

SARAWAK

KUCHING

Generally, the performance of the property sector in Kuching for the year 2000 remains fairly stable after the recent economic downturn. The Kuching property market was slow to respond but since the second half of last year, there are some positive movements in the market and this momentum is expected to continue throughout 2000. There are only a few development activities in 2000 and the majority are the continuation of old projects that were either suspended or rescheduled.

OFFICE

With the completion of the Gateway Kuching and Wisma Chinese Chambers, there are presently no new additions of purpose built office block in the pipeline. The total supply of purpose built office space in Kuching is approximately 289,951 square meters. The take up of the office space has been very low and this has led to an oversupply situation. Competition from newly completed office buildings has resulted in tenants requesting for and succeeding in obtaining lower rental rates as landlords are pressed to retain tenants and fill up the vacant space. Rentals have been reduced to around RM20.00 per square metre per month for the upper floors while the ground floors are attracting rental rates of approximately RM60.00 per square metre per month. The purchasing demand for this type of property remains sluggish.

Professional firms and businesses still prefer to locate their office on the upper floors of traditional shophouses compared to purpose built office mainly due to the lower cost factor. Even though there has been very little relocations during the year, rentals have decreased by around 15% to 20% in some secondary locations.

RETAIL

After the opening of Tun Jugah Commercial Centre, there are no known plans or proposals for new shopping complexes. Generally, ground and first floor retail space maintained good occupancy rates with prime shopping complexes being currently 95 to 100% occupied. The retail rental rates remain sustainable ranging between RM35.00 to RM70.00 per square metre per month.

Even though there is still much activity on the retail shophouse sub-sector, especially in the Tabuan Jaya, Jalan Petanak and Third Mile areas, the take up rate has slowed down over the last year or so. With the increasing number of vacant retail shophouses, rentals are expected to decrease. The new shophouses along Jalan Satok and Jalan Kulas are also experiencing high vacancy rates with many units not taken up causing the rental rates within the vicinity to drop. However, it is expected that rentals will stabilize towards the end of 2001.

The City 2000 project is still under construction with phase 1 is scheduled for completion by year end 2000. This project is located near the Kuching second bridge at Tanah Putih.

Chong Lin Park, a mixed development project is also expected to be completed by the end of 2001.

RESIDENTIAL

There is a marginal increase in the prices of residential properties especially those located in the prime housing estates. This is also due to the attractive loan packages being offered by financial institutions to encourage buyers to invest in residential properties. The recently launched Tabuan Heights extension has reflected excellent sales with all units sold out within two weeks despite high selling prices. Prices and rental rates of residential properties are as follows:-

Type	Location	Selling Prices	Monthly Rentals (Unfurnished)
Double Storey Detached	Prime	RM500,000 – 650,000	RM1,500 – 2,500
	Secondary	RM350,000 – 450,000	RM1,200 – 1,500
Single Storey Detached	Prime	RM300,000 – 400,000	RM1,000 – 1,500
	Secondary	RM180,000 – 250,000	RM800 – 1,200
Double Storey Semi Detached	Prime	RM320,000 – 360,000	RM850 – 1,000
	Secondary	RM250,000 – 300,000	RM700 – 900
Single Storey Semi Detached	Prime	RM200,000 – 250,000	RM600 – 700
	Secondary	RM150,000 – 210,000	RM450 – 500
Double Storey Terraced	Prime	RM200,000 – 240,000	RM800 – 1100
	Secondary	RM170,000 – 200,000	RM700 – 800
Single Storey Terraced	Prime	RM140,000 – 190,000	RM450 – 500
	Secondary	RM 90,000 – 150,000	RM350 – 450



The demand for the condominium and apartment sub-sector has remained slow with selling prices for some projects experiencing a 20% to 30% drop. However, rental activities have increased especially those located in prime areas. Condominiums such as Riverbank Suites, Parkview Tower and Bampfyld Residence continue to maintain their capital values mainly due to their strategic location and quality finishes. However, condominium projects located further away from the city centre have not been encouraging in terms of sales. It is anticipated that the take-up rate of these properties will remain slow with investors playing a wait-and-see game.

The on-going projects in the market are Riverine Resort, Kasuma Resort and De Summit Condominium.

Demand for medium cost and low cost houses can be felt in Kuching and elsewhere especially for those units with prices ranging from RM60,000 to RM160,000. Taman Sentosa, a housing project located at the outskirts of Kuching City, was recently launched. It will comprise more than 300 units of double storey terraced and semi detached houses. The response has been very encouraging with most units under the initial release being sold.

The Jalan Batu Kawa and Matang areas are presently undergoing fast paced development in respect of the medium cost and low cost housing units. Batu Kawah Township, located along Jalan Batu, sets the new trend in residential development with apartments sited on the upper floors of shop units.

INDUSTRIAL

The performance of the industrial sector for the past one year has been stable as this is a controlled sector with the Government being the main source of industrial land. However, it is anticipated that there will be more demand for industrial properties due to the enactment of the Land Use (Control of Prescribed Trading Activities) Act, 1997.

Currently, the main industrial estates, namely Kota Samarahan Industrial Estate, Sama Jaya Free Industrial Zone and Demak Laut Industrial Park have a combined area of 991 hectares. More industrial lands are made available with the completion of the second causeway and second bridge spanning the Sarawak River at Bintawa. Areas along the newly completed Senari Port are also giving way to industrial use. Smaller warehouses/factories are responding well to the market in terms of rent and sales but there has been no transaction for the larger lots.

The current selling prices of filled land in the older estates such as Pending Industrial Estate has increased from RM200 to RM280 per square metre whilst prices at Demak Laut Industrial Estate remained stable at RM125 per square metre. Sama Jaya Free Industrial Zone mostly caters for high tech industry and recently, the First Silicon Manufacturing Plant has started operations here.



Gateway Kuching

HOSPITALITY & LEISURE

New additions for this year are the launch of the Borneo Highland Resort (BHR), a golf and jungle resort some 1,000 metres above sea level on the Penrissen Range in Sarawak and a new hotel named Harbour View located adjacent to the Famous Kuching Waterfront. This hotel will add another 179 rooms to the hospitality sector.

Hotel occupancy rates have been increasing due to the aggressive marketing and promotions made by the Sarawak Tourism Board. However, no new addition is expected for the following year. Our research showed that most three star and above hotels within the Kuching City are experiencing occupancy rates ranging from 75% to 90% for the year 2000. The high occupancy rates are anticipated to continue well in this year.

AGRICULTURAL

The agricultural sector has remained stable despite the economic downturn. Generally, there has been some increase in transactions especially lands for housing development. Land values in Matang and Sungai Tengah have increased to within the range of RM140 to RM 300 per square metre.

2001 MARKET OUTLOOK

Generally, the property market in Kuching is well insulated against the recession due to the provisions of the Sarawak Land Code (Cap. 81). Although there will be a slackening in demand, the prices will not experience a drastic price decrease for 2001. The effects of any eventual economic growth thereafter will not filter into all property sub sectors immediately, and previous high levels can only be achieved given a sustained economic growth spanning over a period of four to five years.

MIRI

The property market condition in Miri in 2000 remains similar to that of 1999. Prices of properties in all sectors generally remain stable with no indication of further decline. However, the rental market has remained very sluggish with demand still declining.

By October 2000, the new Miri River mouth was completed. The diversion of this river mouth is part of the Marina Park development programme that will turn Miri into a modern city through reclamation and proper and systematic development planning. With the major portion of the reclamation work being completed, the major infrastructure works within the Marina Park are expected to begin in 2001.

OFFICE/RETAIL

The take-up rate for retail and office space has improved slightly but is still rather slow. Except for some new shophouses, no new shopping complexes were completed this year. The most popular shopping complexes are Bintang Plaza, Imperial Mall and the new Boulevard Centre.

Demand for office space is still confined to the upper floors of conventional terraced shophouses rather than purpose built offices.

The prevailing selling prices and monthly rentals for conventional shophouses are as follows:

Type	Location	Selling Price/Unit	Rental/month
2 storey	Out-of-Town	RM180,000 – RM300,000	RM800 – RM1,500
3 storey	Prime	RM650,000 – RM850,000	RM3,500 – RM4,500
	Secondary	RM400,000 – RM650,000	RM1,800 – RM3,000
4 storey	Prime	RM750,000 – RM1,100,000	RM4,500 – RM8,000

RESIDENTIAL

The demand for rented residential properties remains low due to the high vacancy rates. However, prices of new residential properties show no sign of declining despite of the low demand, as construction costs remain high. Due to the lack of demand, many approved housing projects have not started. . On the other hand, there is a slight increase in the demand for low and medium cost houses due to the availability of cheaper financing packages offered by financial institutions.

Major housing schemes of low and medium cost housing include Permyjaya Desa Senadin and Taman Tunku.

The selling prices and rental values of residential properties for the year 2000 are as follows:

Type	Location	Selling Price/Unit	Monthly Rental per unit (Vacant/Unfurnish)
Single storey terraced	Prime Secondary	RM90,000 – RM120,000 RM70,000 – RM90,000	RM400 – RM500 RM250 – RM400
Double storey terraced	Prime Secondary	RM130,000 – RM160,000 RM100,000 – RM140,000	RM500 – RM700 RM400 – RM600
Single storey semi-detached	Prime Secondary	RM140,000 – RM170,000 RM110,000 – RM140,000	RM500 – RM700 RM400 – RM600
Double storey Semi-detached	Prime Secondary	RM180,000 – RM250,000 RM140,000 – RM180,000	RM700 – RM900 RM450 – RM650
Single storey detached	Prime Secondary	RM180,000 – RM240,000 RM160,000 – RM200,000	RM700 – RM900 RM600 – RM800
Double storey Detached	Prime Secondary	RM280,000 – RM400,000 RM180,000 – RM280,000	RM900 – RM1500 RM700 – RM1000

INDUSTRIAL

The price and rental levels of light industrial properties in the prime locations of Piasau and Piasau Utara remained stable. In the secondary locations like Desa Senadin and Permy Technology Park, the take-up rate continues to be slow due to the distance from the town centre (between 15 – 20 kilometres) and the generally sluggish economic situation.

Demand for industrial land within the designated Kuala Baram Industrial Estate, about 32 kilometres from Miri Town has not been encouraging due to the lack of new enterprises.

The current prices for industrial properties are as follows:

Type	Selling prices per unit
Clustered	RM200,000 – RM250,000
Semi-detached	RM280,000 – RM350,000
Detached	RM350,000 – RM550,000
Serviced lots	
Prime	RM220 – RM300 per square metre
Secondary	RM120 – RM135 per square metre

HOSPITALITY AND LEISURE

Hotels ranging from 3 – 5 stars, like Dynasty Hotel, Mega Hotel, Grand Palace Hotel, Holiday Inn and Rihga Royal Hotel are experiencing an increase in the occupancy rate of between 60% to 80% due to the promotional programmes and activities organised by the private sectors and public bodies. However, no new hotel rooms have been added to the market and is expected to remain so in the next one or two years.

2001 MARKET OUTLOOK

The property market in 2001 is expected to remain at the same level as 2000 unless there is drastic improvement in the economy of Miri and the numerous projects and programmes proposed by the government to elevate Miri into a Resort City by 2005 comes on stream.

Demand for all types of property is expected to be low but prices will remain stable. On the supply side, the pace of development is expected to be moderate with developers being very cautious in implementing new projects due to low demand.

SIBU

The property market in SibU has experienced a slight increase in the first half of 2000 compared to 1999. It is mainly due to from increased activities in the timber industry and low interest rates offered by various banks for housing loans. However, the market slowed down since the 3rd quarter of 2000 due to a decrease in the export business.

OFFICES

Traditionally, the supply of major office space in SibU is found mainly on the upper floors of conventional shophouses located in the Central Business District or its fringe or at non-district centres along the main arterial roads.

The yet to be completed 22-level office tower at Wisma Sanyan has partly been occupied by Government Departments occupying eight levels. The SibU Municipal Council and SibU Rural District Council will be occupying another eight levels and are reported to be moving in by 2001.

RETAIL

There are no new additions of shopping complexes in SibU in year 2000. The existing shopping complexes are Sarawak House, Kin Orient Plaza and Wisma Sanyan.

Wisma Sanyan provides 5 levels of commercial retail space. The anchor tenants are Tops Supermarket on Level 1, Parkson Ria Department Store on Levels 2 to 4 and Blue Splendour Restaurants is reported to occupy Level 5. These three tenants occupy 40% of the retail space out of the 85% occupancy rate.

SHOPHOUSES



New shophouses in SibU are predominantly four-storeys. The general levels of enquiry of shophouses have dropped recently. This has been driven by the oversupply of stock. The new shophouses built are located at Upper Lanang Ferry Point developed by WTK, Jalan Upper Lanang developed by Suria Permata, Pusat Pedada developed by Delta Land Berhad and Kampung Dato, with an average price of RM420,000 to RM750,000. The two-storey shophouses at Central Business District areas can fetch over RM1 million.

As a general trend, shophouse rents during 2000 have remained steady in the town area. The indicative rent range from RM3,000 to RM4,000 per unit per month for new four-storey shophouses, and RM50 to RM85 per square metre per month for shopping space in prime town centre locations. It is anticipated that the pressure on CBD retailing will continue with very limited potential for rental growth.

However, with the improvements in the road network in SibU, out-of-town commercial centres have gained popularity, particularly those along Jalan Perdada and areas located adjacent to Wisma Sanyan.

RESIDENTIAL

Apart from Sibu Jaya located at Km 25 Sibu-Durin Link Road developed by Arab-Malaysian Builder, developments are at outlying suburban areas and along major arterial roads. New housing developments can be found along Upper Lanang Road, Salim Road, Wong King Huo Road, Deshon Road and Tunku Abdul Rahman Road.

As for the low cost sector, the new housing development, known as Pine Seduan, developed by Smartown, situated along 9th Mile of Sibu Ulu Oya Road, is progressing well. Housing units are priced from RM75,000 to RM120,000 for medium cost single storey terraced units and about RM40,000 for low cost single storey terraced units.

For the upmarket, a housing scheme (Pulau Li Hua) comprising of 254 units of double-storey semi-detached houses and 189 units of detached dwelling houses, along Upper Lanang Road was progressing well. The price of double-storey semi-detached and double-storey detached ranges from RM278,000 and RM400,000 per unit respectively.

Another housing cum commercial development scheme (Taman Soon Hup), at Permai Road, are nearing completion constructed by Soon Hup Construction Co. The price of single-storey and double-storey terraced houses are ranged from RM87,000 to RM170,000 depends on land size.

The prices of new housing development throughout 2000 has risen slightly since 1999, where double-storey terraced and semi-detached houses in prime location remained about RM150,000 to RM190,000 and RM240,000 to RM330,000 per unit respectively.

INDUSTRIAL

There were no additions to industrial buildings in year 2000. Existing industrial developments are located at Upper Lanang Industrial Estate, along Lanang Road, Ding Lik Kong Road and Sg. Antu area. A 300-acre site at Rantau Panjang and along the true right bank of Batang Igan is earmarked for the shipbuilding industry.

Purpose built semi-detached industrial shophouses range from RM220,000 to RM300,000 depending on location and size.

Vacant detached or semi-detached industrial lots are selling at about RM150 to RM250 per square metre. With Government encouragement to go down-stream in the timber industry, more sawmills, plywood and moulding factories will be set up at Tanjung Manis Timber Processing Zone. Albeit it continues to be slow.

HOSPITALITY AND LEISURE

The 8-storey hotel under construction at Kampung Dato is estimated to be completed by year 2001.

The existing 3-4 star hotels are Tanahmas Hotel, Kingwood Hotel, Premier Hotel, Orchid Hotel, Kawan Hotel, Li Hua Hotel and Garden Hotel.

2001 MARKET OUTLOOK

Demand for all types of properties will remain at moderate rates with no significant increase or decrease in property values in all sectors. The lack of confidence in the economy is unlikely to attract any major development.

BINTULU

The overall property market in Bintulu improved for the first half of 2000 but slowed down during the 2nd half of the year.



RETAIL / OFFICES

The demand for prime office and retail space remained strong as compared with prices and rentals in 1999. The 4-storey conventional shophouses within the Bintulu Town Centre were transacted ranging from RM800,000 to RM1,100,000 per unit.

The Northern Corridor of the existing Bintulu Town, namely the integrated Bintulu Township developed by Sarawak Land (Kemena Park) Sdn Bhd are almost fully occupied and the developer is planning to launch the Phase III, 3 storey shophouses in 2001.

RESIDENTIAL

According to the 1991 Housing Census, there were 12,514 units of houses constructed during the 10-Year period from 1981 to 1991 and most of these housing development were concentrated at Tanjong Batu and Bukit Orang areas. As development land within the location are getting scarce and expensive, housing developments have shifted to new areas such as along Jalan Tun Hussein Onn and Jalan Sibiew.

Prices and rentals for residential properties increased during 2000 compared to 1999's level.

Selling prices and rentals of the various types of residential properties are as follows:-

Type	Selling Price (per unit)	Monthly rental (unfurnished)
1-storey terraced	RM88,000 – RM155,000	RM400 – RM550
2-storey terraced	RM125,000 – RM220,000	RM500 – RM700
2-storey Semi-detached	RM180,000 – RM320,000	RM600 – RM1,500
2-storey detached	RM300,000 – RM480,000	RM1,200 – RM2,500

Based on approved projects, there are more than 1,200 units of houses to be constructed over the next few years. About 24% of these would be single-storey terraced houses, 38% would be double-storey terraced houses and 27% would be double-storey semi-detached houses.

INDUSTRIAL

The demand for Kemena Industrial Estate (KIE), developed by Bintulu Development Authority (BDA) had remained slow due to the slowdown of timber activities and downstream development. KIE Phase II’s industrial lands were sold at between RM54.12 to RM75.35 per square metre.

BDA is also developing industrial lands in Kidurong for petro-chemical related industries to assist in the development of small and medium industries (SMIs). Industrial lands at the Kidurong Industrial Area (KINDA’s) were opened for sale at RM54.40 to RM77.42 per square metre by BDA. 49 units of industrial warehouses in the newly launched industrial estate, “Sibiyu Industrial Estate” situated at Jalan Bintulu-Tatau by the developer, Johabaru Sdn Bhd were put up for sale at prices ranging from RM297,800 to RM568,800 per unit.

HOSPITALITY AND LEISURE

With no new hotel developments in 2000, the occupancy rates were reported to range between 50% and 90%.

The current supply of hotels/inns in Bintulu is as follows:-

Class	Hotel/Inns	No. of Rooms
Class 1	Hotels	479
Class 2	Budget Class Hotel/Inns	706
Class 3	Low Class Inns/Lodging Houses	63
	Total	1248

2001 MARKET OUTLOOK

With the construction at full swing of several infrastructural projects (such as the expansion of New LNG 3 Jetty), petro-chemical projects (such as the construction of MLNG 3 Plant, Rejuvenating of the MLNG 1 project and the ABF Plant etc, the property market is expected to move at a faster rate in terms of demand and activities in the year 2001 as migrants are moving to Bintulu to realise these projects.