuring medium to high end low density houses and is expected to gross RM1.6 billion in development value. A bridge will also be built to link the township.

Source : *The Business Times, NST, 30/10/2007 and StarBiz, 30/10/2007*

**NEW LANDMARK FOR KUCHING – HOTEL & COMMERCIAL CENTRE**

A 12-storey 360-room world class hotel, service apartments, offices and commercial shophouses will be built on a 10-acre site at Jalan Lapangan Terbang, formerly occupied by Ming Kiong Garden. The hotel and headquarters of the owner, M/s Global Upline, will be developed under the 1<sup>st</sup> phase which will take up 5 acres. Clearing works started on 16/10/2007 and the project is expected to be completed and operational by August, 2008. The hotel, named Four Points by Sheraton Hotel, is to be built at RM100 million and will be managed by Starwood Asia Pacific Hotels & Resorts Pte Ltd. M/s Global Upline will also build a 4-star 220-room hotel at Jalan Tabuan targeted for completion also by 2008. This would add another 580 hotel rooms to Kuching. Another hotel has also been earmarked for Miri by Global Upline.

Source : *The Borneo Post, 17/10/2007; The StarBiz, 14/11/2007*

**PLAZA MERDEKA to take off the ground**

Work on a shopping mall, Plaza Merdeka, will take off the ground by January, 2008. Located in the old part of Kuching town, the mall will have a gross area of over half a million sf with a nett lettable area of about 350,000 sf. The distinctive feature of the mall will be its huge 9,000 sf 4-storey high garden podium for promotion and exhibitions. The mall will house a department store, supermarket, designer stores, tech centre, coffee shops as well as a food court. Car parking space will be spread over 6 acres on 2 levels. Built above the mall will be a 8-storey 290-room boutique business and tourist hotel. The Plaza Merdeka will be built at a cost of RM270 million and targeted to be ready by mid 2010.

Source : *The Eastern Times, 13/10/2007*

**SARAWAK REGIONAL CORRIDOR DEVELOPMENT (RECORDA)**

The Sarawak Regional Corridor Development (RECORDA) which is implemented under the 9<sup>th</sup> and 10<sup>th</sup> Malaysia Plans was launched recently by the Prime Minister. RECORDA straddles Similajau in Bintulu division and Tanjung Manis in Mukah division, which is essentially rich in energy sources from coal to hydro-electric power and would promote growth of energy-intensive industries and business opportunities throughout the state. Aided by RECORDA, the state's central region population is expected to swell by about 200,000 from the current 800,000.

Source : *The Malaysian Reserve, 17/10/2007*

**SARAWAK INTERNATIONAL MEDICAL CENTRE (SIMC) ready by 2008**

The Sarawak International Medical Centre (SIMC) sited at Samarahan, wholly owned by Sarawak Specialist Hospital & Medical Centre Sdn Bhd, which is 100% owned by the Sarawak State government, which commenced work in July 2003 would be ready by the 1<sup>st</sup> half of 2008. The contract sum for the project was about RM289 million for building works, design and consultancy fees plus another Euro 36 million more or less for specialist medical and IT equipment.

Source : *Eastern Times, 23/11/2007*

**SEBUYAU BRIDGE**

The coastal road project connecting Sebuyau to Samarahan comprising 17.4 km of road from Kampung Buloh to Sebang town, 6.8 km around Kampung Pasir and 2.7 km of link road joining the coastal road to Sebuyau town, including an 800-metre bridge over Sungai Sebuyau was completed on 11/10/2007. The turnkey contractor of the project was PPES Works (Sarawak) Sdn Bhd. The completion of the coastal road would ease transportation of raw materials and commodities to and from Sebuyau.

Source : *The Borneo Post, 12/10/2007*

**Flats to solve squatter problems**

More Projek Perumahan Rakyat (PPR) flats will be built in Kuching, Sibul, Miri and Bintulu to rid the State of squatter colonies still existing in major towns. According to the Land & Survey Department's October findings, there were 9,339 people residing in squatter colonies statewide.

|   | Town    | No. of Squatters |
|---|---------|------------------|
| 1 | Miri    | 4351             |
| 2 | Bintulu | 2501             |
| 3 | Kuching | 1466             |
| 4 | Sibu    | 438              |
|   |         | 8,756            |

Source : *The Borneo Post, 28/11/2007*

## NEW PROJECTS LAUNCHED

### KUCHING



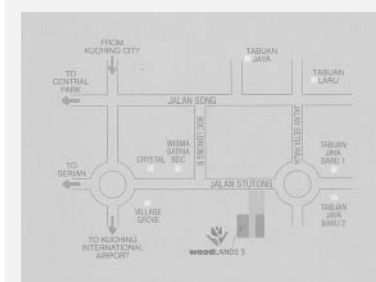
Launched by Mistapoint Sdn Bhd, **Home Park** situated at the 3<sup>rd</sup> Mile area offers 17 units of double-storey terraced houses (1751.8 sf) priced from RM330,000, 10 units of single-storey semi-detached houses (1162.5 sf) from RM363,000 and 12 units of double-storey semi-detached houses (1990.35 sf) from RM528,000 for sale. The terrace houses boast 4 bedrooms, 4 washrooms and 2 kitchens.

Situated just behind the existing **Taman Desa** Guru, Taman Desa Jaya is spread out over 3 phases, comprising 56 double-storey semi-detached houses priced from RM330,000 and 109 double-storey terraced houses priced from RM220,000. It is developed by Kumajaya Sdn Bhd and sited off Jalan Sultan Tengah in between various training and educational institutions.



**Taman Moyan Utama** is developed by Indah Kerjaya Sdn Bhd along the Tondong-Batu Kawa road. It consists of 51 single storey low cost houses, 32 single storey terrace houses and 35 double storey terraced houses. The single storey houses have a wall up area of 77.63 sm with land sizes ranging from 3.71 pts to 7.64 pts and priced from RM133,800, whilst the double storey houses have a wall up area from 172.43 sm with land sizes from 4.31 pts onwards and priced from RM218,800. The low cost plus houses (51.79 sm) are priced from RM79,800 onwards.

**Precinct 88** is a 2-storey commercial complex sited at the junction between Jalan Urat Mata and Jalan Song. Developed by Coramax Sdn Bhd, it consists of 40 units of commercial units priced from RM638,000.



**Woodlands Phase 3**, developed by BDC Stallion Sdn Bhd, is situated beside the 1<sup>st</sup> 2 earlier phases and comprises 2 double-storey semi-detached units, 15 double-storey terraced units of Type A and 4 double-storey terraced units of Type B. The double-storey terrace with a total wall-up area of 145 sm is priced from RM289,800 onwards and the semi-detached with a total wall-up area of 194 sm is priced from RM454,800.

### SAMARAHAN



Naim Cendera Berhad has launched a unique house concept called the **Zero Boundary @ the Riveria** which consists of 18 units of exclusive Semi-D bungalows that face the Merdang River. The houses are built on the edge of the lot's boundary with a land area of 337.52 sm onwards. Priced from RM528,888, it has a total wall-up area of 2,068 sf and covered area of 3,181 sf.



**Vista Ilmu** is a 4-storey walk-up apartment project to be developed by Syarikat Perumahan Negara Berhad (SPNB) and built by Naim Cendera Sdn Bhd as part of the state's effort in developing affordable housing. Located in the vicinity of Desa Ilmu, it encompasses 33 acres in 2 phases and will offer a total of 1,152 units at prices ranging from RM89,500 to RM98,500.



**BINTULU**

|                  |   |  |   |
|------------------|---|--|---|
|                  |  |  |  |
|                  | <b>Beverly Hill Villa</b>   | <b>Iris Garden</b>   | <b>Jade Garden Phase 2</b>  |
| Developer        | Chieng Chuang Construction Sdn Bhd  | BBC Construction Sdn Bhd   | Paling Construction Sdn Bhd   |
| Type of Property | DH1T  | Apartment  | DH1T  |
| No. of Units     | 66  | 192  | 48  |
| Price (RM)       | 115,000 – 155,000   | 799,999 – 121,999  | 155,000 – 295,000   |
| Land Area        | 2.72 – 4.81 pts   | -  | 4.31 – 11.98 pts  |
| Building Size    | 19' x 33'   | 26.24' x 29.50'  | 22' x 41'   |

**MIRI**

|  |  |  |
|--|--|--|
|  |  |  |
|  | <b>Desa Murni</b>  | <b>Desa Pujut 2</b>  |
|  | <b>by Naim Cendera SB</b>  |  |

|                  |                |                |
|------------------|----------------|----------------|
| Type of Property | DH1T           | DH2T           |
| No. of Units     | 56             | 63             |
| Price (RM)       | From RM124,888 | From RM230,888 |
| Land Area        | From 170 sm    | From 197 sm    |
| Wall Up Area     | 66.27 sm       | 160 sm         |

|  |   |   |
|--|---|---|
|  |  |  |
|  | <b>Sunshine Garden</b>  | <b>Fabulous Garden</b>  |

|                  |  |                        |
|------------------|--|------------------------|
| Developer        | Sun Organic SB   | Fabulous Enterprise SB |
| Type of Property | DH2T, DH2SD  | DH2SD                  |
| No. of Units     | DH2T – 50<br>DH2SD – 22                                | 54                     |
| Price (RM)       | DH2T – From RM298,000 – RM307,000<br>DH2SD – RM360,000 | From RM368,000         |
| Land Area        | DH2T – From 251 sm<br>DH2SD – From 380 sm              | DH2SD – From 380 sm    |
| Wall Up Area     | DH2T – 208 sm<br>DH2SD – NA                            | 164 sm                 |

## ECONOMY

### 2007 WORLD ECONOMIC OUTLOOK

#### Highlights

- World growth for 2007 is expected at 5.2%, down from the 5.4 % rate registered in 2006 with largest downward revisions to growth in the United States and other affected economies
- World growth to slow down in 2008, but still expected to remain solid at 4.75%, due to the recent turbulence in financial markets triggered by the fallout from the U.S. subprime mortgage market clouding prospects
- Major emerging markets have taken over as leading contributors to global growth with China leading the pack with a GDP growth of 11.5%, India at 9% and Russia at almost 8%, accounting for one-half of global growth over the past year
- U.S. economy is expected to remain weak next year, with growth of 1.9 percent with weak domestic consumption due to high fuel prices and low house prices

Despite the recent setbacks, sound fundamentals should keep the global economy on course and minimize the impact.

#### Emerging Asia

- Emerging markets China and India are the largest drivers of world growth with China now the single most important contributor to world growth, in terms of both market and purchasing-power-parity (PPP) exchange rates
- Strong emerging markets growth due to sound policies, benign external conditions
- More financial turbulence could disrupt financial flows to emerging markets

Emerging market countries are reaping the benefits of careful macroeconomic management over the past decade and are benefiting from favourable external conditions, including high commodity prices. Despite the uncertainties about the outlook and the risks linked more directly to the global outlook, the IMF expects emerging markets to remain strong in the foreseeable future.

Source : 2007 World Economic Outlook (WEO) released by IMF on October 17, 2007

### ASEAN economic performance: ADB

According to the ADB, Southeast Asian countries looking to create a single regional market need to convince investors that they can integrate their economies by 2015 with a free movement of goods, services, investment and, to a limited extent, labour.

Indonesia, Thailand, Malaysia, Singapore, the Philippines, Brunei, Vietnam, Myanmar, Cambodia and Laos, which make up ASEAN, had a combined gross domestic product of more than \$1 trillion and a population of 560 million at the end of 2006.

The ADB President advised that the oil prices close to US \$100 a barrel, along with a slowing economy in the United States, could hurt Asian economic growth in coming months even though growth in Asia, excluding Japan, this year may exceed the ADB's forecast of 8.3 percent.

While increased regional trade and improved domestic demand had reduced Southeast Asia's dependence on the wellbeing of the U.S. economy, this did not mean that Asia had "decoupled" from the world's top economy, as some economists have suggested.

Source: International Business Times, 19 November 2007

### Subprime fallout clouding prospects

World growth is slowing but will remain solid, supported by the strong momentum of major emerging markets such as China and India.

(annual percent change)

|               | 2005 | 2006 | Projected |      |
|---------------|------|------|-----------|------|
|               |      |      | 2007      | 2008 |
| World output  | 4.8  | 5.4  | 5.2       | 4.8  |
| United States | 3.1  | 2.9  | 1.9       | 1.9  |
| Euro area     | 1.5  | 2.8  | 2.5       | 2.1  |
| Germany       | 0.8  | 2.9  | 2.4       | 2.0  |
| Japan         | 1.9  | 2.2  | 2.0       | 1.7  |
| Africa        | 5.6  | 5.6  | 5.7       | 6.5  |
| China         | 10.4 | 11.1 | 11.5      | 10.0 |
| India         | 9.0  | 9.7  | 8.9       | 8.4  |

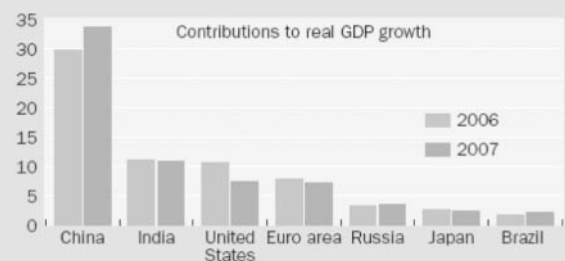
Source : IMF, World Economic Outlook, October 2007.

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during August 22 – September 19, 2007.

### New driving force

The major emerging markets have become the main engines of world growth. For the first time, China and India are making the largest country-level contributions to global growth.

(based on PPP weights, percent of world growth)



Source : IMF staff calculations.



## Car Production and Sales

|                          | PRODUCTION    |               |                |                | SALES         |               |                |                |
|--------------------------|---------------|---------------|----------------|----------------|---------------|---------------|----------------|----------------|
|                          | November      |               | YTD November   |                | November      |               | YTD November   |                |
|                          | 2007          | 2006          | 2007           | 2006           | 2007          | 2006          | 2007           | 2006           |
| PV (Passenger Vehicles)  | 43,232        | 40,509        | 373,233        | 432,548        | 40,053        | 32,613        | 404,793        | 412,867        |
| CV (Commercial Vehicles) | 3,912         | 3,058         | 35,880         | 40,915         | 3,730         | 3,491         | 40,139         | 41,293         |
| <b>Total</b>             | <b>47,144</b> | <b>43,567</b> | <b>409,113</b> | <b>473,463</b> | <b>43,783</b> | <b>36,104</b> | <b>444,932</b> | <b>454,160</b> |
| % change                 | 8.21%         |               | -13.59%        |                | 21.27%        |               | -2.03%         |                |

Source : Malaysian Automotive Association, 19/12/2007

- Car Sales in November 2007 improved by 868 units or 2% compared to the previous month due to a full working month and introduction of new models
- Cumulative sales figure for the 1<sup>st</sup> 11 months of this year at 444,932 units was 2% lower than 454,160 units recorded for the same period last year
- Production of cars for November 2007 at 47,144 units was 8.2% higher compared with 43,567 units produced during the same month last year
- However, total car industrial output for the 1<sup>st</sup> 11 months of 2007 was 13.6% lower at 409,113 units of passenger cars compared to 473,463 units last year

## MIER lowers forecast for 2008 growth

The Malaysian Institute of Economic Research (Mier) has revised downward its forecast for the country's gross domestic productivity (GDP) growth next year to 5.4% from 5.8%, against the Government's targeted 6%. The downward revision was in light of the International Monetary Fund's downward revision of global economic growth for next year to 4.8% from 5.2%, due to the subprime mortgage crisis in the US and the higher crude oil prices.

It is, however, maintaining GDP growth for the year at 5.7% supported by a stable domestic consumption, driven mostly by the services sector.

High oil prices would exert pressure on the Government to cut subsidies and increase is expected on toll, petrol, electricity tariff hikes and others.

The appreciation of the ringgit was the only factor offsetting the upward pressure on prices but this would not affect exports since the US economy was highly dependent on imports.

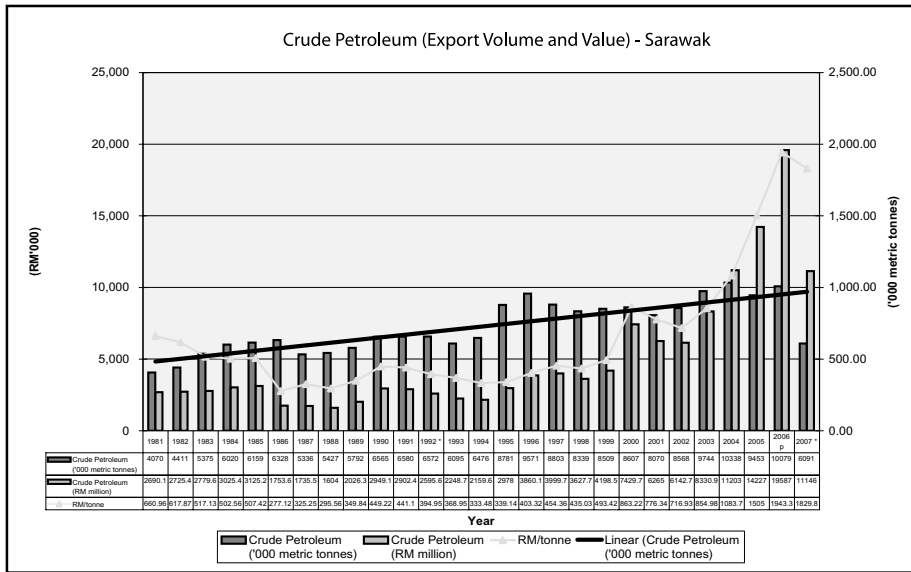
Interest rate is expected to be maintained since economic growth is expected to be slower next year. Inflation for the year is expected to average 2.2%, compared with 3.6% last year. The Business Conditions Index (BCI) decreased to 117.5 points in the third quarter from 122.1 in the second quarter, but was up from 107.8 points a year ago, reflecting the execution of Ninth Malaysia Plan projects. The Consumer Sentiments Index, however, rose to 117.5 points in the third quarter from 115.9 in the preceding quarter and 107.5 points a year ago, buoyed possibly by the 2008 Budget measures.

It is expected that the world economy will rebalance and bounce back by end of 2008 and that growth in 2009 will correspond to growth in 2007.

Source : Adapted from MIER Third Quarter 2007 Malaysian Economic Outlook as reported in The Star Biz, 25/10/2007 and National Economic Outlook Conference 2008-2009 as reported in the Eastern Times, 28/11/2007

- 50% off stamp duties for houses costing <RM250,000 from 1<sup>st</sup> January, 2008
- Housing loan monthly instalment EPF withdrawal scheme effective 1<sup>st</sup> January, 2008

COMMODITIES



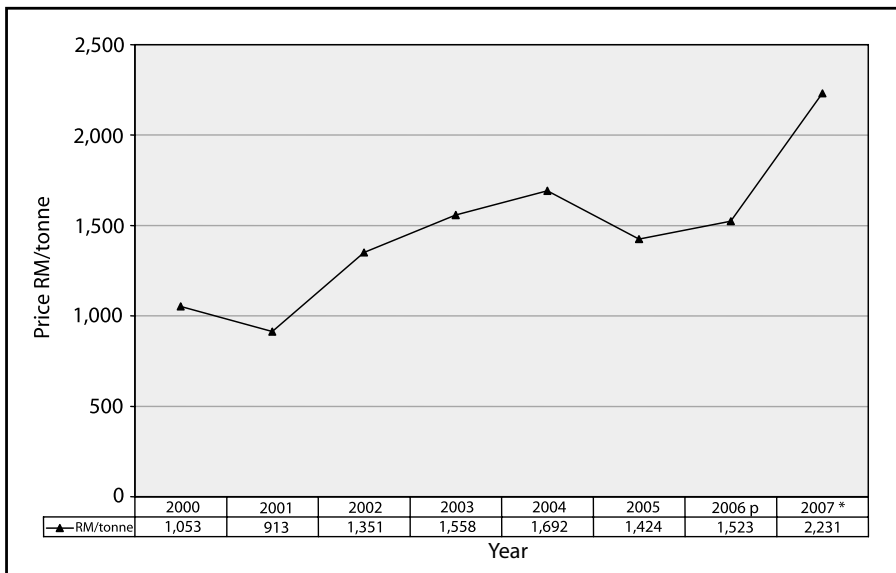
Plywood and plywood output cut

Plywood producers in Sarawak will cut down their production by between 20% and 25% to stabilize the price of the commodity in the global market, especially in Japan, a major traditional trading partner, due to a decline in the demand for building materials as a result of a data fabrication scandal in Japan which prompted authorities to slow down the issuance of new housing licences there.

Source : The Malaysian Reserve, 3/10/2007

\* Up to July 2007

Sarawak Palm Oil Exports - RM/tonne



- Production of crude palm oil is expected at 1.6 million tonnes for 2007 and 1.8 million tonnes for 2008
- Total mature area is also expected to expand further to 508,000 hectares for 2007

\* Up to Nov 2007

CALCULATION OF PREMIUM FOR RENEWAL OF LAND LEASE as adapted from Press Conference Speech by 2<sup>nd</sup> Planning & Resource Management Minister, Dato Sri Awang Tengah Ali Hassan on 28/11/2007

FORMULA :

$$(A - B) \times C = D$$

A : Current market value of land for 60 years term

B : Current market value of land based on its unexpired term

A - B : Enhanced value

C : Multiply by rate of premium (percentage) which is determined by the land usage and category. For Example, residential land within the category of Town Land will be charged 25%

D : Amount of premium to be charged

- Current market value determined through comparable method of valuation**  
 The current market value of the land is determined through "comparable method of valuation" which is also used by the private sector, where value of the property is based on evidence of transactions of land sales within the vicinity of the land with due adjustments made for factors affecting value such as locality, accessibility, expiry terms of title. This is a standard method for valuing land in this country and internationally.
- Renewed period of lease**  
 The standard renewed period of lease would be 60 years starting from the year the lease is renewed, and not the year of expiry of the current lease, e.g. if a land lease with 18 years is renewed now, the new lease would be 60 years from now and not 78 years.
- Longer period of lease at additional premium**  
 Land conditioned for usages other than agriculture could also be renewed for a longer term of 99 years with an additional premium of 30% charged e.g. the renewal of residential land for 99 years would be 55%.
- Instalment payment of premium**  
 Annual instalment payment of premiums is allowed but subject to a maximum of 10 years, with certain interests calculated from the 2<sup>nd</sup> year onwards.
- Special premium for the poor**  
 A special lower premium rate would be considered for those living below the poverty line.
- Renewal of lease – not automatic but predictable**  
 Renewal of lease will not be automatic but predictable in that as long as the land is not required for development and as long as the owners did not breach the title conditions, the leases would be renewed.

## READY BUILT FACTORIES AT DEMAK LAUT INDUSTRIAL PARK PHASE 3, KUCHING

developed by Ministry of Industrial Development Sarawak

Land size from 790.4 m<sup>2</sup> (19.5 pts)  
 Walled-up area about 2888 ft<sup>2</sup>

Price per unit from RM450,000.00

Monthly rental from RM2,000.00  
 with option to purchase

\* Discount for BUMIPUTERA



**TERRACED FACTORIES FOR RENT**



Land size from 449.9m<sup>2</sup> (11.1 pts)  
 Walled-up area about 3713 ft<sup>2</sup>

Monthly rental: RM1,500.00 (Intermediate)  
 RM1,700.00 (Corner)

\* Discount for BUMIPUTERA



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WTWY Real Estate Sdn Bhd  
 (274317-T) (E(1)0507/7)  
 Tel: 082-246 262, 082-428 436

**KUCHING**

No 9 (First Floor)  
 Jalan Song Thian Cheok  
 P O Box 2236  
 93744 Kuching  
 Sarawak  
 Malaysia  
 Tel: 082-246262  
 Fax: 082-416909  
 Email: [kuching@wtwy.com](mailto:kuching@wtwy.com)

**SIBU**

No 11 & 12, 2<sup>nd</sup> Floor  
 Lorong Kampung Datu 3A  
 P O Box 1467  
 96008 Sibu  
 Sarawak  
 Malaysia  
 Tel: 084-319396  
 Fax: 084-320415  
 Email: [sibu@wtwy.com](mailto:sibu@wtwy.com)

**MIRI**

Lot 1139 Ground & First Floor  
 Miri Waterfront Commercial Centre  
 P O Box 1121  
 98008 Miri  
 Sarawak  
 Malaysia  
 Tel: 085-432821  
 Fax: 085-411786  
 Email: [miri@wtwy.com](mailto:miri@wtwy.com)

**BINTULU**

1<sup>st</sup> Floor, 35 BDA/Shahida  
 Commercial Centre  
 Lebuhraya Abang Galau  
 P O Box 363  
 97008 Bintulu  
 Sarawak  
 Malaysia  
 Tel: 086-335531  
 Fax: 086-335964  
 Email: [bintulu@wtwy.com](mailto:bintulu@wtwy.com)

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The Spring and Boulevard opened for business

**2007 Review**

Except for the retail complex sector, the Sarawak property market generally experienced less market activities in 2007 in terms of new launches and units under construction, although there are variations for the major towns of Kuching, Kota Samarahan, Sibu, Bintulu and Miri (see Table 1, 3, and 5). But prices of newly launched units were generally higher than those launched in 2006, notwithstanding the increase in stock of unsold completed units, particularly the higher end units.

However, there was a revival of the retail sector for Sarawak for 2007 which witnessed the completion of several sizeable shopping malls - Boulevard Mall (opened for business on 22-12-2007) and The Spring (opened for business on 10-1-2008) in Kuching; Delta Mall (opened for business on 29-12-2007) in Sibu; Parkcity Mall (opened on 13-6-2007), Farley Mall (19-7-2007) and Sing Kwong Supermarket (Dec 2006) in Bintulu with a few more due for completion within this 2 years - Novotel, Green Heights Mall and the Four Seasons Sheraton in Kuching, and the Bintang Jaya extension in Miri.



Green Heights Mall



One T.J. Mall



Sheraton



Novotel

Retail Complexes due for completion by 2008 in Kuching

Retail Complexes under construction in Kuching

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