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OFFICE SNAPSHOT KUALA LUMPUR

December 2008

Summary

Overall Economy

- As at Nov 2008, international reserves of Central Bank of Malaysia amounted RM336.4 million is position to finance 7.9 months of retained imports and is 3.5 times the short-term external debt.
- Deputy Prime Minister Najib Tun Razak cited there were no sign of MNC leaving the country following the sprawl of global financial crisis. But movements of right sizing the business in some company was reported to sustain challenges from economy.

Commercial Property Market

- 'Medini' – largest catalyst development in Johor was officially launched at Cityscape Dubai. This urban project is expected to bring in excess of US\$20 billion of gross value development (GVD) in the next 15 to 20 years.
- Hewlett-Packard has invested to built a 24-hectares campus in Cyberjaya (a MSC location), completing early 2010.
- Asian Finance Bank plans to invest US\$500 million in real estate projects in Southeast Asia in 2009, including Kuala Lumpur. They target to refurbish and upgrade certain office buildings and budget hotels to a higher end market.

Prime & Fringe		Grade 'A' Office Rents						
District	Achievable Rent (Net Effective)			% Change From (in RM)				
	US\$ /Sq-F/Yr	Euro /Sq-M/Yr	RM /Sq-F/Mth	Last month	3 months ago	From bottom (Mar2000)	Peak (Q497)	Short Term Trend
Prime KL Centre	22.43	173.94	6.59	3.5	7.6	73	28.5	↗
Fringe KL	16.61	128.80	4.88	3.9	10.9	77	8	↗

Note: Sample of buildings modified on 1 Dec 2008 for buildings in Prime KL and Fringe area, therefore some adjustment will occur in % change in the rental trends in immediate corresponding months.

With effect from Jul '07, the sample size is based on 16 buildings respectively for Prime KL Centre and Fringe, for size of 10,000 sq. ft.

Latest Economic Indicators – Dec 2008					
	Latest Release	Actual	Average 2007	Average 2008F	Average 2009F
Real GDP Growth	3 rd Quarter 2008	4.7%	6.3%	5.3%	2.4%
Unemployment	2 nd Quarter 2008	3.5%	3.2%	3.4%	3.4%
Real Prices (CPI)	3 rd Quarter 2008	5.5%	2.0%	5.7%	3.0%
Prime Rate	3 rd Quarter 2008	6.5%	End Dec '07 6.8%	End Mar '09 6.3%	End Dec '09 6.2%

Source: Statistic Department, Malaysia; Bank Negara Malaysia; Consensus Economic December 2008.

Key Leasing Transactions

** Transacted by YY Property Solutions

- **Baker & McKenzie (Wong & Partners) took up approximately 30,000 sq ft and apbc offices took up approximately 15,000 sq ft in The Garden North Tower, Fringe KL area
- **Malaysian Gas Association (subsidiary of Petronas) took up approximately 8,000 sq ft in Etiqua Twins, Prime KL area.
- Boehringer Ingelheim (Malaysia) Sdn Bhd took up approximately 13,000 sq ft in Wisma UOA II, Fringe KL area.

Key Investment Transactions

- The Employees Provident Fund (EPF) paid RM87.36 million to WCT, in acquiring 30% of Jelas Puri and the development of 'The Paradigm'.
- Dutch insurer ING is buying Menara Standard Chartered - a Grade A office building in central business district with net lettable area of 321,000 sq ft, for RM300 million.
- Pelaburan Hartanah Bumiputera Berhad (PHBB) is purchasing a 22-storey office building, namely CP Tower, for approximately RM200million from CIMB-Mapletree Management Sdn Bhd. Net lettable area is approximately 314,000 sq ft.

Pre-Leasing Opportunity



MENARA BATU KAWAN

Location: Mutiara Damansara
 NLA approx.: 130,000 sq ft
 Completion Date: Q2 2009
 Asking Rental: Call for details



SURIAN TOWER

Location: Mutiara Damansara
 NLA approx.: 336,000 sq ft
 Completion Date: Q3 2009
 Asking Rental: Call for details

For inquiry, please contact: +603 772 88 116

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