



## OFFICE SNAPSHOT KUALA LUMPUR

September 2008

### Summary

#### Overall Economy

Salient point on "Budget 2009" announced by the Government on 29 August 2008:

- The government has allocated a total of RM 207.9 billion for Budget 2009; RM 154.2 billion is for operating expenditure, whilst RM 53.7 billion is for development expenditure.
- Maximum individual tax rate will be reduced from 28 per cent to 27 per cent effective 2009; whilst tax rebate for those taxable income of RM35,000 and below will be raised from RM350 to RM400 per person.
- Tax rate on dividends received by foreign institutional investors from real estate investment trusts (REIT) would be halved to 10% from 20%; and from 15% to 10% for resident and non-resident individual, effective Jan 2009 – Dec 2011.
- Stamp duty on loan agreements executed from Aug 2008 – Dec 2010 in purchasing residential properties costing less than RM250,000 will be exempted 50 per cent.
- Venture capital companies will be enjoying five year tax exemption for investing at least 30% of their seed capital.
- GDP growth is expected to remain stable at 5.7 per cent.

#### Commercial Property Market

- CapitaLand Ltd submitted application to list its RM2 billion real estate investment trust (REIT) on Bursa Malaysia. The REIT assets are Gurney Plaza (Penang), Mines Shopping Fair (Seri Kembangan), and Sungai Wang Plaza (KL).

#### Prime & Fringe Grade 'A' Office Rents

District	Achievable Rent (Net Effective)			% Change From (in RM)				Short Term Trend
	US\$ /Sq-F/Yr	Euro /Sq-M/Yr	RM /Sq-F/Mth	Last month	3 months ago	From Bottom (Mar 2000)	Peak (Q4 97)	
Prime KL Centre	22.16	151.25	6.33	7.4	8.2	66.1	23.4	↗
Fringe KL	15.83	108.03	4.48	4	4	62.9	0	→

Note: Sample of buildings modified on 1 July 2007 for buildings in 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.

#### Latest Economic Indicators – July 2008

	Latest Release		Average 2007	Average 2008F	Average 2009F
Real GDP Growth	1 <sup>st</sup> Quarter 2008	7.1%	6.3%	5.5%	5.4%
Unemployment	1 <sup>st</sup> Quarter 2008	3.6%	3.5%	3.4%	3.4%
Real Prices (CPI)	2 <sup>nd</sup> Quarter 2008	7.7%	2.0%	5.0%	4.1%
Prime Rate	1 <sup>st</sup> Quarter 2008	6.75%	End Dec '07 6.8%	End Oct '08 6.9%	End Jul '09 7.0%

Source: Statistics Department, Malaysia; Bank Negara Malaysia; Consensus Economics Sept 2007

### Key Leasing Transactions

- Fisheries Development Authority of Malaysia** took up approximately **100,000 sq ft** in Menara Olympia, Prime KL area.
- Petronas Carigali Sdn Bhd** took up approximately **40,000 sq ft** in Menara Citibank, Prime KL area.
- Antah Holdings Berhad** took up approximately **25,000 sq ft.** in UOA Damansara II, Fringe KL area
- Instant Palms Sdn Bhd (ASTRO)** took up approximately **17,000 sq ft** in CapSquare Signature Offices, Fringe KL area.

### Key Investment Transactions

- IOI Corporation Berhad has purchased a 50 storey Menara Citibank, their first prime investment in KL City Centre, for approximately RM733.6 million @ RM1,000 per sq ft.
- Wawasan QI Properties Sdn Bhd has bought the 13-storey PJ8's Tower C from IJM Properties Sdn Bhd, for approximately RM600 per sq ft. PJ8 is a RM280 million development comprising office towers and highrise service residence on 3.8 acres of land in Petaling Jaya (Fringe KL area).

### Pre-Leasing Opportunity



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**Prime Office Space for Lease at:**  
Surian Tower, Mutiara Damansara, Fringe Area

**Office Space Available:**  
NLA approx. 336,000 sq. ft.  
Size available : 13,000 sq ft onwards

**Handover Condition:**  
Grade 'A'

**Asking Rental Rate:**  
Call for details

**Date Available:**  
3<sup>rd</sup> Quarter 2009

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