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Outlook positive for property mart

KUALA LUMPUR: The outlook for the property market this year is expected to be positive following the likely moderate recovery in the country's economy, said Rahim & Co Chartered Surveyors Sdn Bhd, one of the largest real estate consultancy firms in Malaysia.

Rahim & Co Group of Companies executive chairman, Datuk Abdul Rahim Rahman, said the projects to be implemented under the Economic Transformation Programme (ETP) were expected to provide a positive impetus to the property market.

"The high-end condominium market will see an uptrend by 2012 as the projects to be implemented under the ETP would make city living more vibrant," he told a media briefing on the 'Prospects of the Malaysian property market in 2011' here Thursday.

He said the market trended sideways or flat due to oversupply and general lack of interest by investors and purchasers last year as the effects of the 2008 global financial crisis had continued to be felt.

"Demand was noted to be selective. Developers with good track record offering good design, high quality materials and professional property management continue to attract buyers," he said.

Abdul Rahim said an estimated 14.5 million sq ft of new office space would be completed in the next five years, of which about 27 per cent would be in the suburbs.

"With the growth of new townships, the traditional office market in the city centre will have to compete with new commercial developments in these suburbs, which is made possible by the increasing accessibility via major highways," he said.

He said the outlook for the local retail industry was expected to be positive with total retail sales in Malaysia forecast to increase to RM227 billion in 2014 from RM137 billion last year.

"Such optimism is driven mainly by rela-

tively low unemployment rate of 3.6 per cent, higher disposal income of the working population and the growing tourism industry," he said.

The opening of two shopping complexes in the suburbs and one in the city centre has increased total take-up to almost 800,000 sq ft during the year, he said.

"Upon opening, the Empire Shopping Gallery in Subang Jaya and Jusco Mahkota Cheras achieved occupancy rate of 97 per cent and 95 per cent respectively while Fahrenheit in Bukit Bintang recorded 90 per cent occupancy rate," he said.

Abdul Rahim said 13 new shopping malls would be opened this year, offering a total of 4.5 million sq ft of retail space, including two malls that were being refurbished and rebranded, Intermark Mall and Viva Mall.

On the industrial market, he said, strong demand from small and medium enterprises (SMEs) for small-sized industrial building like semi-detached factories was noted and this has encouraged developers to launch more projects especially in the more established commercial areas located along major highways "Several projects launched in 2009 and last year received good take-up rate of between 80 per cent and 100 per cent as they were priced as low as RM2.5 million."

"Demand came mainly from SMEs to expand their businesses and most the new industrial properties suit their needs," he said.

He said with the expected expansion in the manufacturing activities, more developers were expected to launch their projects this year.

"As the supply of industrial land within prime commercial areas is limited, more developments are expected to be launched in areas like Port Klang, Pulau Indah as well as outside the Klang Valley like Nilai," he said.— Bernama