



C H Williams Talhar Wong & Yeo



PROPERTY MARKET REVIEW 2015 AND OUTLOOK 2016

The overall property market for Sarawak is seen to be generally lack-lustre due to the weak buying sentiments. The anticipation of higher mortgage rates in 2015 and the increased inflationary pressure with the implementation of 6% GST in April 2015 have further dampened property sales for 2015 as buyers took on a wait-and-see attitude. On the positive side, this cautionary approach may have also resulted in some market corrections.

Despite residential property being exempted from GST, the rise in costs of construction have pushed up the prices of residential property, generally between 3% and 6% for the year. Notwithstanding the less conducive climate, the property sector remains stable especially for those in prime locations. Residential properties priced below RM400,000 are still in good demand but properties on the upper end of the scale have been affected by slower sales. With the large number of new commercial units coming into the market, shophouses are also experiencing a much slower take-up rate and falling occupancy. In the face of a slackening economy, developers are offering attractive sales packages whilst investors are moving cautiously.

Sarawak's maintaining of the foreign ownership's minimum pricing requirement at RM350,000 per property instead of the RM1 million minimum purchase price per property for foreign ownership by its West Malaysian counterparts, could make it a more attractive option. The announcement by the Sarawak Chief Minister that subsidiary land titles shall follow the land tenure of the original parent title augurs well for the property sector as the interests of owners and purchasers are protected.

If market conditions remain as they are, the coming year 2016 is expected to see a further slow-down in all property sectors, although demand will very much be determined by the types and prices offered, with perceived attention shifting to the secondary market which is less subject to the snow-ball effects of current economic measures such as the GST. High end residential units including luxury condominiums are expected to see slow sales. However, the residential sector will continue to dominate the market, comprising about 80% or more of the overall property stock. There will be good demand for affordable housing of not more than RM250,000 per unit with a recommended built up area of 850 sq ft. It is perceived that the majority of residential units would and should be focused on low cost, low cost plus and affordable housing as the way forward. The market is anticipating an overload of commercial properties and only those in prime locations and with good income earning potentials are expected to sell well. Industrial properties will remain low key except for those in established and prime areas.

Overall, the market outlook for 2016 will be bleak and uncertain. Developers will be compelled to build what the market wants and can afford rather than what developers prefer to build in terms of profitability. As the economy is expected to be slow and even recessive, developers will be hard pressed to survive in an increasingly competitive market. The next couple of years will certainly be a true test of the "Survival of the Fittest", as we expect lots of challenging times ahead and thus, lots of changes to cope with the challenges.



Trinity Hub at Jalan Datuk Tawi Sli, Kuching



Mixed development at Lee Garden along Jalan Pedada, Sibul



Desa Murni (Bandar Baru Permyjaya), Miri



Bintulu Paragon

LANDED RESIDENTIAL

Kuching

The residential sector in 2015 saw more units completed, due to the large number of launches in previous years. On the other hand, the number of landed residential launches for 2015 has dropped considerably, due to a softer market and also because of the shift to high-rise residential units, which have been launched in significant numbers.



Rivervale Residences, Jalan Stutong, Kuching

Except for continuing phases of some major developments such as Tabuan Tranquility and Bandar Samariang and more affordable mass housing such as Green Gate and Lotak Villas in Batu Kawa and Taman Sri Permai in the outer Dewan Bandaraya Kuching Utara (DBKU) area, most of the developments are piece-meal and small, comprising less than 50 units per project.

New launches were noted to be more active in the outlying suburban areas, basically prime secondary areas such as Batu Kawa, Jalan Kuching Serian and Matang, due to increasing land costs in and around Kuching city which has pushed newer developments to the outer areas in efforts to maintain affordability.

Double-storey terraced houses continue to dominate the landed residential sector followed by 2-storey semi-detached houses. Prices of housing units in prime locations remain high, recording over RM550,000 for 2-storey terraced units and more than RM1,000,000 for semi-detached units. Take up rates for new housing projects seem to be slower in 2015 but market transaction activities in the secondary market have increased. Demand for reasonably priced housing below RM500,000 remained strong. Housing areas recorded high occupancy rates at around 90% and rentals were maintained as previous year.

2016 is expected to reflect a similar scenario with a slowdown in new sales but good transaction activities in the affordable housing sector. Prices are still expected to go up, albeit at a slower rate of between 5% and 10%.

New Housing Projects launched in Kuching

Name	Developer	Location	Type	No. of units	Selling Price (RM per unit)
Vision Heights	Hong Seng Construction (E.M.) SB	Batu Kawa	2-TH	73	273,000 - 520,000
Golden Palm	Hung Seng Construction (E.M.) SB	Jalan Kuching-Serian	2-TH 2-SD	66	398,000 - 535,000
Green Acres	Ih Hung Enterprise SB	Jalan Matang	2-TH 2-SD	128	308,000 - 575,000

Note: TH - Terrace House
SD - Semi-Detached

Sibu

Supply of landed residential units in Sibu has slowed down as transaction activities and take up rates have contracted. Generally, newly launched intermediate terraced and semi-detached houses have commanded prices above RM400,000 and RM600,000, respectively.



3-storey townhouses off Jalan Tun Ahmad Zaidi Adruce, Sibu

Miri

In Miri, selling prices of newly launched residential properties were higher, mainly due to inflation and the impact of GST. Transaction activities and take-up rates are expected to slow down in 2016 due to the overall slowdown of Malaysia's economy. With Miri sprawling north and south, current and new projects are moving to outlying areas where the land costs are relatively lower. Housing units under construction are the highest in Lutong-Kuala Baram area (927 units), largely contributed by Desa Senadin developed by Miri Housing Development Realty Sdn. Bhd. Luak-Bakam and Taman Tunku-Taman Jelita which have seen increasing housing activity in recent years are expected to maintain their momentum in the next few years. Generally, it is expected that the Miri housing market will continue to be stable but with noticeably less launches and completions in the coming year.

Inside This Issue

- 1 - Property Market Review 2015 and Outlook 2016
- 8 - Kidurong Sentral Bintulu
- 9 - Budget 2016 Malaysia: Highlights & Summary
- 9 - Economy
- 10 - Market Indicators
- 11 - WTWY Opinion Polls 2015
- 12 - WTWY 40th Anniversary (1975-2015)



Desa Senadin (Phase 5), Miri

Bintulu

Prices of residential units in Bintulu for 2015 were higher compared to 2014. The Bintulu property market was generally stable due to the current on-going SCORE projects in Bintulu but it is expected that the transaction volume and take-up rate for new projects may experience a downward trend due to overall economic slowdown. 2015 also saw works commencing on the new township at Samalaju which will be the largest mixed development in Bintulu once completed.



Gem Park, Bintulu

New Housing Projects launched in Bintulu

Name	Location	Developer	Type	No. of units	Min. Selling Price (RM per unit)
Austra Height Phase 3	Jalan Sibiyu, Bintulu	Kien Lim Realty SB	2-TH	113	398,000

Note: TH - Terrace House

HIGH-RISE RESIDENTIAL

Kuching

There were less units completed for the condominiums sector after a record year in 2014. Some projects completed were the 72 Residences at Jalan Song and Greenwich South at Jalan Batu Kawa. However, with another 6,500 or so units either under construction or undergoing earthworks, the next couple of years would see even more high-rise apartments and condominiums coming into the market. This sub-sector is taking up an increasing share of the residential sector for Kuching and has even overtaken landed housing in the Kuching urban areas in terms of numbers completed for the past 2 years.

The number of units launched for the year are almost on par with the year before. However, most of these are part of mixed commercial developments. 80% of the high-rise residential units launched are located in the Kuching built-up urban areas and upcoming suburban residential Matang areas. Units offered range between 1,000 sq ft. and 3,000 sq ft. Rentals remained competitive at between RM1,500 and RM3,000 per month, depending on the furnishings and unit size. Due to the increased number of units available and coming into the market, the rental market for this sub-sector is expected to be competitive and very much a tenants' market.

Prices for condominium units continued to record growth of around 10% or so for the year, with prices as high as between RM700 and RM900 per sq ft for studio units at prime locations and penthouses at the city centre area. On the average, the selling prices are hovering around RM500 psf. Compared to the previous year, take-up rates of apartments have slowed down. Whilst sales of the condominiums sector is expected to slow down further in 2016, prices are still expected to increase although at a lower rate.



The Royale, 9-storey apartments nearing completion at Jalan Stampin Timur, Kuching

New condominium/apartment projects launched in Kuching

Name	Location	Developer	No. of units	Selling Price (RM per unit)
LD Legenda	BUA	Lien Dak Development SB	569	189,000 - 515,000
Gala City Residences	BUA	San Chin Realty SB	432	375,488 - 866,233
Rivervale Condominiums	BUA	CMS Property Development SB	292	388,888 - 802,888
The City Gateway	BUA	Sucihandal SB	200	298,000 onwards
Genesis Walk Mall 2	Matang	Rasaja SB	174	218,000 - 317,000
Liberty Grove @ Kota Sentosa	Kuching-Serian	Elica SB	168	409,810 - 543,200
Rex @ BDC	BUA	Tecktonic & Sons Holdings SB	95	398,250 - 682,500
Vermont Suites Condominiums @ Stutong	BUA	Vermont Suites SB	90	805,000 - 2,279,000
The Vista	DBKUA	Da Jiang San Development SB	96	258,000 - 368,000
Tropics City	BUA	Regal Advantage SB	352	341,800 - 1,123,800
Ataria Resort	DBKUA	Sentoria Borneo Land SB	428	178,800 - 296,800

Note: BUA - Built-Up Area

Sibu

Likewise in Sibu, stratified residential properties have picked up in recent years, due to increasing land costs and scarcity of land in prime locations. Selling prices of newly launched apartments have been rising fast after gaining popularity.

Miri

Since the last five years, developments of high-rise residences have picked up in Miri with five projects completed and four new project launches that will be completed in the next one to two years.

Bintulu

In Bintulu, the condominiums/apartment market was weak in 2015. The number of high-rise residential units is expected to increase with nine projects, totalling 783 units slated for completion within the next three years. Moving forward, 2016 is likely to see less transaction activities.

New condominium/apartment projects launched in Sibiu and Miri

Name	Location	Type	Unit Size (sq ft)	No. of units	Min. Selling Price (RM psf)
Sibu					
Project on Lot 3403 Block 10 Seduan Land District	Jalan RTM	Apartments	865 - 1302	62	300
		Penthouse	2,066 - 2,293		323
Miri					
Kenyalang Corner (Arcadia Square)	Marina Parkcity	SOHO	603 - 646	100	566
			818 - 894		604
			743		612
			915 - 959		632

COMMERCIAL

Kuching

There is prolific development of shophouses in Kuching at the moment, with record-high numbers currently under construction and earthworks which would lead to an over-supply of shophouses in the next 2 years or so for Kuching, not even taking into account new ones that are already approved but yet to be launched.

From our observation, recent shophouse developments in Kuching have experienced a general slow-down in sales, due to the large numbers being launched in recent years which is heading towards an overhang situation in the commercial market, although shophouses in good prime locations are still selling well.

Icom Square, Trinity Hub and Metro City are some significant projects recently completed whilst major commercial developments underway include Bottega at Moneta de Borneo, TT3, 122 Aeroville and Canaan Square.

There are few new office building completions for 2015, and they are mostly part of a mixed commercial development, being annexed to newly completed 3 or 4-storey shophouse units, such as the 6-storey strata-titled office at the newly completed iCom Square in the city and Trinity Hub at Jalan Datuk Tawi Sli, and the 9-storey office tower at City Square in Pending. A 6-storey corporate office building was also recently completed, along Jalan Tun Jugah, housing CWR Corporate. Construction of the Gateway Towers housing both the SEDC and LCDA headquarters are well in progress.

Current supply of office space in Kuching hovers around 4.6 million sq ft. Plans for the office tower of The Dayak Plaza, which has been under construction for quite some time, has been changed to a hotel.

The office sector remained stable and vacancy rates are generally low, remaining at 10% or so, with most office spaces being occupied by the government and government-linked companies. However, it is observed that new office buildings remain unoccupied, which might pull down the occupancy rate in the near future. The office sector in Kuching remained steady with rental yields at 5% to 6% per annum and rentals remaining stagnant between RM2.80 and RM3.00 psf or even less for those outside the CBD. There were no office buildings transacted in 2015.

The office sector is expected to remain stable in 2016, with significant additions to the sector expected only after 2016.



The Gateway Towers, purpose-built offices housing SEDC and LCDA Headquarters at the Kuching Ishtmus



TT3 Commercial Centre at Jalan Canna, Kuching



Aeroville 122 along new airport-link road, Kuching



Canaan Square at the new airport-link road, Kuching



Bottega @ Moneta de Borneo at Jalan Stutong, Kuching

Sibu

In year 2015, the take up rate for shophouses in secondary location, such as Eco Garden Commercial Centre at Sibu Jaya and Uni City Commercial Centre at Jalan Wawasan has generally improved although the occupancy of existing shophouses projects remained low. Selling price for shophouses in these commercial areas are lower and more affordable compared to those in the vicinity of the town centre. Companies are still looking at shophouses as business premises, and as such there is no existing market for purpose built office space. In the short term, more commercial shophouse projects are expected to be launched as many were granted approval in the past few years. However, market activities and take-up are likely to remain sluggish.

Miri

The average annual addition for shophouses in Miri is about 120 units per year. However, year 2015 observed a larger supply coming into the market. This was largely contributed by the completion of Senadin Commercial Centre (108 units), Desa Bahagia@Bandar Baru Permyjaya (81 units) and Marina Square I@ Marina ParkCity (106 units). The take up rates of these newly completed projects were relatively slow, underlying the lack-lustre performance of Miri's shophouses market in 2015. It is expected that the coming few years will see less new launches, as the unsold units will require a year or two to be fully taken up. The shophouse market in Miri is envisaged to be a tenants' market in 2016.



Marina Square Commercial Centre, Miri

Bintulu

Bintulu is similarly facing an oversupply of shop offices. At present, there are around 1,084 units of shop offices due for completion in the next two to three years. The selling price of shop offices had moved upward significantly since 2014, to between RM1.6 million and RM2.2 million in 2015. Rentals were rather competitive, at around RM1.38 to RM1.84 psf in both 2014 and 2015. Launches of shop offices will be less in 2016 as the cautious market sentiment and oversupply issue see more developers postponing some of the approved projects.



Bintulu City Mall Commercial Centre

New commercial projects launched in Sibu and Bintulu

Name	Location	Developer	No. of units	Selling Price (RM per unit)
Sibu				
Uni City Commercial Centre	Jalan Wawasan	Hock Peng Realty SB	68	898,000 - 1,935,000
Bintulu				
Pier 99	Bintulu Town Central	Sarawak Land (Kemena Park) SB	108	1,608,888 - 2,238,888
Samalaju Central	Samalaju	Samalaju Properties SB	129	990,000 - 2,070,000

RETAIL

Kuching

Except for Viva City Mega Mall which was completed in December 2015, there are no other malls completed for Kuching in 2015. However, this one mall will push up the retail space in Kuching by another 820,000 sq ft. Developed along Jalan Wan Alwi, a busy route leading into Tabuan Jaya, one of Kuching's oldest and most established housing estates, and developed by Coramax Sdn Bhd, Viva City Mega Mall will be the largest mall to-date for Kuching, promising a slew of big name tenants such as Uniqlo, TGV Cinemas, Charles & Keith, Tony Roma and Nandos.

In the current offerings are a number of malls currently under construction and due to be completed by 2016/2017, which include the following:

1. The 6-storey Emporium at Jalan Tun Jugah, a retail cum apartment complex, being developed by Ken Best offering about 140,000 sq ft of retail space;
2. The Matang Mall, a 4-storey mall at Matang, developed by Nationlink Group of Companies, with about 150,000 sq ft of retail space;
3. Moyan Square Shopping Mall, a 3+1 storey mall, at Jalan Batu Kawa-Matang being developed by Indah Kerjaya Sdn Bhd covering about 150,000 sq ft;
4. Aeon Shopping Mall located along Jalan Keretapi.

When completed, these will add more than half a million sq ft or so of retail space to the current Kuching market. The large influx of new retail space into the market in the last few years has showed signs of saturation, which is reflected by falling transactions and occupancy rates for shopping malls.

The average rental rate has dropped for the retail sector as a whole, especially for the older malls struggling to maintain their occupancy. Rental rates generally average less than RM10 psf although smaller units in prime locations at better performing malls are still being maintained at a good rate of RM20 psf. Retail prices have also not gone up with recent sales of prime ground floor retail units at not more than RM2,000 psf which is more or less the same rate commanded a few years ago.

With new and modern complexes coming up with better design and concept, older retail malls would need to reinvent themselves to remain relevant and occupied.



Viva City Megamall opened on 12-12-2015, along Jalan Wan Alwi, Kuching



Site Clearing for AEON Shopping Mall at Jln Tun Ahmad Zaidi Adruce/ Jalan Permata, Kuching

Sibu

There was limited transaction activity in the retail market in Sibu for year 2015, and there were no new retail projects launched. The occupancy rate for the existing retail centres remained unchanged.

Miri

Shopping malls in Miri performed above average in 2015, recording an average occupancy rate of about 83%; malls in the Central Business District outperformed those in the suburbs. On average, there is one retail centre completed every consecutive year in Miri. Retail space in new malls in the CBD were rented out as high as RM13.00 per sq ft. In 2016, the retail market is expected to soften.

Bintulu

Healthy occupancy rates were observed for the existing retail centres in Bintulu. In the coming few years, a number of retail centres in the pipeline will be completed, resulting in a competitive rental market. Retail malls operators/owners may introduce attractive rental packages to attract potential anchor tenants, sub-anchor tenants and retailers in view of the competitive market.



*Time Square Megamall
Launched end of 2015, Times Square Megamall is a regional mall located along Jalan Tun Hussein Onn, Bintulu*

HOTEL

Kuching

The Majestic Tower Hotel which was revived from an abandoned hotel project adjoining the existing Riverside Majestic Hotel, is making good progress and looks set to be completed by 2016.

Another significant development is the halal-certified 9-storey Tabung Haji Hotel sited along Jalan Lapangan Terbang, which will offer 182 rooms. Construction of this hotel is currently right on track and slated to be completed by 2017. The hotel will include a convention centre and office spaces.



Majestic Tower Hotel (next to the Riverside Majestic) under construction

Hotel room rates continue to increase slightly for 2015, between 5% and 10%, whilst recording a higher occupancy rate for peak season such as the mid-year holidays when the Rainforest World Music Festival is being held. Kuching continues to see increased tourist arrivals for 2015 after an impressive performance in 2014, which recorded more than 4.8 million visitors to the State.

The hotel industry continues to be upbeat with continued increase in tourist arrivals and improved room rates. Total room sales are expected to be upped. However, the average hotel occupancy rate is expected to drop with the addition of a few big hotels into the Kuching market in 2016.



The newly completed Waterfront Hotel atop Plaza Merdeka, Kuching



TH Hotel along Jalan Lapangan Terbang, due for completion by 2016/2017



Hotel UCSI under construction at the Isthmus, Kuching

Sibu

In Sibu, the average occupancy rates for city hotels stood at 60% in general, which is relatively good for year 2015, and is expected to remain unchanged in 2016.

Miri

Sungai Tujuh (Miri/Brunei border) recorded the highest number of arrivals for Sarawak's total travellers, supporting a robust tourism and hospitality market in Miri compared to other major towns in Sarawak. With its close distance, Miri's tourism mostly rely on its neighbouring country of Brunei, since Miri is the nearest and preferred holiday destination for Bruneians, especially for vacation, shopping, food and leisure.

In 2015, there are 19 hotels in Miri, totalling 2,429 rooms where 67% are situated in the city area. 4-star hotels make up the most supply in Miri (6 hotels with 1,506 rooms), followed by 3-star hotels (2 hotels with 250 rooms) and 5-star hotel (1 hotel with 225 rooms). Occupancy rates of 3 to 5-star hotels stood at 68% on average whilst room rates remained firm in 2015. The hotel market in Miri is expected to stay firm in 2016.

Bintulu

As at 2015, there are 9 hotels in Bintulu, translating to 992 rooms where 56% of the hotels are situated in the Central Business District and the balance are in the suburban area. Existing hotels in Bintulu recorded around 60% to 80% occupancy throughout 2015 with hotels in the CBD faring better than hotels in the suburban areas. Moving into 2016, the hotel market in Bintulu is likely to remain stable.



Hotel 101, Bintulu

INDUSTRIAL

Kuching

There were no significant launches for the industrial sector in Kuching for 2015, with these new launches being piecemeal and part of a mixed commercial development such as the three units of 3-storey industrial buildings at Banquet Square and 11 units of double-storey buildings, which are more akin to commercial showroom types. The Regal Corporate Park which was launched in 2014 and sited within Bandar Samariang along Jalan Sultan Tengah in Northern Kuching, is now under construction with completion of its 1st phase expected within the next 2 years.



2-storey Commercial Showrooms at the Isthmus, Kuching

It is noted that most of the industrial lands remained undeveloped, reflecting the slow rate of growth of the industrial sector in Kuching. Semi-detached light industrial buildings of around 2,000 sq ft remain the popular types, with most being used by SMEs for workshops and warehousing. There was also a slight increase in price of industrial units for 2015, with the latest launched units selling around RM1 million per unit, which is expected to stabilise in 2016. The occupancy rates, take up rates and rentals for the industrial sector remained stable and expected to stay firm in 2016.

Sibu

Same like the previous year, there was no significant industrial project launched in 2015 in Sibu. The industrial sector remained lack-lustre and may even decline in 2016. Market rent and investment returns of industrial properties are likely to stagnate.

Miri

Industrial activities in Miri have taken a dip and the trend will last till 2016. The past few years had less new launches and slower rate of completion for on-going projects. There were no new industrial launches in Miri in 2015 but there are over 200 units of industrial buildings under construction at present.

Bintulu

Likewise in Bintulu, the industrial market has slowed down in 2015 and there were no new launches. Industrial activities have been muted with only about 155 industrial units completed between year 2008 to 2015. There was an investment of a chemical factory from South Korea into Bintulu in 2015. Hu-Chems Fine Chemicals Corp invested US\$1 bil (RM3.8bil) and will be setting up its first overseas plant in Bintulu to increase its current production.



108 UNITS (Phase 1)

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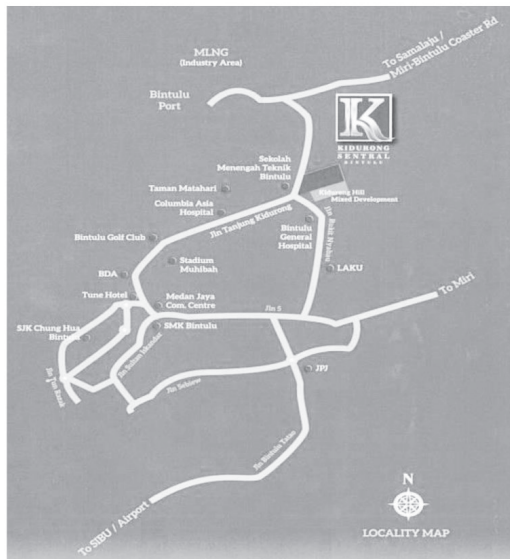
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BUDGET 2016 MALAYSIA: HIGHLIGHTS & SUMMARY

Delivered on the back of a big drop in government revenue due to sharply lower oil and commodities prices, and the slowdown in national/global trade and economy.

- PM says the Economy expected to grow between 4.5-5.5% this year compared to 3.1% global projection.
- Poverty rate reduced to 0.6% in 2014 from 3.8% in 2009, poverty almost at zero per cent.
- Unemployment down to 2.9%, 1.8 million jobs created.
- Five million people in rural areas now have access to electricity, clean water.

Households/Individuals

- BR1M for households with income of RM3,000 and below to increase from RM950 to RM1000.
- Households earning between RM3001 and RM4000, will receive RM800, from RM750 previously.
- For single individuals aged above 21 years old earning less than RM2000 a month, assistance has been raised from RM350 to RM400.
- Revenue to grow 1.4% to RM225.7bil on higher tax revenue in 2016; GST collection up RM39bil from RM27bil in 2015.
- RM100 school aid for households with income below RM3k to continue, benefiting 3.5 million students.
- Starting pay for civil servants to be fixed at RM1,200, affecting 60,000 people.
- Minimum pension is to be fixed at RM950 monthly, involving 50,000 retirees with at least 25 years' of service.

National Revenue

Without added tax revenue, the government would have to borrow to pay civil servants' salary, national credit rating would deteriorate, and borrowing cost would increase.

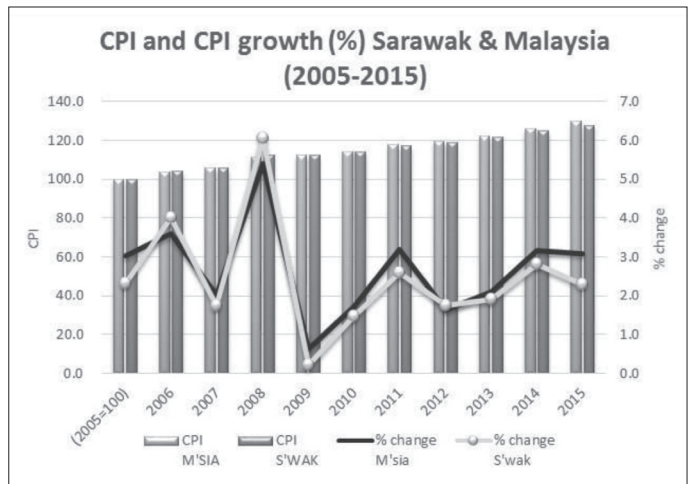
- No GST for more essential goods, including controlled medicine for cancer, diabetes, high-blood pressure.
- Pre-paid telco users to get rebates to commensurate with GST paid, credited from Jan 1 to Dec 31 2016.
- Income tax for those earning between RM600k-RM1 million to be raised from 25% to 26%

Development

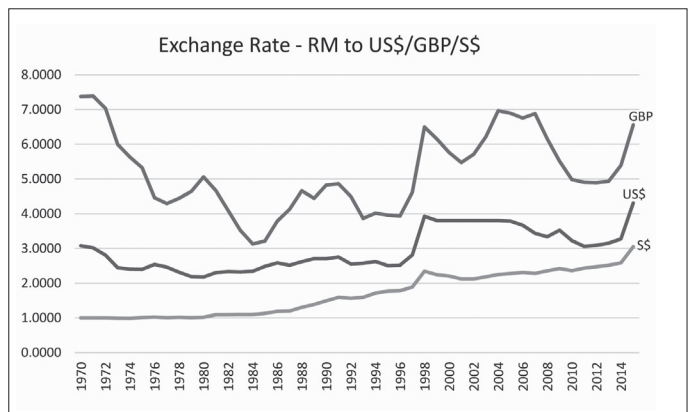
- The government will develop the 108,000 hectare Malaysian Vision Valley, which will sprawl from Nilai to Port Dickson with an investment of RM5billion in 2016
- The government will develop the Cyber City Centre in Cyberjaya, with an investment of RM11 billion over a period of 5 years
- The 1,300 hectare Aeropolis KLIA will be developed, and is expected to attract RM7 billion in investment.
- Khazanah to invest RM6.7 billion in 9 domestic projects in health, education, tourism, software and communication infrastructure.
- Construction of MRT2 Sungai Buloh-Serdang-Putrajaya costing RM28b to begin in second quarter of 2016, completed by 2022.
- The MCMC to allocate RM1.2b to increase Internet speed in rural areas from 5Mbps to 20Mbps.
- Bumiputera empowerment a national agenda, and will encompass the development of the Bumiputera communities in Sabah & Sarawak as well.
- The toll-free Pan Borneo Highway is to be completed by 2021, and is estimated to cost RM16.6b.
- An additional RM200m will be allocated to the existing Amanah Ikhtiar Msia fund to enable micro-financing for bottom-40 households
- Tekun will allocate a total of RM600m; RM500m for Bumi entrepreneurs, RM100m for 10k Indian business owners
- The government will build 175,000 units of PR1MA homes, sold 20 per cent below market price with RM1.6 billion allocation.
- A total of 100,000 PPA1M houses will be built by 2018, priced between RM90,000-RM300,000.
- A total of 22,300 condominium units and 9,800 terrace houses will be built under the PPR programme with an RM863 million allocation.
- RM200 million allocated for first time affordable house owners under new scheme.
- A total of 5,000 PR1MA and PPA1M homes to be built at 10 locations near LRT and Monorail stations.
- To reduce crime rate, a total of RM155m will be allocated to build two District Police headquarters in Lawas & Kota Kinabalu, while another 10 district headquarter and another 5 police stations are under construction.

Compiled from Malaysian Business News & Tax, October 23 2015

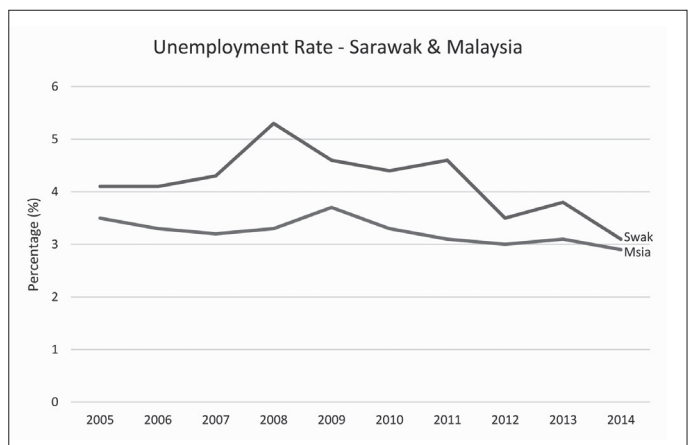
ECONOMY



- CPI Sarawak rises in tandem with the national CPI
- % change denotes the inflation rate
- Inflation rate for Sarawak less than overall Malaysia from 2010 to 2015

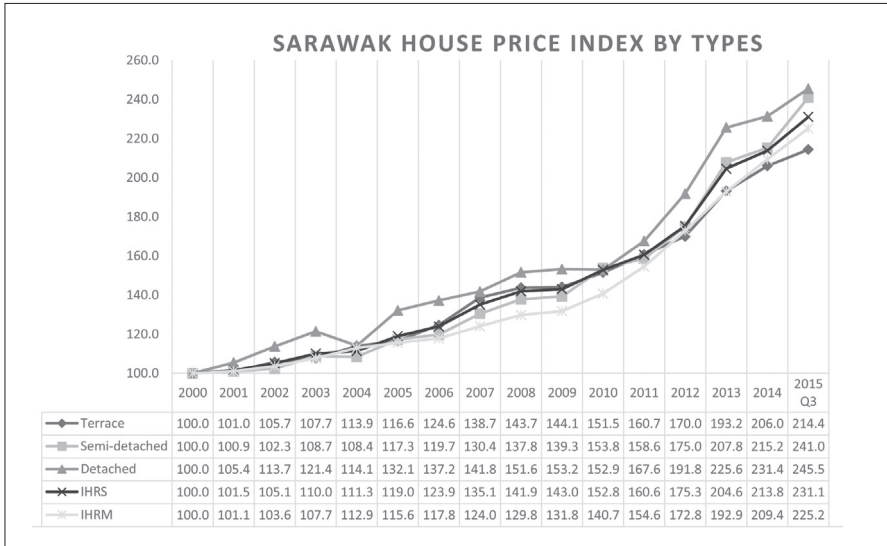


- Ringgit has depreciated against other major foreign currencies especially in the past year
- Ringgit has fallen more than 30% against the USD, breaching RM4.40 to USD1 by Dec 2015
- The worse ever Ringgit performance in the last 40 year or so



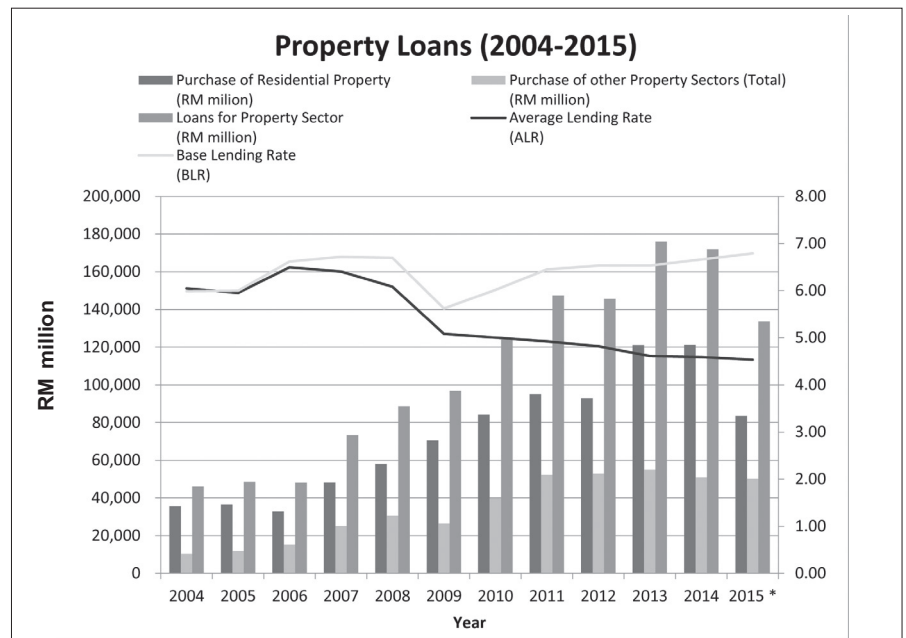
- Unemployment has been hovering between 3% and 4% for the last decade for Malaysia with latest unemployment falling below 3%
- Unemployment rate in Sarawak has been higher than the Malaysian average with cyclical patterns

MARKET INDICATORS

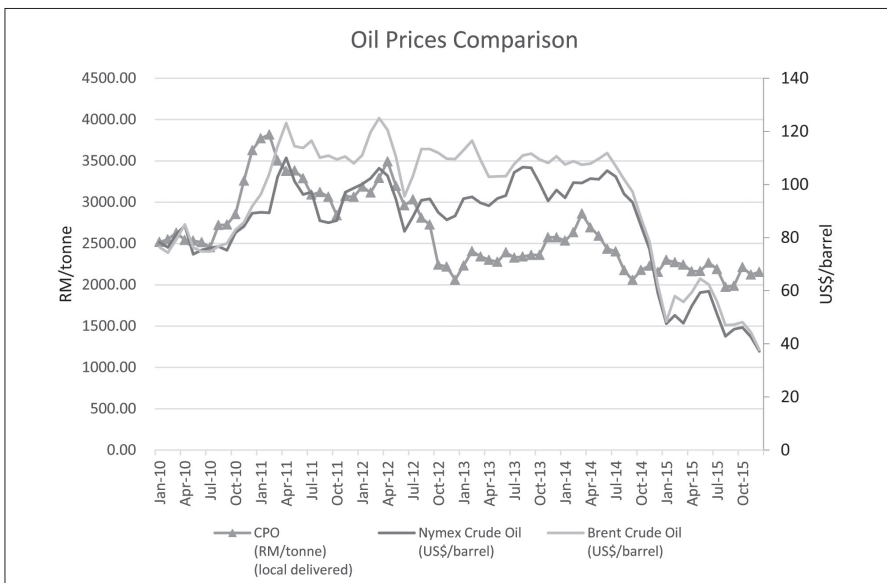


- The Sarawak House Price Index (IHRS) has increased at a higher rate than the Malaysian House Price Index (IHRM) in the past decade
- The overall house price index has increased by more than 130 points since 2000, meaning an average increase of around 8.5% per annum for the last 15 years but with starked increase in the last 5 years of more than 15% per annum
- Of the property types, detached houses seem to have increased the most followed by semi-detached houses

- Property Loans seem to have declined for the last 2 years despite the average lending rate (ALR) remaining more or less the same, due to more stringent requirements for loans
- Residential loans have decreased substantially for 2015 compared to 2014



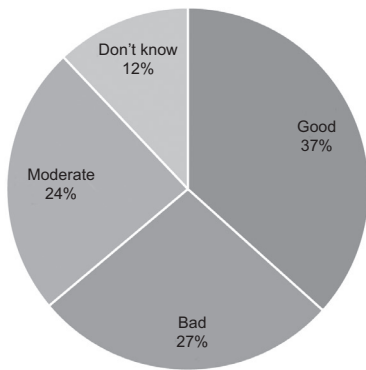
*Up to Nov 2015 only



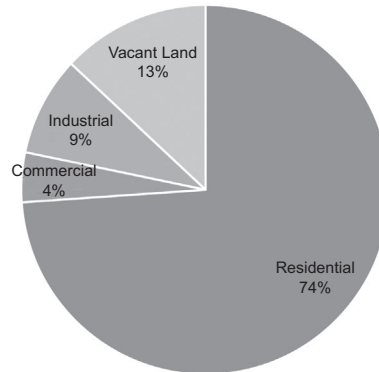
- Crude oil price has sunk to its lowest in 13 years to below USD 27 per barrel.
- Markets across the globe have been hard hit and Malaysia, being an oil-producing country, has been badly affected
- Bursa Malaysia and banks came under pressure with indices continuing to slide
- Crude Palm Oil also continued to slide amidst a weak global market

WTWY Opinion Polls 2015

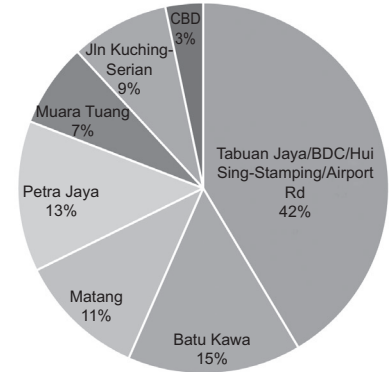
Property Market Outlook Opinion



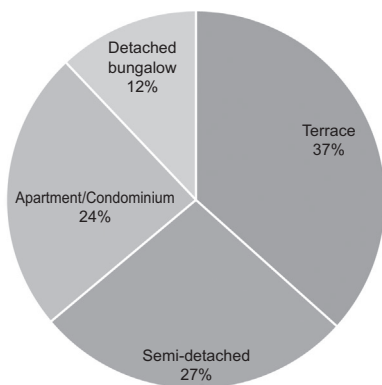
Preferred Investment Type



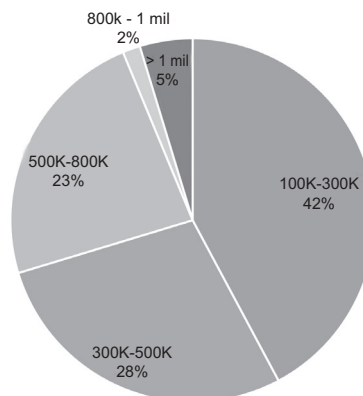
Preferred Residential Locations



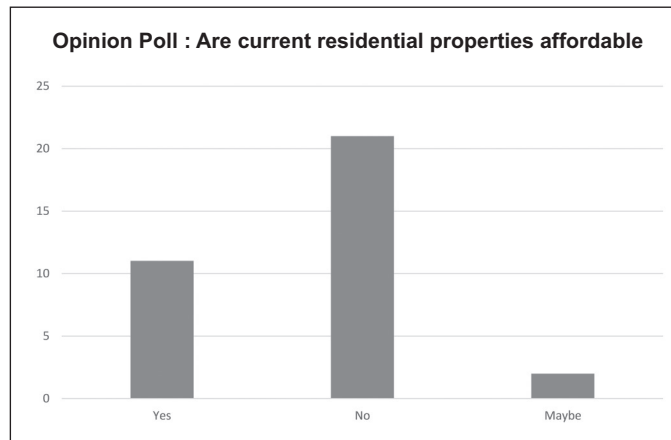
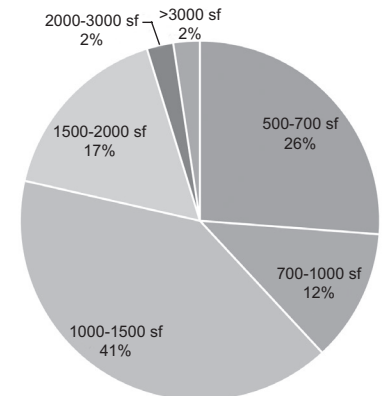
Preferred Residential Type



Preferred Property Price Range (RM)



Preferred house size



WTWY NEW APPOINTMENTS

Name	Date of Commencement	Position	Branch
Hii Wei Jin	1/1/2016	Director	Sibu
Terence Lo Yung Wee	1/8/2015	Valuation Executive	Kuching

Mr Hii Wei Jin was appointed a Director of WTWY Group wef 1st January, 2016.

He joined C H Williams Talhar Wong & Yeo Sdn Bhd in 2009 as a Valuation Executive in Sibu Office and was promoted to Acting Branch Manager in 2013. He was confirmed as Branch Manager in 2014 and was subsequently appointed to Associate Director in 2015.

He holds a Bachelor of Business (Property) Degree from the University of South Australia. He is a registered Valuer and Estate Agent with the Board of Valuers, Appraisers and Estate Agents, Malaysia and is a member of the Royal Institution of Surveyors Malaysia (MRISM) as well as the Malaysian Institute of Professional Property Manager (MMIPPM). He is also a licensed Auctioneer for the State of Sarawak.

WTWY 40th Anniversary (1975-2015)

C H Williams, Talhar, Wong & Yeo Sdn Bhd (WTWY) celebrated its 40th Anniversary with a Grand Celebration dinner on 25th July, 2015 at the Mega Hotel in Miri



The Directors and Staff of WTWY Group, Sarawak



Directors and ex-director of WTWY Group



WTWY long service award recipients

A big THANK YOU to all our guests and clients for sharing the memorable occasion with us and for their valuable support through the years.

"ALL OF YOUR CUSTOMERS ARE PARTNERS IN YOUR MISSION" - Shep Hyken

For more information, visit our website www.wtwy.com



C H Williams Talhar Wong & Yeo

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