

RETAIL SECTOR

Klang Valley
2H 2008



SUPPLY as at 2H 2008:

Zone	Period	New Building	New NLA	Total NLA
KL	2H 2008	AEON AU2	333,000 sq ft	24.98 mil sq ft
SUB	2H 2008	Tropicana City Mall, Tesco & Giant Hypermarkets	910,000 sq ft	13.37 mil sq ft
Total KV				38.35 mil sq ft
	2009	1 Shamelin Shopping Mall, Axis Atrium, Harbour Place, Wangsa Walk, USJ Nineteen, Subang Avenue Promenade, HPmall@Harbour Point, IOI Mall Phase 2, Bangsar Shopping Centre (new wing) and Intermark Mall		
	2010	Empire Gallery, First Subang, Paradigm, One Mont' Kiara and Lot C - KLCC		

DEMAND as at 2H 2008:

- § The overall retail occupancy remained unchanged at 86.7% during 2H 2008 (1H 2008: 86.7%). In terms of locality, the average occupancy rate for KLCA, KLM and SUB registered 85.3%, 86.5% and 88.2% respectively in 2H 2008
- § Tropicana Mall opened in Dec 2008 achieving about 50% occupancy rate, attributed mainly to the sizeable space taken up by Carrefour and Borders as its anchor tenants
- § Two hypermarkets opened during the review period, i.e. Tesco and Giant Hypermarket, both located in SUB
- § Some of the notable tenants opening during 2H 2008 include:

Zone	Shopping Centre	Tenant	Est. Floor Area (Sq Ft)
KUL	Pavilion KL	Fitness Concept Store	1,500
	Capital Square	Modesto's	6,300
	Hartamas Shopping Centre	SenQ	8,000
		Kidz Zone	7,000
SUB	Tropicana Mall	Carrefour	125,000
	The Curve	Debenhams	11,000

SUMMARY:

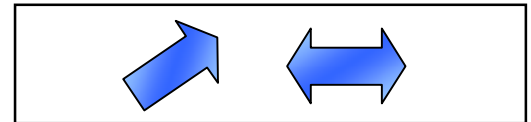
- § Retail centres which are undergoing various stages of refurbishment and upgrading works include Bangsar Shopping Centre (east wing), The Mines Shopping Fair and UE3 Shopping Mall, all due for completion in 2009. The latter will be carrying out a RM100 mil refurbishment exercise to reposition the centre into a lifestyle mall and to stay ahead of competition
- § UK-based departmental store Debenhams made its return to the Malaysian retail scene with the opening of its flagship store at The Curve, occupying approximately 11,000 sq ft
- § It is reported that PRAMERICA Real Estate Investors (Asia) Pte Ltd, through a real estate fund, Asian Retail Mall Fund, will invest some RM1.1 bil in four malls in Malaysia, two of which are located in KV (Ampang Mall and SStwo)
- § Construction of the intergrated Intermark development commenced with the demolition of Plaza Ampang in 4Q 2008. This project, owned by Macquarie Global Property Advisors, will comprise a 200,000 sq ft retail mall along with office and hotel development

OUTLOOK:

- § A further 3.32 million sq ft and 1.22 million sq ft of retail space are expected to be completed by 2009 and 2010 respectively in Klang Valley
- § The pace of retail growth is poised to slow down from a very strong base in 2007 and early 2008, in tandem with uncertainties in the local and global economy. Malaysia Retailers Association has revised the estimated growth rate from 8% to 4% - 5% in 2008 as shoppers tighten their purse strings despite the 3% reduction in EPF contribution and other pump priming measures

PERFORMANCE

1H 2008 2H 2008



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)*