

SARAWAK PROPERTY BULLETIN

"Work Together With You"

PPK 344/6/2004

BOOMING STUTONG AREA





BOOMING STUTONG AREA (CONT'D)

The area in the immediate vicinity of the inner stretch of Jalan Stutong immediately after BDC Phase 1 and which continues into the Jalan Stutong - Kuching Outer Ring Road is now fast developing into a choice residential area. The area is much sought after due to its proximity and inter-links to some of Kuching's prime residential estates. It has a good network of roads, making it accessible to and from both BDC, Tabuan Jaya and Kota Samarahan. At the moment, another link road is being constructed which would link Jalan Stutong to Jalan Song.

Over a thousand residential units (including both apartments and low cost) are now currently under construction in the Stutong area, with more than 70% of the units to be developed by Ibraco Realty Development Sdn. Bhd., the developer of the Tabuan Jaya and Tabuan Heights township and a major property player in Kuching.

The developments visible along this stretch are

- 1) Along the right side of Jalan Stutong -
 - (i) Scenery Villa by Top Green Construction Development – completed;

- (ii) Centurion 1 by Multiplex Sdn Bhd earthworks
- (iii) Woodlands by BDC Stallion Sdn Bhd started construction:
- (iv) Sin Hai Min Garden by Sin Hai Min Development Sdn Bhd. – under construction.
- 2) Along the left side of Jalan Stutong Baru -
 - (i) Lot 406 Block 11 Muara Tebas Land District by Top Green Construction Development – earthworks;
 - (ii) Sing Sing Garden by Sin Hai Min Development Sdn Bhd – earthworks;
 - (iii) Hibiscus Court by Netbury Development Sdn Bhd – under construction.
- 3) Along Jalan Stutong Kuching Outer Ring Road
 - (i) Tabuan Jaya Baru 1 by Ibraco Realty Development Sdn Bhd under construction;
 - (ii) Tabuan Jaya Baru 2 by Ibraco Realty Development Sdn Bhd earthworks;
 - (iii) Stutong Avenue 1 by Suremag Sdn Bhd completed;
 - (iv) Stutong Avenue 2 by Suremag Sdn Bhd under construction.

STUTONG PROJECTS

Project	Туре	No. of Units	Wall Up Area (m²)	Land Area (pts)	Selling Price (RM)
Scenery Villa	2 Storey Semi-detached	12	172	11	362,000 - 380,000
	2 Storey Terrace	10	157.25	4.3 - > 8	up to 288,000
Centurion 1	2 Storey Terrace	40	164-168	4.47 - 10.98	255,000 - 374,300
Centunor 1	2 Storey Semi-detached	32	188 - 211	8.01	375,000 - 486,000
Woodlands	2 Storey Terrace	42	163.25 - 173.89	4.7 - 12.1 pts	From 238,800
Troduction .	2 Storey Semi-detached	20	188.86 - 191.05	8.4 - 11.7 pts	From 356,000
Sin Hai Min Garden	2 Storey Terrace	25	151.37 - 164.85	From 4.2	From 238,000
on rid will odidon	2 Storey Semi-detached	18	172.77	NA	From 368,000
Lot 406 Block 11	2 Storey Semi-detached	12	177 - 191.67	8.82 - 11.34	360,000 - 395,000
Muara Tebas Land District					
	2 Storey Terrace	10	NA	NA	250,000 - 350,000
Sing Sing Garden	2 Storey Semi-detached	4	NA	9.16 - 10.62	Abt 400,000
	Detached Lot	2	NA	NA	NA NA
Hibiscus Court	Apartment	72	105.35	NA	From 185,000
Stutong Low Cost	1 Storey Terrace	469	NA	NA	Abt 40,000
Tabuan Jaya Baru 1 Stage 1	2 Storey Terrace	89	147.3-179	4.3 - 10.6	From 222,000
Tabuah Jaya Baru T Stage T	2 Storey Semi-detached	50	185 - 282.1	8.9 - 18.7	378,000 - 494,000
Tabuan Jaya Baru 1 Stage 2	2 Storey Terrace	80	147.3 - 179	4.3 - 10.6	From 240,000
Tabuah Jaya Baru 1 Stage 2	2 Storey Semi-detached	20	185 - 282.1	10.9 - 18.5	NA
Tabuan Jaya Baru 2	2 Storey Terrace	188	NA	NA	NA
	2 Storey Semi-detached	102	NA	NA	NA
	Detached Lot	12	NA	NA	NA .
Stutong Avenue 1	2 Storey Terrace	16	148.42 - 157.08	4.7 - 13.0	220,000 - 295,000
g	2 Storey Semi-detached	18	190.84	8.9 - 15.5	348,000 - 395,000
Stutong Avenue 2	2 Storey Terrace	37	NA	4.72 - 14.97	From 265,000
	2 Storey Semi-detached	16	223	10 - 16.42	435,000 - 480,000

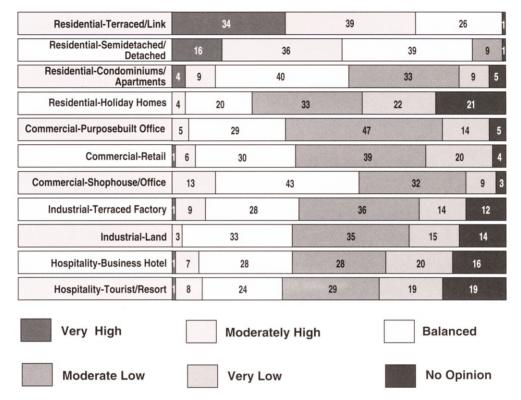
RECENTLY LAUNCHED PROJECTS

Location	Type of development	Wall-up area (m²)	Land area (pts)	Selling price (RM)
KUCHING				
Jalan Stutong	2 Storey Terrace 2 Storey Semi-detached	163.25 - 173.89 191 - 195	4.7 - 12.1 8.4 - 13.1	238,800 - 350,000 356,000 - 408,000
Jalan Arang	2 Storey Terrace 2 Storey Semi-detached Detached Lot	183.6 211.2 NA	5.19 - 11.27 9.88 - 10.28 19.92	282,000 - 359,000 388,000 - 398,000 298,800.00
Jalan Datuk Stephen Yong	2 Storey Terrace2 Storey Semi-detached2 Storey Detached Lot	180.9 209.25 NA	4.38 - 11.85 9.63 - 12.87 26.36 pts	240,000 - 335,000 353,000 - 382,000 650,000.00
Jalan Hup Kee	2 Storey Semi-detached	200.78	9.25 - 9.76	380,000 - 385,000
Jalan Matang (Low Cost)	1 Storey Terrace 1 Storey Semi-detached	NA NA	2.1 pts 3.9 - 4.6	40,000.00 47,000.00
Jalan Matang-Batu Kawa	2 Storey Terrace 2 Storey Semi-detached	167.44 173.34 - 207.13	4.47 - 12 9.24 - 18.63	190,000 - 269,900 280,000 - 332,200
Off Jalan Batu Kawa	2 Storey Terrace 2 Storey Semi-detached Detached Lot	147.87 196.5 NA	4.5 - 8.3 8.2 - 13.9 11	225,000 - 290,000 From 320,000 140,000.00
Jalan Stapok/Stapok Utama	2 Storey Terrace 2 Storey Semi-detached	156.7 190.25	4.5 - 11.9 9.6 - 14.5	From 243,000 368,000 - 468,000
Stampin	2 Storey Semi-detached Detached Lot	179.49 - 198.72	7.71 - 10.12 20.66 - 21.23	388,000 - 438,000 17,000 p.p
Lorong Hua Joo Park 8	2 Storey Semi-detached	155 - 160.5	7.6 - 11.8	From 430,000
Off Jalan Lapangan Terbang	2 Storey Semi-detached 2 Storey Detached (partially linked)	232.26 246.19 - 297.29	9.04 - 11.27 15.74 - 19.13	From 548,000 802,000 - 970,000
Kuching-Serian Road	2 Storey Terrace1 Storey Semi-detached2 Storey Semi-detached	157.38 78.2 166.67	4.8 - 14.71 6.99 - 14.57 8.41 - 11.03	198,000 - 298,000 149,000 - 186,900 288,000 - 303,000
Jalan Tun Ahmad Zaidi Adruce	4 Storey Shophouse	241.2 - 270.9	110.4	From 950,000
Kota Sentosa	3 Storey Shophouse	NA	NA	700,000 - 900,000
Jalan Mendu/Simpang Tiga	3 Storey Shophouse	120	NA	688,800 - 1,288,80
Sg. Maong	2 Storey Terrace 2 Storey Semi-detached	166 194.4	4.5 / 8.35 From 9.47	268,000/318,000 368,000 - 369,000
SIBU				
Sibu Jaya	2 Storey Industrial Shophouse 1.5 Storey Industrial Shophouse	262.8 204.4	14.8 14.8	248,000.00 228,000.00
Jalan Ulu Sg Merah	2 Storey Terrace 2 Storey Semi-detached	164.7 - 181.8 188.1	4.5-15 9-9.45	185,000 - 298,000 315,000 - 320,000
Jalan Upper Lanang	3 Storey Shophouse	316 - 473	2.8-4.2	388,000 - 580,000
Jalan Teku	2 Storey Terrace	155.3 - 165.5	4-4.6 / 9	159,000 - 230,000
Jalan Ulu Oya	2 Storey Terrace	171.6	4.5 - 7.7	168,000 - 198,000
Jalan Salim	2 Storey Terrace 2 Storey Semi-detached	160.8 186.6	4.5 - 7.2 7.9	180,000 - 210,000 270,000.00
Jalan Ding Lik Kong	2 Storey Industrial Semi-detached	222.96 - 267.18	13.2 - 19	350,000 - 448,800
BINTULU				
Jalan Tun Hussein	2 Storey Semi-detached	80	7.8-11	270,000 - 300,000
MIRI Mid Daniel Banka Charlesia	2 Charles Charles	NA	NIA	700,000, (0)
Miri-Brunei Border Checkpoint	3 Storey Shophouse	NA	NA ·	760,000 (Corner)

FUTURE MARKET DIRECTIONS

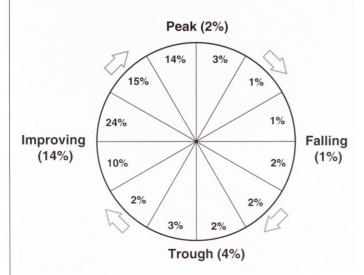
The Buying Interest in 2004

One-third of the respondents expect the buying interest for all types of property in the landed residential sector to stay at a "very high" level.



RESIDENTIAL PROPERTY CYCLE

Over 80% of respondents believe that the residential market will be on an upcycle in 2004. A small percentage, about 5% were less bullish, believing that the market will only be bottoming-out while about a similar number believe that the market is still in the down-swing.



INTEREST OF INVESTORS

The survey indicates that the buying interest of Malaysians will remain strong in respect of terraced/link houses.

Foreign interest remains with condominiums & apartments.

The consensual belief by respondents is that there would be little interest in industrial premises from Malaysians and foreigners.

	Malaysian	Foreign
Residential - Terraced / Link	1	6
Residential - Semidetached / Detached	2	4
Residential - Condominiums / Apartments	3	1
Commercial - Purpose Built Office	6	2
Commercial - Retail	5	3
Commercial - Shophouse / Office	4	5
Industrial	7	7

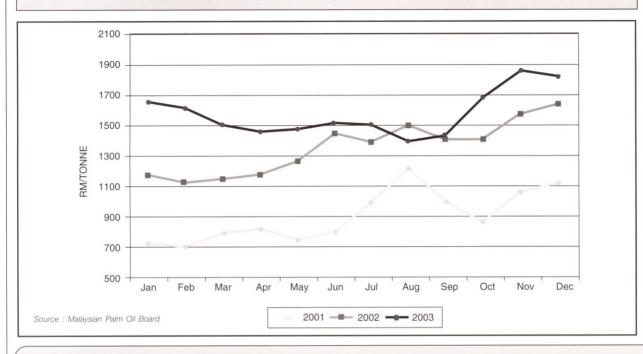
Scale of 1 - 7:

1 - the most sought after

7 - the least preferred

Source: WTW CEO Opinion Survey 2004

MONTHLY PRICE TREND OF CRUDE PALM OIL 2001 - 2003 (RM/TONNE)

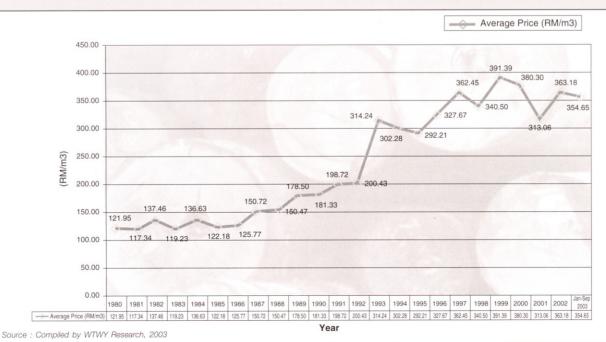


CRUDE PALM OIL PERFORMANCE (2003)

CPO prices which had been enjoying a good run for the first 3 quarters of this year is expected to continue this uptrend until the end of 2003. This is due to the increasing price of other edible oils especially soya oils due to declining stockpile and poor production. Traders are expecting CPO prices to be sustained at RM1,800 to RM1,900 per tonne until the year end and remain firm in the 1st quarter of 2004. An increase in oil palm demand is expected mainly from China and India, Malaysia's top two buyers.

There are currently 110,000 mini estate holders in the country with a total of 300,000 hectares, out of which 2,500 are from Sarawak with a total acreage of 11,000 hectares. Malaysia which supplied about 11.9 million tons of the total world production of 110 million tons of oils and fats in 2002 is expected to supply 13 million tonnes of palm oil in 2003.

SARAWAK TIMBER-AVERAGE PRICE TREND (1980-2003)



STATE BUDGET 2004

The Budget Speech at the Dewan Undangan Negeri on 8th December, 2003 revealed an expansionary budget for 2004 for Sarawak amounting to RM3.293 billion with about 60% (RM1.96 billion) allocated for development and 40% (RM1.33 billion) for operating expenditure.

This development expenditure is about 13% lower than 2003's allocation due to the large allocation from the Federal Budget (RM2.7 billion) for development in Sarawak making a total of RM4.6 billion for development programmes in Sarawak for 2004.

total development budget would be set aside for the Commerce and Industry sector, to finance the provision of facilities and supporting services for small and medium scale industries. A large portion would be spent on the development of industrial estates in key locations like Demak Laut, Kuala Baram, Kota Samarahan, Sama Jaya and Tebedu.

The biggest portion or 23% (RM443 million) of the

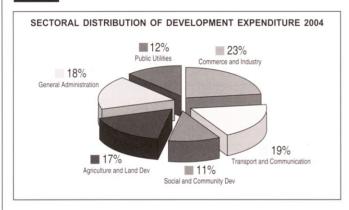
The higher operating expenditure of 7% more than the 2003 estimate was due mainly to the setting up of two new Divisional Offices (Betong and Mukah) and the Sarawak Forestry Corporation. A sizeable portion was also devoted to the improvement of the administrative machinery in the delivery system, human resource and IT.

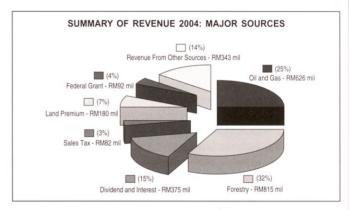
The total proposed budget would result in a small deficit of RM143 million which would be financed by the State's accumulated surplus.

The 2004 Budget was guided by 4 main strategies which are in line with the new directions set in the Mid-Term Review:

- To enhance the economic recovery and growth;
- To enhance the competitiveness and productivity of the economic sector;
- To promote the private sector as the engine of growth;
- To enhance quality of life through balanced development.

Source: DUN Budget Speech, December 8, 2003





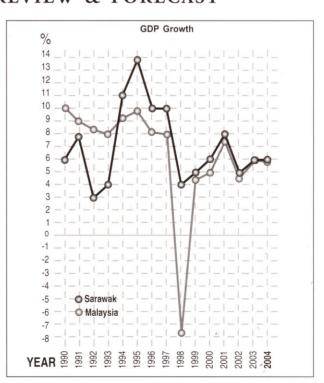
SARAWAK ECONOMIC REVIEW & FORECAST

The GDP growth for Sarawak for 2003 is expected to be 5% this year, slightly below the earlier forecast of between 5.5% to 6.0% due to adverse external factors.

Despite the marginal downward revision of the 2003 growth rate, it would not negatively impact the overall quality of life of the average person. This is because prices remain stable with inflation remaining low. Average inflationary rate for the 1st 6 months was only 0.6%.

Sarawak's economy is expected to perform better in 2004 with projected GDP growth of 6% against 5% for 2003, in consonance with the improved performance of the national and world economy. The State growth is expected to be driven by the manufacturing, agriculture, construction and services sector.

All major sectors are expected to record positive growth next year with manufacturing projected to grow by 4.7% compared to 4.5% this year and agriculture by 12% compared to 9.4% in 2003. The main contributor of growth for the agriculture sub-sector would be the oil palm plantations sub-sector.



Adapted from the Sarawak Tribune and The Borneo Post, December 9, 2003

DEVELOPING ASIA POISED FOR HIGHER GROWTH IN 2004 : ADB

Asia's developing economies are expected to post higher-than-average growth of 5.7% in 2003 (revised from an earlier projection of 5.2%), 6.2% in 2004 and 6.3% in 2005, according to the Asian Development Bank (ADB) forecast on 8th December, 2003.

Developing Asia will remain the fastest growing region and is poised for higher growth over the next 2 years due to an expected rebound in the industrialized countries in 2004-2005 and the resilience demonstrated by developing Asia in 2003 as a result of expansion in the China-led intra-regional trade and focus on domestic demand by regional economies.

Consequently, the GDP growth forecast for 2003 for most East, Southeast and South Asian economies has been revised as follows:

China - 7.3% to 7.8% Thailand - 5.0% to 6.0% Pakistan - 4.5% to 5.1% Kazakhstan - 6.0% to 9.5%

Adapted from the Sarawak Tribune, December 9, 2003

HIGHER OCTOBER CPI AUGURS WELL FOR MALAYSIAN ECONOMY

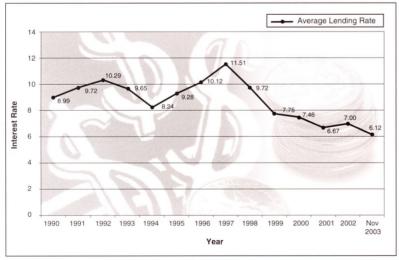
The Consumer Price Index (CPI) which is reflective of Malaysia's inflation rate for January to October 2003 increased by **1.2 per cent** to 104.3 compared to that of 103.1 in the same period last year. This is the fastest rate since February, 2003 when CPI rose 1.6%, pushed by higher cigarette and alcohol prices, and initial recovery in prices.

The Consumer Price Index (CPI) rose to 104.6 points from 103.3 compared to the same month a year ago. Compared to the previous month in the year 2003, the index has picked up by 0.1%. The CPI was slack in the last eight months due to weak consumer demand, the lowest being in March where inflation growth slowed to 0.7%

October's increase indicate improved demand which should encourage increase in output.

Source: Business Times, NSTP, November 2003

COMMERCIAL BANKS AVERAGE LOAN RATE (1990-2003)



Source: Compiled by WTWY Research from BNM

8TH MALAYSIA PLAN (8MP): MID TERM REVIEW

The government, in its Mid-Term Review of the 8MP foresees that the 2nd half (2004-2005) of the 8MP will be stronger than the 1st half (2001-2003). GDP growth is expected to average 6% in 2004-2005 compared to only 3.0% in 2001-2003, led by domestic demand and exports. Overall, growth of all the sectors are expected to accelerate in the rest of the 8MP, supported by a stronger world economy. The 3.0% growth for 2001-2003 is well below the target GDP growth for 8MP of 7.5%. As a result, the government has revised downwards the 8MP growth target to 4.2%. Manufacturing is expected to lead the growth in the rest of the 8MP.

Source: Economica, The Borneo Post, 10 November 2003

News Clip

BUOYANT CONSTRUCTION SECTOR



The construction sector is expected to grow by 2.5% this year, underpinned by continued demand in selected segments of the property market and buoyed further by higher expected budgetary allocation for public infrastructure projects especially in the 2nd half of the year.

Major on-going projects are the East-Coast Expressway, Kapar-Bernam and Klang-

Banting roads, Tanjung Kidurong-Berkam coastal road in Sabah, Rawang-Ipoh double-tracking, the new Johor-Singapore bridge and the Stormwater Management and Road Tunnelling project in Kuala Lumpur.

The sustained performance of the construction sector is partly on account of renewed interest in residential housing, particularly

affordable houses, supported by lower interest rates. Housing starts in the residential sector grew by 4.6% in the 1st 6 months. About 50% of the houses built during that period were terrace followed by condominiums and apartments. Houses priced below RM180,000 and in preferred locations were in better demand. The supply and demand of purpose built offices and shopping complexes is stable and shop and industrial units, generally balanced. The demand is expected to pick up as a result of higher growth in the business and manufacturing sector.

Overall, property transactions is expected to accelerate in the 2nd half after a decline of 5.8% in the 1st half year. This was due to the lower number of residential property transactions even though commercial and industrial properties increase 5% and 9.6% respectively during the 1st half year.

Adapted from the Business Times of NSTP, November 19, 2003 and The Sarawak Tribune November, 2003

CONSTRUCTION SECTOR FOR 2004 - LOOK EAST TO SABAH & SARAWAK

About 1/3 of the development expenditure of RM30 billion for 2004 will be spent on Sabah and Sarawak which does not include pre-existing mega projects like the Bakun and aluminium smelting plant. The primary focus would be on improving the road networks connecting all major towns. The existing Kuching and Bintulu airports will also be upgraded as well as the new Similajau port to cater for the aluminium smelting plant. There are also plans to construct and upgrade 2 universities and 2 hospitals in East Malaysia.

With the higher concentration of projects in East Malaysia, 2004 should provide more opportunities for East-Malaysia based construction companies like Naim Cendera, Zecon Engineering, Protasco and Cahya Mata Sarawak.

BRIDGES

Batang Mukah Bridge

Hock Seng Lee recently signed a supplementary agreement with Jabatan Kerja Raya, Sarawak for the design, construction and completion of bridges over Batang Mukah and Batang Oya in Sibu. Under this agreement, the conventional two-lane reinforced concrete bridge over Batang Mukah is substituted with a four lane arch bridge at a revised contract sum of RM48m. The contract period for the upgrading of the Mukah Bridge is 18 months commencing 1 October 2003.



LAND FOR "GREEN AREAS"

Under the proposed amendments to the Public Parks and Greens Ordinance 1993, Sarawak's State Planning Authority (SPA) can impose conditions on any property developer to reserve land for "green areas" when it approves land subdivision for development, as tabled in the state assembly on 8/12/2003. The developers will be required to deposit with the local authority a sum of money to be determined by the Lands and Surveys director to ensure compliance with the conditions. SPA will take over the National Resources and Environment Board's responsibility of planning, creation and protection of special areas, preservation of green areas or open spaces and development of facilities and amenities. The special areas will remain as State Land which cannot be used for other purposes unless approved by the state legislature. A designated management agency or the local authorities concerned will administer the special areas and provide facilities as directed

Shin Yang To Undertake RM180 Mil Bridge Project

Shin Yang Engineering Sdn Bhd which recently completed the Asean Bridge over Batang Baram, linking Miri to Brunei in northern Sarawak has also been awarded the proposed RM180 million privatised Sungai Assan bridge project in Sibu, central Sarawak. The proposed bridge would be the 3rd bridge in Sibu, after the privatized Igan bridge and Durin bridge. The bridge would be paid in exchange for state land and the company would be granted a 30-year toll concession to recover the development cost of the bridge.

The proposed bridge would be the longest in Sarawak, measuring 1,220 metres with a dual carriageway. Construction of the bridge started in October, 2003 and is expected to be completed in 42 months.

Adapted from The Star Online, October 7, 2003

News Clip

HI-TECH WASTE PLANT READY ON DECEMBER 15, 2003

The Mambong Intergrated Waste Management Park (MIWMP), the 1st fully integrated management facility in Malaysia will commence its operations on December 15, 2003. This 65 million project which applies state-of-the-art technologies acquired from United States and Holland will provide industries with a proper facility to dispose off harzardous and scheduled wastes not only in Sarawak but also the whole Borneo island. This would provide a cost-effective facility to serve East Malaysian facilities, without having to worry about high transportation costs. It is hoped that the facility would be an added attraction for the setting up of industries in Sarawak.

Located in Mambong, Padawan, the WMP is a joint venture borne between the State government and Trienekens (Sarawak) Sdn Bhd and was built in 10 months. The 112-hectate and fully computerized WMP houses 3 components, namely a sanitary landfill for the disposal of municipal and commercial wastes, an incinerator with an annual capacity of 12,000 metric tonnes and a secure landfill for the treatment of hazardous and scheduled wastes.

The existing waste facilities, including the Matang dumping ground would be shut down within 4 months after Mabong WMP's commencement of operations. The abandoned dumping grounds would be rehabilitated into natural areas with greeneries and trees.

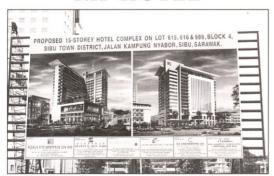
Adapted from The Sarawak Tribune, December 3, 2003

Naim Cendera will make available a parcel of land measuring 24.28 hectares known as Lot 3226 Block 6 Kuala Baram Land District to the Federal Lands Commissioner as a site for Institut Latihan Perindustrian (ILP) Miri, Sarawak at a total consideration sum of RM24,829,200 in return for which Naim Cendera Sdn Bhd will construct and complete the ILP Miri, including the supply of machinery, for RM180 million.

Source: KLSE General Announcement, 10 November, 2003

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RH HOTEL



RH hotel is a15-storey 228 room hotel in Sibu to be developed by Rimbunan Hijau. The earth breaking ceremony was officiated by Dato Sri Wong Soon Koh on 27-11-2003 and the building is expected to be completed in 2005.

1ST SILK FARM IN SARAWAK

The pioneer silk farm in Malaysia was launched by Zuhrah Pelangi on 10 December, 2003. The nation's first silk farm is located at Sematan, 110 km from Kuching and carved out of the jungles. Leisure facilities, tropical fruits and flower gardens will also be established to complement the state eco-tourism drive.

A "BINTANG WALK" IN KUCHING

The perimeter of Sarawak Plaza is currently undergoing construction of a walkway to be named **Plaza Walk** (which resembles the famous Bintang Walk in KL) scheduled for completion by January 1, 2004. The walk will be lined with international F & B outlets namely Kenny Rogers Roasters, Roadhouse Grill and The Coffee Bean and Tea Leaf. The walkway which will cost more than RM2.5 million is undertaken by Lippoment Industries Sdn Bhd who signed a license agreement with Kuching Hotels Sdn Bhd who owned the Sarawak Plaza Shopping Complex.



GIANT IN SARAWAK AND PARKSON GRAND - A NEW LOOK

Dairy Farm Giant Retail Sdn Bhd which celebrated its 59th Anniversary has recently opened its sixth Giant Supermarket store in East Malaysia and its 1st in Sarawak at the Riverside Majestic Complex in Kuching. This was in line with the unveiling of a new look for Parkson Grand Kuching which underwent a facelift this year. The Kuching Parkson Grand outlet was the 4th to be involved in the nationwide renovation project which included 3 other Grand stores in West Malaysia last year. Parkson Grand is also sourcing for a potential site in the suburbs of Kuching for its 2nd store.



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Interview with Chong Kia Hoi on Chong Kia Hoi Realty Sdn Bhd's History, Achievements and Aspirations



Chong Kia Hoi, the founder and managing director of Chong Kia Hoi Realty Sdn Bhd, a renowned developer in Kuching, takes time out to share with us his experience and thoughts on the property industry in Kuching.

INTRODUCTION

WTWY: We understand you were from a different profession. What made you venture into the property sector?

I was greatly influenced by a Post Master in Labuan who said "My father taught me to invest in land. If you have money, the best investment is to invest in land (property) because the population is ever growing but the land will never grow". It made a lot of sense to me and that good advice spurred me on to venture into property. I started on a small basis by buying land for RM2,000 and RM3,000 and selling them off at a profit.

EARLY PROPERTY PROJECT VENTURES

WTWY: Can you tell us in brief about your early projects?

My first taste of property development was when I joint ventured with a friend in the 1970's. We bought a piece of land opposite the existing F & N factory at 31/2 Mile, Jalan Penrissen and had developed it into 20 over semi-detached housing units of which I got back 6 units. The 1st project on my own however would be my commercial project at Jalan Ang Cheng Ho. The land was originally developed by See Hup Group's Mr Chua with 154 commercial lots complete with infrastructure etc. That was in 1978/1979. I bought and resold 3 blocks of 6 units each, one after another in. a short period of time. That was something very interesting and encouraging.

My next project was somewhere near the existing Chia Heng Restaurant (behind Hock Lee Centre). The land belonged to Ong Ah Kim and was approved for 8 blocks of 10 commercial units each. I did not have much capital then but I managed to buy and develop 3 blocks although I had my difficulties.

The project after that was 2 blocks of shophouse totaling 15 units at Jalan Simpang Tiga. The shophouses' unique "fin" design was actually copied from a building in Singapore. It was very costly (RM8.25 million) to build but all the units were sold. It was a mini-boom then.

These early projects were done under my late father's name, Chong Joon Ann Sdn Bhd. The 1st project under my own holding company

was this building (Palm Court at Jalan Nanas) consisting of 8 units which I intended to keep. The other project close to this one was the 11-unit block which is currently occupied by Penrissen Inn. The latter had a project value of RM3.8 million.

I also build the Sugar Bun Building in Jalan Satok which consisted of 5 shophouse units.

After that, I delved into several residential developments. Amongst them was Taman Sunrise in Pisang Road West with 14 double storey terrace units, Tabuan Dusun (1992) with 32 double storey semi-detached units and Taman Penrissen (1993) with 97 single storey terrace units.

But my most successful residential project would be Taman Suria Jaya at 6th Mile, Jalan Matang, which is also my biggest housing project. The project was launched in 1996/1997 during the economic crisis but fortunately, I eluded it by 6 months. Despite the economic uncertainties and the launching of similar projects at Batu Kawa and Tabuan Jaya, I managed to sell all the housing units. The response was overwhelming. I can even recall selling 30 to 40 units a day at that time. There were 480 units of flats in 15 blocks selling from RM49,900 and 148 units of single-storey house selling from RM69,900. For RM1,000 deposit, almost anybody could own the unit. I also built 20 shops at Taman Suria Jaya, selling from RM250,000. Altogether there were 648 units in that project.

I'm very proud of this project because I was the 1st private developer to build low cost flats and in a short time of 2 years as 480 units was considered a big project. The flats have 3 bedrooms with a total area of 680 sq feet which are bigger than most low cost flats.

WTWY: You started with land dealings initially but your very 1st project was commercial. Why did you start with commercial projects?

The reason is very simple. Being a businessman, profit is the bottom line. For a terrace house, we can only make about RM10-20K per unit whereas for commercial units, we can make up to RM100K per unit. Another reason is that consumers are less particular about the design and finishings etc. of shophouses, so there is less hassle on commercial units. From the business point of view, I would prefer to do commercial projects.

CURRENT PROPERTY PROJECT VENTURES

WTWY: What are your current property projects? Can you tell us about it.

My latest commercial project is the Demak Laut Commercial Centre, next to the Demak Laut Industrial Estate at Jalan Bako. With the rapid growth in industrial, commercial and manufacturing activities and the growing workforce in and around this area, the development of the Demak Laut Commercial Center is, therefore, timely to complement the government's efforts in facilitating growth in these areas. There are altogether 560 strata titled units in Phase 1 and 2 and 51 shophouse units in Phase 3 of this project.

Another recent residential project is Princess Garden at Jalan Penrissen (9th Mile Kuching-Serian Road) with 36 units of semi-detached and 11 units of terrace houses for its Phase 1.

WTWY: Of all your projects, which was your PET project. And why?

I have a soft spot for Taman Suria Jaya. It gave me much satisfaction to be able to build affordable houses for those who were never able to afford one before. To me, that was my most rewarding experience.

I had initially planned to phase out the project in 6 phases over a 5-year period but the response was so overwhelming that I completed it in less than 2 years (20 months). The greatest satisfaction came in not the profits but the appreciation I got from the poor and needy in meeting their dream of owning a home.



Flats in Taman Suria Jaya, Matang.

WTWY: What is your latest project?

My latest projects are in Kota Samarahan. There is Midway Crescent development with a total of 17 shop units and 87 residential units -14 low cost houses, 19 low cost plus houses, 17 single storey and 37 double storey terrace house. This project which was introduced late last year had its units sold out within a short time with a long waiting list.

The other project is Medan Universiti development with 16 units 4-storey shophouses, 22 units terrace houses and 1 unit detached house. All the shophouses have been sold and we have only 4 terrace houses left. This project's success is due to its good location with close proximity to UNIMAS. The Stutong-Samarahan stretch is booming but it must be noted that all land conversion from native to mixed zone is now subject to certain percentage allocations for bumiputras as well as low cost housing.

of high end properties. My semi-detached at Princess Garden is only priced at RM288,000 with a big built up area. It is almost completed but I have not had 100% sales yet. Those in the higher price category are in for an even bigger challenge.

The other thing is to know the area, whether the units would be saleable and whether profits can be sustained by the rising land costs etc. and in the case of land conversion from native to mixed zone, to work out the actual opportunity cost involved.

I believe also in keeping up with the times, like incorporating the latest IT into the business, in order to make our work easier and at the same time, to meet the changing needs and demands of the growing population. We intend to incorporate the Mesh Wireless Broadband infrastructure into our future projects.

SECRETS OF SUCCESS

WTWY: What is your company's vision and mission?

The company's vision is to be recognized as a reliable and quality developer who can transform the property market by adding to the property value. Our mission is to identify vacant land through informed prediction and add value to it by transforming it into homes, factories, shophouses or other types of buildings for society use.

THE PROPERTY INDUSTRY

WTWY: How has the property industry changed since you first started?

The greatest significance has been the rise in land prices, with the last decade experiencing the fastest growth, with land prices going up 2 to 3 times in the past 10 years.

On the demand side, the market is now more sophisticated. The consumers are now more knowledgeable and selective and they look for quality and standard finishing. With the bigger market now, the buyers are also more choosy with their design.

PROJECTS EMPHASIS/ DIVERSIFICATION

WTWY: You are a very diversified developer. Is there a particular sector you would like to concentrate on for your future development?

I would like to venture into Resort Development in the near future, possibly beside the sea or river.

WTWY: Your projects have all been Kuchingbased. Are there any future plans to venture into other major towns in Sarawak or Malaysia for that matter?

No, I want to concentrate on Kuching for the moment as Kuching has lots of potential and room for growth.

WTWY: You have shown a lot of foresight in choosing the right project. On what do you base your success and what are the factors influencing your choice of project?

Know the market. The supply and demand. Terrace houses are the best bet whilst sales for double storey semi-detached are comparatively slow. I believe the market is too small for this type

Chong Kia Hoi migrated to Sarawak from China during his early teens, had his further education in Taiwan and was a civil servant for 15 years before venturing into the property development business in Kuching.

With some 30 years experience in property development in Kuching, Chong Kia Hoi Realty Sdn Bhd, a reputable and established local developer is known for its reliability and quality products as attested by its driving motto.

Below is Chong Kia Hoi Realty Sdn Bhd's list of projects to-date

Commercial Projects	Location	No. of Units	
Shophouse	Jalan Ang Cheng Ho	18	
Shophouse	Jalan Padungan	30	
Shophouse	Jalan Simpang Tiga	15	
Shophouse	Jalan Nanas	11	
Palm Court	Jalan Nanas / Jalan Tun Ahmad Zaidi Adruce	8	
Sugar Bun Building	Jalan Satok	5	
Taman Suria Jaya	Jalan Matang	20	
Demak Laut Commercial Centre Phase 1 (strata title units)	Jalan Demak Laut	280	
Demak Laut Commercial Centre Phase 2 (strata title units)	Jalan Demak Laut	280	
Demak Laut Commercial Centre Phase 3	Jalan Demak Laut	51	
Residential Project	Location	No. of Units	
Taman Sunrise	Jalan Pisang Road West	14	
Tabuan Dusun	Jalan Keranji	32	
Taman Penrissen	Jalan Penrissen	97	
Taman Suria Jaya	Jalan Matang	628	
Princess Garden Phase 1	Jalan Penrissen	47	



Shoplots, Offices and Apartments in Demak Laut Commercial Centre, Kuching



Medan University, Kota Samarahan

WTWY Offices

KUCHING
No 9 (First Floor)
Jalan Song Thian Cheok
P O Box 2236
93744 Kuching
Sarawak
Malavsia

Malaysia Tel: 082-246262 Fax: 082-416909 Email: kuching@wtwy.com

SIBU

No 11 & 12, 2nd Floor Lorong Kampung Datu 3A P O Box 1467 96008 Sibu Sarawak Malaysia Tel: .084-319396 Fax: .084-320415 Email: 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

BINTULU

1st Floor, 35 BDA/Shahida
Commercial Centre
Lebuhraya Abang Galau
P O Box 363
97008 Bintulu
Sarawak
Malaysia
Tel: 086-335531

Tel: 086-335531 Fax: 086-335964 Email: *bintulu@wtwy.com*

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WTWY: With the ever increasing cost in land, building materials and labour etc., the prices of houses have been increasing at a fast rate in the last decade or so. At the rate it is going, how long do you think the price will be able to sustain itself?

Let's put it this way - within the 5-mile city radius, the average cost of land is RM800,000 per acre. Based on the building condition of 8 units per acre, the minimum price for a double storey terrace within the 5-mile radius should be about RM250,000 whilst a double-storey terrace outside the 5 mile radius should be about RM220,000. The profit margin is between 10% and 20% for double storey terrace houses and between 20% and 30% for double storey semi-detached. But bearing in mind that each project takes an average of 2 years, the annual yield would only be about 8% to 10%. So, the price should sustain as it would be impossible to build below those price unless the cost of the factors of production like land, building materials, labour etc. drop. From what I see, the property price in Kuching will never drop. However, compared to other cities in Malaysia, property in Kuching is still considered cheap.

WTWY: How do you see the property market in Sarawak, in particular Kuching, for the next 5 to 10 years?

The Sarawak property market is small, so it's steady and stable (not much fluctuation), especially in Kuching where the property market future looks good and promising. Speculative element on property is minimum in Kuching. If you build the right type of property, it will sell.

CHALLENGES

WTWY: What are some challenges you face as a property developer in Kuching?

The greatest challenge to me would be to build affordable houses like medium and low cost plus houses to meet the majority of the population's housing needs with the current land price, rising material and labour costs. I reckon this is the challenge faced by most, if not all developers in Sarawak. At the current rate of land price e.g. RM800,000 per acre for mixed zone land in the urban areas, it would be impossible to build low cost or even low cost plus houses where the ceiling is set at RM80,000 per unit. As for native land, there are stringent conditions to be met which makes it difficult too.

ADVICE FROM AN EXPERIENCED DEVELOPER

WTWY: What would your advice be to property buyers/investors? Things to look for.

To the genuine buyer, I would say "Buy It Now" because interest rate is now at an all time low and property price is not going to come down any time soon. But buy the right type of property, property that are popular with the masses e.g. single and double storey terrace. It is a good time to buy now.

To the property investors, I would say "Buy the right type". I would recommend single storey terrace and semi-detached. Be discerning when purchasing property, know the demand and supply. Make decisions based on informed predictions and calculated risks.

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