

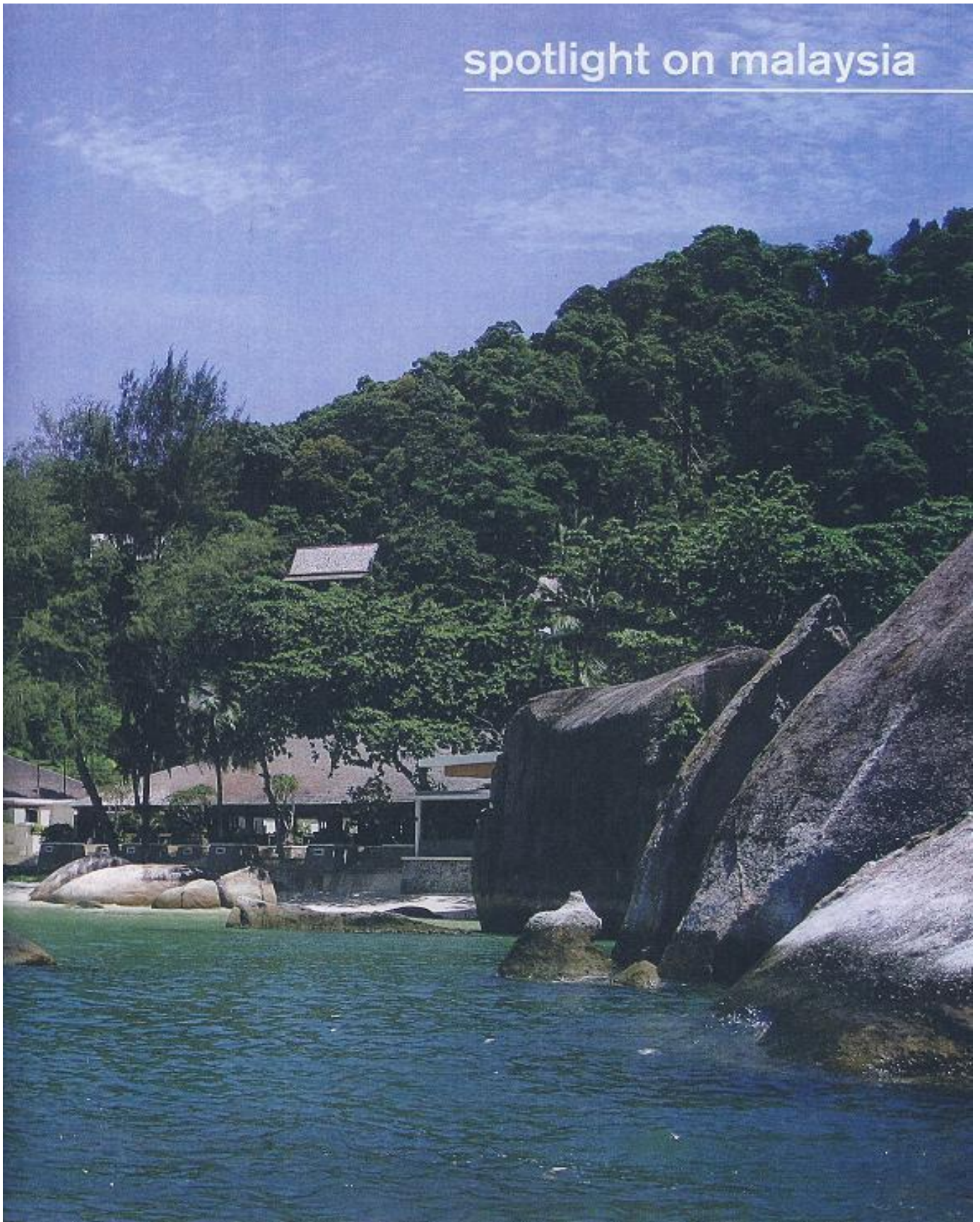


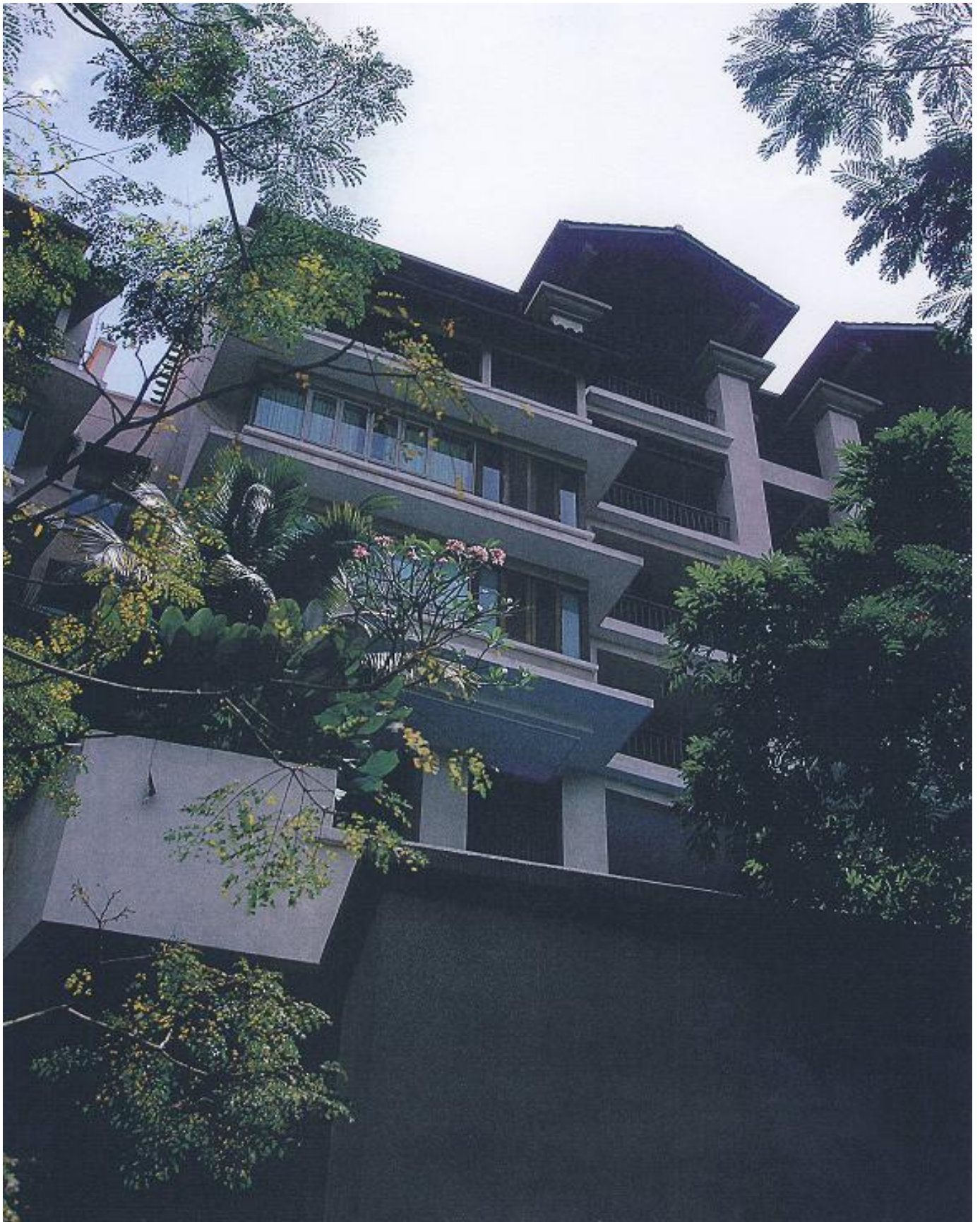
# Best of all worlds

"The property market in Malaysia is still one of the most affordable and fastest growing markets in the region."

*Report by Savills Rahim & Co*

spotlight on malaysia







# Encouraging demand

Property remains a key investment in Malaysia with house prices in the last quarter seeing the strongest increases since 2000, reports Savills Rahim & Co

**Owning a slice of paradise** has always been a motivating factor for property buyers in Malaysia – and the appeal today is just as great as ever.

Savills Rahim & Co reports that the market is still one of the most affordable in the region, and is growing fast. The company's most recent report says house prices have seen the strongest increases since 2000.

Overall, the house price index in the first quarter of 2011 increased by 6.5% year-on-year. High-rise properties in prime locations, such as Penang Island increased gradually, showing healthy growth with no sign of a bubble.

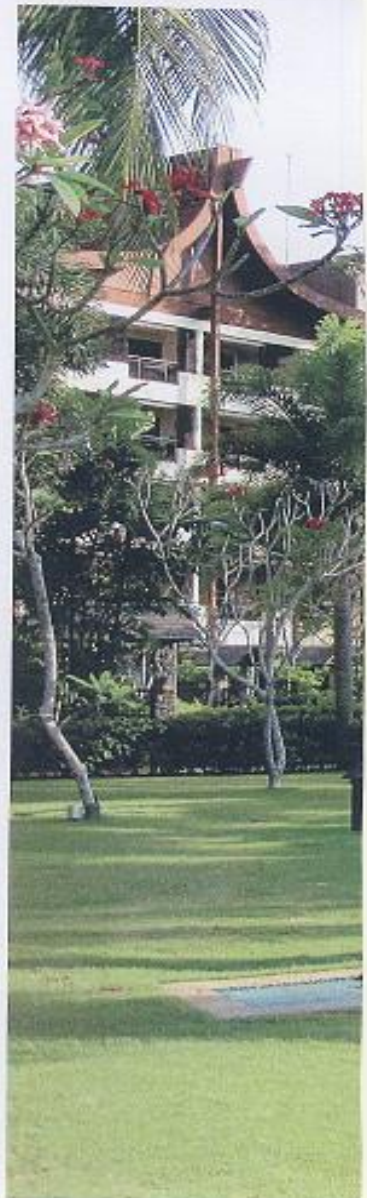
Penang Island recorded the highest index in the fourth quarter of 2010, showing a growth of 48.7% since 2000, and an annual growth rate

of 4.05%. This was followed by Kuala Lumpur showing a growth of 40.8% since 2000, with an average annual growth of 3.48%. Index for high-rise properties in Selangor and Johor increased only slightly during this period.

In terms of popularity, the report shows Kuala Lumpur was the most popular location for high-rise properties, followed by Petaling Jaya,

*Preceding pages: Malaysia's sparkling blue waters and palm-fringed beaches remain a drawcard for property investors, especially those looking for a second home in a resort-style setting.*

*These pages: Property prices continue to climb in key locations, such as Kuala Lumpur, Petaling Jaya and Penang Island. Shown here are Inara (left) and 9 Bangsar (above).*



Penang Island and Johor Baru.

The demand for high-rise condominiums and apartments has remained active in Kuala Lumpur, with the number of transactions over RM500,000 increasing last year by 66%. Such properties made up 51% of the total residential transactions in 2010, reflecting a high demand for such properties. This also reflects the fact that landed properties in KL are

becoming more expensive and supply is limited.

Savills Rahim & Co says that despite the slow leasing market for condominiums in the Kuala Lumpur City Centre and concerns about over supply, strong demand is also noted in the primary market. Take-up rates for most of the upcoming projects that were launched in 2010, such as 6 CapSquare, were higher

than 60%. Fast take-up rates are noted even during soft launches.

In the popular local area of Petaling Jaya, demand for condominiums and apartments has remained active, growing at a compounded annual growth rate of 20.1%. Figures show a good demand for high-rise properties. Landed properties are also popular, contributing about

42% of the total residential transactions for 2010. Several of the projects surveyed recorded 100% sales, including Surian Residence, Five Stones, 1120 Park Avenue and Laman Ara Utama.

Along with location, the developer's reputation and track record are important in attracting buyers.

On Penang Island, the property market has thrived.



Surveys have shown the island is Asia's 8th most liveable city, out of 254 cities surveyed, along with Kuala Lumpur and Bangkok. This ranking is reflected in positive responses to new residential launches.

Early this year, a number of condominium projects launched by established developers, received a good response, with home buyers even camping overnight at

the sales office. Units were snapped up within hours of being launched, even with prices above RM500,000.

In Johor Bahru, demand for condominiums and apartments over RMI million has grown significantly. However the majority of transactions are for landed homes. Molek Pine Tower, launched this year, attracted international interest and recorded 100% sales.

For further information on the market and properties shown on these pages, contact Savills Rahim & Co, Level 17, Menara Uni Asia, 1008, Jalan Sultan Ismail, 50250, Kuala Lumpur, Malaysia. Tel: (+603) 2691 9922. Email: srcree@savillsrahim-co.com. Website: www.rahim-co.com.

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*Facing page:* High-end apartments and condominiums by established developers are in strong demand, especially in key areas. Shown here is Tijani 2.

*Above:* Lifestyle considerations are a high priority for homeowners, with condominiums in resort-style settings fetching a premium.