

MARKETBEAT

KUALA LUMPUR OFFICE REPORT



4Q08

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

AT A GLANCE

Economy remained resilient

- The Malaysian economy registered growth of 4.7% in the third quarter of 2008, despite the global economic turmoil. Growth was largely led by the services sector, due to the sturdy performance in wholesale and retail trade, finance and insurance as well as government services.

2008 FIABCI Winners' Roll of Honor

- FIABCI is the French acronym for "Federal International des Administrateurs de Bien-Conselis Immobiliers, which means "The International Real Estate Federation". The Malaysia Property Award is established in 1992 and without bias, exclusive and truly independent. And winners of the 'Property Oscar' are:
 - Property Man of The Year**
Datuk Hasmi Hasnan
 - Hotel Development Category**
G Hotel, Penang
 - Residential Development (High Rise)**
The Maple at Sentul West, KL
 - Residential Development (Low Rise)**
Lake Edga, Puchong, Selangor
 - Retail Development**
Pavilion Kuala Lumpur, KL
 - Specialised Project**
The Royal Bank of Scotland Berhad, Penang
 - Master Plan Category**
Setia Eco Gardens, Johor
 - Industrial Development Category**
Hap Seng Star Mercedes-Benz Autohaus Services Centre, Kinrara, Selangor
 - Office Development Category**
1 Sentral Kuala Lumpur, KL
 - Resort Development**
Shangri-La's Rasa Sayang Resort & Spa, Penang
 - Specialised Project**
Hap Seng Star Mercedes-Benz Autohaus, KL

MARKET HIGHLIGHTS IN 4Q 2008

SIGNIFICANT NEW LEASE TRANSACTIONS			
BUILDING	TENANT	SQ FT (APPROX)	BUILDING CLASS
Gardens North Tower	Baker & McKenzie	30,000	A
	apbc offices	15,000	A
Etiqua Twins	Malaysian Gas Association	8,000	A
Wisma UOA II	Boehringer Ingelheim	13,000	A
SIGNIFICANT SALE TRANSACTIONS			
BUILDING	BUYER	SQ FT (APPROX)	PURCHASE PRICE (RM)
Menara Standard Chartered	ING	321,000	300million
CP Tower	Pelaburan Hartanah Bimiputera Berhad	314,000	200million
SIGNIFICANT CONSTRUCTION COMPLETIONS			
BUILDING	MAJOR TENANTS	SQ FT (APPROX)	COMPLETION DATE
Menara Batu Kawan	-	132,000	4Q 2008
PJ8 (Block A)	-	100,000	4Q 2008
PJ8 (Block B)	-	100,000	4Q 2008
SIGNIFICANT PROJECTS UNDER CONSTRUCTION			
BUILDING	MAJOR TENANTS	SQ FT (APPROX)	COMPLETION DATE
G Tower	-	500,000	1Q 2009
Quill KL Sentral	-	350,000	1Q 2009
The Icon	-	507,265	2Q 2009
Surian Tower	-	340,000	3Q 2009

PRIME & FRINGE GRADE A OFFICE RENTS

District	Achievable Rent (Net Effective)			% Change From (in RM)				Short Term Trend
	US\$ /SqFt/Yr	Euro /SqM/ Yr	RM /SqFt/ Mth	Last month	3 months ago	From Bottom (Mar 2000)	Peak (Q4 '97)	
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 & Fringe area, therefore some adjustments 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.

ECONOMIC INDICATORS – DECEMBER 2008

	Latest Release		Average 2007	Average 2008F	Average 2009F
Real GDP Growth	3Q08	4.7%	6.3%	5.3%	2.4%
Unemployment	2Q08	3.5%	3.2%	3.4%	3.4%
Real Prices (CPI)	3Q08	5.5%	2.0%	5.7%	3.0%
Prime Rate	3Q08	6.5%	End Dec '07	End Mar '09	End Dec '09
			6.8%	6.3%	6.2%

Source: Statistics Department, Malaysia; Bank Negara Malaysia; Consensus Economics December 2008



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