

MALAYSIA

REVIEW OF OPERATIONS



Johor, Skudai - Taman Sutera

Taman Sutera is a township project in Skudai, only 20 minutes' drive from the second causeway linking Malaysia to Singapore. The entire township has a site area of 500 ha. It comprises two main zones of which Zone One has a site area of 130 ha.

The township when fully developed can yield approximately 15,000 units of residential and commercial space. So far, 923 units in Zone One have been launched, of which 80 units are shop offices and the others are terrace and semi-detached houses. As at end-March 1998, 76% of all the units launched have been sold and 801 units have obtained Certificate of Fitness. The rest of the units launched should also be completed by July 1998.

Out of 260 units under construction, 101 units of the double-storey terraces have already received the certification of practical completion.

Site clearing and earthworks for Zone Two of Taman Sutera are 80% completed. The timing of the new launches in Zone Two will depend on the economic situation.



Taman Sutera is a township project which will yield about 15,000 units of residential and commercial space.

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MARKET REVIEW

Property market brisk in the first half of 1997 was subdued by the year-end currency crisis

For the whole year of 1997, the total number of property transactions grew by 1.8% from 1996 to 275,328 and the value of the transactions grew by 8.4% to RM53.1 billion. This was led by the residential sector which accounted for 63.8% of the total number of transactions. However, by the end of the year, transactions slowed down significantly as the market was hit by the currency crisis.

Government measures to boost the property market

To boost demand from foreign investors, the government lifted the RM100,000 levy on foreign purchasers. The 30% property gains tax payable by foreigners was also reduced to 5% after the fifth year of purchase. In addition, the 30% quota of foreign ownership of a development was increased to 50% whilst foreign individuals were allowed to buy up to two condominium units instead of one. Unfortunately, these measures had negligible effect on foreign investors as the frequent policy changes have affected confidence in the Malaysian market.

Demand for low and medium-cost housing by local owner-occupiers to remain strong

Bucking the trend for the property sector in general, the strong demand for low and medium cost housing by local owner occupiers supported the market in 1997 and is expected to remain strong in the coming year. In Johor, sites near the second Johor-Singapore causeway which was opened in January 1998, are expected to increase in value in the medium term when the economic situation stabilises.

REVIEW OF OPERATIONS

Penang, Bukit Mertajam - Taman Jernih

Taman Jernih is a joint venture project with the Boustead Group in Bukit Mertajam. With a land area of 14.4 ha, the site can yield more than 500 landed housing units. The launch during October 1997 of 101 residential units was well received, with 80% of the non-bumiputra units sold. However, the second launch scheduled for early 1998 may be adversely affected by weakening economic conditions as the impact of the currency crisis kicks in. Construction of the first phase which began in



The Taman Jernih project in Bukit Mertajam can yield more than 500 landed homes.

October 1997 is expected to be completed by early 1999.