

# RETAIL SECTOR

Klang Valley  
Forth Quarter of 2007



## SUPPLY as at 4Q 2007:

Zone	Qtr	New Building	New NLA	Total NLA
KL	4Q 07	Capital Square	220,000 sq ft	24.39 mil sq ft
SUB	4Q 07	AEON Bukit Tinggi	1,000,000 sq ft	12.48 mil sq ft
<b>Total KV</b>				<b>36.87 mil sq ft</b>
	2008	The Heritage at Mines Resort City, Kepong Brem Mall, Tropicana Mall, Harbour Place, USJ Nineteen, Axis Atrium, Wangsa Walk		
	2009	1 Shamelin Shopping Mall, Bangsar Shopping Centre Ph2, I-City, Subang Avenue		

## DEMAND as at 4Q 2007:

- The overall retail occupancy improved to 86.4% during 4Q 2007 (3Q 2007: 84.2%). In terms of locality, the average occupancy rate for KLCA, KLM and SUB registered 85.4%, 85.3% and 88.5% respectively in 4Q 07
- Capital Square and AEON Bukit Tinggi are opened with leasing space being taken up in excess of 40% and 90% respectively
- Some of the notable tenants opening during 4Q 2007:

Zone	Shopping Centre	Tenant	Est. Floor Area (Sq Ft)
SUB	AEON Bukit Tinggi	Jusco	751,500
KUL	Capital Square	TGV Cinema ( <i>Anchor Tenant</i> )	35,000
		Royal China Restaurant	10,000
	The Gardens Gallery	Marketplace@Cold Storage	25,000
KUL	Pavilion KL	Red Box Plus	20,000
		Sincere Haute Horology ( <i>largest in South East Asia</i> )	3,500

## SUMMARY:

- Consumers are spoilt for choice with more foreign brand retailers opening in various retail centres in Klang Valley
- Tissot has launched its first flagship boutique in Lot 10 Shopping Centre, amounting to approximately 420 sq ft
- Fat Face, a British-based fashion label in UK, opened its flagship store in Bangsar Village 2 in Nov 2007

## OUTLOOK:

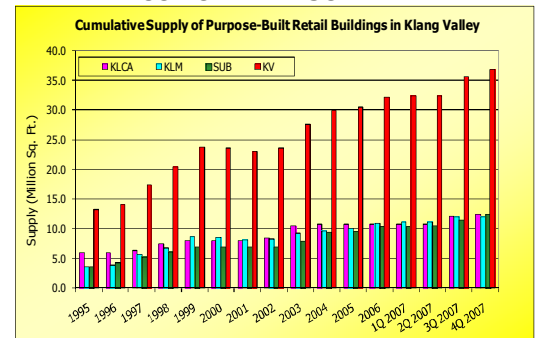
- A further 0.25 million sq ft and 1.02 million sq ft of retail space are expected to be completed by 1Q and 2Q 2008 respectively in Klang Valley
- Malaysian Retailers Association reduced its retail growth projection to 7% for 2007 in view of higher living costs and stagnant salaries that are weighing down consumer confidence. Total sales expected to reach RM68 billion, a shortfall of RM610 million
- Despite the inflation and uncertainties hovering the global economic environment, the retail scene in Klang Valley is expected to remain stable in general, in view of the government's concerted efforts in marketing Malaysia as a preferred shopping destination, coupled with more exciting foreign and local retail brands and increasing lifestyle spending
- Retail players are expected to experience competitive squeeze on margins and retail share as a result of the large malls which opened in the latter half of 2007. As such, older malls with poor occupancy and low visitation will be forced to close down or undergo extensive refurbishments, e.g. Jaya Supermarket in Section 14, Petaling Jaya, and KL Plaza in KLCA which will undergo extensive facelift by early to mid 2008

## PERFORMANCE

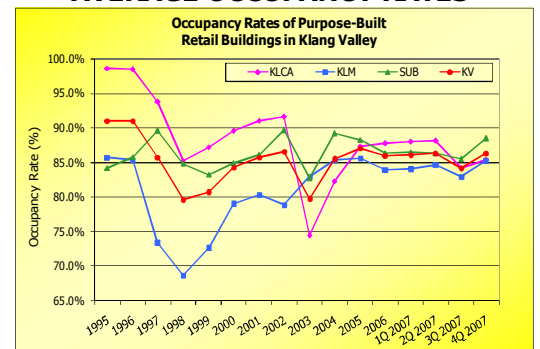
Third Qtr 2007      Forth Qtr 2007



## CUMULATIVE SUPPLY



## AVERAGE OCCUPANCY RATES



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For more information and advice, please contact:

### C H Williams Talhar & Wong Sdn Bhd

32<sup>nd</sup> Floor, Menara Tun Razak  
Jalan Raja Laut  
Kuala Lumpur

T: 03 2693 8888  
F: 03 2693 6565

E: [kualalumpur@wtw.com.my](mailto:kualalumpur@wtw.com.my)  
W: [wtw.com.my](http://wtw.com.my)

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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)

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