

SERVICED APARTMENTS

Kuala Lumpur
Second Half of 2007



SUPPLY as at 2H 07:

- The existing stock which consists of hotel type serviced apartments as well as serviced residences stood at 6,421 units as at 2H 2007.
- Existing hotel type serviced apartments maintained at 2,284 units as at 2H 2007 while serviced residences stood at 4,137 units as at 2H 2007 with the completion of 5 new developments, namely Binjai Residency, Menara Bintang Goldhill, Maytower, Capsquare Residence and Kiara Designer Suites, contributing a total of 1,320 units.
- Two (2) serviced residence projects offering a total of 596 units were launched during the period, i.e.:
 - The Crest in Kuala Lumpur City Centre by Crest Worldwide Resources Sdn Bhd
 - Twins at Damansara Heights by Panareno Sdn Bhd
- The recent launches of serviced residences offer a wide range of unit sizes. Standard units have built-up areas of between 616 sq ft – 2,078 sq ft (one to four bedrooms) whilst penthouses offer built-up areas of between 2,171 sq ft – 7,593 sq ft.

DEMAND/OCCUPANCY as at 2H 07:

- Average occupancy rates of hotel-operated serviced apartments registered at 78% in 2H 2007.
- With the completion of new serviced residence developments, the average occupancy rates of serviced residences reduced to 60% in 2H 2007.
- Average room rates of hotel-operated serviced apartments recorded at RM262 in 2H 2007.
- Developers' sale prices of newly launched serviced residences ranged between RM700 – RM900 per sq ft of built-up area.
- Sub-sales of serviced residences were noted to be transacted at between RM520 – RM1,300 per sq ft of built-up area.
- Asking prices of serviced residences ranged between RM505 – RM1,400 per sq ft of built-up area.

SUMMARY / OUTLOOK

- Hotel-type serviced apartment subsector is anticipated to continue to perform well with good occupancies and stable average room rates on the back of healthy GDP growth, increasing tourist arrivals and government's effort to boost the tourism industry.
- New supply of serviced residences with possible completion in end 2008 are expected to contribute a total of about 3,644 units.
- The supply situation is expected to create further pressure on occupancies and rentals upon completion.
- The emergence of Four Seasons Apartment has set a new price benchmark at RM2,500 per sq ft for serviced residence subsector in Kuala Lumpur.
- Selected developers followed suit by revising their selling prices from initial launch price or raising their selling prices for new launches.
- The serviced residence subsector is expected to stable to soft with sales and prices anticipated to stabilise.

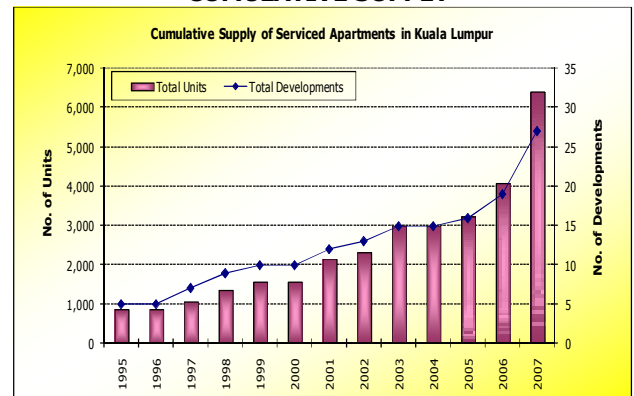
PERFORMANCE

First Half 2007

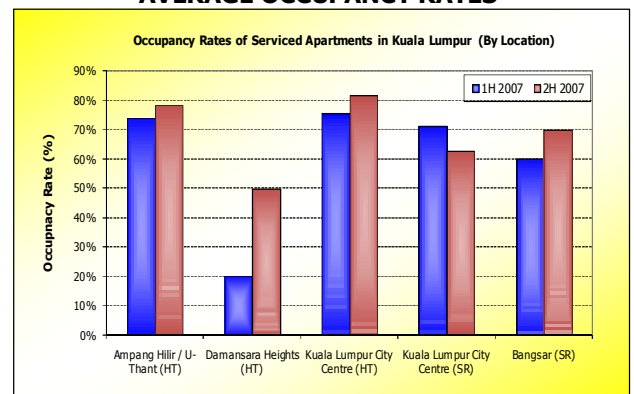
Second Half 2007



CUMULATIVE SUPPLY



AVERAGE OCCUPANCY RATES



Note: HT = Hotel-Type Serviced Apartment, SR = Serviced Residence

Note: WTW has redefined serviced residence price benchmark from a minimum price of RM380 per sq ft to a minimum price of RM500 per sq ft.

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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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