RESEARCH

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‘THE WEEK THAT WAS’

KNIGHT FRANK

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(A) RESIDENTIAL

Nadayu to launch its first high-rise in Melawati (The Edge Malaysia, City & Country, 17th February 2014)

- Nadayu Properties Bhd is poised to launch its first high-rise project in Melawati in March, called Nadayu62. The project sits on a two-acre leasehold plot and has a gross development value (GDV) of RM91 million. It will offer 182 semi-furnished condominiums in 13 storeys situated above seven storeys of parking space, priced at RM570 per sq ft or RM612,000. The units with built-ups of 950 sq ft to 2,015 sq ft will come complete with kitchen cabinets, washer and dryer, air-conditioning units and built-in wardrobes.

- Construction of Nadayu62 begins next month and it is expected to be completed in 2017. Nadayu has offered only 48 of the units for sale since December 2013 and will be releasing the balance on the market next month.

- Nadayu62 is the second phase of the group's 80-acre development in Melawati, known as Nadayu Melawati. The first phase on 40 acres of freehold land adjacent to Nadayu62, comprised 21 bungalows launched in 2010 and completed in 2013, with GDV of RM100 million. The bungalows with built-ups of 8,274 sq ft to 8,911 sq ft were priced from RM740 per sq ft to RM850 per sq ft.

- The group plans to launch Nadayu 99 comprising 132 three-storey villas with built-ups of 2,790 sq ft to 2,842 sq ft in Cyberjaya. With an estimated GDV of RM198.27 million, Nadayu 99 will occupy 13.32 acres of freehold land with construction expected to begin in June and completed in 2016.

- In Penang, Nadayu 290, comprising a hotel and 527 units of condos and serviced suites, is expected to be launched in July. With an estimated GDV of RM312 million, the project which sits on 7.9 acres of freehold land in Bukit Gambir, is targeted to be completed in 2017.

Lakeside luxury in Seri Kembangan (The Star, 21st February 2014)

- Boutique developer Clearwater Group recently launched 20 units of junior penthouses in its Dream City luxury lakeside development in Seri Kembangan. The penthouses that are located in Dream City's residential towers modelled after Malaysia's famous limestone hills feature a spectacular view of a 20.6-hectare lake.

- The 20 units that were launched are located on the higher floors of Dream City's seven-tower development. Prices for the penthouses measuring 151.4 sq m start from RM830,000 (or about RM510 per sq ft). The development is also designed with an 8,361 sq m skypark on level seven that connects and stretches across all the towers.

The skypark features several gardens where residents can enjoy walking tracks, two tennis courts, three infinity pools, yoga pavilions and a gymnasium.

- The Dream City development is located within the Bluwater Estate, south of Kuala Lumpur and is 20 minutes' drive away from the city centre. It is easily accessible via major highways such as the KL-Seremban Highway, Sungai Besi Highway, SILK Highway, Cheras-Kajang Highway and Kesas Expressway.

Zalam offers an urban resort in CloudTree (The Edge Malaysia, City & Country, 17th February 2014)

- CloudTree is Zalam Corp Sdn Bhd's latest project on 9.18 acres of freehold land in Cheras. Some of its recent projects are 1 Sentul Condominium in Sentul and Alam Puri Condominium in Jalan Ipoh, both completed in 2010.

- CloudTree, located on a hill peak north of Taman Juara Jaya will comprise five 23-storey blocks with 92 condos each and 16 town villas. Each floor of the blocks has four condos with built-ups of 1,269 sq ft to 1,545 sq ft, priced from RM480 per sq ft while the town villas are priced from RM980, 000. About 30% of CloudTree's units also have a dual key system, which will appeal to the market.

- The company started selling Phase 1 of the project consisting of four blocks and the town villas in late December and has to date, sold about 70%. CloudTree will be officially launched on March 1 and is expected to be completed in December 2016.

- Zalam is also creating a "green lung" within the site for the residents, called Central Park. The project's 3-storey main clubhouse will have multiple access points in cascading tiers overlooking Central Park. The clubhouse and all five blocks of condos are integrated to ensure accessibility to the green lung.

- Meanwhile, Zalam is also planning six projects in Kota Kinabalu, Sabah, that are currently in the submission stage. The company has more than 100 acres of land in Sabah, 50 acres in Mantin, Negeri Sembilan, and about 65 acres of resort land in Melaka. It plans to develop the Mantin land within the next five years into a mix of landed properties and condominiums.

GuocoLand Malaysia launches exclusive bungalow, The Rise (The Star, 18th February 2014)

- GuocoLand Malaysia will launch The Rise on the 22nd February. The 33.4-acre (14-hectare) guarded Emerald enclave offers a total of 180 bungalows with extensive wide gardens and generous gross built-up areas between 3,959 sq ft and 4,560 sq ft. There are six designs comprising two and three-storey bungalows with different features catering to diverse needs and the escalating demand for multi-generational living.

- The exclusive bungalows, with a gross development value (GDV) of RM354 million, will take the transformation of the Emerald's 1,000-acre (405-hectare) township in Rawang to another level, while complementing the modern urban living experience.

- The pre-launch response has been encouraging. The soon-to-be-completed flyover and road upgrading works at Jalan Batu Arang, which is near the Rawang toll plaza will be a boon to Rawang. The Emerald township, in particular will benefit from this initiative, given its strategic location near the AEON shopping centre and other upcoming commercial developments.

Tropicana unveils its first foray into Kajang (The Star, 18th February 2014)

- Tropicana Heights, encompassing 199 acres (81 hectares) of freehold land is a green-inspired and guarded development built on what used to be the green hills and valleys of the Kajang Hill Golf & Country Club. The master plan which has been thoughtfully designed to focus on enhancing the quality of life for its residents, dedicates 16 acres to the creation of a Central Park that features a 750 metre linear lake.

- Kajang is one of the key areas identified by the Economic Transformation Plan's development of Greater Kuala Lumpur. With its population growing close to nine per cent per annum due to migration, it is one of the highest density economic centres which will be well-connected via the new transport integration system such as the Mass Rapid Transport (MRT) and Light Rail Transport (LRT).

- Fairfield Residences, slated as Phase 1 of the Tropicana Heights development, is opened for registration and so far, more than 60% of the units have been taken up. Spanning 25 acres (10 hectares), Fairfield Residences comprises 289 units of stylishly designed, two-storey terraced homes and 91 units of highly exclusive, three-storey homes. To provide peace of mind, Fairfield Residences is equipped with 24-hours surveillance and guards manning a guardhouse at a single entry and exit point.

Home buyers placing more emphasis on surroundings (The Star, 17th February 2014)

- Lush landscaping is starting to feature prominently in new development projects as home buyers are putting more thought into the surrounding environment that they live in. Likewise, developers are seeing the value in investing in landscaping.

- Mah Sing Group Bhd is tapping into the trend and has invested heavily in setting up its show village and sales gallery in Bangi to promote its latest project, Southville City@KL South. The 428-acre Southville City@KL South is a master-planned development, offering a premium lifestyle away from the hustle and bustle of the city, and yet easily accessible with six major highways.

- The township has received strong interest since its launch with more than 1,000 units of Savanna Executive Suites, the first phase of Southville City, pre-selected within eight hours last September. Currently, the project enjoys a strong take up of approximately 80% for the first four blocks in the first phase.

- In view of the keen interest, Mah Sing will be opening more blocks for pre-selection. Later phases will include properties for the up-grader market like super link homes, linked semi-detached, semi-detached homes and bungalows complemented by lifestyle retail shops.

Mah Sing unveils clubhouse at Garden Residence (Business Times, 18th February 2014)

- Garden Residence by Mah Sing is the first integrated development featuring landed and high-rise properties, a clubhouse and communal retail amenities built amid lush landscape in Cyberjaya.

- Aspen@Garden Residence is the fourth precinct of Garden Residence, comprising 69 limited edition three-and-a-half-storey bungalows that come with 9+1 bedrooms and nine baths. Another project, Clover@Garden Residence, offers 231 units of two- and three-storey semi-detached houses with spacious floor plans.

- Mah Sing has unveiled the lifestyle amenities offered by The Clubhouse@Garden Residence which include swimming and wading pools, a gymnasium, a dance studio, as well as futsal and badminton courts for fitness enthusiasts. There are also convenience stores and dining options, such as al fresco dining, and a cafeteria, while a multi-purpose hall, a day care area and a tuition centre are also available.

- Next to The Clubhouse is The Promenade@Garden Residence, a lakefront facility designed to be the top address for shopping, dining and entertainment. Other proposed communal retail amenities are laundromats, banks, postal services and electrical services. The state-of-the-art architecture with a grand pavilion is expected to be completed by the fourth quarter of this year.

Sterling Prima eyes March launch for Cyberjaya project (Business Times, 18th February 2014)

- Sterling Prima Sdn Bhd, the joint venture of property giant Emkay Group Bhd and Areca Properties Sdn Bhd, wants to be the first developer to launch its affordable housing project in Cyberjaya. The housing project is divided by two parcels and has a collective gross development value (GDV) of RM1.2 billion.

- Block 19, slated for launch next month, will offer 960 units of fully furnished, affordable apartments. To date, 600 units out of the 960, targeting young families and government workers from Selangor, have already been registered for at Lembaga Perumahan dan Hartanah Selangor (LPHS). The pricing for the apartments will begin at RM270,000 for the 850 sq ft units. There will be no Bumiputera discount.

- Block 18, however, is operating under an open pricing concept and will be available to the public from April. The project is expected to contribute between 10% and 15% of profit to the Emkay group's revenue.

(B) COMMERCIAL/OFFICE

Sean Ng to redevelop Bangunan HL (www.theedgemalaysia.com, 17th February 2014)

- Datuk Sean Y T Ng of Mammoth Empire Group, known for the Empire Subang and Empire Damansara developments, is planning to convert yet another office building in Kuala Lumpur into a boutique hotel. It is understood that the building, which used to house a Hong Leong Bank branch and the Hong Leong Group's corporate headquarters, was acquired by Mammoth Empire in April 2012 for an estimated RM38 million.

- The group is planning to re-develop Bangunan Hong Leong (later renamed Wisma Megah) at the corner of Jalan Tun HS Lee and Jalan Tun Tan Cheng Lock. The company's submission to DBKL specifies plans to convert the first and second floors into retail space while the sixth floor will house the cinemas. The 188-room boutique hotel will be from floors 7-20 while the 21st floor is where the recreational facilities will be. To accommodate the planned room inventory, it will add seven floors to the existing 16-storey building.

- The boutique hotel will be named Wolo, similar to the one in Jalan Bukit Bintang. The latter with 110 rooms, is located at the junction of Jalan Bukit Bintang and Jalan Sultan Ismail. The group plans to expand the Wolo chain - there will be another in Seremban, Negeri Sembilan. The group may even consider changing the name of the existing Empire Hotel in Empire Subang to Wolo.

- Incidentally, the Wolo houses Korean bakery Tous les Jours, for which Mammoth Empire holds the master franchise. The Tous les Jours is owned by South Korea's CJ Foodville, a member of CJ Group. CJ Group also owns CJ CGV, the operator of a multiplex cinema chain in South Korea. This suggests that the proposed hotel project in Jalan Tun HSJ Lee may incorporate such a cinema.

- It is also rumoured that CJ CGV will be the anchor at the Empire City Damansara development. Empire City, located opposite the Damansara Perdana township along the LDP, will be developed in three phases. The first phase, with an estimated gross development value (GDV) of RM5 billion, will house offices, hotels, serviced apartments and a shopping complex. It was reported that the second phase will include a theme park and a concert hall.

- Last year, the group teamed up with Iskandar Investment Bhd to develop a 9.5 hectare site in Iskandar Malaysia, Johor. The project, called Medini Empire, with an estimated

GDV of RM4 billion, will include office towers, hotels, serviced apartments, loft offices, retail lots, a convention centre, concert hall and cinema. Construction of the project is expected to commence in 2015 and will be completed in 2018.

- Mammoth Empire is also involved in developments in Melbourne, Australia, apart from the A$250 million, 55-storey MY80 development, the group plans to build twin towers to complement MY80.

(C) RETAIL

Encorp denies selling mall for RM400mil (The Star, 17th February 2014)

- Encorp Corp Bhd has refuted market talk that it is selling Encorp Strand Mall in Kota Damansara for RM400 million. Preparations are currently in full swing for the mall's grand opening in April. The shopping mall, with 435,000 sq ft net rentable space, is part of the RM1.4 billion Encorp Strand development that also includes 265 business suites, the 500-foot covered boulevard Red Carpet Avenue, 14 blocks of self-contained garden offices and 278 serviced residences built on top of the mall.

- Encorp Strand Mall, the company's first shopping centre, exemplifies Encorp's impressive and steady track record, which has been growing from strength to strength in property development and construction. The mall is aimed at meeting the needs of over 1.8 million of the surrounding population.

Looking forward to new mall (The Star, 17th February 2014)

- Slated for a December opening, Gamuda Walk has a 47% occupancy rate to date and it is expected to reach 80% to 85% by its launch. Notable tenants include Caffe Bene, Red Lobster, Rakuzen, Cars International, Nando's, Caring Pharmacy, Samsung and Coffee Bean.

- The mall will occupy the ground to second floor in the 10-storey building. Tenants include F&B, entertainment, services, health and beauty as well as fashion, with 39% allocated for general retail, 29% for F&B, 5% for banking and services, 21% entertainment and leisure and 6% for education services.

- The building also includes office suites from levels three through seven, comprising 500 to 900 sq ft units, which have been fully sold. The unique, oval-shaped building will become an architectural landmark in Kota Kemuning and the heartbeat of the township upon completion.

Aeon in RM700mil expansion mode, going into smaller towns (The Star, 21st February 2014)

- Aeon Co (M) Bhd has set aside RM700 million this year to open three new Aeon outlets and two MaxValu stores as the Japanese retailer boosts spending to expand its presence into smaller towns.

- Of the three Aeon outlets, two of them will be part of new shopping centres in Bukit Mertajam, Penang and Taiping, Perak, which Aeon Co will operate. It will also be an anchor tenant in the upcoming Quill City Mall in Kuala Lumpur. The outlets are expected to cost a combined RM450 million. Last year the company's capital expenditure was RM500 million with one new store in Kulaijaya, Johor.

- Meanwhile, the company has yet to finalise the location for the two proposed MaxValu stores, which will cost about RM5 million each. It will also use part of the planned capital spending to refurbish selected existing stores and plan future outlets.

- Currently the general merchandise store and supermarket chain operator has 27 Aeon outlets and four MaxValu stores in Malaysia. It targets to expand into Kedah, Kelantan, Terengganu, Sabah and Sarawak five states over the next five years. Aeon Co is also exploring collaborations with Japanese food and lifestyle brands to introduce them to the Malaysian market this year.

Aeon Malaysia looks to expand into 5 more states (Business Times, 18th February 2013)

- Retail giant and household lifestyle brand, Aeon Malaysia Bhd, which has 22 shopping centres and 27 stores in the country, plans to venture into five more states in the next five years - Kelantan, Terengganu, Kedah, Sabah and Sarawak. The company intends to open two to three outlets each year, and this year, is eyeing Sungai Petani, which could mark its entry into Kedah.

- The company has a steady yearly allocation of RM500 million in capital expenditure and 2014 is no exception. An outlet costs between RM50 million and RM300 million, while a shopping centre takes up to three years to build and will cost more.

- The company, a subsidiary of Asia's largest retailer Aeon Japan, intends to introduce more Japanese subsidiaries to the local retail scene. The Daiso stores are a hit with the public and it is looking at bringing in other Japanese tenants, such as Jewel Cafe and Sukiya.

Parkson targets to open six more stores in the region (The Edge Financial Daily, 17th February 2014)

- Parkson's management targets to open six more stores in 2HFY14 across Malaysia, Indonesia, Myanmar and Cambodia.

Thai Central Group plans $1.4b expansion in Malaysia and Thailand (www.theedgemalaysia.com, 18th February 2014)

- Thailand's top retailer Central Group plans to invest at least $1.36 billion in 2014, mainly to open new stores at home and expand in Malaysia, Vietnam and Indonesia. Central Group has interests in several retail businesses, including Thailand's biggest store operator, Central Pattana Pcl, Robinson Department Store Pcl and Central Hotel Plaza Pcl, a hotel and fast-food chain operator.

Habib may sell 2nd foreign brand soon (Business Times, 17th February 2014)

- Habib Corp Bhd, a leading jeweller, plans to exclusively sell a second foreign brand here, Europe-designed jewellery, as part of its business expansion strategy for 2014. The plan to bring the new jewellery brand to Malaysia is at the final stage and may be available for gold buffs in Malaysia by April.

- The company's first foreign brand, the Pandora, a Denmark-fame bracelet, has been solely distributed since 2011. The company intends to add at least two more Habib Jewels outlets from the current 32 and 10 Pandora outlets to the existing 16. The new outlets will be opened in three to five months in Kuantan and Seremban Two, given the promising business potential there. The company is targeting 20% higher sales this year, driven by demand for gold and diamond.

Starbucks Brunei to spur Berjaya Food earnings, says AmResearch (www.theedgemalaysia.com, 18th February 2014)

- Berjaya Food Bhd's proposed expansion of Starbucks' presence in Brunei will enhance its earnings outlook. Berjaya Food expects to increase the number of Starbucks outlets in Brunei to 10 within five years. Two new outlets are expected to open in the next three months.

- In Malaysia, seven new malls and five refurbished malls coming up in Malaysia by year-end are expected to underpin Starbucks Malaysia's exponential expansion. Berjaya Food's earnings are expected to remain stable and resilient. This is due to its robust double-digit same-store-sales growth for Starbucks, among other factors.

(D) CORPORATE

1MDB buys Tadmax land for RM317mil (The Star, 21st February 2014)

- Government-linked company 1Malaysia Development Bhd (1MDB) has bought a 310-acre land in Pulau Indah from Tadmax Resources Bhd for RM317.3 million, or RM23.50 per sq ft. This is the first plot of land that 1MDB is acquiring from the private sector, given that it had earlier obtained two strategically-located plots in the city via direct negotiations with the Government.

- With this purchase in Pulau Indah, IMDB comes in second to A&M Realty Bhd in terms of land bank in the area. A&M Realty is developing the Amverton Cove Golf & Island Resort, a 2,000-acre project worth RM10 billion in Carey Island, south of Port Klang.

Note: *The 310-acre vacant leasehold land forms part of a larger plot measuring approximately 379 acres. It is identified as master title no. PN 7375 Lot 72779, located in Pulau Indah, Klang, Selangor Darul Ehsan.*

Mah Sing to unveil projects worth RM7.2bil in KL (The Star, 18th February 2014)

- Mah Sing Group Bhd will launch projects worth about RM7.18 billion in Kuala Lumpur in the first quarter of 2014. The projects comprise the RM1.15 billion Lakeville Residence in Taman Wahyu Kepong, featuring serviced apartments and shop offices; the RM5.13 billion Southville City@KL South in Bangi comprising linked landed properties and the RM901 million D'Sara Sentral in Sungai Buloh, comprising serviced apartments, retail shops, and small office versatile office (SoVo) units.

- In January, the group launched the RM2.67 billion The Loft@Southbay City in Batu Maung, comprising low-density serviced residences which are a stone's throw from the second bridge, and the RM502 million Sutera Avenue in Kota Kinabalu, comprising serviced apartments.

- On its new 30.9-hectare land bank in Jawi, the group plans to introduce an integrated township called Southbay East which is currently at the planning stage. Preview and launch of the township will be revealed closer to the dates. The freehold township located just 6.6km from the Jawi toll plaza on the North-South Expressway will attract local buyers who work and live in Southbay East's immediate surrounds. The group is proposing link homes, linked semi-detached, semi-detached, and town houses with a club-house.

Developer to launch new phase in Melawati (The Star, 21st February 2014)

- Nadayu Properties Bhd will be launching a new phase of semi-furnished apartments called Nadayu62 as part of its larger development Nadayu Melawati. The group also has plans for a commercial project within Nadayu Melawati, a 338-unit SoHo development with a gross development value (GDV) of RM204 million that is expected to be launched in the middle of this year.

- Meanwhile, the company's other projects are progressing well - Nadayu92 in Kajang is almost sold out, while Nadayu28 in Bandar Sunway is 40% completed and 80% sold. Nadayu28 is expected to be completed by the end of this year.

- The developer is also keen to acquire pockets of land around the Klang Valley and Ipoh as well as Penang Island. Nadayu has some RM1 billion worth of projects that will keep it busy till 2017.

MRCB may see earnings turnaround this year (The Edge Financial Daily, 17th February 2014)

- The deal to inject Platinum Sentral into Quill Capita Trust (QCT) should be signed by mid-March and could be a prelude to MRCB injecting more prime office properties in KL Sentral into QCT. Such a move would aid MRCB's de-gearing efforts and enable it to reinvest its capital into more net asset value-accretive deals.

- The status of the Eastern Dispersal Link in Johor could finally be known by May and together with the divestment of its 30% stake in the Duta-Ulu Kelang Expressway for RM228 million, these asset monetisation initiatives (more likely to come moving forward) could reduce MRCB's net debt by about RM1 billion.

- The High Court's judgement on PJ Sentral could be known by month-end. A positive resolution will result in a significant lift to MRCB's RNAV, given PJ Sentral's high development potential - Phase 1 has a gross development value (GDV) of about RM3 billion.

- A research house foresees MRCB emerging as a front runner for the Kwasa Damansara project in Selangor. Kwasa Land Sdn Bhd, a unit of MRCB's major shareholder Employees Provident Fund (39%), is the project's master developer. Tenders could be called in two months' time. It is also positive on Penang Sentral as it is primed to be a future transport hub in the north, due to its high commercial appeal and strategic location. The project developer, Penang Sentral Sdn Bhd, a 49:51 joint-venture (JV) between MRCB and Pelabuhan Hartanah Bhd, is in the midst of submitting a development order to kick-start the project.

- MRCB's upcoming results for the fourth quarter ended December 31 of financial year 2013 (4QFY13) is expected to improve quarter-on-quarter (q-o-q) (3QFY13 net loss: RM111 million), as the risk of further provisions diminishes substantially. This sets the stage for a solid earnings turnaround — core net profit for FY14F is RM101 million (FY13F net loss: RM103 million).

New beginning for KEuro (The Star, 22nd February 2014)

- It would appear to be a new beginning for Kumpulan Europlus Bhd (KEuro) now that the shareholding structure and boardroom appointments in Kumpulan Europlus Bhd have been finalised. With a sterling set of investors backing the company, KEuro can now focus on the execution of its RM6-billion West Coast Expressway (WCE).

- KEuro's other potential is the 1,879-acre Bandar Rimbayu mixed development in Shah Alam . This mixed development with an RM11 billion gross development value (GDV) will likely bring the company back to the black in FY14. The first two phases launched last year recorded sales of RM600 million, with take-up rates of 100% and 80% respectively.

- KEuro presently has three main assets: the WCE project, the 40% stake in Bandar Rimbayu development and a 30% stake in associate company Trinity Corp Bhd (now known as Talam Transform Bhd).

- KEuro has been given 5 years to complete the WCE project effective from December 20, 2013. The project spans Banting in Selangor to Taiping with 233 km of tolled highway (including 40 km of highway to be constructed later). Construction work on the highway in the Selangor stretch is expected to commence in April and take three years to complete. This portion of the highway will contain a section of elevated highway. It is a build-operate-transfer project with a concession period of 50 years. This concession period will be extended a further 10 years if the agreed targeted internal rate of return is not achieved. KEuro owns 80% of WCE, the rest is held by Road Builder (M) Holdings Bhd, a unit of IJM Corp.

- Property wise, KEuro has Bandar Rimbayu, which is being developed by Radiant Pillar Sdn Bhd, a 50:50 joint-venture (JV) between KEuro and IJM Land Bhd's subsidiary IJM Properties Sdn Bhd. In January, shareholders approved a plan to sell 10% equity stake in Radiant Pillar to IJM Land for RM52.5mil cash. Once the sale is complete, KEuro will only own 40% stake in the project. The third phase, with a GDV of RM400 million, will be launched in early 2015.

- The original land cost for Bandar Rimbayu is only RM5 per sq ft compared with an average of RM18 per sq ft Tropicana Corp paid for 1,172 acres near Bandar Rimbayu (total cost of about RM1.3 billion).

Tropicana net profit growth soars 112% on strong sales (The Star, 22nd February 2014)

- Tropicana Corp Bhd registered a 112% growth in net profit, lifted by strong sales and fair value adjustments derived mainly from investment properties and re-measurement of an associate for the financial year ended December 31, 2013 (FY13). Net profit hit RM362.3mil, compared with RM171.1mil a year ago.

- Revenue for FY13 was RM1.475 billion, 134% higher than the RM630.4 million in FY12. This was supported by the strong sales performance for the projects and sale of parcels of land in Greater Kuala Lumpur and Iskandar Malaysia.

- The group achieved RM2.2 billion in sales for FY13, of which RM400 million was from the current quarter under review. Its current unbilled sales stand at RM2.2 billion. Following the group's strong performance for FY13 and the various pipelines of on-going projects, Tropicana remains "cautiously optimistic of a satisfactory performance in financial year 2014 amid a more challenging business environment.

OSK Property FY13 earnings up 75.9% to RM55.46m (The Star, 18th February 2014)

- OSK Property Holdings Bhd earnings jumped 75.9% to RM55.46 million in the financial year ended December 31, 2013 from RM31.52 million in FY12 due to good take-up rates for its properties and progress for its projects. Its revenue surged 111.3% to RM455.69 million from RM215.60 million.

- For the fourth quarter ended December 31, 2014, its earnings rose 271% to RM17.79 million from RM4.79 million. Revenue increased by 167% to RM146.04 million from RM54.70 million. The commendable increase in profit after-tax and minority interests for the quarter and year to date is attributable to good take-up rates for the group's properties and as well as more advanced construction progress achieved for all its on-going projects in the Klang Valley and in Sungai Petani, Kedah.

- Locked-in sales registered from all of the group's projects for FY13 were RM812.6 million as compared to RM592.8 million in 2012. Unbilled sales as at December 31, 2013 and December 31, 2012 stood at approximately RM1.1 billion and RM608 million respectively.

MKH to more than triple plantation contribution by 2017 (The Edge Financial Daily, 17th February 2014)

- MKH Bhd, formerly known as Metro Kajang Holdings Bhd, expects to more than triple contribution from its plantation division to about 50% of total revenue by 2017 from 15% currently, as its oil palm plantations reach maturity.

- The Kajang-based property developer, which ventured into the palm oil business some five years ago, is expecting all of its 14,400 hectares of planted oil palm trees in Kalimantan East, Indonesia, to be mature and able to achieve fresh fruit bunch (FFB) yields of up to 30 tonnes per hectare per year. It expects substantial contribution in terms of revenue from the plantation division by 2017, when all of the planted trees reach their peak from seven years old.

- MKH's core business in property development is also set to expand as the group looks to increase its land bank. It is planning to launch almost RM900 million worth of properties, comprising mainly affordable landed residential homes this year.

Batu Kawan 1Q profit up 13% y-o-y to RM157m (theedgemalaysia.com, 19th February 2014)

- Batu Kawan Bhd's net profit rose 13% year-on-year (y-o-y) to RM157 million in the first quarter ended December 31, 2013, from RM139 million in similar quarter the previous year, on mixed results from its various business segments. Revenue also rose 8% y-o-y to RM2.6 billion from RM2.4 billion.

- The holding company that owns 47% of shares in Kuala Lumpur Kepong Bhd said its manufacturing segment recorded higher profit but its plantations and property development segments reported lower profits. Its property development segment was hit by a decrease in progressive recognition of profits from its development project in Bandar Seri Coalfields, Sungai Buloh.

- Overall, the group expects a higher profit for the current financial year when compared to that of the last financial year. The group's plantations profit for the current financial year is expected to be higher than that of last year in anticipation of the group's higher fresh fruit bunches production and in view of the prevailing palm products prices.

KL Kepong Q1 earnings up 8.7% to RM292.7mil (The Star, 19th February 2014)

- Kuala Lumpur Kepong Bhd's earnings for the first quarter ended December 31, 2013 rose 8.7% year-on-year to RM292.7 million from RM260.9 million previously, supported by higher earnings from its manufacturing segment. KL Kepong, which is involved in plantations, manufacturing and property among other businesses, did not declare any dividend for the quarter.

- The plantation sector reported a profit of RM256.7 million in the quarter, which was 5.5% lower than previously; the manufacturing sector saw profit improving 24.7% to RM80 million from RM64.1 million; while the property sector saw a 36.4% decline to RM13.2 million from RM20.8 million.

- KL Kepong expects profit for the current financial year to better the previous year's, in view of the higher FFB (fresh fruit bunch) production of oil palm and the prevailing palm product prices. Its manufacturing sector should also contribute "satisfactory profits", while the property sector is expected to make positive, albeit lower, contributions.

Johor Corp to sell 51% stake in Damansara Realty (The Edge Financial Daily, 18th February 2014)

- Johor Corp is selling its 51% controlling stake in Damansara Realty Bhd for RM78.9 million, or 50 sen per share. Damansara Realty's major shareholder, Johor Corp, has received a letter of offer from Seaview Holdings Sdn Bhd to acquire the 51% equity stake. Should it materialise, the share acquisition will trigger a mandatory general offer (MGO) for Seaview to buy out all shares that it does not own in Damansara Realty. Damansara Realty provides integrated property related services and it is also the property services arm of Johor Corp. Seaview is a Johor-based investment holding company.

Malaysia's 1MDB to sell $729m sukuk for Bandar Malaysia relocation (The Star, 18th February 2014)

- Malaysian sovereign wealth fund 1Malaysia Development Bhd (1MDB) plans to sell RM2.4 billion (US$728.49 million) worth of Islamic bonds to finance the relocation of defence units from land marked for government development project Bandar Malaysia. The funds raised will be spent on building bases for eight defence units including the police, air force and an artillery regiment.

Ho Hup close to winning RM198m sewerage, township project in Iraq (The Star, 21st February 2014)

- Ho Hup Construction Co Bhd is close to securing a US$60 million (RM198 million) sewerage and township contract in Iraq. About 80% of Ho Hup's current order book worth RM407 million comes from Iraq consisting of a RM252 million work to build a water treatment plant and RM61 million road job. The company is exploring opportunities in Myanmar, targeting the construction and property sector. Despite taking a big risk in Iraq, the company had done quite well in the last few quarters with nine months' earnings to September 30, 2013 at RM9.4 million.

- The group has secured some projects in Johor and is looking to build its presence there. It seeks to buy land or collaborate with landowners for property development in the Klang Valley and Pasir Gudang, Johor.

- The crown jewel of the company is its 18% share in the development of a 20.23-hectare parcel in Bukit Jalil that has an estimated gross development value (GDV) of RM4 billion.

Tropicana to open offices in China, Indonesia (The Star, 21st February 2014)

- Tropicana Corp Bhd (TCB) is planning to open three overseas offices, two in China and one in Jakarta to sell its properties, particularly in Iskandar Malaysia, where it has three multi-billion-ringgit mixed developments on 115.73 hectares of land. The high-end developer set up an office in Shanghai last month. The opening of the overseas offices is an indication that more foreigners are showing interest in residential and commercial properties here.

- TCB's projects in Iskandar Malaysia include Tropicana Danga Bay, a mixed integrated development on 14.97 hectares with a total gross development value (GDV) of RM8.3 billion comprising a retail mall, office towers, luxury residential properties and small offices-versatile offices (SoVo).

- Tropicana Danga Cove, meanwhile, is a mixed integrated development on 91.86 hectares with a total estimated GDV of RM12 billion. It comprises retail outlets, office towers, a convention centre and residential properties. Its other project Tropicana City Centre is a mixed integrated development on 8.90 hectares with a total GDV of RM3.6 billion.

(E) REIT

Trust aims to double Sunway Putra Place's NPI (The Edge Malaysia, 17th February 2014)

- Although Sunway Putra Mall has not been a shoppers' destination for a while, the renovations undertaken by owner Sunway Real Estate Investment Trust (REIT) should lift its profile and boost the trust's income by the first half of next year.

- The mall, together with a hotel (Sunway Putra Hotel) and an office tower (Sunway Putra Tower), makes up Sunway Putra Place. The integrated complex, formerly known as Putra Place, was Sunway REIT's first acquisition after its listing in 2010, through a public auction. The trust aims to double Sunway Putra Place's NPI, once it is back in business, from the RM25.87 million it attained in FY2013 ended June 30. In FY2012, it registered an NPI of RM31.15 million

- The trust is increasing the net lettable area (NLA) of Sunway Putra Mall by 16% to 580,000 sq ft, the mall's atrium is now redesigned to have more NLA. While, Sunway Putra Hotel retains its 618 rooms, of which 497 are being refurbished. The office tower boasts an NLA of 317,000 sq ft. The cost per sq ft for Sunway Putra Mall was RM910 and Sunway Putra Tower, RM350. For Sunway Putra Hotel, the cost per room was RM550,000.

- Pavilion Kuala Lumpur's acquisition cost in 2011 was RM2,390 per sq ft while Lot 10 Shopping Centre's was RM1,561 per sq ft when it was acquired in 2009.

- Bangsar South's The Horizon Phase 1, Block 6 had a cost per sq ft of RM781, the highest in the list of office buildings transacted in Kuala Lumpur from 2008 and 2011, compiled by Sunway REIT. The prices for other office buildings in the list ranged from RM412 (Darul Takaful) to RM738 per sq ft (Pavilion Tower).

- As for five-star hotels in Kuala Lumpur, the acquisition cost for Westin Hotel in Jalan Bukit Bintang in 2006 was RM1.01 million per room, and JW Marriott, RM586,453 per room.

- Sunway REIT has a mix of properties in its portfolio, mainly from its sponsor Sunway Bhd. The properties include Sunway Pyramid, Sunway Carnival, Sunway Resort Hotel & Spa, Sunway Tower and Menara Sunway.

Malaysia's Al-Hadharah delists ahead of plantation IPO (www.theedgemalaysia.com, 17th February 2014)

- Al-Hadharah Boustead REIT, one of four Islamic real estate investment trusts on Malaysia's stock exchange, will be delisted on Wednesday ahead of a bigger initial public offer of shares planned by its main shareholder. Al-Hadharah manages 12 plantation assets worth RM1.2 billion.

- The delisting is a "good opportunity" for unit holders to exit at an attractive price, considering the limited growth prospects of the REIT. Al-Hadharah which merged with Boustead Plantations manages 40 oil palm estates and 10 mills across Malaysia.

- Axis Real Estate Investment Trust, Al-Aqar Healthcare REIT and KLCC Real Estate Investment Trust will be the remaining Islamic REITs on the local bourse.

(F)LEISURE/TOURISM

Malaysia tops survey of halal holidays for Muslims (New Straits Times, 18th February 2014)

- Malaysia is the world’s friendliest destination for Muslim travellers, according to a survey released Tuesday. The top ten in order were: Malaysia, United Arab Emirates, Turkey, Indonesia, Saudi Arabia, Singapore, Morocco, Jordan, Qatar and Tunisia, according to Singapore-based Muslim travel specialist, Crescentrating.

- The survey evaluates countries in terms of their attentiveness to the needs of Muslim travellers, including the presence and accessibility of halal restaurants with meat slaughtered to Islamic standards, and the provision of prayer rooms at airports, shopping malls and hotels.

Tourism Ministry launches 1Malaysia 1001 Packages (The Star, 18th February 2014)

- Tourism Ministry has launched its Cuti-Cuti 1Malaysia 1001 Packages to better promote domestic tourism. The packages, which is listed in a newly launched Tourism Malaysia brochure, is categorised according to states and segments. It i developed with the cooperation of 297 tour operators nationwide in conjunction with Visit Malaysia Year 2014. The segments include eco-tourism; island and beaches; honeymoon; spa and wellness; theme parks; cycling; adventure and nature; food trail; and homestay.

Majestic Hotel reigns high (Business Times, 17th February 2014)

- The Majestic Hotel Kuala Lumpur, a jewel in YTL Corp Bhd's classic hotels collection, has exceeded the expectations on both revenue and occupancy in its first year of operations. The hotel achieved high occupancy, thanks to support from clients and business partners since its opening in December 2012.

- The 300-room hotel offers 24-hour butler service in the Majestic Wing suites, Truefitt & Hill gentlemen's grooming centre, and private dining room with chef on call at The Smoke House and Afternoon Tea at the Orchid Conservatory. It is the only hotel in Kuala Lumpur that is part of The Leading Hotels of The World's (LHW) luxury hotel collection. LHW is the world's largest collection of luxury hotels with more than 430 properties in 80 countries.

- The Majestic Hotel has picked up several awards in its first year of operations, winning the prestigious Hotel of the Year award at the recent HAPA awards, Best City Hotel and Excellence Award for Best Boutique Stay at the Best of Malaysia Awards by Expatriate Lifestyle, as well as being included in Conde Nast Traveller's Hot List of the world's best new hotels and DestinAsian's exclusive The Luxe List.

YTL unit aims to expand Vistana hotel chain nationwide (Business Times, 18th February 2014)

- YTL Corp Bhd's hospitality arm, YTL Hotels & Properties Sdn Bhd, aims to expand the Vistana hotel chain nationwide over the next few years. YTL Hotels is also eyeing luxury hotel brands to include in its classic collection.

- Vistana Hotel is a business-class hotel operated by YTL Hotels. The company currently owns Vistana Hotels in Kuala Lumpur, Kuantan and Penang, which underwent refurbishment recently. YTL Hotels invested around RM50 million to RM60 million in the refurbishment exercise.

- The company launched the refurbished properties last week, providing better offerings for both business and leisure travellers. The refurbishment of Vistana Hotel Kuala Lumpur involved the hotel's 360 executive deluxe rooms and two executive suites, while for Vistana Hotel Kuantan, it involved 210 executive deluxe rooms and five executive suites. For Vistana Hotel Penang, the exercise involved retrofitting its 221 executive deluxe rooms and 17 executive suites. The refreshed hotels, all with modern and stylish look, offer 24-hour gyms equipped with FreeMotion Fitness equipment, free WiFi, and coffee bars.

'Tradewinds scales up Langkawi projects' (Business Times, 17th February 2014)

- The redevelopment of Teluk Burau in Langkawi by Tradewinds Corp Bhd is expected to see the emergence of a world-class holiday resort. The proposed RM500 million project is a component of the overall RM2 billion Perdana Quay Development. The Teluk Burau redevelopment is expected to take off in the first half of this year.

- It will boast 60 luxury villas and a 260-room international deluxe resort built on a 26-hectare site. The project is expected to be completed in three years. The land has been leased from the Langkawi Development Authority (Lada) and the Kedah government for RM60 million. The Teluk Burau redevelopment will be at the site of the Mutiara Burau Bay Beach Resort, which was managed by Tradewinds for Lada until February last year. It has since been demolished.

- Tradewinds is also said to be in talks with an international hotel chain, which has yet to make its presence in Malaysia, to manage its deluxe resort and luxury villas. Meanwhile, the company is expected to plough in a further RM1.5 billion for its Perdana Quay Development project at Pantai Kok. The project at Telaga Harbour Park, on 60-hectare leased from Lada for about RM100 million, will be carried out over 10 years. It will include upscale shopping outlets, resort homes, tourist attractions and hotels.

- Langkawi is currently home to two Tradewinds-owned hotels which include The Danna Langkawi at Telaga Harbour and Meritus Pelangi Beach Resort at Pantai Cenang.

Master plan for Kuala Muda soon (New Straits Times, 17th February 2014)

- The state government is drafting a holistic development master plan for the Kuala Muda district to reap benefits from the spillover of rapid development taking place in Penang. Kuala Muda district, which covers Sungai Petani to Merbok and Jerai, has vast potential to be further developed into a holiday and heritage-based tourism destination.

(G) INSTITUTION

Tropicana ropes in Singapore's Lasallian for education foray (www.theedgemalaysia.com, 17th February 2014)

- Property-based Tropicana Corp Bhd is planning a foray in the education business. It is roping in Singapore-based Lasallian Asia Partnership for International Schools to undertake the joint-venture (JV). The JV is intended to establish an international school to be known as "St. Joseph's Institution International (Malaysia)" within Selangor's Petaling district.

- Tropicana and Lasallian have signed two shareholders agreements for the JV. These include a deal for the subscription of more shares in Tropicana SJII Education Management Sdn Bhd, a wholly-owned subsidiary of Tropicana. Under the agreement, Tropicana and Lasallian will eventually own 51% and 49% respectively in Tropicana SJII which will manage the international school.

- The shareholders agreement is part of Tropicana's plans to enter into the education segment and an establishment of long-term income generating asset, according to Tropicana which owns the land for the education venture.

(H) INFRASTRUCTURE

New bus terminals to replace stations in Shah Alam (The Star, 19th February 2014)

- Two multi-million ringgit bus terminals will be built in Section 17 and Section 19 of Shah Alam. The terminal in Section 17, an intercity bus terminal, will replace the 25-year-old dilapidated one at an estimated cost of RM7 million while the terminal in Section 19, a district bus station, will be built at a cost of RM4 million.

- The projects, under the National Key Result Area (NKRA) programme of the urban public transportation division, are expected to be completed by April 2015. The new terminal at Section 17, once completed, will accommodate 24 bus ticketing counters, 6 parking bays for taxis and 16 parking bays for visitors. It will also incorporate designated road lanes for express buses and other vehicles.

Bridge sets new bar for local developers (Business Times, 20th February 2014)

- The RM4.5 billion Second Penang Bridge project is set to raise the bar for the construction industry, in view of the latest global design and construction methods that were adopted. Major companies involved in supporting the construction of Southeast Asia's longest bridge include UEM Builders Bhd and IJM Construction Sdn Bhd.

- UEM Builders was responsible for the RM1.5 billion superstructure works of the approach spans to the bridge while IJM Construction built the 7.1km stretch of the expressway in Batu Kawan leading to the bridge in a deal worth RM349.9 million. The 24km long bridge which will connect Batu Kawan on the mainland and Batu Maung on the island will have a total of 16.9km over water. The marine portion of the bridge has been built by CHEC Constrution (M) Sdn Bhd.

Penang Sentral terminal work to begin in Q4 (Business Times, 20th February 2014)

- Construction on the long-awaited Penang Sentral public transportation terminal in mainland Penang is expected to take off by the fourth quarter of this year. The project, which forms a component of the Penang Sentral project, and is a 49:51 joint-venture between MRCB and Pelaburan Hartanah Bhd (PHB), will take 36 months to be completed.

- Both the federal and state governments are committed to the public transportation hub for the Northern Corridor. The Penang Sentral project, launched in 2007 on a 9.7-hecatre site in Butterworth and tagged at RM2 billion, was designed to be an integrated mixed use commercial development and the largest integrated transport hub in the northern region. It is to include, among others, terminals for ferries, buses, taxis and trains, and a monorail station.

- The redesigned project will now allow for the terminal to be a standalone structure and take off first.

Flynas charts expansion plans (Business Times, 21st February 2014)

- Saudi Arabia's carrier Flynas will raise over US$100 million (RM330 million) by the end of this year to help fund its growth which includes expansion into Malaysia. The airline is mulling over issuing sukuk or other financial instruments, such as securitisation of assets or revenue.

- Flynas, owned by Nas Holdings which is controlled by Arab royalties offers flights within the Arab region, Turkey, Sudan and Egypt. From April, it will offer regional travellers' access to affordable, high-value air travel to Europe, Asia and Africa, operating out of its hub in Jeddah. The new destinations include Kuala Lumpur, London, Gatwick and Manchester in the United Kingdom, Paris, Jakarta, and Casablanca. In the near future, it will fly to Pakistan and India. The global expansion is part of the airline's aim to fly 20 million passengers annually by 2020.

- Flynas flew 3.5 million passengers last year and the target this year is to serve five to six million passengers. The frequency will be doubled by the end of the year. The airline will fly out of the Kuala Lumpur International Airport (KLIA) in Sepang. Flynas is also targeting Arab holidaymakers. In the first nine months of last year, some 73,000 Arabs visited Malaysia.

Firefly to start Kota Baru-Bangkok route in May (The Star, 18th February 2014)

- Malaysia Airlines subsidiary Firefly is looking forward to start its Kota Baru-Bangkok route in May. The short haul airline is aiming for a 15% to 20% jump in passenger growth this year.

AirAsia to focus more on new routes (Business Times, 19th February 2014)

- AirAsia will provide direct flights connecting Kuala Lumpur to Kalibo from tomorrow. Kalibo is the gateway to the beach paradise island of Boracay in the Philippines and this four-times weekly route will operate every Monday, Wednesday, Friday and Sunday, marking AirAsia's third Philippine destination with direct flights from Kuala Lumpur, Miri and Kota Kinabalu.

Miri airport upgrade to start this year (theedgemalaysia.com, 18th February 2014)

- The Transport Ministry is expected to start work to upgrade Miri airport by this year to better serve passengers. Miri airport requires separate terminals catering to domestic, international and rural air services including separate check-in counters, departure halls and airport lounges. The airport registered traffic volume of more than two million passengers since 2012, more than its designed capacity.

(I) ISKANDAR MALAYSIA

Tropicana woos foreign investors for Iskandar Malaysia projects (The Edge Financial Daily, 21st February 2014)

- Amid a challenging domestic environment, Tropicana Corp Bhd is courting more foreign investors to take up units in its luxury projects at Iskandar Malaysia, Johor. The group is seeing pent-up demand from cash-rich investors in the region, particularly from Singapore, Indonesia, China and Hong Kong.

- Unlike local buyers who expect at least a 70% loan, foreign buyers are comfortable with a lower margin. This is in addition to some who are cash buyers. The weakening of the ringgit coupled with the stronger Singapore dollar and renminbi will help sway Singaporeans and the Chinese towards Malaysian real estate, which is already competitively priced in the region.

- To reach out to regional buyers, Tropicana may open sales galleries in Beijing and Shenzhen. The group will also reach out to buyers in Surabaya, Jakarta and Medan as there is growing regional interest. It already has a sales gallery in Singapore.

- Tropicana will officially launch its second series of residences in the mixed-use Tropicana Danga Bay on February 22. Named Bora Residences after the famous Bora Bora island in French Polynesia, this phase comprises two towers of serviced apartments. Tropicana will launch the first tower, which is a 42-storey with 396 units.

- Typical units range from 694 sq ft to over 1,500 sq ft and feature four layouts — three-bedroom, two-bedroom, studio apartment and a 1-bedroom duplex. There are also two penthouses with built-ups of 3,443 sq ft that come with their own swimming pools. The units will be partly furnished with air conditioning units and kitchen cabinets, among others. Prices range from RM1,100 per sq ft to RM1,300 per sq ft, with units overlooking the waterfront commanding a premium over units facing the city.

- Since its soft launch at the end of last year, Tropicana has sold over 100 units of Bora Residences' first tower. It aims to launch in July the next tower that includes dual-key units.

- Tropicana has an estimated RM30 billion worth of projects in Johor that will be developed over 10 to 15 years.

LBS to undertake mixed development project (The Edge Financial Daily, 18th February 2014)

- On February 14, LBS Bina announced that it had acquired two parcels of leasehold land measuring 4.32 acres (1.75 hectares) in Iskandar Malaysia, Johor, from the Employees Provident Fund (EPF) for RM71.82 million. The new acquisitions will be added to its existing parcel of land in Zone A, Iskandar Malaysia, bringing the total land size to 5.5 acres with a total value of RM113.8 million. This translates into an average land cost of RM475 per sq ft, which is slightly steeper than the current asking price of RM300 per sq ft to RM400 per sq ft for commercial land nearby.

- The group's three parcels of land are strategically located in Zone A, Iskandar Malaysia, which is a prime area surrounded by amenities and catalytic projects with ready catchments. Its initial plan is to develop serviced apartments with a gross development value (GDV) of RM500 million. The plan, however, has since been revised following the acquisition of the two parcels of land from EPF. The new plan calls for a mixed development project with a GDV of RM2.0 billion.

LBS Bina plans RM2b property project in Johor Bahru (The Star, 18th February 2014)

- LBS Bina Group Bhd plans to undertake a mixed property project in Johor Bahru with a gross development value (GDV) of RM2 billion following the purchase of 4.32 acres of leasehold land from the Employees Provident Fund (EPF) for RM71.82 million.

- The project will comprise 2,700 units of residential and commercial properties with an estimated GDV of RM2 billion spread over eight years. The units will comprise retails units, hotel suites, small office home office units (SoHo) and service apartments. The proposed development is expected to be commenced in year 2015.

Is UEM paying too much for Kulai land? (The Star, 22nd February 2014)

- Kuala Lumpur Kepong Bhd (KLK) appears to be the winner in the KLK-UEM Sunrise Bhd land deals formalised earlier this month. On February 7, both companies told Bursa Malaysia they will be pooling resources to develop two land parcels in Johor's Iskandar Malaysia.
- The deal involves KLK selling 2,500 acres at Fraser Metropolis, Kulai to UEM at RM8 per sq ft. The land is part of an oil palm estate and is zoned for agriculture. The plan is to build mixed residential, commercial and industrial developments. This means

additional cost of land conversion. At the same time, UEM is selling about 500 acres of its Gerbang Nusajaya land to KLK for RM40 per sq ft.

- The plan is to set up two joint-venture (JV) companies to develop the two pieces of land. The first JV is Scope Energy Sdn Bhd in a 60:40 ratio with KLK having the majority. Scope will build a mix of residential and commercial projects in the 500 acres Gerbang Nusajaya land over eight years. The second JV company Aura Muhibah Sdn Bhd will see UEM taking a 60% stake, and KLK 40%. This Kulai land will be developed over 15 years.

- Both deals are positive for the two companies in the long term, but KLK has got the better part of the bargain. Comparing KLK's 2,500 acres (RM8 per sq ft) to Mah Sing's pending purchase of 1,352 acres in Plentong at RM7 per sq ft, next to Masai area, UEM may have overpaid.

- UEM's Gerbang Nusajaya land, at RM40 per sq ft, is "correctly priced" as its location is far more vibrant than Kulai. It is strategically located with easy access onto the Second Link Highway. It is also set to benefit from the three proposed major development with the Gerbang Nusajaya area - the Eco Industrial Township (J/V with Ascendas Singapore), Asean Trade Centre (JV with ChinaMall Holding Pte Ltd) and Motor Sports City, a JV with a company known as Fast Track, which is controlled by a Singapore billionaire Peter Lim.

Bus service upgrade for Iskandar Malaysia region (The Star, 19th February 2014)

- Johoreans can expect a cashless system and WiFi service on board public buses in the Iskandar Malaysia region under a rebranding exercise set to take place by April. To be known as Trans Iskandar, Perbadanan Pengangkutan Awam Iskandar Malaysia (PAIM), the fare and schedule of some 1,300 public buses in the region will be synchronised to offer better services to those who depended on public transport.

UoRM campus to be ready on time (Business Times, 20th February 2014)

- A year after its ground breaking in EduCity, Iskandar Malaysia, the University of Reading Malaysia (UoRM) campus is on target to be completed in March next year, with its handover in July.
- UoRM is the university's second overseas campus after South Africa. It has three other campuses in the United Kingdom. UoRM will allow the university to bring its rich heritage in quality education to Malaysia and the Asia-Pacific region. It will be offering undergraduate and postgraduate programmes, as requested by the Higher Education Ministry, in business, law, science, pharmacy and construction management.

- EduCity is a 240-hectare education hub of universities and institutions of higher education and research and development centres. It is the first initiative of its kind in

Asia and is part of the country's plans for 70 per cent of the population completing tertiary education.

(J) OTHERS

Friendly neighbourhood with good food (The Edge Malaysia, City & Country, 17th February 2014)

- Old Klang Road had in recent years seen new developments spring up amid its sprawling housing estates. The developers behind the new projects are attracted by the strategic location, high plot ratio of 1:6 for developments on commercial land, redevelopment potential and pent-up demand from the locals.
  - 9 Seputeh - a notable mixed-use development by the Gapurna Group which covers 17.3 acres and has a gross development value (GDV) of RM2.5 billion. It will comprise nine residential and commercial blocks. A dedicated link bridge will connect the project to the NPE and Old Klang Road. A pedestrian bridge to the monorail extension, which is purportedly coming up, has also been proposed on the Old Klang Road side of the project.
  - Redevelopment of the Pearl Suria serviced apartments along Jalan Sepadu into a retail complex with 403 serviced apartments having built-ups of 763 sq ft to 1,213 sq ft. The project will be connected via a bridge to the Pearl International Hotel and Pearl Point Shopping Mall across the road.
  - The 3.4-acre Lucky Plaza in OUG will be redeveloped by Singaporean developer Far East Organization, however, no details are available yet.

- There are, however, some newer developments in the locality that have not been as well received despite the area's potential.
  - Verve Suites KL South – formerly an office building, features two towers that will house 321 serviced suites, 45 small office home office (SoHo) units and three retail units. The fully furnished serviced apartments with built-ups of 555 sq ft to 876 sq ft are priced from RM600,000 and RM750,000 for the one and two bedroom units respectively. About 50% of Tower A has reportedly been sold since it was previewed middle of last year.
  - The Scott Garden KL – a mixed use development comprising a 3-storey retail podium housing 100 lots and three blocks of SoHo units. Known as an after-work destination with several pubs and restaurants on the ground floor and a Tesco hypermarket on one of its basement, many top floor units are vacant. The SoHo units, however, appeared to have healthier take-up and occupancy rates.

'More cooling measures likely if current ones don't work' (City & Country, The Edge Malaysia, 17th February 2014)

- The government may impose more cooling measures if the current ones fail to stabilise property prices. Under Budget 2014, it went ahead with some measures commonly used by the Hong Kong, China and Singapore governments to curb speculation, according to **Knight Frank's Where to Invest: 2014 Seminar**.

- Developers are now looking for way to boost sales following the abolition of Developer Interest Bearing Scheme (DIBS). They are expected to introduce interesting schemes within the next few months.

- Meanwhile, there still remains a lot of uncertainty on the minimum property price that foreigners are eligible to purchase as it differs from state to state.

- Several measures that the government can choose to impose if there is need of them include:
    - Restriction of multiple ownerships. In China, the government limits single people to own only one home. It also raised the minimum down payment for the second house. In Hong Kong, properties in certain areas can only be sold to local residents. Another efficient tool is the introduction of buyer and seller stamp duty.
    - Imposition of corporate tax on the disposal of properties bought in large numbers by individuals for the purpose of flipping. Based on tax laws, the Inland Revenue Board can impose a corporate tax of 25%, no matter how long you hold the property.

- Although the government has assured that residential properties are exempted from Goods and Services Tax (GST), this does not cover the cost base such as labour, services and construction materials. Thus, property prices in the primary market will increase if margins are to be maintained; some developers have already raised their prices.

Move to stem property speculation (Business Times, 18th February 2014)

- Developers making bulk sales of more than four units must obtain Controller of Housing approval. The government enforced a new ruling on bulk sales in order to curb property speculation, according to the Urban Wellbeing, Housing and Local Government Ministry.

- There has been a rise of property investors clubs, where a group of individuals pool their money, buy houses in bulk (thus receiving discounts from developers) and then sell them at a profit. This practice, known as property flipping, appears to be the latest trend among local and foreign investors. Though not illegal, this activity has a direct impact on the local property market. The new ruling will be a mandatory requirement in every housing development advertisement and sale permit.

Constraining bulk buying may not be effective (The Edge Financial Daily, 21st February 2014)

- The government's proposed measure to impose a four unit limit on bulk sales of property to control the bulk buying of property investor clubs (PICs) may not be effective, say property consultants. The measure is good, but developers and investors will always have ways to come up with new ideas to overcome this problem.

- The proposed move is not likely to have a big effect on bulk purchasers or the investor clubs. An individual can still buy more than four units by signing up using another name. The main problem is that there is no body or regulation to monitor PICs.

- The proposed measure will only dampen the property market even more.

Klang Valley still affordable (The Star, 18th February 2014)

- You must have an average household income of RM14,580 a month to afford a home in the Klang Valley according to a study spearheaded by Sime Darby Property Bhd in collaboration with the Faculty of Built Environment of Universiti Malaya which takes into account the current household spending trend, price of homes and mortgage rates.

- It found that certain groups of buyers interested in strategic areas can have access to houses that are priced at 56 times their household income. The study also found that this same group can afford to spend up to 26% of their monthly household income to service a mortgage. It identified strategic areas in the Klang Valley that are considered not only accessible but have the potential to appreciate in value – such as Nilai, Denai Alam, Bukit Jelutong and Bukit Subang.

Property market will soften in 1H14, normalise in second half (The Edge Financial Daily, 21st February 2014)

- The property market is expected to soften further in the first half (1H) of this year, however, 2H is predicted to see the property market begin to normalise after the knee-jerk reaction to new rules and regulations imposed under Budget 2014 to slow down the market. Malaysia' young demographic who will likely form households in the future, low interest rates and comparatively low property prices will fuel the demand for property.

- Residential properties are the most transacted in the Klang Valley, making up 75% in the last three years and condominiums received the highest demand from homebuyers. The trend is similar in Selangor. The residential sector will continue to dominate demand. A switch of preference from purchasing condominiums to terraced and semi-detached houses is expected with consumers more active in the secondary market due to government regulations.

- The property market is expected to grow between 10% and 15% in 2015 although a knee-jerk reaction to the imposition of the goods and services tax (GST), which comes into effect on April 1, 2015 should be expected. The imposition of GST will increase the cost of construction and the additional costs will inevitably be passed down to consumers. Going forward, 2016 will see the next Malaysian property market boom when there will be a whirlwind hike in property prices.

Residential property launches being delayed (The Star, 17th February 2014)

- The residential sub-segment of the property market is expected to go through a period of consolidation with developers withholding launches, with interest expected to return in 2H2014. There will be a slowdown in terms of sales, resulting in a drop in the mortgage market.

- The weaknesses in the market, is however, expected to be ameliorated by the GST (goods and services tax) in the 2H2014, with more people looking to buy before the GST-effect sets in.

- The Consumer Price Index (CPI), which measures the rate of inflation rose to 3.2% for the month of December while the overnight policy rate (OPR), a key benchmark interest mark, remained at 3%. This means that the inflation rate is higher than the savings rate, bringing about a negative interest rate situation.

- The loan margins provided by the banks are more impactful than the interest rate increase on the sector, especially in the residential segment. Up to a certain point, with continual employment and salary increases, buyers will be able to absorb the interest rate increase.

- Year 2014 will be a "crucial year", particularly for high-rise shoebox-sized units commonly known as small office, home office (SoHos) or variances of it. There are about 4,000 such units in the Klang Valley with a built-up of about 500 sq ft. With many of these units sold with just 5% or 10% downpayment or a loan of 95% or 90% of the unit price, even if there is rental, will it be enough to pay the instalment?

Tenantless property owners get assessment fee discount (The Star, 19th February 2014)

- Owners of unoccupied properties in Selangor who find it difficult to lease their houses, shoplots, factories or warehouses are eligible for discounts in their assessment. The applications for the discount have to be made by the owners each time they receive the assessment bill, which is twice a year. The discount will differ from council to council depending on their respective assessment rates.

- Owners of vacant properties will have to write in to the respective local councils and submit the necessary documents such as the land title, newspaper cutting of advertisements put up to rent the premises as well as and water and electricity bills as verification of the building being vacant. Application for the discount must also show confirmation that it had been vacant for 30 days. Discount for the assessment is calculated on a six-month period.

Govt to get public input on affordable housing sites (New Straits Times, 18th February 2014)

- The government will conduct a survey to get public feedback on locations for affordable housing, through its soon-to-be-launched property portal called Rumahku Exchange. The public should tap into the portal and notify the government and developers of their preferred location for the next affordable housing project. Once established, the portal will house data from property developers nationwide about the development status of their projects as well as upcoming ones.

RHB sees M'sian economy expanding at 5.4% this year (The Star, 18th February 2014)

- The country's gross domestic product (GDP) is likely to expand at 5.4% in 2014 and 5.3% in the first quarter of the year. The first quarter is measured against a low base effect and continued recovery in exports, which will offset some anticipated slowdown in domestic demand according to RHB.

- Domestic demand is seen slowing down because of the tightening policy to rein in the high household debt – such as steps announced to reduce property speculation and the higher fuel prices on subsidy rationalisation. Investments within the property and infrastructure market have slowed down but it is still underpinned by "long-gestation" type of infrastructure-related projects.

- The positive to the Malaysian economy at present is the resilient domestic demand, backed by a relatively young population which comprises half of the total population, which could spur consumer spending that comprised 50.7% of the GDP. This is also supported by the favourable labour market in the country currently with virtually full-employment statistics that could sustain consumer spending, moving forward.

Malaysia's Jan inflation hits 27 month high (The Star, 20th January 2014)

- Malaysia's consumer price index (CPI) in January rose 3.4 per cent from a year earlier, reflecting a rise in prices of food, transport and electricity, data from the Statistics Department showed on Wednesday. The rate is the highest since October 2011 and exceeded a forecast of 3.3 per cent in a Reuters poll of 15 economists.

Affluent Malaysians partial to property in Singapore, Australia: HSBC (The Star, 21st February 2014)

- Affluent Malaysians – defined as those with investible assets worth RM200,000 and above – have a strong appetite for overseas property investment, with Singapore being their top choice, followed by Australia and the UK, a survey by HSBC found.

- Among the Malaysian surveyed, 36% owned property in Singapore, 26% in Australia and 14% in the UK. According to HSBC, Australia appeals to Malaysian investors for its proximity, quality education and lifestyle.

- The HSBC survey, which involved 2,700 affluent owners of overseas property – including from Hong Kong, China, Taiwan, Singapore, Indonesia, and India – found the US, the UK and Australia to be the most sought after property investment destinations.

- South-East Asians are most likely to invest Down Under, while the affluent from HK and Taiwan are partial to real estate in China.

- Among the nationals surveyed, Indonesians (55%) are most active in purchasing property abroad, followed by mainland Chinese (45%) and Hong Kongers (44%).

- The economic downturn in 2008 and the prolonged low interest environment had spurred more retail investors to look at property as an alternative for yield and wealth growth. The trend is expected to lead to a higher demand for foreign exchange and overseas fund transfers to pay for property payments, mortgages and other related expenses.

- With the growing needs for children's overseas education, holiday homes, a better retirement life and diversified wealth opportunities among affluent Malaysians, overseas property investments are becoming an integral part of their lifestyle and wealth portfolios.

Melbourne poised to be high capital growth city (City & Country, The Edge Malaysia, 17th February 2014)

- Melbourne is slowly becoming the high capital growth city in Australia. The city's population is expected to grow to around six million by 2033 and it is poised to overtake Sydney by 2054. Melbourne will almost double in population size over the next 50 years, according to *Andrew Swinson, State Director of Project Marketing for* **Knight Frank Australia** during a recent **Knight Frank seminar, Where to Invest: 2014.**

- The last ten years has seen a lot of migration growth from Sydney going down into Melbourne; major organisations and corporations relocating their offices from Sydney to Melbourne due to the cost of land being more affordable in Melbourne than in Sydney, and closer in proximity to the central business district.

- Melbourne's inner population sits at a little over 100,000 people with 48% of that population being foreign students. The city's population is growing at about 5.8% per annum and 85% of that 100,000 people are renting properties. With this fast population growth, Melbourne is poised to be a high capital growth city, along with Sydney, Perth and Darwin. The rental return in Melbourne is around 5% to 5.5% while in Perth, it is 9% and in Darwin, in the low teens.

- Melbourne as a whole has a long term vacancy rate of 3.5%, with the inner city sitting at around 2.5%. The inner city area consists of the central business district, Southbank, Docklands, West Melbourne and Richmond. The Dockland vacancy rate is anywhere between 9% and 14%.

- Melbourne apartment property prices are very affordable compared with Sydney. The inner city area average prices are between A$9,000 (RM26,393) and A$10,000 (RM29,325) per sq m while Sydeny is between A$14,000 and A$16,000 per sq m.

Knight Frank: Jakarta is world's hottest luxury property mart (Business Times, 17th February 2014)

- The latest Global Cities Index report by **Knight Frank** showed that the high-end segment in Jakarta grew at more than double the pace of the next-ranked city, Dublin. Composite growth in Jakarta reached an extraordinary 37.7% in 2013. The Irish capital saw a 17.5% jump in the value of its luxury property.

- The overall index, which covers 30 global cities, was up 6.9% year-on-year and up 34.9% from the nadir of the sub-prime crisis in the second quarter of 2009.

- **Knight Frank** puts Jakarta's "phenomenal growth" down to meagre supply and runaway demand. As of now, there is a very limited supply and with overwhelming demand for luxury housing, prices continue to soar.

- Consistent double-digit property inflation over successive years combined with a shaky rise in banks' non-performing loan books caused the government to attempt to apply the handbrake last year to the capital's house-price growth. A new regulation passed in September, 2013, reduced the maximum loan-to-value on second and third properties to 60% and 50%, respectively.

Asking prices for UK homes rise at fastest pace since 2007 (The Star, 18th February 2014)

- Asking prices for homes in Britain rose at the sharpest rate in more than six years over the past 12 months despite a big rise in new listings coming onto the market recently.

February house price index showed the price of properties coming on to the market in the four weeks to February 8 were 6.9% higher than a year earlier, the biggest increase since November 2007. January's index showed a 6.3% rise.

- New sellers are now asking over 16,000 pounds more than those who came to market a year ago, a rate of increase not seen since before the credit crunch took hold in 2008. Britain's economy has been growing faster than most of its industrialised peers, with the housing market standing out as it benefits from falling unemployment, record low interest rates and government mortgage schemes.

- But concerns about the speed of recovery in the market prompted the Bank of England in November to announce it would remove incentives for mortgage lending under its Funding for Lending Scheme. Housing shortages were pushing up prices despite some signs of extra construction.

M'sian developer says Londoners get priority for Battersea Power Station homes (The Star, 20th February 2014)

- Residential property in the second phase of the Battersea power station project in London will be offered for sale in the British capital before being marketed to overseas buyers, the scheme's Malaysian-backed developer said. The decision comes in response to increasing pressure on builders to give Londoners priority for new homes in an effort to combat a housing shortage exacerbated by the droves of overseas buyers who have snapped up residential property in the city over recent years.

- The practice of selling to overseas buyers before completion has been favoured by house builders as a way to help to finance developments and reduce the risk of being left with unsold flats. Late last year, however, 11 house builders signed a commitment to sell homes in new developments in Britain before or at the same time as trying to sell them outside the country.

- The power station, famous for its imposing quartet of art deco chimneys, stood derelict on the south bank of the River Thames for about three decades until the 39-acre site was bought in July 2012 by a Malaysian consortium.

- As part of the project's second phase, 254 apartments will be on offer in an exhibition that will be held only in London from May 1. They will range from studio flats to five-bedroom penthouses.

- The developer started selling homes at the power station site last year in a first phase of 835 flats, 55 per cent of which were sold abroad in countries such as Malaysia, Russia and China. The site will contain 3,500 homes when it completes in 15 years.