

# OFFICE SECTOR

Klang Valley  
Fourth Quarter of 2008



## SUPPLY as at 4Q 2008:

Zone	Qtr	New Building	New NLA	Total NLA
KL	4Q 08	Mercu UEM – KL Sentral	307,000 sq ft	56.22 mil sq ft
SUB	4Q 08	Emerio, MKN Embassy Tech Zone, PJ8, Quill Building 9 & BBT One	1.39 mil sq ft	16.52 mil sq ft
<b>Total KV</b>			<b>72.74 mil sq ft</b>	
Future Supply	2009	Menara Commerce, KL Pavilion – Office Tower, BSC Office Suites, Menara Wakaf, G-Tower, PJ City – Blocks A & B, PJ Trade Centre, Prima 9, MIDA HQ KL – Sentral, Quill HQ – KL Sentral, SSM HQ – KL Sentral, Solaris Dutamas – Office Tower, Puchong Financial Corporation Centre, Surian Tower, The Icon, Menara Batu Kawan, V Square (5 blocks) & Menara UOA Bangsar (2 blocks)		
	2010	Lot C – KLCC Phase 2, The Crest, HSBC New Headquarters, One Mont' Kiara, Petaling Jaya Exchange, PJ City Blocks C & D, Capital Square – Office Tower 2, Empire Subang – Empire Tower, D'Tiara Office Tower & Proposed office tower at Jalan Binjai, 8 First Avenue & TRW Boulevard Square		

## DEMAND as at 4Q 2008:

- § Vacancy rate increased from 9.94% in 3Q 2008 to 11.31% in 4Q 2008
- § Take-up registered about 531,000 sq ft during the review period
- § Selected major movers in 4Q 2008:

Zone	Major Movers	Building (New Location)
KUL	The Nomad	Etiqa Twins
	Sweet Ivy	Unnamed (off Jalan Chulan) *
	Nadaprise Sdn Bhd & iPerintis Sdn Bhd	Menara Perak
	Guan Chong Properties Sdn Bhd	Menara ING
SUB	Quill Group of Companies	Quill 9
	Shiseido Malaysia Sdn Bhd, OpenWay Malaysia Sdn Bhd & Malaysia Property Incorporated	Menara UAC *

Note: \* Transacted by C H Williams Talhar & Wong Sdn Bhd

- § Average prime rentals in KL stabilized at a range between RM5.80 and RM8.00 per sq ft
- § Prime capital values and yields in KL remained unchanged at RM830 per sq ft and 6.0% – 7.0% respectively

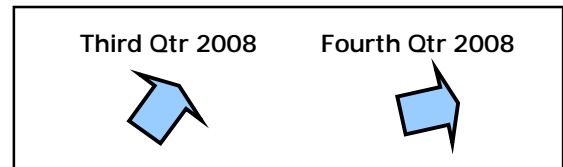
## OTHER RELATED NEWS:

- § The financial crisis has impacted the local office market with the sale of Menara Citibank being aborted on Nov 26 2008, thus IOI Corporation Bhd forfeited its deposit of RM73.36 million. In addition, the sale of part of the RM2.1 billion Menara YNH to Kuwait Finance House was also delayed during the review period
- § Pelaburan Hartanah Bumiputera Bhd (PHBB) was reported to have purchased the 22-storey CP Tower from CIMB-Mapletree Management Sdn Bhd for RM200 million
- § Amanah Raya Bhd Group is planning to acquire three office buildings from Emkay Group in Cyberjaya, worth about RM266 million

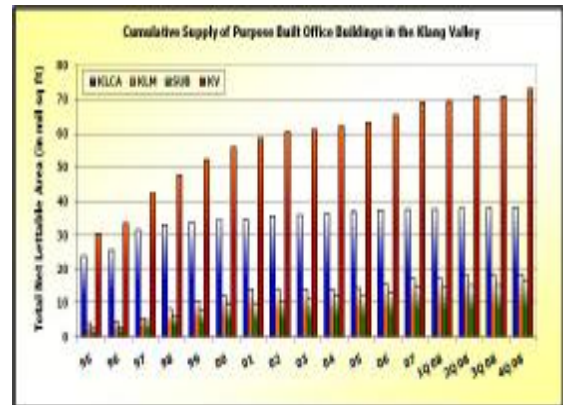
## SUMMARY / OUTLOOK:

- § New completion by end 2009 and 2010 is estimated at about 12.29 million sq ft if all developments are completed as scheduled. KL is expected to contribute some 64% of this new supply
- § The global and local economic crisis along with the impending large supply of office space will see upward pressure on rentals easing especially towards mid 2009 and capital value stabilizing
- § Demand from financial institutions is likely to decrease as expansion plans are put on hold in view of the onset of the credit crunch

## PERFORMANCE



## CUMULATIVE SUPPLY



## AVERAGE OCCUPANCY RATES



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*Unless otherwise stated, all currencies are expressed in Ringgit Malaysia (RM)*

*All dimensions are expressed in square feet.  
(1 square metre = 10.7639 square feet)*