

SARAWAK PROPERTY BULLETIN

“Work Together With You”

PPK 344/06/2010 (023984)

2010 SARAWAK PROPERTY MARKET OUTLOOK



2010 MARKET OUTLOOK

Amidst forecasts of improving economic conditions, new demand as well as gradual release of pent-up demand may enter into the property market in 2010. This better demand would likely be met by more new launches of development projects which had been held back by many developers over the past three years or so. Property prices are expected to remain stable, with upward bias due partly also to the rising cost of building materials and construction labour. However, there could be risk of rising interest rates in 2010.

Investment demand for conventional shop-office in good locations is expected to continue to be strong as new supply is perceived to become more scarce and costly, which may result in higher prices and lower yields.

2009 MARKET REVIEW

Residential

2009 saw less new launches and new starts of construction for the housing sector, though prices remain high due to rising cost of building materials. Demand for housing in good locations remains strong, notwithstanding the high selling prices, particularly so in the niche segment.

Though there was an increase in units completed, the number of units under construction decreased more than the increase of completed units (see Table 1).

Shophouse/retail

Commercial properties, mainly in the form of shophouses, in prime locations are still in demand. Prices continued to increase to new levels for new launches and outpaced growth in rentals.

Two (2) major urban developments were announced in the last quarter of 2009, namely the City One retail mall / shophouses at Jalan Song-Tun Jugah junction and ST3 hotel / retail mall along Jalan Simpang Tiga, both in Kuching. This can be seen as a sign that local developers are optimistic about the growth of the retail / commercial market.

Industrial

The industrial sector was stagnant and continued to be inactive for the secondary market transactions.

Hospitality/Leisure

Despite the economic slow down, there seems to be a revival of sorts in the leisure property sub-sector with the completion and opening of the Four Points by Sheraton near the Kuching International Airport and Tune Hotel-Waterfront Kuching in the 1st quarter 2009; The LimeTree Hotel in the 2nd quarter 2009; 360 Xpress Citycenter and the 5-star Pullman Hotel in the Kuching city center in November 2009; and several small, budget-oriented hotels / backpacker inns within the CBD area. The State's ambition for Sarawak as a venue for MICE activities is also evident with the opening of the Borneo Convention Centre in Kuching.

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2010 SARAWAK PROPERTY MARKET OUTLOOK



On-going projects in Kuching

Table 1 New Housing Units 2009

Region	Type	Units Completed	Units Under Construction	Units Launched 2009	Units Construction Started 2009
Kuching	SS terraced	213 (464)	1220 (986)	406 (161)	447 (161)
	DS terraced	1240 (500)	714 (1604)	246 (731)	350 (361)
	SS semi-dee	227 (162)	110 (280)	41 (143)	57 (151)
	DS semi-dee	321 (178)	354 (541)	132 (148)	134 (126)
	Duplex Villa	0 (0)	8 (0)	8 (0)	8 (0)
	Total	2001 (1304)	2406 (3411)	833 (1183)	996 (799)
Samarahan	SS terraced	1166 (54)	508 (1555)	119 (152)	119 (174)
	DS terraced	219 (335)	133 (276)	83 (50)	76 (36)
	SS semi-dee	83 (0)	48 (115)	16 (25)	16 (25)
	DS semi-dee	116 (14)	26 (122)	20 (78)	20 (90)
	Total	1584 (403)	715 (2068)	238 (305)	231 (325)
Sibu	SS terraced	682 (289)	962 (1363)	83 (349)	102 (958)
	DS terraced	623 (647)	1501 (1565)	414 (857)	1259 (733)
	SS semi-dee	42 (16)	48 (82)	0 (40)	0 (48)
	DS semi-dee	197 (211)	322 (437)	70 (215)	438 (188)
	Total	1544 (1163)	2833 (3447)	567 (1461)	1799 (1927)
Bintulu	SS terraced	244 (15)	53 (145)	152 (62)	152 (43)
	DS terraced	22 (56)	280 (174)	111 (60)	128 (70)
	SS semi-dee	8 (14)	32 (16)	16 (14)	24 (44)
	DS semi-dee	21 (56)	51 (48)	17 (22)	24 (37)
	Total	295 (141)	416 (383)	296 (158)	328 (194)
Miri	SS terraced	819 (999)	457 (739)	442 (595)	537 (753)
	DS terraced	344 (227)	363 (408)	261 (170)	299 (367)
	SS semi-dee	200 (153)	223 (184)	204 (98)	239 (138)
	DS semi-dee	138 (162)	550 (407)	289 (249)	281 (357)
	Total	1501 (1541)	1593 (1738)	1196 (1112)	1356 (1615)
Grand Total	6925 (4552)	7963 (11047)	3130 (4219)	4710 (4860)	

* Figures in () denotes whole year figures for 2008

Table 2 Selling prices of houses launched in 2009 (RM)

Type	Kuching	Samarahan	Sibu	Bintulu	Miri
SS terraced - Int.	176,000 - 198,000	155,888 - 229,888	160,000 - 220,000	NA	178,000 - RM220,000
SS terraced - corner	203,000 - 515,000	229,888 - 265,000	From 250,000	NA	270,000 - 330,000
DS terraced - int.	169,000 - 468,888	152,888 - 255,000	250,000 - 400,000	260,000 - 290,000	308,000 - 320,000
DS terraced - corner	208,000 - 598,888	260,000 - 299,000	310,000 - 400,000	325,000 - 330,000	320,000 - 380,000
SS semi-dee	224,000 - 359,000	245,888 - 248,888	250,000 - 360,000	280,000 - 330,000	213,000 - 480,000
DS semi-dee	229,000 - 728,000	389,000 - 399,000	450,000 - 600,000	388,000 - 620,000	420,000 - 588,000
Detached plot	8000 p.p	NA	NA	NA	NA

2010 SARAWAK PROPERTY MARKET OUTLOOK



On-going projects in Miri

Table 3 Shop-offices/Shop-houses 2009

Region	Type	Units completed	Units Under Construction	Units Launched 2009	Units Construction Started 2009
Kuching	1-storey shop	0 (6)	0 (0)	0 (0)	0 (6)
	2-storey shop	0 (0)	61 (35)	26 (0)	26 (35)
	3-storey shop	86 (272)	298 (309)	92 (21)	75 (159)
	4-storey shop	80 (2)	95 (153)	1 (63)	22 (52)
	6-storey shop	0 (0)	2 (1)	0 (12)	1 (0)
	7-storey shop	2 (2)	0 (2)	0 (0)	0 (0)
	Total		168 (282)	456 (500)	119 (96)
Samarahan	3-storey shop	85 (0)	96 (136)	45 (51)	45 (71)
	4-storey shop	10 (0)	31 (30)	11 (0)	11 (20)
	Total	95 (0)	127 (166)	56 (51)	56 (81)
Sibu	2-storey shop	0 (0)	59 (53)	15 (4)	10 (10)
	3-storey shop	2 (134)	148 (176)	58 (51)	10 (124)
	4-storey shop	0 (11)	29 (17)	11 (17)	11 (17)
	Total	2 (145)	236 (246)	84 (72)	31 (151)
Bintulu	3-storey shop	0 (159)	142 (7)	135 (0)	135 (0)
	4-storey shop	0 (0)	0 (0)	0 (0)	0 (0)
	Total	0 (159)	142 (7)	135 (0)	135 (0)
Miri	1-storey shop	59 (0)	53 (20)	10 (20)	10 (20)
	2-storey shop	27 (0)	162 (102)	84 (54)	64 (54)
	3-storey shop	20 (9)	0 (125)	0 (125)	0 (71)
	Total	106 (9)	215 (247)	94 (199)	74 (145)
Grand Total		371 (595)	1176 (1166)	488 (418)	420 (629)

* Figures in () denotes whole year figures for 2008

Table 4 Selling prices of shop-offices/shop-houses 2009 (RM)

Region	2-storey int	2-storey corner	3-storey int	3-storey corner	4-storey int	4-storey corner
Kuching	750,000	850,000	From 1,080,000	NA	NA	NA
Samarahan	NA	NA	818,000 - 838,000	NA	NA	NA
Sibu	NA	NA	700,000 - 800,000	From 800,000	From 900,000	From 1,200,000
Bintulu	408,000 - 595,000	558,000 - 1,030,000	550,000 - 780,000	855,000 - 1,600,000	NA	NA
Miri	From 700,000	900,000	From 589,000	From 1,100,000	NA	NA



On-going projects in Bintulu

(Cont'd on Page 11)

FEDERAL BUDGET 2010

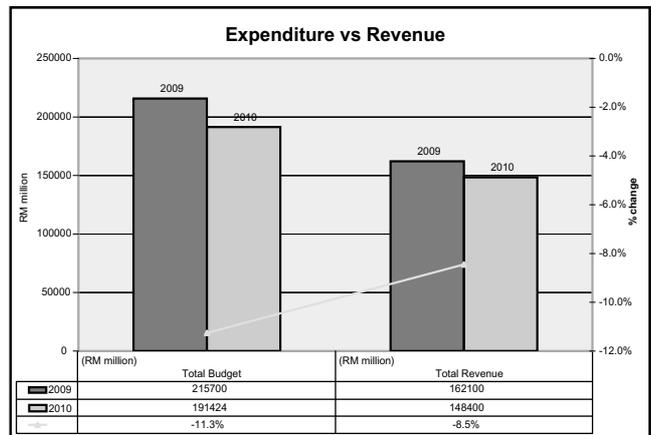
3 main strategies

- Driving the nation towards a high-income economy by:
 - Increasing private investment
 - Intensifying R & D and commercialisation
 - Leveraging fully on niche areas such as tourism, ICT and 'halal' industry
 - Advancing the agriculture sector
 - Promoting the construction industry
 - Strengthening small and medium enterprise
 - Developing green technology
 - Promoting creative industry
- Ensuring holistic and sustainable development by:
 - Enhancing highly skilled human capital
 - Strengthening the banking and financial system
 - Combating corruption
 - Development of regional economic corridors
 - Improving the effectiveness and efficiency of government administration
- Focusing on the well-being of the rakyat by:
 - Preventing crime
 - Improving income and quality of life of the people
 - Strengthening infrastructure in rural / remote areas
 - Improving public transport

Highlights

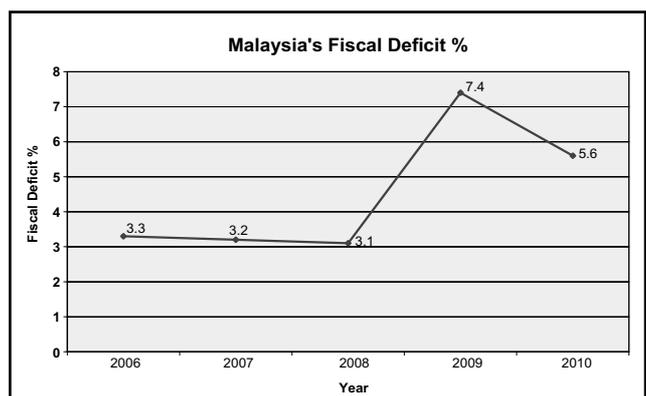
- ◆ RM191.5 billion to be allocated for the 2010 Budget (2009 : RM215.7 billion) – RM138.3 billion for operating expenditure and RM53.2 billion for development expenditure;
- ◆ Fiscal deficit expected to be reduced to 5.6% in 2010 compared to an expected increased deficit rate of -7.4% of GDP for 2009 (-4.8% in 2008);
- ◆ GDP growth for 2009 is expected to contract at a slower pace of 3% instead of 4% as earlier envisaged and for 2010, GDP growth is expected to grow positively between 2.0%-3.0%;
- ◆ Maximum individual income tax will be further reduced to 26% in 2010 from 27% in 2009 and personal tax relief increased from RM8,000 to RM9,000 for year of assessment 2010;
- ◆ 5% tax imposed on gains from the disposal of real property from 1/1/2010 except for gifts between immediate family members and 1st time disposal of property once in a lifetime;
- ◆ An allocation of RM9 billion to finance infrastructure projects, including construction of roads and bridges, water supply, sewerage services, rail facilities, ports and sea services and airport projects;
- ◆ Imposing RM50 service tax on each principal credit card and charge card, including those issued free of charge, and a service tax of RM25 a year on each supplementary card effective Jan 1, 2010;
- ◆ An allocation of RM48 million for urban poverty eradication programmes, including welfare assistance and house rental payments;
- ◆ Syarikat Perumahan Nasional Berhad (SPNB) to provide 74,000 low-cost houses for rent in 2010;

- EPF to launch new scheme to enable contributors to utilize current and future savings in Accounts 2 to enable them to obtain higher financing to buy higher value or additional houses.
- Establishment of 1Malaysia Retirement Scheme for the self-employed, such as taxi drivers, hawkers, farmers and fishermen, to be administered by EPF;
- EPF contribution to revert to 11% on a voluntary basis with immediate effect;
- An allocation of RM857 million for construction of 510 km of rural roads and 316 km of village roads including roads in Sabah and Sarawak.



2010 Budget Total Expenditure

Operating Expenditure	%	Amount (RM million)
Fixed Charges and Grants	53.5%	73,900
Purchase of Assets	0.4%	524
Supplies & Services	15.0%	20,800
Emoluments	30.5%	42,200
Other expenditure	0.6%	800
Subtotal		138,224
Development Expenditure		Amount (RM million)
Economic	47.7%	25,400
Social	38.2%	20,300
Security	7.0%	3,700
Administration	3.4%	1,800
Contingencies	3.8%	2,000
Subtotal		53,200
Total		191,424



FEDERAL BUDGET 2010

EFFECTS OF BUDGET 2010 ON THE REAL ESTATE SECTOR

Real Property Gains Tax

The RPGT effective Jan 1 2010, is 5% irrespective of the year when the property is disposed.

The tax base for the new RPGT regime will be widened to include taxation of gains on individuals who dispose off real property assets held for more than 5 years (which under the previous RPGT regime was not taxed)

Another new feature of the proposed RPGT is for the acquirer to withhold a portion of the consideration to be remitted to the IRB within 60 days of the date of disposal.

However, exemptions to individuals are given as follows:

- The level of exemption is increased from RM5,000 to RM10,000 or 10% of the chargeable gains, whichever is higher
- Gifts between parent and child, husband and wife, grandparent and grandchild
- Disposal of a residential property once in a lifetime

Home ownership

The National Housing Department will provide 74,000 low cost houses for rent in 2010.

The government will launch a scheme in 2010 that enables EPF contributors to utilise current and future savings in Account 2 to obtain higher financing to purchase higher value or additional properties.

Green technology

The government will establish a fund amounting to RM1.5 billion to provide soft loans to companies that supply and utilise green technology.

To encourage green technology in the property sector, building owners obtaining Green Building Index (GBI) Certificates from Oct 24 2009 until Dec 31 2014 will be given income tax exemption equivalent to the additional capital expenditure in obtaining such certificates. Exemptions are allowed to be offset against 100% of the statutory income for each assessment year.

Buyers of buildings and residential properties awarded GBI certificates bought from real property developers are eligible for stamp duty exemption on instruments of transfer of ownership of such buildings. Incentive to be given only once to the first owner of the building.

(The Edge, 23, 24 & 26-Oct-09 The Star, 24, 25 & 26-Oct-09)

SARAWAK STATE BUDGET 2010

(RM million)		2010	2009
	Subtotal	Total	Total
	Budget Surplus	161	182
A	Ordinary Expenditure	3418	3707
A1	Development (Refer *)	2777	3075
A2	Operating/Recurrent Exp	1318	1357
	Personal Emoluments	479	
	Supplies & Services	466	
	Grants & Fixed Payments	348	
	Assets	20	
	Other Operating Expenses	5	
B	Revenue	3579	3889
B1	Tax Revenue	910	873
i	Forestry	561	
	Timber Premium	17	
	Forest Royalty	544	
ii	Investment & Interest	72	
iii	Sales Tax	277	
	CPO	177	
	Lottery	100	
B2	Non-tax revenue	2544	2891
	Oil & Gas Rights	1220	
	Petroleum prdts duties	120	
	Land Premium	203	
	Dividend Income	560	
	Interest Income	305	
	Others	136	
C	Federal grants & reimbursements	111	107
D	Others	14	18

Source : From various sources on the 2010 Sarawak State Budget as tabled at the DUN Sitting, 9/11/2009

* Total Development Expenditure Budget 2010

	RM million	%
Development Items		
Commerce and Industry	1271	45.8%
Transport & Communication	277	10.0%
General Administration	316	11.4%
Agriculture, Land & Rural Devt	213	7.7%
Utility Devt	493	17.8%
Social & Community Devt	207	7.5%
Total Development Budget	2,777	

Source : From various sources on the 2010 Sarawak State Budget as tabled at the DUN Sitting, 9/11/2009

Projected growth for different sectors, Sarawak

	2006	2007	2008	2009 Revised	2010 f
	%	%	%	%	%
GDP Growth	5.5	5.8	5.0	0.7	2.8
Growth Sector :					
Mining & Quarrying	4.1	4.3	4.0	3.1	2.0
Agriculture & Livestock	9.2	11.7	10.5	6.5	2.7
Construction	6	6.5	4.2	4.0	NA
Manufacturing	5.3	5.8	5.6	4.7	2.6
Service	6.5	6.8	5.0	4.3	3.9
Public Investment	5.7	7.7	3.2	3.2	8.3
Private Investment	5.7	7.4	NA	NA	6.8
Public Consumption	6.4	4.8	3.5	3.4	3.5
Private Consumption	2.6	3.2	1.4	1.2	2.3

Source : Supply (2010) Bill , 2010 State Budget, DUN Sitting, 9/11/2009

NEW PROJECTS LAUNCHED

KUCHING

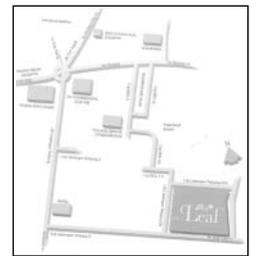
D'Villas by RJ Realty Sdn Bhd offers 46 units of terraced and 2 units of semi-detached houses along Jalan Datuk Mohammad Musa in Kuching. The terraced units comprise 3 types, namely Type A (1655-1681 sf) priced from RM236,000; Type B (1448-1466 sf) priced from RM230,000 and Type C (1385-1402 sf) priced from RM222,000. The semi-detached units are priced at RM389,000 and RM399,000 with a wall up area of 2,513 sf and 2,590 sf respectively. The units are expected to be completed by end of 2010.



Hua Ling 3 is the 3rd phase of Taman Hua Ling at 12th Mile, Jalan Kuching-Serian developed by Soon Hing Hong Development Sdn Bhd. It offers 10 double-storey semi-detached units priced from RM349,000 with built up area of 24.5' x 45' for Grd Floor and 24.5' x 36' for 1st Floor and land size ranging from 8.5 pts to 11.6 pts. The units are due to be completed by end of 2010.

SOHO 188 consists of 24 units of SOHO units situated off Jalan Wan Alwi, near into Tabuan Jaya. As denoted by its abbreviation, it is a Small Office Home Office concept with 1 level of office on the Grd Floor (1,200 sf) and 1 level of 3-bedroom residence on the 1st Floor (1,500 sf). Built into the rear end of the Grd Floor is an enclosed car porch for 2 cars. The units are priced from RM750,000 for the intermediate units and from RM830,000 for the corner units.

The Leaf is the latest niche market project offering 54 high security fenced-in units along Lrg Lapangan Terbang 5, comprising 8 duplex villas, 26 semi-detached types and 20 link houses. It boasts a guarded entrance, electric fencing system, CCTVs, a recreation park with playground, exercise zone and fruit orchard. Semi-detached units are priced from RM698,888 depending on the type and size which range from 277.90 sm to 295.85 sm with land size from 8.65 pts, whilst the duplex villas are priced from RM969,888 with built up of 393.98 sm and land size from 12 pts onwards. The link terraced houses which are priced from RM468,888 have a built up of 224.12 sm for the intermediate units and 251.57 sm or 263.51 sm for the corner units and land sizes from 4.735 pts onwards. The houses are expected to be completed by end of 2010.



Woodlands 4 is the last phase at Taman Woodlands to be developed by BDC Stallion Sdn Bhd offering a total of 71 residential units. It consists of 8 units of double storey semi-detached houses starting from RM568,000 with land size from 11.20 pts and built up area of 2,530 sf and 40 units of double storey terrace houses starting from RM333,000 with land size from 4.97 pts and built up area from 1,770 sf. There are also 22 units of single-storey low cost plus units to be offered within the same development.

BINTULU

Sungai Plan Baru



Star Hill 2



No.	Taman	Developer	Type of Property	No. of Units	Price Range (RM)	Land Area (pts)	Building Size (sf)
1	Sungai Plan Baru	BBC Construction Sdn Bhd	DHIT	152	RM93,420 - RM95,420 (Int.) RM124,230 - RM144,999 (Corner)	2.49 (Int.) 4.97 - 7.69 (Corner)	18' x 31'
2	RPR Sungai Plan Ph.3		DH2D	13	RM178,800 - RM239,800	7.11 - 15.23	6.6 x 5.90 (GF) 6.6 x 8.40 (1F)
3	Star Hill 2		DH2SD	18	RM358,800 & RM378,800 - RM408,800	6.95 & 8.29 - 9.52	26' x 23', 21' x 36' & 23' x 36'

NEW PROJECTS LAUNCHED (cont'd)

MIRI

Lite Avenue



Developer	Homelite Development Sdn. Bhd.
Type Of Development	Residential
Type of Property	Double-storey Townhouse – 'The Paradise' & 'The Loft' design
No Of Units	62 units
Price (RM)	From RM318,000 to RM388,000
Land Area (sm)	From 72.0 to 357.0 sm
Wall Up Area (sm)	From 143.43 sm
Completion Date	Under construction
Description	Along Jalan Airport (beside Kai Nguong Nursery)

Siang Siang Garden (Lopeng)

Developer	WSL Xiang-Xiang Sdn. Bhd.
Type Of Development	Residential
Type of Properties	Single-storey Terraced House, Double-storey Terraced House and Single-storey Semi-Detached House
No Of Unit	61 units (DH1T : 30 units / DH2T : 21 units / DH1SD : 10 units)
Price (RM)	From RM233,000 (DH1T)
Land Area (sm)	From 203.0 sm
Wall Up Area (sm)	From 108.4 sm
Completion Date	NA
Description	Located along Jalan Cahaya, not far from Miri General Hospital

Taman Lopeng Jaya



Developer	Minoli Sdn. Bhd.
Type Of Development	Residential
Type of Property	Double-storey Terraced House Double-storey Semi-Detached House
No Of Unit	37 units (DH2T: 19 units / DH2SD: 18 units)
Price (RM)	From 308,000.00 (DH2T) From 450,000.00 (DH2SD)
Land Area (sm)	168.0 sm (DH2T) : 193.61 sm (DH2SD)
Wall Up Area (sm)	184.2 sm (DH2T) : 330.0 sm (DH2SD)
Completion Date	Under construction
Description	Located along Jalan Cahaya, not far from Miri General Hospital

Palm Villa Shopping Centre



Developer	Oxrich Garden Sdn. Bhd.
Type Of Development	Commercial Center
Type of Property	3-storey terraced shophouse
No Of Unit	64 units
Price (RM)	RM589,000.00 (Int.), RM680,000.00 (Corner)
Land Area	From 130.0 sm
Wall Up Area	From 360.0 sm
Completion Date	Under construction
Description	Located within Taman Jelita. (Taman Tunku Phase 2), Miri

Economy to expend 2% - 3% in 2010

The government has revised downwards its forecast for the economy in 2009 and expects GDP to contract at a smaller pace of 3% instead of shrinking by up to 4%. It is forecasted for GDP to recover and grow by between 2% and 3% in 2010 with sectors of the economy projected to record positive growth.

(The Edge, 23-Oct-09)

Inflation down for 4th month

The CPI dropped for a 4th month in a row in September, falling 2% compared with the corresponding month in 2008. The CPI turned negative for the first time in June since August 1986 with a contraction of 1.4%.

(The Star, 24-Oct-09)

% growth of sectors - Malaysia

	Sector	2010
1	Services	3.6
2	Agriculture	2.5
3	Manufacturing	1.7
4	Mining	1.1
5	Construction	3.2
6	Private Consumption	2.90%
7	Private Investment	3.40%
8	Exports	3.50%
9	Inflation	1.5-2.5%
10	Unemployment	< 4%
11	Per Capita Income	RM24,661
12	Purchasing Power Parity	US13,177

Source : Malaysia 2010 Budget Speech, 23/10/2009

Planning to save more in next 6 months

Age	%
18-30	28
31-45	19
46-55	22
56 & above	15

Purpose of Savings

Purpose	%
Rainy days	71
Investments	59
Retirement	52
Purchase Property	28

Source : Mastercard Survey, 24/10/2009

ECONOMIC VIEWPOINT from Kenanga Research, 11/11/2009

- 10th Malaysia Plan's GDP growth target at 5.5% (9MP : 3.2%)
- Private sector to take lead, driven by services, manufacturing and agriculture sectors
- Long term growth trend of Malaysia between 4.0% - 5.0% (short of minimum growth potential of 6.0%)
- Difficult to achieve World Bank's high income nation criteria of minimum US\$17,000 per capita income which would require GDP growth of not <8% per annum until 2020.

OPR to remain stable until mid 2010

According to most research house, BNM will most likely keep the Overnight Policy Rate (OPR), which determines banks' lending rates at 2.0%, at least until mid 2010. Any hike would be in the region of 25 and 50 basis points.

Source : The New Straits Times, 27/10/2009

GDP Growth forecast - World & Malaysia

GDP Growth Forecast (%)	Recovery expected		
	2008	2009	2010
World			
World Bank	1.9	-2.3 (-2.9)	4.1 (2)
International monetary Fund (IMF)	3.1	-1.1 (-1.4)	3.1 (2.5)
Malaysia			
Asian Development Bank (ADB)	4.6	-3.1	4.2
MIER	5.1	-3.3 (-4.2)	3.7 (2.8)
MIDF	NA	-3.3	4.3

Source : WTWY Research 2009
() denotes previous figures

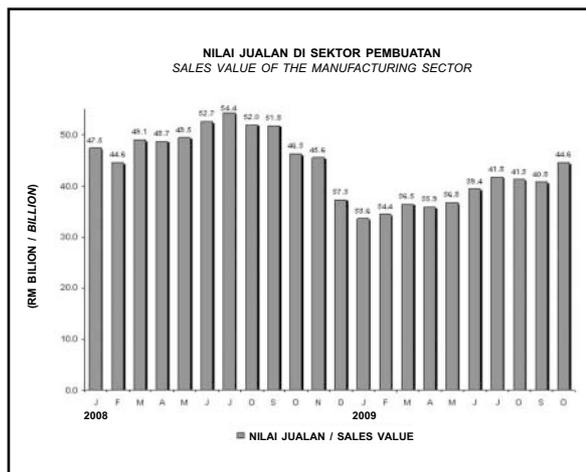
Regional economic forecasts (% change in GDP per annum)

Country Group/Country	2006	2007	2008	2009e	2010f
Developing East Asia	7.6	11.4	8.0	6.7	7.8
Malaysia	5.8	6.3	4.6	-2.3	4.1
China	11.6	13.0	9.0	8.4	8.7
Cambodia	10.8	10.2	6.7	-2.2	4.2
Laos	8.5	7.6	7.3	6.4	7.5
Indonesia	5.5	6.3	6.1	4.3	5.4
Philippines	5.3	7.1	3.8	1.4	3.1
Thailand	5.2	4.9	2.6	-2.7	3.5
Vietnam	8.2	8.5	6.2	5.5	
Middle East & North Africa	5.4	5.3	5.8	3.0	3.4
South Asia	9.0	8.5	5.7	5.3	6.4

Source : East Asia & Pacific Update, World Bank, Nov 2009

Points to note :

1. East Asia's rebound from the economic downturn has been surprisingly swift and welcome.
2. Developments in East Asia remains strongly influenced by China.
3. The aggregate numbers mask not only large differences in growth performance; but does not reflect the social and poverty impact of the crisis.
4. The rebound has yet to become a recovery.
5. The crisis has prompted countries in the region to rethink their development strategies.
6. The regional outlook for consolidation of the rebound into recovery and a return to rapid growth confronts downside and upside risks.
7. Over the medium term, can developing East Asia sustain rapid growth.



Sarawak is aiming to establish 1 million hectares of planted forest by 2020

Sarawak is aiming to establish 1 million hectares of planted forest by 2020 as planted forest can produce 25 cubic metres of timber a year compared to only 2 to 2.5 cubic metres per year for natural forest.

Source : The Borneo Post, 20/10/2009 from the State Forestry Department

Steel sector to register growth in 2010

Domestic steel prices are expected to re-accelerate moving into year 2010, causing many local contractors to stock-up on steel supplies in anticipation of the resurgence in contract flows. Eventhough domestic steel prices have remained relatively stable at between RM1,950 and RM2,000 per tonne level, scrap prices in Asia are on the rise again, having breached US\$300 per tonne since beginning Nov 2009. With the latest development, it is expected that steel demand is set to accelerate from the 4th Quarter 2009 onwards as impact from pump-priming measures begin to filter through the region.

Source : The Borneo Post, 17/11/2009

PROPERTY NEWS

Construction Sector

1. Construction Sector projected to grow by a robust 83% in 2010 from a 24% contraction in 2009;
2. Allocation of RM9 billion under the Budget 2010 which will particularly finance infrastructure projects;
3. Roll-out of infrastructure projects under the 9th MP, Federal Govt expected to dish out RM62 billion worth of high impact jobs over the next 6 to 12 months;
4. Sabah and Sarawak to be major recipients of infrastructure spending under Budget 2010 especially with the development corridors in place;
5. Increasing construction activities coupled with the housing recovery will augur well for iron, steel and cement segments.

Source : Borneo Post, 24/10/2009

Kuching Retail Sector Anchor Tenants

- ❖ **PARKSON CORPORATION** for the proposed Plaza Merdeka Shopping Mall in Kuching City Centre scheduled to open in the 2nd quarter of 2012 with an area of 135,000 sf
- ❖ **H & L Supermarket** for the proposed Tabuan Plaza shopping complex in Tabuan Jaya scheduled to be open by Jan 15, 2010 with an area of 23,000 sf

Miri Property Sector Strong for Past 10 Years

'Surprisingly, there are no abandoned projects (housing and real estate) for the past 10 years in Miri, although the sector, like others, have not been spared by problems such as the economic crisis' – Quote by SHEDA vice president and Miri Liaison Chairman.

Affordable Housing Project for Bintulu

A RM13 million affordable housing project (Rumah Mampu Milik) at Sg. Pinang in Tanjung Kidurong Road, about 25 mins drive from Bintulu town centre, was recently launched by the Minister of Housing and Development for Sarawak. The Sg. Pinang housing project, developed on a 200-acre land by the Housing Development Commission is awarded to its subsidiary company, Daya Perumahan Sdn Bhd with Debessa Development Sdn Bhd as its contractor. The 1st phase comprising 100 units to be completed by November 2010 is developed under the stimulus package with plans to build another 400 units in the subsequent phases. This is in line with the 10th Malaysia Plan which targets 1,500 units of low cost houses and 1,000 units of flats for rental in Kemena to achieve zero squatters.

Source : Eastern Times, 2/12/2009



LISTED COMPANIES' ANNOUNCEMENTS

SEG International Bhd, via its wholly owned subsidiary company, SEGi College (Sarawak) Sdn Bhd has entered into a sale and purchase agreement on 17 October 2009 to dispose off two (2) parcels of land known as Lots 196 and 444, both of Block 16, Kuching Central Land District for a cash consideration of RM10.50 million to Kenbest Sdn Bhd. The lands, measuring approximately 4,978 square metres (for Lot 196) and 9,955 square metres (for Lot 444), is vacant with the lease tenure expiring 31 December 2026 and 31 December 2024 respectively.

Source : Bursa Malaysia General Announcement Reference No SI-091014-66249 dated 19 October 2009

DEVELOPMENT NEWS

A new upmarket retail and commercial development featuring 2 blocks of 3-storey and 4-storey shopping malls linked by a sky bridge and a piazza named **City One** is currently under construction at the junction of Jalan Song and Jalan Tun Jugah in Kuching. Located on 8.9 acres of land, City One is developed by Standard Parade Sdn Bhd, and will have a gross floor area of 68,000 sq metres, offering 400 strata titled retail units with size ranging from 22 sm to 520 sm. The development costs RM220 million and is scheduled for completion before Christmas 2011.

Source : Adapted from Eastern Times, 5/11/2009



Pullman Kuching, a 5-star international hotel under the Accor hotel group, opened on 17/11/2009 at Jalan Mathies in the heart of Kuching's Central Business District. It is jointly developed by Interhill Group of Companies together with the adjoining Hills Shopping Mall which is due to be opened by end of 2009. The hotel has a total of 389 rooms and boasts a total of 3,660 sq metres of banqueting and conferencing space with the largest state-of-the-art ballroom in the city, accommodating up to 1,500 people for a sit-down banquet. Pullman Kuching also houses two restaurants, namely Puzzle, which offers an al fresco dining experience and Nu Er Hong, a Chinese restaurant with an open concept kitchen; and a lounge named Déjà vu, Café at Ch@t and Liquid, the hotel's superlative poolside bar. There is also a contemporary fitness centre, a spa facility and an outdoor swimming pool with sundeck.

Source : Adapted from Borneo Post, 18/11/2009

RM513 million is expected to be spent on upgrading the 352-km Miri-KK trunk road, which goes through Brunei, under the 10th Malaysia Plan. The allocation would include the upgrading and construction of the Immigration Posts and Customs Complexes and Quarantine at Sg Tujuh. The upgrading will affect 3 sections i.e. Beaufort Road (95 km), Beaufort-Sipitang Road (60 km) and Sipitang-Sindumin Road (20 km). The other 3 sections in Sarawak will include Menhkalap-Merapok Road (60 km), Pandaruan-Tedungan Road (60 km) and Sg Tujuh-Miri Road (30 km). This development is hoped to contribute to the development corridors in Sarawak and Sabah.

Source : Adapted from Eastern Times, 17/11/2009



Table 5 Semi-detached industrial units 2009

Type	Type	Units Completed	Units Under Construction	Units Launched	Units Started
Kuching	I2SD	6 (162)	0 (6)	22 (0)	0 (0)
	I2D	1 (1)	0 (1)	0 (0)	0 (1)
Subtotal		7 (163)	0 (7)	22 (0)	0 (1)
Samarahan	I2SD	0 (0)	24 (24)	0 (0)	0 (0)
Subtotal		0 (0)	24 (24)	0 (0)	0 (0)
Sibu	I2SD	12 (76)	47 (70)	8 (68)	3 (90)
	I2D	0 (7)	1 (3)	0 (5)	0 (1)
Subtotal		12 (83)	48 (73)	8 (73)	3 (91)
Bintulu	I2SD	0 (16)	55 (51)	10 (20)	4 (26)
Subtotal		0 (16)	55 (51)	10 (20)	4 (26)
Miri	I2SD	70 (12)	17 (85)	0 (85)	2 (85)
Subtotal		70 (12)	17 (85)	0 (85)	2 (85)
Total		(274)	(241)	(178)	(203)

* Figures in () denotes whole year figures for 2008

Table 6 Selling prices of semi-detached industrial units launched in 2009

Region	Land size (sm)	Built-up area (sm)	Selling prices (RM)
Kuching	NA	216.3	460,000
Sibu	From 526	180	From 550,000
Bintulu	495.40 - 967.88	NA	400,000 - 730,000
Miri	475 - 790	135 - 496	256,000 - 530,000

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KUCHING

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

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
 Fax: 086-335964
 Email: bintulu@wtwy.com

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Table 7 3-star and above hotels

Region	Existing hotels		Under Construction		Proposed	
	No.	Rooms	No.	Rooms	No.	Rooms
Kuching	29	4,636	6	1,000	2	920
Sibu	5	792	1 **	230	0	0
Bintulu	10	955	4	132	1	144
Miri	6 *	1,114	2	339	1	No Data

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



On-going projects in Samarahan

Published By **C H Williams Talhar Wong & Yeo Sdn Bhd (24706-T)**
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 Address Lot 1949, Section 66, KTLD, Lorong Tekad 1, Jalan Tekad,
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 Tel 082-338131

C H Williams Talhar Wong & Yeo Sdn Bhd (24706-T)

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Kuching Sibu Miri Bintulu
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