



**SHAREDA**  
沙巴房地產發展商公會

**2014** **Property Development**  
**Annual Report &**  
**Market Outlook 2015**



## **SHAREDA Council Members Line-Up 2014 -2015**

L-R:

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Sr. Chua Soon Ping (Council Member), Quek Siew Hau (Council Member),  
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Datuk Susan Wong Siew Guen (Immediate Past President), John Tan Duo Zer (Vice President),  
Wesley Chai Meng Kong (Treasurer-General), Dato' Jimmy Pang Kia Lock (Council Member),  
Chew Fei Sean (Council Member), Ir. Melvin Disimond (Council Member), Reggie Sua (Council Member)

# SHARED A PROPERTY DEVELOPMENT ANNUAL REPORT 2014

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## KETUA MENTERI SABAH

### MESSAGE FROM THE RIGHT HONOURABLE CHIEF MINISTER OF SABAH

### **YAB DATUK SERI PANGLIMA HAJI MUSA BIN HAJI AMAN**

#### **A Sustainable Partnership between SHARED A & The Government**

First, I congratulate the Sabah Housing and Real Estate Developers Association (SHARED A) for being awarded a special recognition by The Malaysian Reserve for the Outstanding Contribution to the Development Landscape in Sabah. This award is momentous as it acknowledges the contributions and courage of SHARED A members in assisting the Sabah State Government to enhance the property landscape by developing 17 retail malls and various types of commercial shop offices, apart from developing more than 100,000 residential properties, and subsequently bringing Sabah to greater heights and strengthening Kota Kinabalu's position as Borneo's gateway city.

The government is appreciative of SHARED A's constant input to strengthen the housing industry through many suggestions and proposals. The long standing good relationship fostered over the years between the State Government, mainly the Sabah Ministry of Local Government and Housing, related authorities and SHARED A has help lower and middle income home buyers to overcome the shortage of affordable homes. For the past 10 years and more, SHARED A members have continuously supported the State Government especially in providing affordable homes. We appreciate your contributions and continuous effort, such as SHARED A's commitment to build 10,000 units of affordable homes in the next five years, with 5,116 units to be built in 2015.



For the property development industry to grow in Sabah, I am aware of the urgency and importance of a good infrastructure system. A sound infrastructure system in the state encourages local and foreign developers to continuously invest into the Sabah property development sector. The construction of two more flyovers in Kota Kinabalu will begin in January 2015. These projects, worth RM261 million will be carried out at Kolam-Lintas Road and at Mile 5 ½ Tuaran Road-Lintas junction. Another RM132 million is allocated for the upgrading works of Petagas Bridge to the Lok Kawi exit, and this project is expected to be completed by October 2015.

I commend SHARED A and the leadership of your President, Datuk Francis Goh who led the research team to publish the second issue of SHARED A Property Development Annual Report 2014. The report has been acknowledged as a property market reference by all real estate players and it also provides reliable information for State agencies to refer to. I hope that SHARED A's efforts will continue to help the state to move towards a knowledge-based and information-driven society. The Government looks forward to a continuous mutual and sustainable partnership with SHARED A. Thank you!

A handwritten signature in blue ink, appearing to read 'Musa'.

**YAB DATUK SERI PANGLIMA MUSA HAJI AMAN**  
*Chief Minister of the state of Sabah in Malaysia*



## MESSAGE FROM MINISTER OF LOCAL GOVERNMENT AND HOUSING (MLGH)

### **YB DATUK SERI PANGLIMA HAJI HAJI BIN HAJI MOHD NOOR**

#### **Building more affordable homes for Sabah**

Let me congratulate SHARED A on the publication of the second issue of Property Development Annual Report 2014.

Recognizing the need for more affordable homes for the people of Sabah, I would like to praise and thank SHARED A members under the leadership of Datuk Francis Goh for their efforts and contributions to build some 10,501 units of affordable houses in the near future. Furthermore, I must acknowledge SHARED A for the collaboration effort with my Ministry on the 5,116 units of affordable homes under the SHARED A-MLGH Affordable Housing Programme that would be built in the year 2015. The first of such housing projects is called Timbok Jaya in Tuaran with 888 units of affordable apartments. Follow by 86 units of single storey terrace house in Beaufort, called Taman Luagan Jaya. In Telipok, there will be 1,664 units of affordable

apartments, 700 units of condominium in Inanam, called Kingfisher Inanam. Whereas, in Kota Marudu, there will be 59 units of single storey terrace called Taman Salaping Phase 1 and 195 units of single storey terrace called Taman Khazanah Indah in Lahad Datu. On the east coast of Sabah, there would be two projects, namely Sri Indah Apartment and Ria Heights, to be built this 2015 with 500 units of walked up apartment and 1,024 units of landed and apartment units respectively.

Apart from that, the government is very concerned about the wellbeing of the people of Sabah, and is very aware of the significant shortage of supply to meet the ever increasing demand for housing. Hence, the Ministry is glad to announce that the State Government plans to build an additional 10,465 units of affordable homes under the upcoming 11th Malaysia Plan. The government has planned and implemented various housing schemes to best suit the increasing demand of affordable homes. Housing programmes such as PPR for rental, PR1MA, MyHome 1, MyHome 2, PPA1M and Housing Loan Scheme for the low income earners (SPPUGR) were carefully developed by the government to ease the financial burden of first time house buyers. In addition, the Ministry of Local Government and Housing has been allocated RM 117.26 million under the State Budget 2015.



The Sabah Housing and Town Development Authority (LPPB) has also contributed to the State government effort to provide more affordable homes. LPPB has built or currently under construction a total of 4,509 units of affordable house for the past few years. LPPB's effort would be concentrated on providing affordable housing for the lower income group to own a dwelling, or to the least is able to rent a house under the Rental Housing Program (PPR). Under the PPR scheme, the government has also built 19,491 units of house for rental through Jabatan Perumahan Negara (JPN) in the past few years.

Under the leadership of Datuk Seri Panglima Musa Haji Aman, the State government has given its best effort to help the people of Sabah via the various government linked companies (GLCs) such as LPPB and SPNB. The Ministry is also very delighted to receive the commitment and support from the Federal Government in supplying more affordable homes for the people of Sabah.

Last but not least, I would like commend SHARED A once again in promoting the State government's initiative and efforts to build more affordable housing for the people of Sabah. My Ministry appreciate and look forward to such sustainable collaboration effort with SHARED A.

A handwritten signature in black ink, appearing to read 'M. Hajji'.

**YB DATUK SERI PANGLIMA HAJI HAJJI BIN HAJI MOHD NOOR**  
*Minister of Local Government and Housing (MLGH)*



## FOREWORD BY SHARED A PRESIDENT **Datuk Francis Goh, A.S.D.K**

Ever since the execution and production of our Property Annual Report 2013 done by SHARED A's exclusive research team who are specialists in compiling market studies and market analysis by recording property news, property launches, price range, project sales performances and gross developmental value of each development project launched by SHARED A members, there are overwhelming positive feedback and comments as well as a warm reception regarding the first published issue of the said report.

Efforts of providing such information were and still are being commended because it has now become a comprehensive property market reference by many real estate players in the property industry. As the President of SHARED A, I am proud to have accommodated this idea with the help of the research team and fulfilling my promise to my fellow SHARED A members. With great confidence, I believe the publication of the Property Development Annual Report 2014 will continue to serve as a relevant source of reference for involved government departments, professional bodies, real estate players, SHARED A members and our counterparts REHDA in West Malaysia and SHEDA in Sarawak.





I am proud to announce that in 2014 SHAREDA has been awarded a special recognition by The Malaysian Reserve for the **Outstanding Contribution to the Development Landscape in Sabah**. The Property Press Award recognizes SHAREDA members' contribution and courage in developing numerous retail malls and commercial shop offices in Sabah apart from residential properties.

This annual report aims to continue our role in providing greater clarity and serve as the guiding beacon in the property development industry of Sabah. The SHAREDA Council and I representing 188 members are honored to present this new edition of the Property Development Annual Report 2014 for your market reference.

Thank You.

*Francis Goh*

**Datuk Francis Goh, A.S.D.K**  
*President of SHAREDA*

# 1.0 PROPERTY DEVELOPMENTS REPORT 2014

## 1.1 INTRODUCTION

In the last issue of SHARED A Property Annual Report 2013, SHARED A Property Research unit has forecasted a decrease in property launches for the year 2014. Among those reasons were the announcement of Budget 2014 by our Prime Minister with several cooling measures to curb property prices and the uncertainty of the tax reconciliation of Goods and Service Tax (GST) to be imposed in April 2015 which led to the hesitation and 'wait and see' attitude amongst property developers from launching their new development products.

As predicted, the year 2014 has shown a significant decrease in property launches with a total GDV of **RM3.747 Billion** as compared to the **RM 7.562 Billion** generated in the year 2013. A drop of 50% was recorded.

Table below shows the summary between property launched in year 2013 and 2014

COMPARISON FOR VARIOUS TYPES OF PROPERTIES LAUNCHED IN YEAR 2013 & 2014							
No.	Developments	No. of Units 2013	No. of Units 2014	±% in units	GDV (RM) 2013	GDV (RM) 2014	±% in GDV
1	Landed Residential Developments	4,421	1,962	-56%	1,825,178,000	910,000,000	-50%
2	Condominiums & Apartments	6,804	2,547	-63%	2,056,000,000	1,249,000,000	-39%
3	Commercial Developments	1,726	847	-51%	1,521,536,000	725,600,000	-52%
4	Industrial Developments	160	262	+64%	153,500,000	390,000,000	+154%
5	Mixed Developments	2,014	159	-92%	2,006,000,000	473,000,000	-76%
	<b>Total Units and GDV</b>	<b>15,125</b>	<b>5,777</b>	<b>-62%</b>	<b>7,562,214,000</b>	<b>3,747,600,000</b>	<b>-50%</b>

## Factors which contributed to the decline of property launches in year 2014 are as follow :

- (i) The impacts of Budget 2014 with several cooling measures such as increase of RPGT, abolition of DIBS, minimum property price capped at RM1 million for foreign purchases, restriction of buying more than 4 units by sole purchaser, selling prices should exclude discount and incentives offered by developers have deprived developer's interest to launch their products in year 2014.
- (ii) GST Implementation: - Property developers are cautious about the 6% GST when it comes to launching their products as GST will definitely push up the selling price. Developers will face a higher market risk as their product will face more severe sales difficulties.
- (iii) Inflation due to fuel hike and 30% increase of electricity tariff in Sabah has created a chain reaction in the economy as well as the cabotage policy made property prices soar higher than the inflation rate. Buyers are more cautious in their household and budget spending.
- (iv) The spending power of consumers is restricted due to stringent loan assessment procedures e.g. net loan value implemented by Bank Negara which deters the ability of potential buyers to purchase property especially first time home buyers. As such, many applicants fail to get approval for their end financing and thus affecting the sales performance of each products launching.
- (v) Delay of development plan approvals from local authorities that need 24 to 30 months to obtain proper development orders including Development Plan and Building Plan approvals, conversion approval and Developer License.
- (vi) Flight disasters of MH370 and MH17 as well as the frequent kidnapping incidents of tourist by terrorists occurred in the East Coast of Sabah has created a domino effect on Sabah's Tourism industry. It has a spill over impact to property launches especially in the East Coast Region as safety and sense of security is one of the important considerations in property acquisition.
- (vii) Decline in palm oil prices has deterred the purchasing power of small holders in acquiring properties for investment.



## 1.2 DISTRIBUTION OF PROPERTY DEVELOPMENTS IN SABAH 2014

Rank	Divisions	Condominiums and Apartments		Commercial Properties		Industrial Properties		Landed Residential Properties		Mixed Developments		Total GDV
		units	RM	units	RM	units	RM	units	RM	units	RM	RM
1	West Coast Division	2,427	1,222 M	297	430.6 M	79	219 M	443	278 M	159	473 M	2,622,6 B
2	Sandakan Division	120	27 M	352	169 M	131	129 M	185	98 M	Nil	Nil	413 M
3	East Coast (Tawau and Lahad Datu)	Nil	Nil	81	47 M	Nil	Nil	542	294 M	Nil	Nil	341 M
4	Interior Division	Nil	Nil	60	42 M	Nil	Nil	792	240 M	Nil	Nil	282 M
5	Kudat Division	Nil	Nil	57	47 M	52	42 M	Nil	Nil	Nil	Nil	89 M
	<b>Total</b>	<b>2,547</b>	<b>1,249 M</b>	<b>847</b>	<b>725.6 M</b>	<b>262</b>	<b>390 M</b>	<b>1,962</b>	<b>910 M</b>	<b>159</b>	<b>473 M</b>	<b>3,747,6 B</b>

As usual from the previous year, the West Coast dominates the overall property launches in Sabah as shown in the table above with a GDV of **RM 2.622,6 Billion** out of **RM3.747,6 Billion** or approximately **70%**. This is expected as the West Coast is the epicentre of growth in Sabah. Ranked second is Sandakan with a GDV of RM 413 million as it covers most of the property development products except for mixed development, which is more obvious in the CBD. The East Coast that includes both Tawau and Lahad Datu districts have fallen to third place with a GDV of RM341 million. This is due to the recent acts of terrorism which had inflicted fear in people, thus the obvious decline. Tailing closely in fourth rank is the Interior Division with a GDV of RM 282 million. Kudat Division is the last in rank with a GDV of RM 89 million.

### 1.3 PROPERTY DEVELOPMENTS LAUNCHED IN WEST COAST DIVISION 2014

Table below shows a summary of the total number of units and GDV launched in the West Coast Division.

PROPERTY LAUNCHED IN WEST COST DIVISION 2014				WEST COAST DIVISION 2013	
No.	Developments	No. of Units	GDV (RM)	No. of Units	GDV (RM)
1	Landed Residential Developments	443	278,000,000	1,555	830,878,000
2	Condominiums & Apartments	2,427	1,222,000,000	4,692	1,651,000,000
3	Commercial Developments	297	430,600,000	397	499,000,000
4	Industrial Developments	79	219,000,000	152	147,000,000
5	Mixed Developments	159	473,000,000	2,014	2,006,000,000
<b>Total Units and GDV</b>		<b>3,405</b>	<b>2,622,600,000</b>	<b>8,810</b>	<b>5,133,878,000</b>

#### (i) Landed Residential Developments

The landed residential property developments face the similar trend of moving further towards the outskirts as many developments were observed to have been launched in Tuaran, Inanam and Papar. Respectively, a 2-storey terrace house in Taman Vila Sentosa at Tuaran costs RM 282 psf at 1,024 sf, a 2-storey split level terrace at Taman Impian at Jalan Bantayan, Inanam carries a selling price of RM438 psf with a built up area of 1,087 sf and a single storey terrace at Taman Tulip cost RM293 psf with a floor area of 952 sf. Based on the above comparisons, the selling price in Inanam is higher when compared to the rest as it is much closer to the CBD while developments 20-30km further away carries an average price tag of RM250 – RM295 psf which is still within the affordable range.



*Vila Felca at Nambazan, Penampang*

## Landed Residential Developments launched in 2014 (West Coast Division)

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Taman Pertama Ph2 (1st Garden)	Kg Mahandoi, Putatan	2	Semi detached	32	2,959	928K - 1,121,050	314	40 M	14/2/2014
			3	Detached	4	4,822	1,452,355 - 1,572,995	301		
2	Taman Vila Sentosa (Phase 1)	Kg Laya Laya, Tuaran	2	Terrace house	34	1,024	288,800 (int) 338,800 - 438,800 (cor)	282 - 429	12 M	17/4/2014
3	Taman Impian	Jalan Bantayan, Inanam	Split level 2 storey	Type A - Split level Storey terrace house	12	1,087 - 1,223	438K (int), 588K (cor)	403 - 456	40 M	21/4/2014
			2 and 1/2	Type B - 2 and ½ storey terrace house	32	1,240 - 1,419	518K (int), 628K to 678K (cor)	418 - 478		
			2 and 1/2	Type C - 2 and ½ storey terrace house	27	1,354 - 1,532	548K (int), 668K to 678K (cor)	405 - 443		
4	Tanjung Villa Tuaran	Tuaran	2.5	Terrace	20	2,080	460,750 - 758,500	222 - 365	18 M	7/6/2014
			3	Semi Detached	2	2,524	810,000			
			3	Detached	1		1.34 M			
5	Taman Formosa Phase1B Stage 2	Jalan Bundusan, Penampang	2	Semi Detached	16	4,388.05	1,443,000 - 1,770,000 M	329 - 403	25 M	2/7/2014
6	Taman Tulip	Papar Town (Opposite Hospital)	1	Terrace - Intermediate	19	952	279,194 - 293,888	293 - 309	9 M	27/10/2014
				Terrace - Corner	8	952	379,968 - 405,928	399 - 426		
			2	Terrace - Intermediate	20	1,616	359,944 - 489,388	223 - 303	14 M	
				Terrace - Corner	12	1,616	431,998 - 489,388	267 - 303		
7	Vila Felca Nambazan	Penampang	2	Terrace	28	1,400	653,000 - 798,000	466 - 570	14 M	30/10/2014
				Semi Detached	2	1,790	980,000	547	22 M	
8	Taman Minintod Phase 2	Penampang	2 and ½	Terrace	62	2,286 - 2,608	743 K, 905 K, 987 K	325 - 347	54 M	29/11/2014
9	Taman Vila Angun	Papar	2	Terrace house	64	890	284,240 - 436,580	319 - 491	22 M	8/12/2014
10	Tagas Villa	Tuaran	2	Terrace house	48	1,905	407,000	214	22 M	13/12/2014
						2,199	650,000	296		
<b>Total Units</b>					<b>443</b>			<b>Total GDV</b>	<b>278 M</b>	

From the statistics, we found that there is a significant drop for this year's GDV (RM278,000,000) compared to last year's (GDV RM830,878,000). There were 22 projects launched last year but in year 2014 there's only 10 projects launched so far.

The affordable price for an intermediate single and double storey terrace ranges from RM279,194 to RM288,800 with floor areas of 952 sq.ft to 1,024 sq.ft. For the medium costing range double storey terrace houses, the prices could go from RM338,800 to RM489,338 with floor areas of 1,024 sq.ft to 1,616 sq.ft. The upper and more luxurious landed properties are located closer to the vicinity of Kota Kinabalu thus the selling price is considerably more expensive.

Double storey terrace houses in Taman Impian at Inanam, Taman Pertama at Putatan and Taman Minintod Phase 2 at Penampang are such examples and respectively sold at RM678,000 (1,532 sq.ft), RM928,000 (2,959 sq.ft) and RM987,000 (2,608 sq.ft). Bungalows at Taman Pertama can easily fetch an average selling price of RM1.5 million with a floor area of 4,822 sq.ft. We observed that projects of landed houses are slowly moving out of the city centre due to the scarcity of feasible land and the increase of land price in the city centre. For instance Taman Vila Anggun at Papar and Tagas Villa at Tuaran carries a selling price of RM284,240 to RM436,580 (890 sq ft) and RM407,000 (1,905 sq ft) respectively. Moreover, loan approval is much more difficult to obtain in purchasing a house nowadays especially for first-time house buyers due to the tightening of lending policies by banks.

### **Property Overview on Landed Residential Sector in West Coast Region**

Landed residential property remains the preferred product in Kota Kinabalu's property market. However, a sharp decrease in supply of 72% was recorded in year 2014 and prices of landed residential houses has increased up to RM550,000-RM750,000 for a double storey houses due to rising land cost within 20km from the city centre.

Double storey developments such as La Gloxinia Garden at Kinarut and Taman Villa Sentosa at Kg Laya-Laya which is located almost 30km away from the city centre boasts good sales performance, proving that the affordable range landed housing going for not more than RM300 psf can only now be found in the outskirts area. Purchasers have to accept the reality for even Taman Impian located at Jalan Bantayan, Inanam which is about 16km from city centre can be sold at RM405 psf . Secondary sub sales market for double storey houses shall continue to be active with limited landed houses from primary market as most developers still prefer to develop vertical stratified apartments or condominiums due to higher return of investment in terms of density gain.

No	Project	Property Type	Units	Built Up Area (SF)	Selling Price	Price Per Square Feet	Percentage Sold	Launched
1	La Gloxinia Garden at Kinarut	Double Storey Terrace	472	864 (Inter)	RM248,800/ RM268,888	RM288 - RM311	100%	2013
				1,036 (Corner)	RM 348,800	RM337		
2	D'Sri Gayang at Tuaran	Double Storey Terrace	431	950	RM288,800 RM360,050	RM303 RM379	97%	2013
3	Taman Vila Sentosa at Kg. Laya-Laya, Tuaran	Double Storey Terrace	34	1,024	RM338,800- RM 438,800	RM282 RM429	91%	2014



La Gloxinia Garden, Kinarut



Taman Pertama Phase 2 (1st Garden), Putatan



Taman Minintod Phase 2, Penampang



Taman Villa Sentosa, Kg Laya-Laya



## (ii) Condominium And Apartment Developments

As for the condominium and apartment developments, several were seen being developed in the suburban areas for instance Eco Park in Sepanggar costs RM325 – RM368 psf with a built up area of 958 sf - 1,112 sf and Gloxinia Heights in Kinarut with a built up area of 1,000 sf -1,325 sf costing about RM220 - RM226 psf. The latter falls under the affordable home criteria. This created a demand for properties especially homes that are affordable for the low to middle income earners as they do not have much disposable income to buy a house that costs more than RM300 psf based on their income bracket.

This current trend has been going on for years and for very obvious reasons such as the scarcity of land, expensive land price and also developers need to assess whether potential buyers have the spending power to procure such a property and whether the buyers are eligible to secure their end-financing from banks.



Ashton Tower, Inanam



Harrington Suites at Kota Kinabalu



D'Golden Gate Condominium at Penampang



KOUMS Housing, Kg Numbak, UMS

## Condominium / Apartment Developments launched in 2014 (West Coast Division)

No	Project	Location	No. Storey	Property Type	Unit	Built Up Area (SF)	Price (RM)	RM/ PSF	Estimated GDV (RM)	Launching
1	KOUMS Housing	Kg Numbak, UMS	18	Apartments	476	750 -850	250,000 - 340,000	333 - 400	140M	13/1/14
2	Harrington Suites	Kota Kinabalu, Close to SK Sri Gaya	30	Luxurious Condominium	116	2,445 - 3,455	1.9M - 2.9M	777 - 839	290M	6/3/14
3	Ashton Tower	Inanam, Near SK Kolombong	29	Condominium	391	870	402,000 - 470,000	462 - 496	168M	11/3/14
4	The Gardens	Adjacent Taman Formosa, Bundusan	29	Condominium	500	848 (Int), 982 (Cor)	367,643 (Inter), 593,216 (Corner)	434 (inter), 604 (corner)	240M	25/6/14
5	Eco Park Phase 1	Sepanggar	5	Condominium	240	958 - 1,112	310,888- 408,888	325 - 368	86M	1/9/14
6	Gloxinia Height (2 blocks)	Kinarut	18	Affordable Apartments	432	1,000, 1,180, 1,325	220,000; 260,000 & 300,000	220 - 226	112M	1/9/14
7	Damai Hill	Damai	14	Condominium	106	1,369 - 2,159	930,920 - 1,468,120	680	127M	1/9/14
8	D'Golden Gate Condominium	Jalan Nosoob, Hungab	10	Condominium	48	1,300 - 1,800	650,000- 1,100,000	500 - 611	35M	29/10/14
9	Maang Apartment 1	Penampang	4 & 5	Apartments	118	780 -908	218,000- 298,000	279 - 328	24M	30/10/14
				<b>Total Units</b>	<b>2,427</b>			<b>Total GDV</b>	<b>1.222B</b>	

As prices of land continue to rise, condominium and apartment developments became the current preferred products for developers. However due to the soaring prices of property and the tightening of loan policy, the total GDV for condominium and apartment developments has dropped from RM1.651 billion (2013) to RM1.222 billion (2014). There were a total of 9 projects launched this year with selling price classified in 3 different categories. The price for affordable apartments ranges from RM250 to RM300 per sq. ft., followed by medium cost starting from RM300 to RM500 per sq. ft. High end condominium which could range from RM750 to RM1,200 per sq.ft normally located within 10KM from CBD and some products possess panoramic city view and sea view.

### **Property Overview on Condominium and Apartment Sector in West Coast Region**

Medium range condominiums and apartments are still the preferred product by developers in favour of achieving a higher density ratio in 1 acre of land with approximately 100 units of condos or apartments can be achieved as compared to 12 units for landed terrace houses. Although there was a 63% sharp decrease in condominium supplies in Kota Kinabalu's market from 6,804 units in 2013 to 2,547 units in 2014, condominiums and apartments are still dominating Kota Kinabalu's property market in terms of numbers.

Generally, medium range condominium located within 15km radius from city centre will be priced at RM400-RM500 psf each such as Ashton Tower and The Gardens which were both launched in 2014.



The Gardens at Bundusan



Eco Park, Sepanggar

Condominium or apartment developments located a bit further at Sepang Bay or Kinarut can still be found selling at RM300 - RM360 psf such like Eco Park at Sepang and Maang Apartment at Kg. Maang, Penampang which are located almost 25km from city centre. Condominiums with better location and nearer to the city centre such as Harrington Suites and Damai Hill are considered high end products with lesser density which were sold from RM700 to RM850 psf. This is not surprising as land located at 8km radius has fetched approximately RM4 million to RM5 million per acre if it is zoned for residential purpose.

### **(iii) Commercial Developments**

The commercial developments were observed to be concentrated at 20 to 30km away mainly in areas like Tuaran and Papar though there were two significant launches nearby the CBD which are Donggongon Avenue and T1 @ Bundusan, both located in the vicinity of Penampang. After many notable projects like Imago Mall @ KK Times Square, Oceanus Waterfront Mall @ KK Waterfront, Riverson Walk, and PacificCity in Likas Bay that took place in the heart of the city, we can observe that most of the upcoming developments will be focusing on the suburban areas due to scarcity of land and soaring land prices in urban areas within 18km radius from the city centre.

The GDV for this year's commercial developments is only RM430.6 million and is lower compared to last year's GDV which is RM499 million. A total of 6 commercial developments were launched in 2014 and are mostly shoplots and offices. The selling price fall within the range of RM237 - RM552 psf. and the built up area ranges from 958 sq. ft. to 11,115 sq. ft.

## Commercial Property Developments launched in 2014 (West Coast Division)

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Donggongan Avenue	Donggongan, Penampang	6	Commercial development for Corporate offices	18	11,115	4.8M - 5.3M	432 - 477	90M	25/04/2014
2	T1@Bundusan	Bundusan Road (Adjacent Haip Loong Tyre)	5	4-storey commercial shop office	12	4,500 - 7,701	2.12M - 4.25M	471 - 552	73 M	06/06/2014
				Top floor (5th storey) F&B outlets	12	1,540 - 3,600	625K onwards	406 onwards		
3	University Utama Square	Jalan Kayu Madang, Telipok	2	Shop offices	183	1,568 - 1,723	760,888 - 916,888	485 - 532	200M	27/09/2014
4	Benoni Commercial Centre Ph1	Benoni, Papar	2	Shoplots	64	2,550 - 2,862	788,000 - 1,088,000	309-380	60M	02/10/2014
5	Taman Tulip Commercial Shoplots	Papar Town (Opposite hospital)	2	Shoplots	6	2,414.9-2,637	658,888-718,888	237	4M	27/10/2014
6	Maang Apartment 1	Penampang	3	Shop offices	2	958 - 1,112	1.8M	465	3.6M	30/10/2014
				<b>Total Units</b>	<b>297</b>			<b>Total GDV</b>	<b>430.6M</b>	



Donggongon Avenue at Donggongon Penampang



T1 @ Bundusan at Bundusan Road



University Utama Square at Jalan Kayu Madang, Telipok

Several notable mixed development projects launched in the last two years located along the Coastal Highway such as Oceanus, Imago Mall, Riverson and The Loft are about to be completed and prices have increased from the launching price of RM750 to RM1,200 psf. This is not a surprise as land prices within 5km from CBD has sold in the market for RM15 million per acre for reasons that the city centre land is gradually depleting and high end condominiums with sea view are highly sought after.

### **Property Overview on Commercial Sector in West Coast Region**

Generally, commercial shop office concentrated within Donggongon and Jalan Bundusan were sold from RM430 to RM550 psf including University Utama Square located at Jalan Kayu Madang, Telipok. Commercial shop office development located in the new township such as Benoni Commercial Centre at Papar still tagged a very cheap price for RM237 psf as land in small towns can still be purchased at a cheaper rate.

### **(iv) Industrial Developments**

Most industrial developments are still concentrated in Inanam and KKIP. Another alternative apparent development still taking place is in Kimanis due to the booming oil and gas industry thriving there. One such project which is under construction is called KPARC Industrial Park, a development that will supplement the oil and gas industry. After research has been done, we found that the selling price of the said project is RM1,468,888 onwards and it boasts RM485 per sq. ft. with a built up area ranging from 3,035 sq. ft. to 7,397 sq. ft.

## Industrial Property Developments launched in 2014 (West Coast Division)

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Harmony Industrial Park	KM7, Inanam	3	3-storey semidetached Light Industrial	10	3,520	2,480,000 – 4,077,318	705-1,158	30M	6/1/2014
2	Big Wheel Industrial Park	At Mile 7.5 Tuaran Road	Integrated building 1 and 3 storeys	Single storey detached warehouse cum 3 storey office	6	5,903 - 6,239	4,285,142-4,932,169	726 – 791	28M	7/2/2014
				Single storey semi-detached warehouse cum 3 storey office	34	5,766	3,233,999 - 3,561,074	561-618	116M	
3	KPARC Industrial Park	Kimanis, Papar	1 level with Mezzanine	Factories (Semi-D & Detached (1 unit)	29	3,035 - 7,397	1,468,888 Onwards	485	45M	Q3 2014 (September)
<b>Total Units</b>					<b>79</b>			<b>Total GDV</b>	<b>219M</b>	

There are 3 industrial developments launched this year with a total 79 units and are mostly semi-detached and detached type houses with selling prices ranging from RM1,468,888 to RM4,932,169 with the built up area of 3,035 sq. ft. to 6,239 sq. ft.



Harmony Industrial Park

Bigwheel Industrial Park

KPARC Industrial Park

## Property Overview on Industrial Sector in West Coast Region

In 2014, there were 3 industrial development launched in the West Coast region with a total number of 79 units 3-storey light industrial buildings, warehouses, offices and factories as compared to 152 units launched in 2013. Though the number of units launched were reduced, the Gross Development Value has increased to RM219 million as compared to last year's RM147 million. The main contributor to the increase of GDV is the launching of 34 warehouse units by Big Wheel Industrial Park selling at RM561-RM618 psf on a total built up area of 5,766 sq.ft.

Due to the limited supply in industrial property, an increase of capital value occurred in existing industrial properties in terms of secondary sub-sale and rental market. Inanam, Kolombong and KKIP; which are the main industrial locations in Kota Kinabalu and those locations are enjoying good price appreciation.

The lack of industrial properties built by developers is mainly due to the scarcity of feasible industrial land especially with good road access and proximity to the port. Moreover, KKIP Sdn Bhd is the main contributor to supply warehouse and industrial shops that shy away all private developers.

### (v) Mixed Commercial Office Development

A total of 2 mixed commercial office developments were recorded in the West Coast Region namely Menara Hap Seng and Inanam Mall.

Menara Hap Seng is a 14-storey commercial retail office development that aims at the rental market. The offices are for lease

with a built up gross area of 40,418 sq.m (435,055.71 sq. ft) and net built up area of 24,508 sq.m, (263,801.91 sq. ft), erected on 2.16 acres of land which was bought for RM85 million in the city centre. The total gross contract value is RM258 million.



Menara Hap Seng at Kota Kinabalu



Inanam Mall at Inanam



Inanam Mall, the latest mixed development in the heart of Inanam, comprises of a 6-storey 80-room budget hotel, 8-storey 200-room hotel and 4-storey retail outlets. This will change the outlook of Inanam in the future to come. 159 units of retail shops are opened for sale and the reception for this property is positive despite negative impacts that have befallen the State of Sabah. The selling price per square foot ranges from RM1,400 to RM3,000 psf.

### Mixed Property Developments launched in 2014 (West Coast Division)

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Menara Hap Seng	Kota Kinabalu	14	Retail/Shop office	NIL	24,508 sq.m	For Lease	8 - 10 psf	258 M	Q1 2014
2	Inanam Mall	Penampang	15	Retail shops/Hotels	159	145.85 - 4,030.80 sf	RM 204,348.00 - 12,092,400.00	RM 1,400-3,000psf	215 M	8/11/2014
				<b>Total Units</b>	<b>159</b>			<b>Total GDV</b>	<b>473 M</b>	

### 1.4 PROPERTY DEVELOPMENTS LAUNCHED IN SANDAKAN DIVISION 2014

PROPERTY LAUNCHED IN SANDAKAN DIVISION 2014				SANDAKAN DIVISION 2013	
No.	Developments	No. of Units	GDV (RM)	No. of Units	GDV (RM)
1	Landed Residential Developments	185	98,000,000	406	141,000,000
2	Condominiums & Apartments	120	27,000,000	1,440	250,000,000
3	Commercial Developments	352	159,000,000	76	80,000,000
4	Industrial Developments	131	129,000,000	8	6,500,000
	<b>Total Units and GDV</b>	<b>788</b>	<b>413,000,000</b>	<b>1,930</b>	<b>477,500,000</b>

## OVERVIEW OF PROPERTY DEVELOPMENTS IN SANDAKAN

This year the property development in Sandakan is considered slow with a sharp decrease in units from 1,930 units to 788 units only. Landed residential developments decreased significantly from a total of five to only three projects this year. The sense of insecurity in the East Coast Region has spread to Sandakan due to the hijacking incidents by terrorists at the East Coast Region of Sabah and has affected the interest of developers to launch more projects. A decreased of GDV from RM477.5 million to RM413 million was recorded. Various types of properties had slow sales as recorded by SHAREDA Mini PropEx in April 2014 held in Sandakan.

### (i) Landed Residential Developments

2-storey semi-detached housing projects, Taman Nasalim Phase 7B and Phase 7C are priced at RM326 to RM465 psf at a floor area of 1,861 sq. ft. Another landed residential project, Astana Heights Phase 5, a 2-storey terrace housing development offers a spacious built up area of 1,639 to 1,798 sq ft offering a selling price of RM378,000 – RM579,580. Taman Vista phase 2 also offered landed properties in their developments. This is a 2-storey terrace house which costs about RM273 psf with a floor area of 1,272 sf.

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Taman Nasalim Sandakan Phase 7B (18 units) and 7C (28 units)	Sandakan	2	Semi-detached	46	1,861	606,943 - 865,919	326 – 465	35 M	4/07/2014
2	Astana Heights Phase 5	Sandakan	2	Terrace house	108	1,639-1,798	378,000 - 579,580	231-322	50 M	16/07/2014
3	Taman Vista Phase 2	Penampang	2	Terrace house	31	1,272	347,510 - 443,500	273 - 349	13 M	22/08/2014
				<b>Total Units</b>	<b>185</b>			<b>Total GDV</b>	<b>98 M</b>	



Taman Vista Phase 2, Sandakan



Astana Heights Phase 5A, Sandakan

## (ii) Condominium and Apartment Developments

2 apartment products was launched in Sandakan thus far, namely Uno Apartment and Taman Vista Phase 2, which are both 4-storey walk-up apartments. An apartment unit at Uno Apartment costs RM196,888 and above with a floor area of 712 sq. ft. whereas, an apartment unit at Taman Vista costs RM218,000 and above offering a floor area of 1,178 sq. ft.

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Uno Apartment	Sandakan	4	4-storey walk up apartment	72	712-797	196,888-248,888	277-312	16 M	30/06/2014
2	Taman Vista Phase 2	Sandakan	4	4-storey Walk up apartments	48	1,178	218,000-241,490	185-205	11 M	22/08/2014
				<b>Total Units</b>	<b>120</b>			<b>Total GDV</b>	<b>27 M</b>	

### (iii) Mixed Commercial Developments

One notable commercial property launch is Sandakan's Sejati Walk. It comprises of 340 units of shopping lots and rakes in a gross development value of RM 150 M. The shopping lots' size vary from 230 -1,201 sq. ft in floor sizes and costs around RM760 – 918 psf.

The 12 remaining units are Uno Apartment commercial shoplots located at the ground floor. The commercial units were sold at RM648,888 and higher for a built up area of 1,245 sq. ft.

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Sejati Walk	Sandakan	2	2-storey mall	340	230-1,201	174,900-1,103,520	760-918	150 M	17/01/2014
2	Uno Apartment (Shoplots)	Sandakan	1	4-storey walk up apartment with shoplots	12	1,245	648,888-774,888	521-622.4	9 M	30/06/2014
				<b>Total Units</b>	<b>352</b>			<b>Total GDV</b>	<b>159 M</b>	



Sejati Walk, Sandakan

#### (iv) Industrial Developments

Several significant industrial developments were launched in Sandakan. The first of these developments is Majulah Industrial Centre Phase 1 with a built up area of 2,160 sq.ft. going for RM780,000 and also 3,000 sq.ft. going for RM1,280,000. The other one being Sandakan Sibuga Industrial Centre offers 3 different property types selling from RM870,000 to RM1,650,000 and with the built up area ranging from 2,285 sq. ft. to 3,498 sq. ft. Both of these developments will contribute significantly to the economic growth of Sandakan as it will create more job opportunities and pulls in interested foreign investors.

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Majulah Industrial Centre Phase 1	Sandakan	2	Office cum warehouse	24	3,000	1,280,000	427	31 M	May Q2 2014
				Double storey semi-detached and terrace	36	2,160	780,000	361	28 M	
2	Sandakan Sibuga Industrial Centre	Sandakan	2	Terraced industrial office and workshop	46	2,285	870,000 -980,000	381-429	42 M	19/05/2014
				Semi-detached industrial office/ showroom & warehouse	18	3,268-3,498	1,430,000-1,650,000	438-472	28 M	
				Detached Industrial office/ showroom & warehouse	7					
				<b>Total Units</b>	<b>131</b>			<b>Total GDV</b>	<b>129 M</b>	



Sandakan Sibuga Industrial Centre



Majulah Industrial Centre Phase 1, Sandakan

### 1.5 PROPERTY DEVELOPMENT LAUNCHED IN EAST COAST DIVISION (TAWAU AND LAHAD DATU) 2014

PROPERTY LAUNCHED IN EAST COAST DIVISION 2014				EAST COAST DIVISION 2013	
No.	Developments	No. of Units	GDV (RM)	No. of Units	GDV (RM)
1	Landed Residential Developments	542	294,000,000	1,373	585,400,000
2	Condominiums & Apartments	Nil	Nil	320	85,000,000
3	Commercial Developments	81	47,000,000	739	564,536,000
4	Industrial Developments	Nil	Nil	Nil	Nil
<b>Total Units and GDV</b>		<b>623</b>	<b>341,000,000</b>	<b>2,432</b>	<b>1,234,936,000</b>

After several kidnapping and hijacking incidents that happened in the East Coast Division of Sabah coupled with the recent airline disasters, there was a significant reduction in property development launches. This has affected the tourism industry in Sabah and significantly reducing the number of foreign tourists and investors coming to Malaysia, Sabah in particular.

## Landed Residential Developments

There were 4 noted landed residential developments in Tawau. The selling price for Taman Ming, a 2-storey terrace house development starts from RM454,100 – RM638,000 and offers a built up area of 1,872 sq. ft. Whereas Taman Jaya, a double storey terrace development has a price tag of RM385 – 501 psf with a floor area of 2,047 sf. Bandar Sri Indah Phase 5C and 5D with a built up area of 1,689 sq ft and 1,853 sq ft respectively fetches a selling price of RM235-349 psf and RM222 -333 psf.

Another double storey terrace housing project known as Taman Muhibbah Jaya has a selling price of RM331,550-455,000 with a floor area of 1,242 sq ft.

Two landed residential properties were launched in Lahad Datu also known as Palm Heights Phase 2 and Phase 4. Palm Heights Phase 2, a double storey terrace development, with a built area of 2,023 sf sold at RM208 – RM323 psf. As for Phase 4, a double storey semi-detached was sold at RM272 – RM357 psf with a floor area of 2,250 sf.

## Landed Residential Developments In Tawau / Lahad Datu

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Palm Heights Phase 2	Lahad Datu	2	Terrace House	88	2,023	420,000-654,100	208-323	47 M	16/07/2014
2	Palm Heights Phase 4	Lahad Datu	2	Semi-Detached	100	2,250	611,200-802,180	272-357	70 M	16/07/2014
3	Taman Ming	Tawau	2	Terrace House	54	1,872	454,100-638,000	243-341	30 M	16/09/2014
4	Taman Jaya	Tawau	2	Link House	10	2,047	788,500-1,026,000	385-501	9 M	20/09/2014
5	Bandar Sri Indah 5C	Tawau	2	Terrace House	85	1,689	397,600-590,000	235-349	42 M	31/10/2014
	Bandar Sri Indah 5D		2		147	1,853	411,100-617,700	222-333	75 M	
6	Taman Muhibbah Jaya Phase II	Tawau	2	Terrace House	58	1,242	331,550-455,000	267-366	21 M	25/11/14
<b>Total Units</b>					<b>542</b>			<b>Total GDV</b>	<b>294 M</b>	

**TYPE A**



**TYPE B**



Bandar Sri Indah Phase 5, Tawau



Palm Heights Phase 2 at Lahad Datu



Taman Muhibbah Jaya Phase 2

**(ii) Commercial Developments In Tawau / Lahad Datu**

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Merotai Jaya Ph1 & Ph2	Merotai, Tawau	2	Commercial Shoplots	57	2,400	588,000-700,000	242-292	35 M	11/05/14
1	Muhibbah Square	Kuhara, Tawau	2	Commercial Shoplots	24	1,176	488,000	415	12 M	16/10/14
				<b>Total Units</b>	<b>81</b>			<b>Total GDV</b>	<b>47 M</b>	



Two commercial developments were noted in Tawau. Merotai Jaya comprised of 2-storey commercial shop lots carried a price tag of RM588, 000 to RM700, 000 with a built up area of 2,400 sq ft. The other commercial development that comprises of double storey shoplots is Muhibbah Square. The selling price for a unit at Muhibbah Square is RM488,000 for a net area of 1,176 sq ft.

## 1.6 PROPERTY DEVELOPMENT LAUNCHED IN INTERIOR DIVISION 2014

Table below shows a summary of the total number of units and GDV launched in the Interior Division

PROPERTY LAUNCHED IN INTERIOR DIVISION 2014				INTERIOR DIVISION 2013	
No.	Developments	No. of Units	GDV (RM)	No. of Units	GDV (RM)
1	Landed Residential Developments	792	240,000,000	1,087	267,900,000
2	Condominiums & Apartments	Nil	Nil	Nil	Nil
3	Commercial Developments	60	42,000,000	438	348,000,000
4	Industrial Developments	Nil	Nil	Nil	Nil
<b>Total Units and GDV</b>		<b>852</b>	<b>282,000,000</b>	<b>1,525</b>	<b>615,900,000</b>

As usual, there's no industrial and stratified developments launched in the interior division of Sabah.

The commercial and landed residential developments remain upbeat albeit lower than the previous year.

### (i) Landed Residential Developments

4 landed residential developments were launched. Those being Taman Villa Palma Phase 1 at Keningau, Taman Sipitang Villa at Sipitang, Taman Bukit Indah at Keningau as well and Taman Eramas Phase 3 and 4 in Beaufort.

A single and double storey terrace house development, Taman Villa Palma respectively consists of 48 units and 36 units of houses, totaling to 84 units. The single storey intermediate comes with a selling price of RM209,800 and a floor area of 1,466 sf, whereas for the intermediate double storey unit has a price tag of RM259,800 with a floor area of 1,793 sf. The average square footage for the development is RM142 psf. It is relatively cheap as the price of land in the interior is cheaper than all other divisions of Sabah.

Out of all the other developments, Taman Sipitang Villa boasts the most units, that being is 546 units. The single storey comes with a price of RM298 psf and features a floor area of 805 sf while the double storey comes with a price of RM342 psf, with a built up area of 965 sf.

Another residential development is Taman Bukit Indah that comprises of single and double storey semi-detached houses. The single storey offers a built up area of 1,111.43 sf, with a selling price of RM338,500. The double storey offers a built up area of 2,020 sf and was selling at RM528,800.

Taman Eramas Phase 3 and phase 4 comprises of double storey terrace and semi-detached houses. The double storey terrace was selling at RM332,500 for of 1,260 sf and the semi-detached was selling at RM622,250 over for 1,872 sf.

### Landed Residential Development Launched In 2014 (interior Division)



Taman Villa Palma Phase 1, Keningau



Taman Sipitang Villa, Sipitang

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Taman Villa Palma Ph 1	Keningau	1	Terrace House	48	1,466 (int) 1,825 (cor)	209,800 (int) 269,800 (cor)	143 (int) 148 (cor)	22M	13/1/2014
			2		36	1,793 (int) 2,252 (cor)	259,800 (int) 296,800 (cor)	145 (int) 132 (cor)		
2	Taman Sipitang Villa	Sipitang	2	Terrace House	174	965-1,200	330,000 onwards	342	150M	Q1 2014
			1		372	805-1,000	240,000 onwards	298		
3	Taman Bukit Indah	Jalan Pasir Putih, Keningau	2	Semi detached	30	2,020	528,800	262	35M	7/6/2014
			1		56	1,111.43	338,500	305		
4	Taman Eramas Ph3 & Ph4	Beaufort	2	Terrace House	66	1,260	332,500-450,000	264-357	26M	17/9/2014
				Semi detached	10	1,872-2,028	622,250-761,050	341-375	7M	
				<b>Subtotal</b>	<b>792</b>			<b>Sub total GDV</b>	<b>240 M</b>	

## (ii) Commercial Developments

Lumat Centre Phase 2 is a 2 and 3 storey commercial shophots, respectively comprised of 44 units 2 storey commercial shophots that comes with a built up area of 2,420 sf and 16 units 3 storey commercial shop lot with a floor area of 3,870 sf. The development is located in Beaufort and selling for RM730,000 and above for the 3-storey units and RM630,000 and above for the 2-storey units.

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	Lumat Centre Phase 2	Beaufort	2 & 3	Commercial Shophots	16 units of 3-storey	3,870	730,000-780,000	189-202	42M	17/9/2014
					44 units of 2-storey	2,420	630,000-680,000	260-281		

## 1.7 PROPERTY DEVELOPMENT LAUNCHED IN KUDAT DIVISION 2014

PROPERTY LAUNCHED IN KUDAT DIVISION 2014				KUDAT DIVISION 2013	
No.	Developments	No. of Units	GDV (RM)	No. of Units	GDV (RM)
1	Landed Residential Developments	Nil	Nil	Nil	Nil
2	Condominiums & Apartments	Nil	Nil	352	70,000,000
3	Commercial Developments	57	47,000,000	76	30,000,000
4	Industrial Developments	52	42,000,000	Nil	Nil
<b>Total Units and GDV</b>		<b>109</b>	<b>89,000,000</b>	<b>428</b>	<b>100,000,000</b>

In the Kudat Division, although only two developments in the Kota Marudu district were noted, we observed that the Kudat Division will see an increase in new property launches in the future.

### (i) Commercial And Industrial Developments

One Marudu Commercial Centre is a commercial development that consists of 57 units' of 2 to 3 storey shoplots that comes with floor sizes ranging from 2,400 – 3,600 sq ft with selling prices going from RM670,000 – RM980,000.

The other development is 1 Avenue Square which is a double storey Light Industrial development. The price tag on a unit starts from RM738,000 – RM888,000 with a built up area of 2,200 – 2,800 sq ft.

### Commercial Development, Kota Marudu

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	One Marudu Commercial Centre	Kota Marudu	2 to 3	Commercial shoplots	57	2,400-3,600	670,000-980,000	279	47M	9/1/2014

## Industrial Development, Kota Marudu

No	Project	Location	No. Storey	Property Type	Units	Built Up Area (SF)	Price (RM)	RM/PSF	Estimated GDV (RM)	Launching
1	1 Avenue Square	Kota Marudu	2	Light Industrial shoplots	52	2,200-2,800	738,000-888,000	335	42M	9/1/2014



One Marudu Commercial Centre



1 Avenue Clubhouse



1 Avenue Square



1 Avenue Kota Marudu New Township

## 1.8 SUMMARY OF PROPERTY MARKET IN 2014

Many real estate players had commented that year 2014 is not a property friendly year especially the impacts of budget 2014 which is influential enough to reduce the supplies of properties in Sabah's real estate industry. As proven in our report, there is a 50% sharp decrease in Gross Development Value and 62% reduction in overall supplies as compared to year 2013.

Most developers that launched their projects in 2014 suffered from a slower sales pace. The same happened in Peninsular Malaysia, as 85% of 152 developers reported sales slump!

THE BORNEO POST  
Friday, September 12, 2014

# 85 pct of 152 developers report sales slump

**PETALING JAYA:** Most Malaysian property developers have witnessed a drop in sales after Budget 2014 introduced cooling measures to rein in spiralling house prices, with pessimism expected to continue to next year.

The Property Industry Survey for the first half of 2014 presented by the Real Estate and Housing Developers Association (REHA) Institute yesterday, 85 per cent of 152 developers admitted to experiencing a drop in sales.

Meanwhile, just 20 per cent of them felt "optimistic" over the property market, today's outlook in the second half of 2014.

Only 10 per cent were "optimistic" for the first half of 2014, when the goods and services tax (GST) is expected to be implemented by April 1 next year.

According to REHA president Datuk Seri Fachri Ismail and Mohamed Mawaz, consumer

financing is a "major obstacle" for the developers as 51 per cent of developers complained of problems with their buyers getting their loans approved.

"It is difficult to get financing. The reaction rate is so high. Western respondents are saying something that I hope the banks will rethink at. Finally, told the press in Kuala Lumpur here."

The survey showed that the highest number of rejected loan applications, at 30 per cent, were for houses priced between RM250,000 and RM300,000.

REHA took issue with the 71 per cent of financial institutions that reported by the banks, pointing out that the majority of first-time home buyers cannot afford to service their loans.

It also called for the Housing Investment Scheme (HIS) to be restructured for first-time home buyers, and for more flexibility

from financial institutions for buyers in higher prices.

This comes as the price range of most property developments launched in the period increased significantly compared to the previous half.

Prices for most launches in Kuala Lumpur, for example, rose to above RM1 million from being between RM500,000 to RM1 million previously.

REHA was the only state that experienced a fall in the most launched price range in the first half of 2014, while there was no new launch at all in Terengganu.

"Realistically, prices of houses cannot go down," said Fachri, as the survey showed that 51 per cent of respondents said their overall views of doing business worsened.

"The only way is to provide more supply, not by making loans

difficult," he added.

In Budget 2014 tabled last year, Putrajaya doubt of the real property gains tax (RPGT) to 20 per cent for properties disposed within three years of acquisition, 20 per cent within the fourth year, and 10 per cent on the fifth year.

Putrajaya also introduced the RES in which the developer pays the interest payment for the buyers' loans during the construction of a property, which was seen as an incentive for speculation.

The maximum price of property that may be purchased by foreigners was also detailed by Putrajaya from RM300,000 to RM1 million.

In addition, Malaysia will finally implement the long-delayed Goods and Services Tax (GST) at 6 per cent beginning April 2015, which will also apply to commercial properties transactions but not houses.

THE BORNEO POST  
Wednesday  
June 4, 2014

# Malaysian house prices up eight pct in first quarter

**KUALA LUMPUR:** The Malaysian house prices rose eight per cent in the first quarter of 2014 compared to the same quarter last year.

According to the Knight Frank Global House Price Index released yesterday, Malaysia was ranked at 15th spot among 20 countries.

Dubai, which topped the annual rankings for the fourth consecutive quarter, recorded price growth of 27.7 per cent until end-March, it said in a research note.

However, prices rose by 3.4 per cent in the first three months of

2014, as the doubling of transfer fees and mortgage cap had an impact on the Emirate's property market.

Knight Frank Head of Research for Asia Pacific, Nicholas Holt, said that 14 countries recorded a decline in house prices year-on-year, comprising 12 in Europe while Singapore and Japan were the only non-European countries.

"Cooling measures and tighter mortgage lending conditions have halted price growth in Singapore, while in Japan, 'Abenomics' has yet to push house price growth into

positive territory," he said.

He added: "We expect to see the index's performance strengthen again in the second quarter. All eyes will remain on central banks, in particular the Federal Reserve, the Bank of England and the European Central Bank."

"The issue is not when interest rates rise but the speed and extent to which they do."

Overall, The Global House Price Index has risen for eight consecutive quarters but the rate of price growth slowed in the first three months of 2014. — Bernama

The real intention of budget 2014 is to curb property prices from soaring high beyond control. However, the Malaysian house prices rose 8% in the first quarter of 2014 as compared to 2013 according to Knight Frank Global House Price Index released in June 2014.

The cooling measure implemented under budget 2014 has failed to stop property prices from soaring. It has only served to reduce the supplies in the market which again reinforces SHAREDAs statement that the market force cannot be distorted and the only way to reduce the property pricing is to increase the supply in the market!

The stringent bank loan assessment policy is the major contributor to the slower sales performance faced by all developers. The high rejection rate in end financing application by potential buyers has eventually made all buyers to be more cautious in their spending and desire in property investment.

<b>Percentage (%) of Bank Loan Rejection Based on Loan Amount Year: 2014 (RM'000)</b>		
<b>Loan Amount (RM)</b>	<b>Percentage (%)</b>	<b>Total No. Rejection</b>
< RM250,000	22.22 %	66/297
RM250,001 – RM400,000	22.03 %	52/236
RM401,000 – RM800,000	42.35 %	83/196
RM801,000>	35.14 %	13/37
<b>Average Percentage</b>	<b>30.44%</b>	

SHAREDAs Property Research Unit has conducted a survey through all developers that have ongoing development projects.

From the survey, it can be observed that there's lower rejection rate on affordable products that costs below RM250,000 and medium range affordable apartments has only a rejection rate of 22%.

Medium upper range condominium with a price range of RM400,000 to RM800,000 faced higher bank loan rejection rate at 42.35%. Most developers feel the heat as most of their products are ranged in this category. For high end condominium, semi-detached landed houses or bungalow, an even higher rejection rate of 35.14% was recorded. It

can be concluded that the higher the selling price of the products launched, the higher the bank loan rejection rate. The above findings shall form part of the consideration in assessing the market risks for developers who wish to market high end products in the near future.

## **1.9 GENTLE REMINDER FOR LAUNCHING OF COMMERCIAL PROPERTIES IN 2015**

GST of 6% will be implemented on the 1st April 2015. For developers who wish to launch commercial properties such as shop offices and mixed developments such as SOHO, service apartments and hotel suites, keep in mind that 6% of GST will be imposed on sales price of all commercial properties and this will definitely affect the buyers' sentiment! Developers having products such as service apartments, a SOHO or hotel suite will have to carefully distinguish your products whether it is for residential or commercial purposes. In the case of residential purpose, a developer license needs to be applied in order to prove that your product attached to a mixed development is of residential purpose, therefore 6% GST will not be taxed on your progressive billing to your respective buyers.

### **1.10 Conclusion**

The publication of SHAREDA Property Development Annual Report in 2013 and 2014 has acted as good market reference to most SHAREDA members and enabled them to avoid active competition. The report is also a good tool in evaluating what type of products and pricing in which locality of the project could be launched.



## 2.0 PROPERTY DEVELOPMENT OUTLOOK 2015

Throughout the year 2014, we observed that the property development is experiencing a downward spiral. Even though the demand is still strong, developers refrain from launching more products due to factors such as stringent bank loan policies, electrical tariffs & fuel price hike, drop in Sabah's popularity as a tourist spot due to the recent kidnappings by terrorists as well as the infamous flight disasters. Thus, causing supplies in the market and overall gross development value to reduce tremendously.

### 2.1 BUDGET 2015

Despite all the turbulence that happened last year and the future GST implementation on the 1st of April 2015, SHAREDA Property Research Unit is still optimistic that Sabah Property Development Market will prevail and bounce back in the upcoming year with support given by the government and self-adjustment by property developers in assessing market risks. Property development sectors, including residential, leisure property and affordable housing are anticipated to be active and robust again due to the following assumptions and assessments:-

New Sabah Times  
Saturday October 11, 2014

## A BUDGET FOR THE PEOPLE



**KUALA LUMPUR:** Responding to the pulse of the people on their grievances over the rising cost of living, Datuk Seri Najib Tun Razak yesterday presented Budget 2015 that focuses on easing the financial burden of the people in tandem with the efforts to grow the national economy.

Taking the budget, which carried the theme "People Economy", in the Dewan Rakyat, the prime minister said the approach gave emphasis to striking a balance between the capital economy and the people's economy.

The budget will focus on the people's economy as the bedrock in prioritising the interests of the rakyat. Hence, we can achieve advanced nation status; the benefits of the nation's wealth and prosperity will be enjoyed by the Rakyat," he said.

He said the people's economy is an economy that is Rakyat-oriented, covering priorities and interests of the Rakyat, such as cost of living, household income, education opportunities, employment and business, quality of life, skills training, entrepreneurship as well as security and safety.

Budget 2015 allocates a total of RM273.9 billion, of which RM23.4 billion is for operating expenditure and RM50.5 billion for development expenditure.

Budget 2015 allocates a total of RM273.9 billion, of which RM23.4 billion is for operating expenditure and RM50.5 billion for development expenditure.

In the effort to help the people, the government proposed to reduce the individual income tax rates by one to three percentage points, thus exempting 300,000 people from having to pay income tax for year of assessment 2015.

Furthermore, households earning RM4,000 a month are no longer required to pay income tax.

From April next year, the government is to implement the Goods and Services Tax (GST), but people who use RON95 petrol, diesel and LPG can leave a high of relief as these fuels are exempted from the tax.

Contrary to the assumption that GST will trigger an increase in the prices of all goods, Budget 2015 proposed to have a reduction of up to 4.1 per cent in the prices of 532 items or 56 per cent of the 944 goods and services in the basket of goods of the CPI.

Among these goods are medicines, electrical appliances such as refrigerator and washing machines, levle products, plastic products such as pots and plates, shoes and slippers, household furniture, baby diapers, soap, meat, chickens eggs, cooking oil, seafood, rice and vegetables.

In addition, the government has also agreed that electricity consumption that is not subject to GST be increased from the first 200 units to 300 units. This will benefit 70 per cent of households.

In keeping to the government's pledge of 'people first', Najib also announced a widening of the scope of goods that would not be subjected to GST.

Those goods encompass all types of fruit, whether local or imported; white bread and wholemeal bread; coffee powder;



Najib (right) tabling the Budget yesterday

tea dust and cocoa powder; yellow rice, kway teow, laksa and mee hoon; national essential medicines covering almost 2,000 medicine brands used to treat 30 types of diseases including heart failure, diabetes, hypertension, cancer and fertility treatment.

Reading materials such as children's colouring books, exercise and reference books, text books, dictionaries and religious books; and newspapers.

The efforts to assist all the people covered primary pupils to tertiary students; fishermen to smallholders; the poor to middle-income people; civil servants and the disabled.

In a move to ease the impact of the rising cost of living, the government proposed to raise the quantum of the Malaysia People's Aid (BRIM) from RM650 to RM650 for households with a monthly income of less than RM3,000.

"Households with a monthly income of between RM3,000 and RM400 will receive BRIM of RM350 compared to RM450 now," said Najib.

Singles aged 21 and above and earning net more than RM2,000 a month would receive BRIM of RM350, up from the current RM300.

Najib said the government would maintain its commitment to disclose schooling aid of RM100, involving 5.4 million primary pupils and secondary students and an allocation of RM560 million.

This is to reduce the burden of early school education borne by the parents and guardians of students, particularly those from the low-income group, he added.

In addition, the government would also continue with the Malaysia Book Voucher Programme of RM250 per student with an allocation of RM325 million, benefiting 1.3 million students.

Responding to the lament of the people over the difficulty in obtaining food supplies at reasonable prices, the prime minister announced that 65 more permanent farmers' markets and 50 fish markets would be opened nationwide, adding to the existing 526 farmers' markets and 50 fish markets.

For the fishermen, Najib announced an increase of between RM50 and RM100 to RM200 in their monthly allowance, depending on their zone of operation.

He also said that the government would provide a monthly allowance of RM200 for the first time for full-time coastal fishermen, and that this would benefit around 44,000 fishermen.

He announced an additional RM250 million for housing projects and to improve the living conditions of fishing villages. He had announced in the 2012 budget an allocation of RM300 million for the Special Housing Fund for Fishermen to build and refurbish the houses of fishermen.

The government would also allocate RM400 million to implement a regulatory price mechanism at the farm level to protect smallholders from losses incurred, particularly when

Following many complaints from Malaysia Property Developers claiming a slowdown in sales after budget 2014 was introduced and many cooling measures to curb the soaring house prices are presented. The recently announced Budget 2015 appeared to be friendlier and less harmful to the property development sector.

SHAREDA lauded the government's move in helping youths and first time house buyers with the Youth Housing Scheme, as well as more units to be built under 1 Prima Housing or 1 Malaysia People's Housing Programme. Prime Minister Datuk Seri Najib Tun Razak has announced loan offers as high as 110% will be extended to 1 Prima house buyers by selected financial institutions. The ceiling of household income for those applying for the 1 Prima homes will be raised from RM 8,000 to RM 10,000 in 2015. RM 1.3 Billion was allocated to build 80,000 units of Prima Houses in 2015 was announced in Budget 2015 to address the issue of home ownership at affordable prices.

Budget 2015 also announced Youth Housing Scheme which is a smart Partnership between the Government, Bank Simpanan Nasional, Employees Provident Fund, and Cagarmas Bhd to provide special loan package to 20,000 first time house buyers from newly married youth couples.

A Rent-To-Own Scheme would be introduced specifically for individuals who are unable to obtain bank finance and JPN or National Housing Department. 26,000 units of houses would be built under the People's Housing Programme (PPR) with allocation of RM 644 million as announced in the Budget 2015.

Syarikat Perumahan Negara Berhad (SPNB) is to build 12,000 of "Rumah Mesra Rakyat" and 5,000 units of "Rumah Idaman Rakyat" and also 20,000 units of "Rumah Aspirasi Rakyat" on privately owned land.

Budget 2015 also relieves the concerns about the difficulties for civil servants to obtain financing for houses by increasing the minimum eligibility for housing loan from RM 80,000 to RM 120,000 and the maximum eligibility limit from RM 450,000 to RM 600,000. The processing fee of RM100 for housing loan application would also be abolished. Prime Minister Datuk Seri Najib also committed to build more 1 Malaysia Civil Servant's Housing (PPA1M) and to be sold at 25% cheaper than the prevailing market price and provide a facilitation fund up to 25% from the project cost to private property developers who will participate in this scheme.

The above announcement of Budget 2015 in relation to housing sectors will surely help to boost the affordable homes market in 2015. The announcement by Minister of Urban Well Being, Housing and Local Government, Datuk Abdul Rahman Dahlan in August 30 mentions that the government is open to reintroducing DIBS Scheme if there are indicators that the ban is creating a negative impact is most welcomed by all property developers. Datuk Abdul Rahman Dahlan also announced in September 16, 2014 that his ministry has no plan to compel housing developers to adopt the Build Then Sell concept for all new housing projects as demanded by house buyers association (HBA). This has again proven the government is willing to listen to industrial players, of which SHARED, REHDA and SHEDA have in many occasions stressed the importance of property development and its spill over impacts to our economic growth as Property Development directly affects 165 related chain linked industries and is the creator of employments and job opportunities.



## 143,000 more affordable housing to be built: PM

From Page One

In addressing the issue of ownership of affordable housing, the Prime Minister said 143,000 more affordable houses would be built nationwide.

These comprised 80,000 units under the 1Malaysia People's Housing Programme (PR1MA), 26,000 units under the People's Housing Programme (PPR), 12,000 units of Rumah Mesra Rakyat, 5,000 units of Rumah Idaman Rakyat and 20,000 units of Rumah Aspirasi Rakyat.

Najib said the Government would continue to address the plight of the poor, children, senior citizens and the disabled with an allocation of RM1.2 billion. "The Government also agrees to increase the allowance for working disabled people from RM300 to RM350. Meanwhile, financial assistance for non-working disabled people will be increased from RM150 to RM200.

"This will benefit 110,000 disabled people, and involve RM66 million," he said.

In addition, the tax relief for each disabled child would be increased from RM5,000 to RM6,000, he added.

The Prime Minister said the Government would allocate RM711 million to the Ministry of Education, Tabika Kemas, Permata and Tabika Perpaduan to strengthen early childhood education.

As a means of enhancing the effectiveness of the public service delivery system, the Government proposed to improve the 252 existing schemes of service, he said.

He also said that to enable civil servants to own houses, the Government proposed to raise the minimum eligibility for housing loans from RM80,000 to RM120,000 and the maximum eligibility limit from RM450,000 to RM600,000.

Najib also announced that the Government proposed to reduce the minimum price of houses under the 1Malaysia Civil Servants' Housing from RM150,000 to RM90,000 and would build 5,380 units of such houses in Putrajaya, Bukit Jalil (Kuala Lumpur), Papar (Sabah) and Bukit Pinang (Kedah).

A much-awaited news was the bonus for civil servants. Najib said the Government proposed to pay a half-month salary as bonus with a minimum payment of RM500 in January 2015. Government pensioners would receive a special financial assistance of RM250.

"I hope the financial assistance will ease the burden of civil servants and pensioners," he said.

The Prime Minister said that under the development expenditure of the budget, the economic sector would receive the highest share at RM29.3 billion, followed by the social sector with RM12.6 billion for education and training, health, housing and the well-being of society.

In addition, RM4.9 billion would be allocated to the security sector, the balance of RM1.7 billion for general administration and RM2 billion for contingencies.

Therefore, with the above mentioned friendly budget and consolation gestures from the government, SHARED A opined that the property market outlook 2015 can perform better than 2014 without much policy risks interfering with the property market apart from the soon to be implemented Goods and Service Tax (GST) in April 1st 2015.



GROW & SHARE TOGETHER

## Build-then-sell concept, if adopted, will cause hike in prices of houses

**KUALA LUMPUR:** Forced adoption of the build-then-sell concept on housing developers can lead to the price pressure phenomenon, which will lead to a hike in the price of houses in the country.

Urban Wellbeing, Housing and Local Government Minister Datuk Abdul Rahman Dahlan said that was why the government decided not to compel housing developers to adopt the concept as it would also cause a reduction in the supply of houses.



Rahman

"If we compel housing developers to adopt the concept, the small-scale developers will face financial issues and they can never afford to carry out any project," he said when winding up the debate on the Supply Bill 2015 at the ministerial level at the Dewan Rakyat sitting yesterday.

Prior to this, former Housing and Local Government Minister Datuk Seri Chor Chee Heung proposed to the government to compel housing developers

to adopt the concept from next year in order to prevent house buyers from being victimised by abandoned housing project.

Abdul Rahman said he did not deny that the concept might be able to resolve the issue of abandoned housing projects, but it could also bring about other negative implications, especially hike in house prices.

He said although the issue of abandoned housing projects should be addressed, the commitment of the government

remained at solving the issue of the steep rise in house prices of late.

"As such, we will not compel housing developers to adopt the concept in 2015, but we welcome any developers who want to adopt the concept voluntarily as an attraction to house buyers," he said.

Abdul Rahman said he also did not rule out the possibility that the government might reconsider the plan in the future. In the meantime, he also explained that

the government could not control the price of houses in the country because it was not an easy task and that it might also affect 140 other related industries.

However, he said to enable the people to own a house, the government had implemented various housing projects for the people, including affordable housing projects, as well as low-cost and medium-cost housing projects.

The sitting continues on Monday. - Bernama

## Govt open to reintroducing DIBS scheme

**PETALING JAYA:** The Government is open to reintroducing the Developer Interest Bearing Scheme (DIBS) for the residential property market if there are indications that the ban is creating a negative impact, said Urban Wellbeing, Housing and Local Government Minister Datuk Abdul Rahman Dahlan.

"There are some suggestions made by the industry, we will look into it. There are pros and cons, there's no hard and fast rule on this. If it is not abused, it's a tool for everybody to sell their houses and to make it more affordable for the people. We will look at it on a case-by-case basis. It's not cast in stone. Some policies can be changed mid-term," he told reporters at the 17th National Housing & Property Summit 2014.

"If there are some indicators that DIBS can be reintroduced we have no problem with it but the most important thing is we must be flexible and nimble," he added.

During the Budget 2014 announcement last year, Prime Minister Datuk Seri Najib Abdul Razak announced

the removal of DIBS, amongst a slew of cooling measures for the property market. Since then, some developers have urged the government to allow DIBS for first-time home buyers.

MKH Bhd group managing director Tan Sri Eddy Chen who spoke at the summit debate titled 'Are the Cooling Measures Good for the Market and House Buyers?', for one is confident that DIBS can be reintroduced in a manner which could deter past abuses from happening again. He however did not elaborate on this.

National House Buyers Association secretary-general Chang Kim Loong, who also spoke at the debate, is adamant that it not be reintroduced in any shape or form saying that DIBS encourages speculation which artificially inflates property prices.

"In the event of an economic downturn, banks saddled with too much DIBS end-financing could collapse as the losses from such DIBS end-financing will erode the banks' capital," he added.

Meanwhile Abdul Rahman said in his keynote address that the ministry is proposing to apply for lands from the Ministry of Finance to buy strategic land in urban areas to develop low cost and affordable housing in the future.

"Some people say that government should not buy land. I disagree. We should be aggressively buying more land in the urban areas. The government of Sarawak is doing it and I know Johor is looking into it but for the federal government, I find it increasingly difficult to find land in good strategic location to build PPR (People's Housing Project) within urban centre. That's why buying land now would be a very interesting strategic policy. It may be expensive but you all know the price of land will always go up. The government will not lose in terms of value," Abdul Rahman said.

Chang questioned the ministry's move to buy land, stating that it would be more meaningful for the government to take over responsibility for all low-cost housing in the country instead.

## A THUMBS UP TO DATUK ABDUL RAHMAN DAHLAN FOR HIS UNDERSTANDING OF DEVELOPERS' CONCERNS

### No plan to force 'build-then-sell' concept

**KUALA LIPIS:** The government has no plan to compel housing developers to adopt the build-then-sell concept for all new housing projects as demanded by House Buyers Association (HBA).

Urban Wellbeing, Housing and Local Government Minister Datuk Abdul Rahman Dahlan said the ministry, in principle, did not see the concept as being able to solve the issue of house price hike in the country.

"The build-then-sell concept need not be compelled, but any housing developers are welcomed to adopt the concept."

"We fear that if the developers were compelled to adopt the concept, it will affect them and hence, reduce the number of housing projects, which will eventually lead to a hike in the house price."

Abdul Rahman said this to reporters after opening the Cameron Highlands Umno delegates' meeting in Felda Sungai Koyan here Sunday. - Bernama

## 2.2 EXPECTED AFFORDABLE HOUSING SCHEME TO BE LAUNCHED IN 2015

As reflected in Budget 2015, numerous affordable schemes will be implemented nationwide. In Sabah, it is expected a total of 15,388 units will be built in 2015 involving the Sabah State Government through LPPB, the Federal Governments linked housing agency such as Jabatan Perumahan Negara (JPN), Syarikat Perumahan Negara Berhad (SPNB), 1 Prima Berhad and SHARED A's promise of delivery of 10,000 units (which will be actively launched in 2015).

SHARED A Research Unit has called at the respective government linked agencies and has recorded all the expected affordable housing schemes to be launched in 2015 in a summary table shown below:-

No.	Name of Housing Agency	No. of Units	Gross Development Value (GDV)
1	1PRIMA Berhad	1,750	RM475 Million
2	PPA1M – JV with Private Developers	4,600	RM1.306 Billion
3	Jabatan Perumahan Negara (JPN)	500	RM90 Million
4	Syarikat Perumahan Negara Berhad (SPNB)	832	RM160 Million
5	Superpanel Sdn Bhd	1,110	RM330 Million
6	SEDIA	1,480	RM300 Million
7	SHARED A – MLGH Affordable Housing Programme	5,116	RM1.393 Billion
	<b>TOTAL</b>	<b>15,388</b>	<b>RM4.054 Billion</b>



The expected supplies of 15,388 units of affordable housing derived from the breakdown of the respective housing schemes outlined are as below :-

### 2.2.1 PR1MA Homes to be built by 1 PR1MA Berhad

Name of Housing Agency	Description of Projects	Location	No. of Units	Gross Development Value (GDV)	Remarks
1PR1MA Berhad	PR1MA @ Sandakan 1 CBD	City Centre	750	RM 205 Million	(a) 900 sq. ft. (b) Price starting from RM280,000
	PR1MA Borneo Cove	Buli-Buli Sim-Sim	1,000	RM 270 Million	(a) 600 - 1200 sq. ft (b) RM150,000 to RM360,000
		<b>Total</b>	<b>1,750</b>	<b>RM475 Billion</b>	



PR1MA @ Sandakan 1 CBD



PR1MA Borneo Cove, Buli-Buli Sim-Sim

## 2.2.2 Projek Perumahan Awam 1 Malaysia (PPA1M) To be Built For Government Servants

Name of Housing Agency	Description of Projects	Location	No. of Units	Gross Development Value (GDV)	Remarks
PPA1M – JV with Private Developers	PPA1M Papar	Papar	1,290	RM 322.5 Million	Apartments with lifts ( LPPB )
	PPA1M Kg. Laya-Laya Phase 1	Tuaran	2,310	RM 663 Million	Landed terrace houses / apartments
	PPA1M Lintas	Kota Kinabalu	1,000	RM 320 Million	Apartments with lifts
		<b>Total</b>	<b>4,600</b>	<b>RM 1.306 Billion</b>	



PPA1M Lintas



Double storey - PPA1M Kg Laya- Laya



Single storey - PPA1M Kg Laya- Laya



## Numerous Affordable Housing Schemes to be built by GLCs

No.	Name of Housing Agency	Description of Projects	Location	No. of Units	Gross Development Value (GDV)	Remarks
2.2.3	Jabatan Perumahan Negara (JPN)	3 blocks of 11-storey 500 units apartment – Program Perumahan Rakyat (PPR)	Kg. Meruntum, Putatan	500	RM90 Million	For Rental
2.2.4	Syarikat Perumahan Negara Berhad (SPNB)	4 storey walked up apartments at Telipok	Telipok	832	RM160 Million	JV with Tamasan SB
2.2.5	Superpanel Sdn Bhd	5 blocks of 15-storey 1,110 units apartment for TLDM staff quarters	Kg. Melawa, Telipok	1,110	RM330 Million	JV with private developer
2.2.6	SEDIA	Resettlement scheme of Pulau Gaya squatters to Kg. Gusi, Kinarut, Papar. 15 blocks of 5-storey walked up apartments	Kinarut, Papar	1,480	RM300 Million	Resettlement scheme
			<b>Total</b>	<b>3,922</b>	<b>RM880 Million</b>	



TLDM staff quarters, Sepang Bay

## 2.2.7 SHARED A – MLGH Affordable Housing Programme To Be Launched in 2015

No.	Project Name	Company Name	Location	No. of Units	Gross Development Value (GDV)	Type
1	Timbok Jaya Apartment	Kinsanova Sdn Bhd	Tuaran	888	RM 222 Million	Apartment
2	Taman Luagan Jaya	Kinsalaju Sdn Bhd	Beaufort	86	RM 30 Million	Single Storey Terrace House
3	Sri Indah Apartment	Hap Seng Property Sdn Bhd	Tawau	500	RM 125 Million	Walked up Apartment
4	Ria Heights	Hap Seng Property Sdn Bhd	Tawau	1,024	RM 256 Million	Single Storey and Double Storey
5	Affordable Apartment	Wijaya Daya Development Sdn Bhd	Telipok	1,664	RM 400 Million	Apartment with lifts
6	Kingfisher Inanam	Hap Seng Properties Development Sdn Bhd	Inanam	700	RM 300 Million	Condominium
7	Taman Salaping Ph.1	Cheng Ying Sdn Bhd	Kota Marudu	59	RM 15 Million	Single Storey Terrace
8	Taman Khazanah Indah	Khazanah Jaya Sdn Bhd	Lahad Datu	195	RM 45 Million	Single Storey Terrace
			<b>Total</b>	<b>5,116</b>	<b>RM1.393 Billion</b>	



Timbok Jaya Apartment, Tuaran



Sri Indah Apartment, Tawau



Ria Heights, Tawau

## 2.3 SABAH GOVERNMENT INITIATED JOINT VENTURED DEVELOPMENTS

Several notable mega development projects which had their joint venture agreement sealed in the last two years with the State Government have come to maturity where the development plan has now been approved by the authority concerned and ready to take off. The aforementioned developments are listed as follows:-

### 2.3.1 Kota Kinabalu Convention Centre (KKCC)

One of the government initiated joint ventured project between the Yayasan Sabah Group and Bursa Malaysia listed Mah Sing Group known as the KK Convention Centre, strategically located at 15.28 acres next to the Sabah International Convention Centre and Star Cruise Harbour. KKCC is expected to commence construction in year 2015 and will take 48 months to complete and has a potential Gross Developmental Value (GDV) of **RM 2 Billion**. KKCC shall feature a 25-storey office building, a high rise apartment, commercial shop lots and a 30-storey hotel building. KKCC is the second project for Mah Sing in Sabah after 4.26 Acres Sutera Avenue next to the Kota Kinabalu Coastal Highway.

Mah Sing group had a preview on KKCC in conjunction with their show gallery opening at Jalan Pantai on 18 to 19 October 2014.



Kota Kinabalu Convention Centre – RM2 Billion GDV, expected to starts next year which will take 48 months to complete.

### 2.3.2 Jesselton Quay

#### *All Systems Go At Jesselton Quay, Kk*



Jesselton Quay – RM1.8 Billion GDV is expected to start next year which will take 5 years to complete on 16.25 acres of coastal land

KK's newest lifestyle destination, where heritage meets contemporary architecture at the edge of the South China Sea. This is the birthplace of Jesselton, or Kota Kinabalu as we know it today, reborn as a waterside city with stunning sea and mountain views.

The latest addition to the city's iconic projects, the Jesselton Quay, or in short JQ, is expected to kick off sometime in 2015. To be developed by SBC Corporation Berhad (SBC) in partnership with landowner Suria Capital Holding Berhad (SCHB), Jesselton Quay is a **RM1.8 Billion** mixed development on a 16.25 acre of coastal land. JQ is expected to complete in 5 years.

To be equipped with its own cruise terminal, this new waterfront development will be a vital addition that will supplement the Kota Kinabalu International Cruise Terminal proposed under the State's Tourism Blueprint. The Project will also open the path for a "Greater KK" as outlined under "The Corridor and Cities Transformation Programme" of the Sabah Development Corridor (SDC).

### 2.3.3 Sabah International Convention Centre (SICC)



The project is located strategically at the tail-end of the proposed Jesselton Waterfront Development. It is surrounded by the sea on 2 sides and fronting the main road Jalan Tun Fuad Stephen.

The Sabah International Convention Centre will be the main centre for convention activities and development of the MICE industry in the City of Nature Resort.

The projects are fully funded by Sabah State Government with a gross development contract (GDC) value of **RM 600 Million**.



The Sabah International Convention Center - **RM500 million** GDV, expected to start next year which will take 3 years to complete

### 2.3.4 Tanjung Aru Eco Development (TAED)

The proposed project composed of distinct character areas featuring three beaches, Prince Philip Park, resort hotels, beach clubs, marinas, and entertainment, recreation, food and beverage facilities.

The master developer is Tanjung Aru Eco Development Sdn Bhd (TAEDSB) which is wholly owned by the Sabah State Government. The total land area for the grand project is 314 hectares (775.911 acres). The proposed development will attract over **RM7 Billion** in investments in the spread of 5 years.



Master Planning of Tanjung Aru Eco Development



32 percent of the total land area will be sold as parcels for development (36 lots for sale and 25 percent of it to be allocated for green space). The remaining 68 percent comprises of accessible open and recreational spaces, including a proposed golf course.

The proposed plan includes widening the beach to at least 50 meters at low tide (five times wider); currently it is 9 metres and 100 metres at high tide (four times wider), currently 25 metres and Prince Phillip park will be enlarged to twice its size to 27 acres, currently 11.43 acres.

## 2.4 PRIVATE DEVELOPMENT INITIATED BY SHARED MEMBERS

The property market in 2015 is expected to be vibrant in view of several mega mixed development already advertised for preview at the end of 2014. Among others, two notable mixed development projects that will be developed by Homesign Network Sdn Bhd are illustrated below :

### 2.4.1 360° Boulevard

An integrated mixed development located in Jalan Bundusan, Penampang with a Gross Development Value of **RM1.2 Billion**. The proposed development consists of 2 blocks of 23-storey service suites, 2 blocks of 13-storey iconic towers, 15 blocks of 6-storey commercial units and 16 blocks of 4-storey duplex shophots.

*One stop lifestyle theme hybrid commercial development*



Real Estate  
Penampang, April 21, 2013

3

2 BLOCKS OF 23 STOREY SERVICE SUITES

2 BLOCKS OF 13 STOREY ICONIC TOWERS

15 BLOCKS OF 6 STOREY COMMERCIAL UNITS

16 BLOCKS OF 4 STOREY DUPLEX SHOPLOTS

ONE DAY BOOKING ONLY ON 21st APRIL 2013 WITH SPECIAL DISCOUNT

- 1 One stop lifestyle theme hybrid commercial development.
- 2 Value adding all ground floor concept!
- 3 Strategic location with more than 10,000 households within close proximity.
- 4 Thoughtful drop-off point with more than 1700 and easily accessible parking.
- 5 Self sufficient development supported by critical dock by the day and service suites in the building.
- 6 Service Suites with housekeeping services.

Opportunity to invest in Bundusan's most exciting mixed development!

360° BOULEVARD

STAGE 1 COMPLETION DATE ESTIMATED BY MID 2013.

Stavromon Vending m/s  
Dure & Sirei 21st April 2013 (Sunrise)  
Nizam Spore

16 UNITS ONLY  
2 STOREY SEMI DETACHED HOUSE  
STAGE 2  
OPEN FOR REGISTRATION

HomeSign  
**HOMESIGN NETWORK SDN BHD.**  
LIFESTYLE REDEFINED

0-07-0, 5th Floor, Block G, 11, Street Square, Off Cassia Highway,  
61100 Kuala Lumpur, Selangor, Malaysia

T: 6088 238 722/238 733 F: 6088 238 744

Website: www.homesign.com.my

Advertised for preview in 17th April 2013 strategically located at Jalan Bundusan with a GDV of RM1.2 Billion

## 2.4.2 Sky City, Kota Kinabalu

An integrated mixed development located in Karamunsing with a Gross Development Value of **RM2.5 Billion** to be developed on a 2.428 hectare land comprises of three 30-storey high-rise building.

The proposed development consists of 340 guest rooms and hotel suites, offices, retail shopping mall and two towers comprising of 290 service suites for sale.



# Sabah property sector set to boom — Teo

By Jane Lajon

**KOTA KINABALU:** The aggressive implementation of Sabah Development Corridor (SDC) supported by oil palm revenues has seen a high demand in Sabah's real estate market, which recorded a significant increase.

Special Tasks minister, Datuk Teo Chee Kang said during the signing ceremony of a management agreement between Homesign Network and New World Hotel Management Limited at the Sutera Harbour Resort yesterday, that property values were reportedly appreciating in all segments with prices for residential, commercial and industrial units projected to increase steadily in the next five to 10 years.

"The emphasis will be very much towards increasing Kota Kinabalu's economic performance and liveability. The strong development impulses generated have seen the expansion of more

premium property developments within a 5km radius of Kota Kinabalu, making the state capital an attractive investment destination for overseas investors," he said.

He added that the prospering tourism, oil and gas, and agriculture industry have caused the economy to flourish and therefore there had been a significant increase in terms of foreign direct investment into Sabah, making it one of the places to look out for in this region.

He also said that Sabah's current rapid economic development phase was part of the Economic Transformation Programme led by the Sabah Economic Development and Investment Authority (SEDA).

He said this was in line with the vision of the Sabah Government to turn areas from the West Coast up to the Tip of Borneo under the Sabah Development Corridor (SDC) for tourism development

known as 'Kinabalu Gold Coast'.

Meanwhile, Teo also commended the development of Sky City Kota Kinabalu, which will be constructed on a piece of land that was formerly used for a housing project that was abandoned.

"I am glad that in three years, the site, which was once an eyesore, will be turned into an iconic landmark in Karamunsing, Kota Kinabalu," he said.

He added that the Sky City Kota Kinabalu would be a good location for professionals and businesses due to its location at the city centre.

"It is well connected to other areas which are experiencing rapid development. Together with the other developments and transport expansion, this area is expected to grow into one of the most bustling business areas in the near future," he said.

Also present at the event was Homesign Network managing director, Lee Chee Kiang.



Teo witnessing the signing ceremony between Homesign Network and New World Hotel Management Limited at Sutera Harbour Resort.





### 2.4.3 D Residence

A propose high-rise residential development to be developed on a hilly side of Kg. Dimpokuan, in the Penampang vicinity with a Gross Development Value of **RM400 Million**.

This upcoming residential development will be one of the highest in the area upon completion with a commanding sea view.

The 2 condominium towers comprise of 18-storey and 26-storey with 650 residential units to be launched in the future.

### 2.4.4 Titanium Technology Park

A light industrial showroom featuring 58 units of lower ground warehouse and 112-units of 3 to 4-storey upper ground showroom/office located at HSK light industrial area. The Gross Development Value of the entire project is **RM372 Million**.



#### 2.4.5 Orchard Plaza

Orchard Plaza located in the heart of Tenom Town Centre possesses all the qualities of a prime commercial hub. This property will feature 71 double storey shop lots, complemented by a super market with a floor space of 40,000 sq.ft. The visually appealing development will boast the latest in telecommunications infrastructure, as well as a modern and practical building, landscaping and traffic design. A mini bus station spanning 70m will also be built to help improve the ever-growing public transportation system in Tenom. The development will be developed by Glowbest Sdn Bhd and commence its construction by February 2015. The Gross Development Value is approximately **RM50M**.



#### 2.4.6 GM Home Retail Warehouse

Located in Menggatal, Off Tuaran Bypass, GM Home is a one-stop household and home furnishing hub for the Northern corridor residents of Kota Kinabalu. It is accessible via Tuaran road to Kudat. It is a retail warehouse concept that spreads across 70,000 sq.ft with ample car parks at basement and ground level. It is ideal for hypermarket, furniture outlets, specialty outlets and fast food drive-thru outlets.

The project will be developed by Grand Merdeka Development Sdn Bhd with the Gross Development Cost of **RM23 Million**.



### 2.4.7 Unicorn Tower Condominium

The condominium project consists of 768 units distributed into 3 blocks of 16-storey is strategically located at 2nd lot from Jalan Bundusan.

Access road to the condominium can be linked to Delta Heights and Beverly Hills commercial hub. With a Gross Development Value of **RM371 Million**, this project claims to possess the best common facilities among all the mid-range pricing condominium products.

Expected to launch in April 2015 with selling price ranges from RM420 to RM500 per square foot.



### 2.4.8 The Riverside Residence @ Sodomon

Possesses 134-units of medium end condominium next to Cyber City at Jalan Lintas. The low density 6 to 7-storey condominium development shall generate a Gross Development Value of **RM66 Million**.

Developed by Kinsabina Sdn.Bhd, the frequent postponement of the said project launching is due to the long delay of development plan approval and conversion from Native title to Country Lease. The developer has eventually obtained the developer license and schedule to launch in Jan 2015.



#### 2.4.9 Casablanca Residence

The proposed 94 units landed residential development is located on a 10.66 acre land at Kolombong. The residential units comprise of 2 types, 2 storey or 3storey terrace town houses.

This development will generate a Gross Development Value of **RM86 Million** and proclaim to be the first terrace residential development with gated and guarded community living equipped with club house facilities.



#### 2.4.10 Kingfisher Inanam

Located only 5 minutes from Inanam Town, Kingfisher Inanam marks Hap Seng's return into the property development scene in Kota Kinabalu after a few years concentrating on the East Coast of Sabah. This condominium scheme of over 700 units will be built on 34.6 acres of land on Jalan Kiansom.

It boasts a modern, impressive façade and complete condominium facilities such as podium parking, swimming pool, gym and children's playground. This residential scheme is expected to be launched in June 2015 with a Gross Development Value of **RM300 Million**.



#### 2.4.11 Kingfisher Putatan

Kingfisher Putatan is another residential scheme by Hap Seng that is expected to be launched in June 2015.

The first phase will consist of 120 units of apartments in a mixed development scheme in Ketiau, Putatan with a Gross Development Value of **RM45 Million**.

#### 2.4.12 Astana Heights Phase 2B & 2D

To be developed by Hap Seng, this residential development is only a stone's throw away from Sandakan town. This upcoming phase in Astana Heights will have 22 units of bungalows located on a gentle hill, some with sea views. These elegant bungalows accentuate an exclusive lifestyle for its resident. The estimated Gross Development Value for these 2 phases is **RM30 Million**.



#### 2.4.13 Bandar Sri Perdana Phase 4E1

The latest scheme at Bandar Sri Perdana to be developed by Hap Seng consists of 44 units of modern, elegant homes. Located within Lahad Datu's most sought after address, these double-storey semi-detached contemporary homes boast a double volume ceiling at the dining area, and an attractive façade.

This phase is expected to be launched in the first quarter of 2015 and has an estimated Gross Development Value of **RM47 Million**.



#### 2.4.14 Maya @ Likas

Tower Paradise Sdn Bhd will be launching their landmark project within the next 6 months, named MAYA @ Likas which is helmed by seasoned developer Datuk Kong Kwok Wah and his team.

MAYA @ Likas is touted to be the new landmark for the area, situated 1½ mile from the city centre next to Taman Fantasi and Likas Sport Complex. MAYA @ Likas consists of step up building rising from 16 storey to 25 storey and has a panoramic view over the KK city and Tanjung Lipat. Comprising of 483 units, this condominium is aesthetically unique, innovative and packed with modern amenities and features. Size of units is ranges from 950 - 1,280 sqft, which is an ideal affordable choice of investment for start-up families and young professionals who wish to live within the convenience of the KK city.

The total GDV for this project is estimated at **RM268 Million**.



#### 2.4.15 Royal Kinabalu Mountain Resorts & Hotel Suites

The 5 star mountain resort boasts 124 hotel rooms and 280 unit of hotel suites located next to Malaysia's first world heritage site, the renowned Kinabalu Park at Kg. Tinompok, Ranau will commence construction next year. The developer, Kinsaresorts Berhad is to keep all the hotel suites for MM2H Programme and not for sale to the public although all hotel suites possesses individual subsidiary titles. The Gross Development Cost of the project is **RM370 Million**.



#### 2.4.16 Royal City Hotel & Retail Complex

A hotel tourism product developed by Arah Permai Sdn.Bhd to provide 5 stars standard with 318 hotel rooms, 1 grand ballroom that can cater for 200 banquet tables and wholly-owned 3-storey boutique retail mall. The total Gross Development Cost is **RM337 Million** with 4-storey of 1,000 car parking lots.

This hotel is designed with green features that aims for GBI Silver accreditation. Royal City Hotel shall present 2 sky lounge restaurants and café located on both towers' rooftop that can overlook the South China Sea.



#### 2.4.17 ALILA Dalit Bay, Tuaran

ALILA Dalit Bay Sabah is located on the island's northern coast overlooking 17 acres of pure white, unspoiled foreshore – 40 minutes' drive from Kota Kinabalu. The beachfront resort will be operated by renown hotel operator, the Alila Group. Featuring 152 hotel suites with diverse dining, sky lounge and bar, spa, kid's club, library, boutiques, swimming pools, outdoor wedding chapel and an event centre to be completed at later stage.

Another 74 villas for private legal ownership are set within a secluded 5-hectare estate, spaciouly planned around extensive gardens, forests and water bodies – each with direct access to the beach and lagoon with panoramic Mengkabong River views. Inspired by local longhouses, and Borneo's cultural heritage, the villas are a sophisticated blend of refined and raw, crafted in a palette of local woods, off-form concrete, woven rattan, painted screens and tribal artefacts.

Ecologically designed for natural airflow, the project will comprise of:

One-bedroom Villas (253.5 sqm) – elongated living and bedroom areas open fully on both sides to private gardens, overlooking large private pool, deck and shaded terrace.

Two-bedroom Villas (486 sqm) – a long main wing (living, dining and bedroom) with a separate master suite overlooking a swimming pool. The buildings form an L shape around a large internal garden with decks, lounge pavilion and luxe outdoor furniture.

This leisure property development will have total Gross Development Cost of **RM225.3 million**.





Phase 1

#### 2.4.18 Aman Saujana Resort Villas Phase 1, 2 & 3

This leisure property development consists of 88 units of dual key villas and 20 units 3 rooms lagoon villas sited on 29.63 acres of land next to Shahbandar Beach, Tuaran. The holiday villas development is designed to blend the local Bajau architecture which will incur a Gross Development Cost of **RM210 Million** and to be operated as 5 star resort villas for rental.



Phase 2



Clubhouse & Reception Building

#### 2.4.19 Aman Pesona Beachside Villas

Another green architecture and tourism development for 120 units storey holiday villas development at Kg. Shahbandar and sited 500 meter away from Shahbandar beach is up for rental to foreigners for retreat home purposes. The leisure property development will generate a Gross Development Cost of **RM240 Million** and to be launched next year. Well equipped with club house facilities such as swimming pool, sport facility, restaurant and gymnasium. Each single storey detached villa has a wading pool with few sizes of built up area from 1,600 sq.ft, 1,800 sq.ft to 2,200 sq.ft, Land sizes ranging from 6,000 sq.ft to 10,000 sq.ft. It will be managed by a reputable resort operator.



Gated and guarded, underground cable and drainage system, beautifully landscaped and secluded with tranquility and embraced by natural swamp

## 2.5 SUMMARY OF PROPERTY MARKET OUTLOOK 2015

In conclusion, the variety of property developments as forecasted above can be summarised in the table below with a total Gross Development Value of RM18 Billion to be realised in 2015 if all the prescribed projects are to be kicked off according to the expected schedule.

Item	Types of Development	Total Units	Total GDV	Remarks
1.	2.2 Affordable Housing Schemes <i>(page 43)</i>	15,388	RM4.054 B	Refer to table 2.2 <i>(page 43)</i>
2.	2.3 State Government Initiated JV Developments <i>(page 48)</i>	N/A	RM5.800 B	TAED development cost of 7B is spread over in 5 years
3.	2.4 Private Development Initiated by SHAREDA Members Including Leisure Properties <i>(page 52)</i>	N/A	RM7.140 B	
4.	Development projects to be launched by SHAREDA members in east coast, Sandakan, Kudat and Interior region which are yet to be confirmed	N/A	RM1.006 B	Assumption was made based on last year GDV
		<b>TOTAL</b>	<b>RM18.00 B</b>	

Out of the total expected RM18 B GDV to be realised in 2015, SHARE DA shall contribute RM9.5 B which is inclusive of SHAREDA-MLGH Affordable Housing Programme with total units of 5,116 (GDV RMI.393 B) plus the Private Development initiated by SHAREDA Members including leisure properties with total GDV of RM7.140 Band Development projects to be launched by SHAREDA Members in the East Coast, Sandakan, Kudat and Interior region with expected G DV of RM1.006 B.

### 3.0 SHARED A BESTOWED MOST OUTSTANDING CONTRIBUTION AWARD TO SABAH'S CITYSCAPE

SHARED A has been contributing to the development of Sabah's landscape in a significant manner. On the 29th November 2014, SHARED A was honoured with a special award entitled "Outstanding Contribution to the Sabah Development Landscape" which was presented by The Malaysian Reserve Property Press Award 2014 at the Doubletree Hilton, KLCC in Kuala Lumpur. This award recognises exemplary contributors in the Malaysian property industry.

The SHARED A members with their innovation and risk taking spirit have made their presence felt in reshaping and enhancing Sabah's property sector to greater heights.

These developments of infrastructures also contributed substantially to the State government's revenue especially from the retail development sector standpoint.



The gala event was witnessed by the Minister in the Prime Minister's Department, YB Senator Dato' Sri Abdul Wahid Omar. The accolade was accepted by SHARED A's Deputy President, Mr Chew Sang Hai as (2nd from right).

The award presented to SHARED A by the Malaysian Reserve Property Press for "Outstanding Contribution to the Sabah Development Landscape"

As recognized by the judges of Malaysia Reserve Property Press Award, SHAREDATA members have in the past 10 years built more than 100,000 units of affordable homes and had built more than 17 malls in Kota Kinabalu. The contribution of SHAREDATA members have enhanced the cityscape of Kota Kinabalu and help to boost the tourism industry as 30% of the total spending from tourists is in shopping.

The following are a list of shopping malls completed in the last 10 years by SHAREDATA members as well as some the upcoming malls in Kota Kinabalu.

### 3.1 COMPLETED AND ONGOING CONSTRUCTION OF RETAIL MALLS IN KOTA KINABALU



Central Shopping Plaza completed in 2004 by Darab Development Sdn Bhd



Warisan Square completed in 2006 by Ramajuta Properties Sdn Bhd



Tanjung Aru Plaza completed in 2004 by CH & Sons Development Sdn Bhd



City Mall completed in 2008, developed by Pan Far Eastern Sdn Bhd



1Borneo Hypermall completed in 2008, developed by Sagajuta (Sabah) Sdn Bhd



Asia City Complex completed in 2009, developed by Sabah Urban Development Corporation Sdn Bhd



Megalong in Penampang was completed in 2010, developed by Suara Wira Sdn Bhd



One Place Mall in Putatan completed in 2010, developed by Tarlia Enterprises Sdn Bhd



Suria Sabah Shopping Mall completed in 2011 by Makamewah Sdn Bhd



Started operations in 2012, Sandakan Harbour Square is developed by ICSD Ventures Sdn Bhd



Imago Mall at KK Times Square II is expected to be completed by 2015. It is being developed by Asian Pac Holdings Berhad.



Pacific Parade@ PacifiCity at Likas is currently under construction and being developed by Apex Juta Sdn Bhd.





Oceanus Waterfront Mall is nearly completed and expected to commence operations in 2015. The developer for the project is Sunsea Development Sdn Bhd



Ongoing construction, Riverson Walk is being developed by Riverson Corporation Sdn Bhd



The Aeropod retail mall is under construction. The project is developed by SP Setia



ITCC Shopping Mall is developed by Sabaniam Enterprise Sdn Bhd. It is currently under construction.



The Grand Merdeka Mall at Menggatal is currently under construction. The mall is developed by Grand Merdeka Development Sdn Bhd.

# 4.0 LEISURE PROPERTIES, AN UPCOMING TREND OF PROPERTY DEVELOPMENT IN SABAH

By Datuk Francis Goh

Prior to the tragedy of MH370 & MH17, visitor arrivals to Sabah have continued on a rapid growth. In 2013, Sabah Tourism Board's statistic showed **RM3.38 million** arrival to Sabah, which is a **17.6%** increase from 2012.

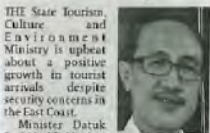
After the infamous flight disaster, the number of tourists from China slumped, but there was a drastic increase in the number of Korean and Japanese tourists, according to Datuk Masidi Manjun, the Minister of Tourism of Sabah.

The Ministry of Tourism Sabah is actually targeting some **3.52 million** tourists to visit Sabah in 2014 and generating a revenue of **RM6.635 billion** this year. The flight tragedy and frequent kidnapping incidents was a big blow to Sabah's tourism recent performance.

However, the improvement on the coastline security by EASTCOM has restored the public confidence and China tourists are expected to return next year.

Daily Express  
Thursday, July 17, 2014

## Growth in tourist arrivals remain positive: Ministry



THE State Tourism, Culture and Environment Ministry is upbeat about a positive growth in tourist arrivals despite security concerns in the East Coast.

Minister Datuk Seri Masidi Manjun (pic) on Monday expressed his optimism, saying that as of May this year, Sabah was still in the positive territory, recording 8.7 per cent growth.

"Sure, the number of tourists from China has slumped, but there were drastic increases in the number of Korean and Japanese tourists," he said during the Question and Answer Session at the State Assembly here.

"He said more efforts would now be focused on promoting the West Coast as a tourist spot as opposed to the East Coast, which has been noted as a scuba diving haven.

Maasidi said, however, scuba diving is only one of the tourism products in Sabah, saying the bigger number of visitors here had come for recreational purposes.

"The Ministry targets some 3.52 million tourists to visit Sabah, generating around RM6.635 billion in revenue this year.

Meanwhile, Assistant Minister Datuk Tang Yuk Ming, who was responding to a question on efforts to attract more tourists to Sabah, said the Ministry through the Sabah Tourism Board (STB) had participated in 70 tourism expos and roadshows in various nations.

"He said they had attended the FITA Travel Mart, International Luxury Travel Mart Shanghai Incentive Conventions, Travel and Meetings in Bangkok, Travel trade ITB in Berlin and the WMTM in London.

"These are sell-see-meet-buyers events which STB had participated to strengthen its network with other tourism agencies in foreign countries," he said.

On July 24, he said a 30-strong delegation from Sabah, STB, Tourism Malaysia would hold a briefing in Kota Bharu, Kelantan, where tourists from Sabah, Kelantan, Terengganu and Thailand will discuss and plan their packages to promote Sabah as a tourism destination.

"Among the main efforts is to increase air accessibility to Sabah, especially international direct flights and special chartered flights. "Now Sabah is connected to 18 international destinations with 145 flights weekly," he said.

Among others, he said STB has supported groups which initiated Meeting, Incentive, Conference and Events, e-marketing, e-newsletter, boost their social media presence via Twitter, Facebook and Sina Weibo, producing promotional materials in various languages, and promoting niche markets, like golf, diving, birdwatching, photography and historical war tourism. — Jason Santos



## SHARED A Urges Developers to Invest in Leisure Properties

posted on Oct 27, 2014

Sabah paying a very high price for kidnaps: Hotelier

## Tourism blow has domino effect

Kan Yaw Chong

SOTA KINABALU: Security is a key factor of production for invisible export called tourism which earns Sabah some RM6 billion per year. — See Kailash Wong, reporter of Hui Hua Hotel, here.

"So there is nothing worse than terrorism, especially in tourism. Kidnaping tourists, which affect the whole island and the state of Sabah, has a serious sense and going down after a queue of kidnapping incidents in Singapore and I shall discuss the case law next," Wong said.

"Hotel incomes in down, it has gone down 30 to 50 per cent, even though we have so many beautiful places to visit," he claimed.

"It's a downhill chain effect which

affects the food industry. For example, one seafood restaurant which once did a robust turnover to the tune of RM100,000 sales per night is now way down because incoming tourists are very low," he noted.

"It affects certain restaurants dramatically. Especially Chinese tourists, since they come here, they spend money on everything, particularly our Sabah products. They buy our coffee, our tea, etc. before they go

"You can see the yourself, they stop before they go back, flooding the shopping centres, buying the products displayed on the shelves for Sabah products or businesses to get something to bring back to their country," Wong said.

"That is our push strategy — get tourists to take back what is special about Sabah," he

added.

"So, hopefully, the sharp dip will improve by the end of the year, but the first priority is safety of the tourists. Make sure the streetlights are bright, minimize the match thieves resolved with, because once the bad security comes out, especially if they go to CNN, it will put Sabah in a bad spot, even in West Malaysia too (1)4," Wong said.

"We want tourists to come because they spend everything — hotel, transport, food and so on and that's income — a positive side of our economy called 'invisible exports'," he said.

"In the middle of this problem, we have a competitor the Thailand where hotels are suffering 80pc decline. Chinese tourists are turning their attention to Bangkok despite Thailand's recent political turmoil knock-

ing massive street demonstrations with a new prime Minister from the military, the safety issue is perceived as much less concerning than terrorism," Wong said.

"Hopefully, enforcement to do the job based on the law will be very strict from now till the end, especially from China, that in Sabah everything is safe," Wong hoped.

"Firstly, those tasked with provision of safety must do the job and make sure those houses do the job to protect the invisible exports," Wong said.

Kira Kinabalu must also think about how to provide a better transport system for tourists, such as predictable scheduled time of departure which is either free or non-concerned with air tickets in the city must take taxis to the airport which costs at least RM50," Wong cited as example.

Despite the turbulence faced by Sabah's Tourism industry, SHARED A members again show their courage to stand in the front lines. They assured hoteliers that they are optimistic with Sabah's tourism prospects by venturing into many hotel and tourism related developments. The confidence on the tourism potentials are based on the following:-

#### 4.1 MARKET CONFIDENCE ON THE PROSPECT ON TOURISM RECEIPT

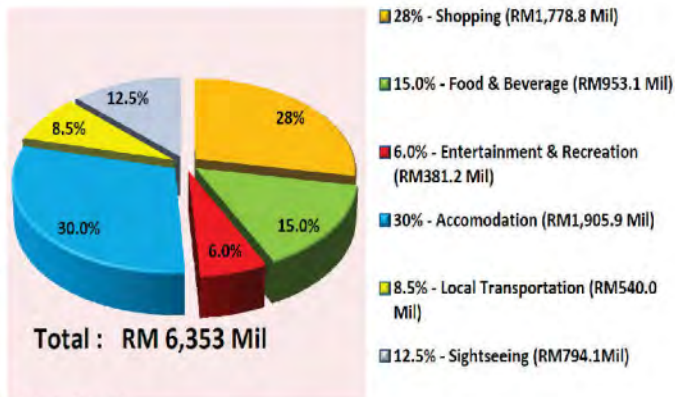
Based on the Sabah Tourism Board's market survey, there is a positive growth on visitors' arrivals and tourism receipts 2012-2015 as forecasted in the table below:

Year	VISITOR ARRIVALS				TOURISM RECEIPTS		
	Int'l Visitor Arrivals	Domestic Visitor Arrivals	TOTAL Visitor Arrivals	Growth (%)	Int'l Tourism Receipts (RM Million)	Domestic Tourism Receipts (RM Million)	TOTAL Tourism Receipts (RM Million)
2012	941,765	1,933,996	2,875,761	1.1%	2,367.3	2,893.3	5,261
2013	1,089,320	2,293,923	3,383,243	17.7%	2,738	3,615*	6,353*
2014	1,160,000T	2,360,000T	3,520,000T	4.0%	2,916*	3,719*	6,635*
2015	1,250,000f	2,450,000f	3,700,000f	5.1%	3,142*	3,861*	7,003f

Note: - Tourism Receipt is based on per Capita of **RM 2,513.7 (2012)** for International Visitor and **RM1,576 (2012/2013)** for Domestic Visitor.

T - Target  
F - Forecast  
\* - estimated

Source: Malaysia Tourism Promotion Board Tourism Receipts Survey 2012 / Immigration Department Sabah Domestic Market Survey 2012/2013 - Sabah Tourism Board



Note: e = Estimated




Source: Tourism Expenditure Survey 2012/13 - Sabah Tourism Board

## 4.2 LACK OF 5-STAR & 4-STAR HOTELS ACCOMMODATION

However, the number of 5-star and 4-star hotel accommodation with a total room for 3,041 for 5-stars and 3,080 for 4-star enjoyed an overall 72% occupancy rate which is still insufficient to serve the tourists'

needs as investment for one 5-star hotel or 4 star hotel may involve a capital investment between RM200 million to RM350 million respectively. The total existing number of hotels and its category is defined in the table on the right:

HOTEL INVENTORY		
Year	Total No. of Hotels	Total No. of Rooms
2007	400	16,250
2009	443	18,065
2011	511	21,500
2013*	582	24,556

 11%  
 19%  
 14%

HOTEL INVENTORY		
Rating	No. of Hotels	No. of Room
5 star	9	3,041
4 star	14	3,080
3 star	46	4,380
2 star	40	2,452
1 star	38	1,344
3 Orchid	34	1,004
2 Orchid	33	859
1 Orchid	25	484
No Rating	343	7,912
Grand Total	582	24,556

Source : Hotel Inventory Survey 2011



## S'pore's GSH Corp buys 77pc resort stake

KOTA KINABALU: Sutera Harbour Resort has announced a joint venture partnership with GSH Corporation Ltd, a company listed on the Main Board of the Singapore Exchange.

Under the partnership, GSH will acquire a 77.5 per cent stake in Sutera Harbour Group Sdn Bhd, which will own Sutera Harbour Resort after the restructuring.

In addition, GSH, through two of its wholly-owned subsidiaries, Ocean View Ventures Pte Ltd and Ocean View Point Pte Ltd, have entered into agreements to acquire stakes in two separate land parcels, measuring 4.89 hectares (ha) and 5.29ha respectively within the 155.14ha Sutera Harbour property for future luxury condominium development.

GSH is a growing property development company in China and Malaysia led by its Executive Chairman, Sam Goi, who is also the Executive Chairman of Tee Yeh Jia Group, a global food and beverage group, and Yangzhou Junle Real Estate Group, a property development company in China.

Goi is also the Vice Chairman of three other main board-listed companies in Singapore.

GSH Chief Executive Officer Gilbert Fe

said Kota Kinabalu is a rising property hotspot in Malaysia and the company sees robust potential for prime real estate in the city, fuelled by strong tourism growth from Northeast Asian countries such as Korea, Japan, Hong Kong and China.

"Apart from tourism, Sabah has experienced strong gross domestic product growth in 2012, thanks to its key sectors of agriculture and oil and gas."

"With such strong fundamentals, we see great potential in Kota Kinabalu's luxury hospitality sector as well as premier resort homes," he said in a statement issued by Sutera Harbour here Thursday.

Sutera Harbour Resort is located within 10 minutes from the city and yet provides a quiet, exclusive and secure ocean-front property with spectacular scenery.

Sutera Harbour Resort Group President Darius Edward Ong Han Nam, who is the founder and developer of Sutera Harbour Resort, was excited with the joint venture with GSH, as it would propel the resort to the next level of tourism development in the state.

propel the resort to the next level of tourism development in the state — Bernama.

### 4.3 APPRECIATION OF 4 & 5-STAR HOTEL MARKET VALUE

Due to limited supplies of 4-star hotels (only 14 hotels available) and 5-star hotels (only 9 hotels available) in Sabah, 4 & 5-star hotels are enjoying good occupancy and room rates. Recently, there are 3 major hotel transaction in Kota Kinabalu, namely:-

- (i) The sale of Grand Borneo at 1 Borneo Hypermall, a 4-star hotel comprises of 325 rooms to Felda Group for RM86 million in mid-2013.
- (ii) The sale by tender of the uncompleted 313 hotel rooms attached to Asia City Phase 2B for a transacted price of RM83 million. The hotel is to be renovated and refurbished and will be managed and operated by Hilton Group.
- (iii) In January 2014, Sutera Harbour Resort announced a joint venture partnership with GSH Corporation Limited, a company listed in Singapore Exchange. GSH Corporation has acquired 77.5% in Sutera Harbour Group Sdn Bhd for RM1.67 billion.

## GSH Corp buys majority stake in Sutera Harbour Resort

KOTA KINABALU: Sutera Harbour Resort has announced a joint venture partnership with GSH Corporation Ltd, a company listed on the Main Board of the Singapore Exchange.

Under the partnership, GSH will acquire a 77.5 per cent stake in Sutera Harbour Group Sdn Bhd, which will own Sutera Harbour Resort after the restructuring.

In addition, GSH, through two of its wholly-owned subsidiaries, Ocean View Ventures Pte Ltd and Ocean View Point Pte Ltd, have entered into agreements to acquire stakes in two separate land parcels, measuring 4.89 hectares (ha) and 5.29ha respectively within the 155.14ha Sutera Harbour property for future luxury condominium development.

GSH is a growing property development company in China and Malaysia led by its Executive Chairman, Sam Goi, who is also the Executive Chairman of Tee Yeh Jia Group, a global food and beverage group, and Yangzhou Junle Real Estate Group, a property development company in China.

Goi is also the Vice Chairman

of three other main board-listed companies in Singapore.

GSH Chief Executive Officer Gilbert Fe said Kota Kinabalu is a rising property hotspot in Malaysia and the company sees robust potential for prime real estate in the city, fuelled by strong tourism growth from Northeast Asian countries such as Korea, Japan, Hong Kong and China.

"Apart from tourism, Sabah has experienced strong gross domestic product growth in 2012, thanks to its key sectors of agriculture and oil and gas."

"With such strong fundamentals, we see great potential in Kota Kinabalu's luxury hospitality sector as well as premier resort homes," he said in a statement issued by Sutera Harbour here yesterday.

Sutera Harbour Resort is located within 10 minutes from the city and yet provides a quiet, exclusive and secure ocean-front property with spectacular scenery.



Sutera Harbour Resort

Sutera Harbour Resort Group President Darius Edward Ong Han Nam, who is the founder

and developer of Sutera Harbour Resort, was excited with the joint venture with GSH, as it would

propel the resort to the next level of tourism development in the state — Bernama.

All the above great market news has restored the market confidence on tourism hotel developments particularly the above transactions have changed the perception of bankers that investment of hotel and resort development in tourism industry is a high risk venture and negative factor industry !

#### 4.4 ADDITIONAL SUPPLY OF HOTELS IN 2014

Prior to 2014, there were already many private investors and hotel operators from Peninsular Malaysia investing silently into hotel industry, identified and secured many potential sites in the city centre for hotel investment. Some like Hilton Group and Mercure Hotel have secured their ideal ready-made hotels for immediate operation. Whilst Ibis Styles Hotel had secured its potential site and the construction is currently on going. An estimated total of 1,817 hotel rooms are made available to the existing tourism market.

NEW HOTELS ON OPERATION AND SOME ARE UNDER RENOVATION WORKS				
Name	Location	Star rating	No. of rooms	Remarks
Grandis Hotel @ Suria Sabah	City centre	4-star	197	In operation
Horizon Hotel	City centre	4-star	180	In operation
Sky Hotel	Karamuning	4-star	70	In operation
TH Hotel	Sembulan	3-star	108	In operation
Zara Boutique Hotel	Sembulan	3-star	118	In operation
Dreamtel	City centre	3-star	160	In operation
C'haya Hotel	Tanjung Aru	3-star	66	In operation
Hilton Kota Kinabalu	City centre	5-star	313	Renovation
Hotel No. 5	Penampang	3-star	117	Renovation
Avangio Hotel	Kolombong	3-star	103	Renovation
Ibis Styles Hotel	Inanam Town	3-star	185	Construction on going
Inanam Mall Hotel	Inanam Town	3-star	200	Construction on going
		<b>TOTAL</b>	<b>1,817</b>	



Grandis Hotel @ Suria Sabah



Horizon Hotel



Sky Hotel

#### 4.5 ONGOING HOTELS AND RESORT DEVELOPMENT BY PROPERTY DEVELOPERS

The interest of investing into hotel tourism is already shown by some of the SHAREDAs members back in 2013 as few of their property development had already embraced 4 or 5-star hotel attached to their mixed developments, amongst other, Sunsea Development Sdn Bhd, Sabanilam Enterprise Sdn Bhd and Tarlia Enterprise Sdn Bhd, just to name a few :

##### (i) JW Marriott Hotel @ Oceanus Waterfront Mall

JW Marriott Hotel comprises a 12-storey high 365 room 5-star hotel located at Kota Kinabalu City Waterfront and it is expected to commence operations within next year 2015.

This hotel is fully equipped with facilities such as a banquet hall that can cater for approximately 800 people, a glass edge swimming pool, fitness centre and spa and a business centre. The Oceanus Water Front Mall was developed by Sunsea Development Sdn Bhd.



##### (ii) Best Western Hotel at ITCC Penampang

ITCC Penampang developed by Sabanilam Enterprise Sdn Bhd located at Jalan Pintas/Penampang By-Pass comprises of one 5-star hotel with 330 guest rooms. The new 19-storeys Best Western Hotel at ITCC will include 330 upscale guest rooms with impeccable modern facilities, high speed internet connectivity, restaurants, meeting rooms, fitness centre and spa. The Ballroom is capable of housing more than 170 tables and will set up to become the new hub for local and regional conferences, corporate functions and wedding. Set in the panoramic vantage view of the majestic Mount Kinabalu and Crocker Range, Best Western Hotel at ITCC will be an oasis for both business and leisure travellers.





## Brand new Best Western to rise in Kota Kinabalu

Theodore Koumelis - 03 October 2014, 04:16



Signing of MoU between Best Western and Sabanilam Enterprise

BANGKOK – Best Western International has announced the signing of a management contract for a major new upscale hotel and convention center in Malaysia.

This week, the hotel group formed a partnership with Sabanilam Enterprise Sdn Bhd for the management of a brand new BEST WESTERN PLUS hotel and conference facility at the ITCC Penampang complex – a 10.5-hectare mixed-use development that is taking shape in Kota Kinabalu, the capital of Malaysia's Sabah state.

"ITCC Penampang will be a significant addition to Kota Kinabalu's landscape and economy, and I am delighted that Best Western International has the opportunity to be part of this exciting project," commented Glenn de Souza, Best Western International's Vice President of International Operations for Asia & Middle East.

"Malaysia is one of Best Western International's key growth markets. We see strong potential across the country, and with the onset of the ASEAN Economic Community in 2015, Kota Kinabalu is expected to become an increasingly significant regional center for trade and tourism," Mr de Souza added.

The new BEST WESTERN PLUS hotel will include 330 upscale guest rooms, ranging from 27 to 49m<sup>2</sup> and all including comfortable bedding, spacious bathrooms and such modern amenities as flat-screen TVs and complimentary high-speed Wi-Fi.

The hotel will also offer a wealth of facilities for both business and leisure travelers, including restaurants, a swimming pool, fitness center, business center and meeting rooms.

And the management contract will also see Best Western take control of a major new convention center connected to the hotel. This modern facility will include a large ballroom capable of housing 170 tables, and is set to become a new hub for local and regional conferences, corporate events, product launches and weddings.

For the added convenience of guests, the hotel and convention center will be directly connected to the ITCC's four-story retail podium and Grade A office tower and residence.

"We are pleased to move forward on this landmark project with Best Western International – a global hotel brand that will provide instant recognition among both leisure and business travelers," said Caesar Mandela Malakun, Group General Manager of Sabanilam Enterprise Sdn Bhd.

"ITCC Penampang is an exciting new project and the new BEST WESTERN PLUS hotel will feature practical-yet-contemporary room concepts, inspired furnishings and the very latest facilities and amenities," he added.

Best Western International is currently embarking on a new era of development in Asia Pacific, with modern and stylish hotels being introduced to guests all across the region. Designed for the needs of the 21st Century traveler, these contemporary hotels combine cutting-edge design, state-of-the-art amenities and a proactive service culture.

In the coming years at least ten new hotels are expected to open across the country under the classic BEST WESTERN, upscale BEST WESTERN PLUS and luxury BEST WESTERN PREMIER brands, adding almost 2,000 modern guest rooms and suites.

BEST WESTERN PLUS at ITCC Penampang is expected to open in 2016.



ITCC Penampang

### (iii) Soluxe Hotel at One Place Mall



One Place Mall, Putatan is the latest 320 room 4-star hotel and 195 retail outlets shopping mall mix development project developed by SHARED A member, Tarlia Enterprise Sdn Bhd. The RM150 million project is strategically located in the heart of Putatan town and will be the gateway to Kota Kinabalu city. The 10-storey complex is the first regional shopping mall in Putatan area which provides for nearly 400 parking bays inside the building. The retail complex is a two-storey shopping mall and one block is reserved for the hotel of six floors plus a 4-storey car park which interconnects the shopping lots and the hotel. A multi-purpose hall for exhibitions, meetings, concerts, weddings, banquets and bazaar events will add vibrancy to the shopping mall. The hotel will be operated under the branding of Soluxe Hotel Group.

### (iv) Jesselton Point Hotel

Jesselton Point Hotel is located at Jalan Gaya next to Wisma Takada in the city centre. The hotel comprises of a 25-storey tower for 118 hotel suites and 25 business suites with 12 parking lots, developed by SHARED A member, Sara Timur Sdn Bhd



and has a development value of RM118 million. Facilities include gym, swimming pool on the rooftop sky garden, restaurant, coffee shop and bar.

*Mercure Hotel* will be the hotel operator for Jesselton Point Hotel and is expected to commence operations in the last quarter of 2015.

### (v) Putatan & Lintas Platinum Hotel

Putatan Platinum Hotel is situated in the heart of Putatan Town. Located 5km away from Kota Kinabalu International Airport and 7km away from KK Town. The 4-storey hotel offers 93 rooms. Other facilities include 3 meeting rooms, a restaurant and 24 hours front desk and security service.

Another 4 storey 97 room 3 star hotel is located at Lintas Jaya Commercial Center and is still under construction. Both hotels are developed by Dat Sing Development Sdn Bhd.



#### SUMMARY OF ON-GOING HOTELS DEVELOPED BY SHARED A MEMBERS

No.	On-going Hotels	Star	Location	Developer	No. of rooms
1	JW Marriott Hotel	5	KK City Waterfront	Sunsea Development Sdn Bhd	365
2	Best Western Hotel	4	Penampang By-Pass	Sabanilam Enterprise Sdn Bhd	330
3	Soluxe Hotel	4	Putatan	Tarlia Enterprise Sdn Bhd	320
4	Jesselton Point Hotel	4	City Centre	Sara Timur Sdn Bhd	143
5	Putatan Platinum Hotel	3	Putatan	Dat Sing Development SB	93
6	Lintas Platinum Hotel	3	Lintas Jaya Commercial Center	Dat Sing Development SB	97
<b>Total rooms</b>					<b>1,348</b>

#### 4.6 UPCOMING HOTEL AND RESORT VILLAS DEVELOPMENT IN KOTA KINABALU

Apart from the aforementioned on going hotel development by SHAREDADA members with 1348 hotel rooms, there are many upcoming hotel developments, some coupled with hotel suites to be sold to the public with time share concept, some comes with rental guarantee or rental pool schemes. The marketing concept to sell the hotel suite in order to garner revenue to support the capital investment for construction cost is vital as any investment in hotel development may incur a huge capital input.

The following are the list of hotel or leisure property development with Development Plan approved and pending to launch or commence construction in 2015:

##### (1) Sky Suites Hotel at C Park

C Park developed by Chang Cheng Daya is located at Penampang By-Pass road. The mixed development contains one block of 28-storey with 288 hotel suites. Once completed, it will be one of the tallest 4-star hotel buildings in Sabah equipped with facilities such as sky pool, sky bar and sky garden.

The gross development value for the hotel is **RM160 million** and it will be operated by Lanson Place in order to achieve a 4-star hotel standard.



SKY Suite Hotel at the right tower

### **(2) 3 Branded Hotels 978 Rooms @ KKCC**

KKCC located at the old Sabah Port waterfront will comprise of a 300-room five-star hotel (26-storeys), 330 room four-star hotel (30-storeys), 348 room three-star hotel (30-storeys), a five-storey corporate office, 299-units of residential apartments and a five-storey car park podium.

The 5-star Hotel will be operated by Pullman as the hotel operator.



### **(3) Sky City Hotel**

Sky City is an integrated mixed development that is located in Karamuning developed by Homesign Network Sdn Bhd. The development is approximately 30-storeys high, and the hotel lobby starts from the 12-15th floor and the rest are hotel rooms. The hotel comprises of 340 guest rooms. Below the hotel lobby are the office units. The other 2 towers (approximately 30-storeys are service suites).

This 5-star hotel offers the best of modern oriental hospitality as it will be operated by an award-winning international brand.



Sky City hotel tower located at the right side

#### (4) Royal City Hotel

Royal City Hotel located along Jalan Coastal, Kota Kinabalu provides a 5 star standard hotel with 318 rooms and 1 grand ballroom that can cater for 200 banquet tables and a wholly-owned 3-storey retail complex.

The total Gross Development Cost is **RM337 million** with 4-storey 1,000 lot car park. Developed and owned by Arah Permai Sdn Bhd. The hotel embraces several green features and proclaims to be a 5-star green hotel accredited for GBI Silver Accreditation.

The significant feature of the hotel is the two sky terrace lounges located on both the tower rooftops and connected with a hanging bridge. The grand ballroom is poised to be the biggest ballroom in Sabah with a capacity for 2,000 pax.

#### (5) ALILA Dalit Bay

Alila Dalit Bay comprises of 152 bedroom/suite hotel and 74 villas for private legal ownership in Pantai Dalit, Tuaran. This beach resort will commence its construction by next year. The project will comprise of:

One-bedroom Villas (253.5 sqm) – elongated living and bedroom areas open fully on both sides to private gardens, overlooking a large private pool, deck and shaded terrace.

Two-bedroom Villas (486 sqm) – a long main wing (living, dining and bedroom) with a separate master suite overlooking a swimming pool. The buildings form an L shape around a large internal garden with decks, lounge pavilion and luxe outdoor furniture.

This Development is a commercial project with total Gross Development Cost of **RM225.3 million**.



### (6) Aman Saujana Resort Villas Phase 1, 2 & 3

The proposed development site is at Shahbandar Beach, Tuaran and consists of 3 phases, 20 units of lagoon villas in Phase 1, 59 units resort villas in Phase 2 and 31 units riversides resort villas in Phase 3.

Kinsajohan Sdn Bhd is to complete the 110 units resort villas with 198 rooms and to be operated as 5-star resort villas by a reputable resort operator.

The resort villas embraces green technology coupled with extensive village inspired landscape design and using the revival of Bajau architecture. As it's design aesthetics.

The total Gross Development Cost is **RM210 million**.

### (7) Aman Pesona Beachside Villas

The proposed resort development consists of 120 units of holiday villas at Kg. Shahbandar, Tuaran completed with a clubhouse, swimming pools, and resort reception, sport facilities, and it's 24-hours fully guarded and gated.

The development product is aimed to rent to foreigners, silver hair retiree under the Malaysia My Second Home Programme (MM2H).

This leisure property development will generate a Gross Development Cost of **RM240 million** and is expected to be launched next year.

Aman Pesona is poised to be the biggest retreat village with lush green natural surroundings equipped with a landscaped park with underground cable and drainage.



### **(8) Aman Senja Beachfront Villas**

Sited on a 3.5 acres prime beach front land, Aman Senja Beachfront Villas is located in Tuaran and comprises of 10 units of luxurious beach villas boasting contemporary design couple with an extravagant private garden, private wading pool and beach club. Complete with 24-hours security services, CCTV and house-keeping services.

The 10-units beach villas are designed in Balinese style as to celebrate the timeless allure of sea and breeze. It will be for rental purposes for the rich and famous. The development involved a Gross Development Cost of **RM56 million**.

### **(9) Royal Kinabalu Mountain Resort & Hotel Suites**

The prestigious development of Royal Kinabalu Mountain Resort and Hotel Suites is located at Tinompok, Ranau and consists of a 5 storey business and leisure hotel tower block which contains 124 hotel rooms (Block D), two blocks of 5 storey 220 units hotel suites (Block A & B), one block of 5 storey 60 units family suites (Block C), one level of basement retail boulevard with ballroom facilities, 3 levels of basement car park with 750 parking bays for hotel guests and visitors, 30 open car parking bays for coaches and 40-seater tourist buses parking for travel agencies. The hotel resort has 8 restaurants and cafes, spa, discothèque, karaoke, 2 theatres and indoor heated swimming pool.

The mountain resort and hotel suites are not for sale. The total Gross Development Cost for this development is **RM370 million**.





### (10) 4 Star Hotel At Alamesra

Proposed 15-storey hotel (cum with service apartment and hotel) on Lot 1, of Lot 7 and Lot 10 at Alamesra, district of Kota Kinabalu, Sabah.



#### SUMMARY OF UPCOMING SUPPLIES OF 4 OR 5-STAR HOTELS/VILLAS BY SHARED MEMBERS

No.	On-going Hotels	Star	Location	Developer	Units	
					Hotel Rooms	Villas
1	Sky Suites Hotel	4	Penampang By-Pass Road	Chang Cheng Daya	288	
2	KKCC	3,4 & 5	City Centre	Mah Sing Group	978	
3	Sky City	5	Karamunsing	Homesign Network	340	
4	Royal City Hotel	5	City Centre	Arah Permai Sdn Bhd	318	
5	ALILA Dalit Bay	5	Tuaran	Tekun Cemerlang Sdn Bhd	152	74
6	Aman Saujana Resort Villas (Phase 1, 2 & 3)	5	Tuaran	Kinsajohan Sdn Bhd		110
7	Aman Pesona Beachside Villas	5	Tuaran	Kinsajohan Sdn Bhd		120
8	Aman Senja Beachfront Villas	5	Tuaran	Kinsajohan Sdn Bhd		10
9	Royal Kinabalu Mountain Resort & Hotel Suites	5	Tinompok, Ranau	Kinsaresorts Berhad	404	
10	4 Star Hotel At Alamesra	4	Alamesra, KK	Kemena View Sdn Bhd	380	
				<b>TOTAL</b>	<b>2,860</b>	<b>314</b>

#### **4.7 UPCOMING HOTELS & RESORTS INITIATED BY GOVERNMENT**

3 decades ago, Shangri-La's Tanjung Aru Resort and Spa was initiated by our State Government who established a joint venture with Shangri-La's Group to build the first 5-star hotel with 492 luxurious rooms in Sabah. Shangri-La's Group also completed the other 5-star hotel at Pantai Dalit Tuaran known as Shangri-La Rasa Ria Resort in 1984.

Recently, through the good effort of our visionary Chief Minister Datuk Seri Panglima Haji Musa Aman, Tanjung Aru Eco Development Sdn Bhd was incorporated and wholly owned by Sabah State Government to oversee the master development of this prestigious tourism hotel and resort development known as Tanjung Aru Eco Development, to be built on 775.9 acres of land.



### Hotel & Resort Villas - Elements found within Tanjung Aru Eco Development

No	Property Type	Star Rating	GFA (sq. meter)	GFA per unit (sq. meter)	Rooms	Villas
1	Domestic Town Houses	-	24,000	120		200 units
2	Domestic Condos	-	62,100	120 - 150	200	
3	COURTYARD ¾-Star Hotel	4-star	30,000	80	300	
4	ALOFT Serviced Apartments and F&B Retail	-	30,000	50	200	
5	Hotel Villas Semi Detached	-	22,500	150	-	150 units
6	Fisherman's Wharf and F&B Retail		153,000	-	-	
7	Park and Facilities with 1000 parking lots		-	-	-	
8	Beach Club Resort Hotel	5-star	43,000		400	
9	Banyan Tree Beach Resort and Marina with Sailing Club	3-star	15,000	100	150	
10	UMERIA-I Marina Resort, F&B and SOHO Business Centre	4-star	35,000	100	150	
11	Hotel Resort Villas	3-star	6,800	200	-	88 units
12	Hotel Resort Villas	3-star	10,000	200	-	99 units
13	JUMEREAH Resort Residences	4-star	31,060	120 – 180	200	
14	JUMEREAH Resort Villas	4-star	11,000	200		56 units
				<b>TOTAL</b>	<b>1,600</b>	<b>593 units</b>

The eco-friendly tourism development consists of 8 resort hotels including a 18-holes golf course and the existing Prince Philip Park will be enlarged to 27 acres and to be maintained and upgraded as another public park to the City of Nature Resort. "Tanjung Aru Beach will surpass other international tourists' destination such as Bali once the Tanjung Aru Eco Development (TAED) revival project is completed," said Chief Minister Datuk Seri Panglima Haji Musa Aman. "Tanjung Aru Eco Development is poised to be the top tourist destination in Sabah and greatly benefitting the local tourism industry" he added.

Only 32% of the total 775.9 acres of land under the Tanjung Aru Eco Development Master Plan will be subdivided into 32 parcels and to be sold through tenders by inviting international resort developers to bid and to build in accordance to the Master Plan. The remaining 68% consists of accessible open and recreational space including the 18-holes golf course.

#### 4.8 SUMMARY OF UP-COMING SUPPLIES OF HOTEL ROOMS & RESORT VILLAS

No.	Leisure Property Developments	3-star		4-star		5-star		Sub-total
		No. of Hotel	Room	No. of Hotel	Room	No. of Hotel	Room	
01	On-going Hotel Developments	2	190	2	463	2	695	1,348
02	Up-coming Hotel Developments (SHAREDA)	1	348	3	998	5	1,514	2,860
03	Government Initiated Hotels Project	1	150	3	650	1	400	1,200
04	Government Initiated Villas Project	2	187 villas	1	56 villas	-	-	243
05	Up-coming Resort Villas Development	-	-	-	-	6	314 villas	314
	Total	6	875	9	2,167	14	2,923	5,965
<b>GRAND TOTAL (ROOMS)</b>								<b>5,965</b>

As compared to the past decade, Sabah only has 9 five star hotels and 14 four star hotels with 3,041 and 3,080 rooms respectively. With the investments from private property developers, an influx of 20 hotel developments and 9 resorts villa will be realized in 2018. An additional 8 five star hotel and 8 four star hotels and 6 five star resort villas in the making. The supplies of additional 2,609 five star hotel room accommodations contribute to 86% increase of the existing supplies and 2,111 four star hotel rooms making up 69% increase to the existing four star room supplies.

It can be concluded that only with the investment and involvement from private property developers into leisure properties and tourism development, can it then elevate Sabah's tourism sector to greater heights.

Sabah needs more development in leisure properties if our Tourism Ministry wishes to leverage Sabah as the most livable state and to attract more foreigners to visit or stay in Sabah under Malaysia My Second Home. As a matter of fact, resort villas or high end leisure properties such as beach villas, paddy villas, riverside villas, hilltop villas, cliff villas etc are more commonly seen in Bali, Koh Samui or Phuket. Sabah is blessed with so many natural scenic sites and won't go wrong heading towards the direction of building more tourism related developments by private property developers.

#### 4.9 CHALLENGES & CONCLUSION

Although Sabah's tourism industry has enjoyed a tremendous growth over the last decade, key supporting services need to be upgraded, particularly the availability of sound infrastructure, skilled human resources, as well as public security and safety.

The Federal Government must tighten the security and protection along the long coastal shoreline in east coast from illegal immigrants and trespassers to enter Sabah freely as to prevent the occurrence of incidents where tourists get hijacked by robbers or terrorists.

## Property sector complements Sabah's tourism, says Musa

KOTA KINABALU: Chief Minister Datuk Seri Musa Aman (pic) said the property sector is one of the key drivers of the Malaysian economy.



Musa, who is also the State Finance Minister, said the sector was central to financial health of some 140 related industries.

"Property developers are linked to professionals, financiers, building materials suppliers, transporters, products specialists, contractor and so forth. The most important in this chain are property buyers," he said.

Musa said this in his speech at the 'Sabah Welcomes Malaysia's Top Property Developers' event here on Friday night. The event honours top property developers who were the winners of The Edge Malaysia Property Excellence Awards 2014.

Present at the ceremony was Minister of Urban Wellbeing, Housing and Local Government Datuk Abdul Rahman Dahlan.

"This evening, we honour responsible property developers for your efforts in ensuring delivery of quality products to your clients and your corporate social responsibilities to society," Musa said.

Sabah was honoured of being selected as the destination of the first ever networking trip by property industry leaders and winners of The Edge Property Excellence Awards, he added.

According to him, property developers also played a very important role in tourism industry in Sabah by providing more hotels and resorts to meet the increasing demand for such facilities for tourists and to further develop the tourism sector.

He said Sabah was still a destination of choice among tourists, and in the last year alone some three million visitors arrived in the State and the number continued to increase despite some challenges it had to face, including security related issues.

Musa also invited the top property developers to tap the increase in demand for residential properties such as landed properties and apartments by expanding their products in different segments, be it commercial or residential, adding that healthy competition augured well for end users.

"In spite of challenges facing the property market, I urge developers to ensure property prices do not escalate beyond the reach of the people. In your endeavour, I hope you will make room for more affordable housing within the property market," he said.

On the property networking visit to Kota Kinabalu, Musa hoped the property developers could see Sabah's potential not only in tourism but also in trade and investment.

He said Sabah was geared towards attracting manufacturing investments, particularly in the downstream oil and gas and palm oil sectors, and the efforts would gradually result in opportunities for more property development.

In view of more leisure property developments being developed by private property developers, financing from banks to support the huge capital investment is vital. Most banks perceive hotel developments as an unfavourable industry as the return of investment may require a longer period ranging from 10 to 15 years. Bank Negara is sceptical about financing leisure properties as many projects in the Peninsular failed and the non-performing loan in hotel and tourism properties was the highest as compared to other financing products. In order to support Sabah's hotel and tourism industry's continuation to prosper, Bank Negara should encourage all banks to give more financial aid to hotel and resort villa developments in Sabah knowing well enough Sabah is so unique and that the tourism industry is a non-smoke industry that can generate continuous recurring revenue to the nation.

As usual, there are two sides to a coin, while property developers are assisting the Government by building more hotel accommodation and resort villas, inevitably they are subjected to market competition amongst each other.

## Masidi wants BNM to facilitate tourism devt

**Hayati Dzulkifli**

**PENAMPANG.** Bank Negara Malaysia (BNM) should consider reviewing certain provisions and regulations to facilitate further development of the tourism industry in Sabah, said Tourism, Culture and Environment Minister Datuk Masidi Manjun.

He said the BNM should look at the tourism industry in Sabah, in a different light compared to the peninsula.

"Sabah Housing and Real Estate Developers Association (Sharede) President Francis Goh and his team came to see me recently and voiced their concerns on commercial banks not keen to approve loans for them to invest in tourism facilities.

"They claimed that Bank Negara has placed some kind of restriction that has prevented developers from venturing into the tourism industry. Hence, some financial institutions feel the investment of developers in the tourism industry like hotels is a high-risk venture.

"How can that be when the average occupancy rate for hotels in Sabah, especially in the West Coast, is 92 per cent," he said to reporters after officiating at the opening of La Vintage Bar & Grill at Wisma Kinsabina, here, Saturday.

Goh is also Group CEO of Kinsabina Group of Companies which owns the La Vintage Bar & Grill.

Masidi said he assured Sharede that he would initiate a discussion with the relevant government bodies and BNM to thrash out the problem.

"I believe there are certain laws and provisions that need to be reviewed to facilitate a more aggressive approach to empower the State's tourism industry.

"For example our Malaysia My Second Home programme, there is a provision in the law that needs to be looked into so as to attract tourists from overseas to take up the programme," he said.

Masidi said development of the State's tourism industry is very encouraging until there is a shortage of rooms, especially in the West Coast of Sabah.

He said the number of tourist arrivals recorded last year (3.2 million) exceeded the ministry's target of three million.

He said the tourism turnover had also increased from RM5.2 billion (2012) to RM5.7 billion last year, adding the government expected tourist arrivals and revenue for this year to be even better than last year.



Masidi admiring the Native Butiza theme in the restaurant while Francis Goh (right) and Gerald Goh look on.

The careful consideration of product types, location with logistic beauty and unique ambience such as beach front, lagoon, island, riverside, paddy view, hilltop or mountain view, cliffs etc. with beautiful scenery are the main criterias to ascertain their products' market positioning. Marketing strategy with attractive business model by leveraging Kota Kinabalu or Sabah as one of the most livable city in Asia and a bustling metropolis within a tropical paradise is the best approach to attract foreigners to invest in leisure property. This will further strengthen Sabah's position as a premier eco-adventure destination through conservation and appreciation for sustainable development of new tourism products. Malaysia My Second Home (MM2H) can act as a good marketing tool to attract more foreigners to buy leisure properties and to stay in Sabah.

# Sabah needs development in leisure properties

By **CLEOPHAS JOHN GORDON**

**PENAMPANG:** Malaysia's top property developers are called on to invest in leisure properties in Sabah.

"Leisure property development has been the upcoming trend in property development and we see a need to further develop this industry in Sabah," said Sabah Housing and Real Estate Developers Association (SHAREDA) President, Datuk Francis Goh at the 'Sabah Welcomes Malaysia's Top Property Developers Lunch Talk' at Wisma Kinabalu here Friday.

"We aim to be a hub for leisure property development and we want foreigners to buy properties in Sabah under the Malaysia My Second Home (MM2H) programme.

"However, if foreigners come to Sabah, they wouldn't want to buy high rising condominiums as those buildings are already in their country and therefore, they seek something unique such as properties that make them feel relaxed," said Goh.

"The reason why we call the peninsula-based developers is because we need listed companies to invest in this project as it is hard for small developers to get a bank loan to

fund this kind of project.

"Banks view leisure property as a gloomy industry and are reluctant to provide start up capitals to local development companies to develop leisure properties," he added.

He also said that with the presence of peninsula developers here, Sabah developers can learn a lot from their counterparts across the South China Sea.

A significant project which can be seen as an investment potential for the top developers in the country is the Tanjung Aru Eco Development (TAED) project.

In line with the government's vision, the project is designed to return Tanjung Aru Beach and Prince Philip Park to the people and in addition, the whole of Tanjung Aru will be upgraded into a site for leisure property development.

Furthermore, land reclamation will be done in the sea area to provide more space for future developments.

According to Peter Adam, spokesperson for TAED, the site will be divided into seven areas namely; Tanjung Aru Gateway, Fisherman's Wharf, Beach and Park Zone, Waterside Residential Zone, a Marina and a golf course – all

designed to be developed into a high end leisure property area.

The whole site has incorporated plans for a hospital site, five-star hotels, residential apartments, food and beverage outlets as well as boutiques.

"We do not plan to build a shopping centre in this area as there are plenty of shopping centres in Kota Kinabalu and this site is intended to be a centre for leisurely activities and since this is intended to be a high-ended property market, the concept of boutiques fit the vision of the whole team," said Peter.

"We will reveal as much information to property developers as we believe in transparency and a bid will be made to select which developer will actually be developing the site," he added.

"We have assurance from our engineers that the land is stable enough for construction and development after its reclamation since most of the buildings that will be built are only about two to eight storey tall," said Peter in response to concerns voiced over the time lapse between reclamation and development.

Also present at the luncheon was vice president of Development Planning, Monitoring



Francis (centre) flanked by Peter (left) and Dr Chong.



Francis with the participants of the networking retreat

and Evaluation Division of Sabah Economic Development and Investment Authority (SEDIA), Dr Chong Yun Leong.

Chong explained about the Sabah Development Corridor and the development of the

various industries in Sabah. He also pointed out the benefits that will be available to property developers should they develop properties in Sabah.

The top property developers in attendance at the function

were judged based on The Edge Communications Property Excellence Awards.

They are in Sabah for a networking retreat over which various talks have been organised for the past two days.

**Daily Express**  
Tuesday, October 29, 2013

## Abandoned Kudat villas project to be completed soon

**KOTA KINABALU:** The first 12 luxury villas of the previously abandoned Kudat Riviera project will be completed and handed over to their owners by end of November this year, said a spokesperson for the project.

The project had previously been promoted and cited by the State Government as being a fine example of what high-end tourism in Sabah should encompass.

It was abandoned in 2008 and suffered had deterioration until the new developers, the same team behind the successful releases of PacificCity, undertook to complete the beautiful villas at Pantai Kelantan, one of the most pristine beach front sites in Sabah.

"It was a difficult undertaking as there was neither electricity nor water available on site so the building work and restoration had to be done manually.

But the sheer beauty of the site and encouragement given by the State representatives made us determined to finish the project despite all the constraints we faced.

"It was actually more difficult to restore and refurbish the villas than to rebuild new units but in order to keep the original character and prestige of the development, we persevered through the difficulties.

We planted over 2,000 plants and trees on the site and have started a nursery as we would like to plant more flowering trees like the Frangipani, Cassia Fistula and Flame of the Forest.

"Not many species will grow on the beachfront sites due to the briny salt content of ground water and salt laden breezes," said the spokesman for the project. The company had to bring in over 500 truckloads of top soil to create fertile ground for the trees and plants to thrive, he said.

He said the salt in the air is extremely cor-

rosive and that virtually every screw, nut, bolt and piece of iron had to be replaced due to corrosion.

"Even light fittings, fans and air conditioning units were not spared," he said.

He said they searched extensively for corrosion resistant replacements such as the fan blades that have to be made of materials that would not suffer corrosion by salt laden air. The villas, he said, range from sizes of 2,500 square feet to 8,500ft, boasting three to four luxurious bedrooms with en-suite bathrooms where each unit also has its own private swimming pool.

Whilst the designs had its origins in Bali, he said, the villas have been detailed to evoke a luxurious tropical, pan-Asian feel with touches of the rich Southeast Asian ethnic culture.

He said the resort would have its soft opening in early 2014 as the service team is presently being trained in the various areas of hospitality management.

"We learnt that the PacificCity team will not involve itself in the management of the resort and that the villa owners have collectively appointed professional management to run the resort," he said.

According to him, most of the villas have been purchased by foreigners, many of whom plan to reside in Sabah under the Malaysia My Second Home (MM2H) programme.

It was also learnt that the developers of PacificCity, in line with Sabah's drive to develop high-end tourism, would build and own more high-end villa resorts.

The Kudat Riviera resort and PacificCity, the largest integrated retail, residential and commercial hub in Kota Kinabalu, are part two of several development initiatives by the company. For details, visit [www.kudatriviera.com](http://www.kudatriviera.com).

**Local**

Your Local Voice **3**



Kudat Riviera Villa build progress as at September 2013.



Kulambu Cove beach at the Kudat Riviera.



# 5.0 BUDGET 2015

By: Chew Fei Sean

## The need for Banks to perform their CSR to assist lower income group to own homes

The recent announcement of Budget 2015 by our nation's Prime Minister has put many economic analysts on the pedestal, as the Budget 2015 is within their expectations.

What does the Budget 2015 mean to the property development industry and also to the market scenario?

Budget 2015 portrays two sides of a coin. On the facet, we may presume that the Budget 2015 has orchestrated an attractive incentive package to the middle income earners. For example, the government has allowed reduction in income tax rates and increase in relief for specific expenses, such as medical expenses; extension of stamp duty exemption for the purchase of first residential property to RM500,000, with executed Sale & Purchase Agreement from 1 January 2015 – 31 December 2016. The government has formulated policies to boost the supply of affordable homes through GLCs such as PR1MA Home, JPN, and SPNB. According to Budget 2015, the government has allocated a funding as follows:

- A sum of RM1.3 billion to build 80,000 units PR1MA Homes
- A sum of RM644 million to build 26,000 units PPR homes under People's Housing Programme,
- SPNB to build 12,000 units of Rumah Mesra Rakyat, 5,000 units Rumah Idaman Rakyat, and 20,000 units of Rumah Aspirasi Rakyat.

Refer to figure above, we can deduce that an influx of supply of affordable homes in the market, with a total number of 143,000 units with a GDV of RM7 Billion. Furthermore, the government has formulated policy to allow high loan ratio of 110% to increase the demand of affordable homes. However, SHAREDADA opines that the demand of the said property would be hindered by the low repayment ability of the house buyers, mainly due to tight commitment, such as high credit card expenses and mortgages on motor vehicles. With the weak repayment ability, end financiers are less likely to approve the mortgages to buyers.

## M'sia household debt not alarming: Idris

KUALA LUMPUR: Malaysia's household debt is a concern but not alarming, says Minister in the Prime Minister's Department Datuk Seri Idris Jala.

Malaysia's household debt-to-Gross Domestic Product (GDP) ratio rose to 86.6 per cent in 2013 from 72.4 per cent in 2009.

"Our household asset-to-GDP ratio is more than 200 per cent, which is healthy," he said.

The impairment loan ratio had also come down to 1.3 per cent last year from 3.1 per cent in 2009, he said.

Idris, who is also the Performance

Management and Delivery Unit Chief Executive Officer, made the remarks when answering a question from the floor at the Invest Malaysia 2014 here Monday.

Meanwhile, Idris said the government was transforming Malaysia into an inclusive and sustainable economy to offer better quality of life to Malaysians.

He said that was achievable through the gradual reduction in fiscal deficit, reduced dependence on oil and gas revenue and related measures to assist the bottom 40 per cent of income earners, among others. — Bernama

The much debatable government imposition of 6% GST has stirred a significant fuss amongst the affordable housing's developers and buyers. Although the GST imposition has no impact on the selling price of affordable homes due to the exempted goods nature of residential property, the impact is substantially impacting the development costs of affordable homes. The increase in development costs due to GST imposition has discouraged developers to build more affordable homes. This would ultimately affect the government's promise/manifesto to provide more homes for the middle income earners.

Hence, investors would be more reluctant to release their properties in the secondary market. In other words, the supply for properties would be reduced and the prices of properties will further increase with the imposition of GST.

With the introduction of Budget 2015 and the scenario of the bank loan rejections in the market, what are the roles of the banking institutions in the effort to improve affordability and purchasing power of lower-middle income group?

Budget 2015 has also reinforced the government intention to uphold the imposition of Real Property Gain Tax (RPGT), which had tightened both hands of high income earners.

- Disposal within 2 years after date of acquisition – RPGT 30%
- Disposal in the 3rd year after the date of acquisition – RPGT 30%
- Disposal in the 4th year after the date of acquisition – RPGT 20%
- Disposal in the 5th year after the date acquisition – RPGT 15%
- Disposal in the 6th year after the date of acquisition or thereafter
- RPGT Nil

## 30% of Sabah housing loans rejected – Shareda

By Rebecca Chong

KOTA KINABALU: Janaka's stringent loan criteria results in many applications for the My First Home Scheme rejected. Idris defends the government's efforts to provide homes to first-time house buyers, especially those from the lower and middle-income groups.

President of Sabah Housing and Real Estate Developers Association (Shareda) Francis Gob, said from Shareda's study, 36 percent of housing loan applications was rejected in Sabah, and he urged the government to approach the banks on the matter.

"We (Shareda) have done our part in our Corporate Social Responsibility (CSR) to sell affordable homes to first-time house buyers at a price of less than RM450,000 per unit of apartment, as part of our contributions to the people as well as to the Ministry of Urban W planning, Housing, and Local Government," he said.

Shareda has promised the ministry to build 10,000 units of affordable homes for the people.



Gob

with home size of 860 square feet.

This year, Gob said they were going to build 6,000 units where 1,550 had been completed and approved by the local government.

My First Home Scheme provides RM50,000 to buyers to cover the 10 percent purchase deposit.

However, according to Gob, that only solves one problem.

"The first problem which

prevents people from buying houses is that they cannot afford the 10 percent deposit. Although the minimum 150-First Home Scheme solves this problem, it does not answer the second problem, which is to create and finance the 90 percent of the house price.

"Banks are also adopting a fast loan value system and very stringent credit rating procedures like CCRIS (Credit Reference Information System) and CTOS," he explained to reporters at the ProLEX property exhibition here yesterday.

Gob also said prices for the affordable homes were 20 to 30 percent lower than the prevailing market price, so if banks had to foreclose these houses, they should be no problem for them to recover 100 percent of the actual purchase price.

Francis Gob explained to the attendees about the My First Home Scheme and the Shareda MCHT Affordable Scheme.

Units under the My First Home Scheme are available at three locations, namely at 11, Jalan Daya in Tuaran, Telipok Ria in Telipok

and Khasnah in Lahad Datu, with prices from RM100,000 to RM226,000.

In his opening speech for the exhibition, Gob said Minister Datuk Seri Musa Aman urged Shareda to engage Bank Negara in discussions on its proposal to ease stringent procedures for housing loan applications.

The stringent procedures on loan applications are imposed by Bank Negara to encourage household debts in Malaysia. A Hope Shareda will find ways to dialogue with Bank Negara on this and other matters," he said.

Shareda has over the years vocally called for the banking authorities to relax their stringent credit rating imposed against home loan applicants, especially the low and medium income group.

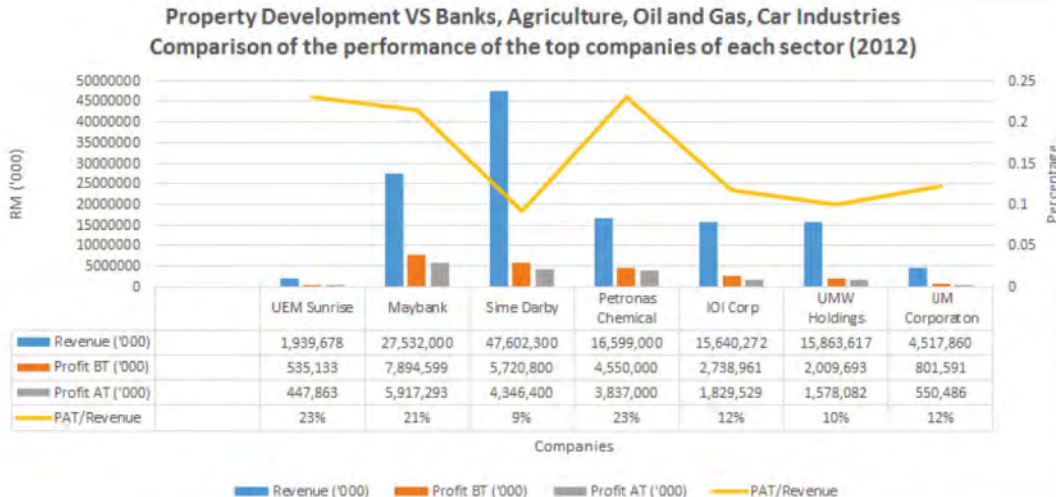
The tight requirement, said the association, hampers the government's vision of creating all citizens own a home as most government and government private developed housing would not be taken up by the middle class, due to difficulties in financing loans.

## 5.1 THE NEED FOR BANKERS TO PERFORM THEIR CSR IN ASSISTING FIRST TIME HOUSE BUYERS TO OWN A HOME

Table 1 below shows Top 5 Finance Sector. We can deduce that the 5 major banks in the industry are experiencing healthy profit margin of average 29% annually. In comparison to other industries in the Malaysian economy such as Banks, Agriculture, Oil & Gas, and Car Industries, developers only received 9%-12% of the profit margin only. In other words, the banking institutions are in a better financial condition than the developers. Hence, it would be safe to say that banking industry should play a greater CSR role in improving affordability in the market.

Bank	Revenue (RM)	Profit AT (RM)	%
Maybank	27,000,000.00	5,700,000.00	21%
Public Bank	14,500,000.00	4,000,000.00	28%
CIMB	13,500,000.00	4,500,000.00	33%
AmBank	8,550,000.00	1,800,000.00	21%
Hong Leong	4,500,000.00	1,900,000.00	42%
<b>Average</b>			<b>29%</b>

Table 1 : Top 5 Finance Sector (Profit AT/Revenue %)



Furthermore, SHAREDA seeks assistance from the banking industry to shoulder more responsibility in the implementation of 1 million affordable homes scheme initiated by our Prime Minister Datuk Seri Najib Razak. The local banks should play a more effective role by providing more accessible financing facilities for home buyers, especially the low income group. It was noted that the main reason for the failure of buyers to secure housing loans is stringent requirements imposed by financial institutions despite the incentives and various assistance schemes provided by the government, especially initiatives such as MyHome scheme.

According to SHAREDA's survey, we can deduce that housing loan application suffered from a high rejection ratio of 35%. This is definitely detrimental to middle lower income home buyers. From this scenario, it is evident that the financial institutions are risk adverse and they are taking a back seat on approving affordable homes loans. Bankers are too apprehensive on the repayment ability of affordable home buyers, and also the bankers' conservative and prudent outlook on our nation's household debt ratio.

On the contrary, it was highlighted in the press release dated 10th June 2014 (Tuesday) by Datuk Seri Idris Jala from the Prime Minister's Department that our nation's household debt is a concern, however it is NOT ALARMING. Despite this concerning debt, it is consoling to note that:

- Gross Domestic Product (GDP) ration has improved to 86.6% in 2013 as compared to 72.4% in 2009;
- Household asset-to-GDP ratio is more than 200%; and
- Impairment loan ratio has decreased by 1.8%, from 3.1% in 2009 to 1.3% in 2013

The way forward for the market to improve rapidly is to have Bank Negara to relax the stringent loan approval criteria, especially to First Time Home buyers, for example:

- Exemption from CTOS and CCRIS checking
- Reduce repayment period for cars to 5 years
- Increase of loan repayment period to 35 years
- Impose quota to banks to finance first time house buyers and affordable homes.

These initiatives are backed by our Sabah Chief Minister in his latest press release dated 30th August 2014 in Borneo Post with the headline stated "Talk to Bank Negara, CM urges SHARED".

## Make banks fulfil CSR by giving out MyHome loans

Chris Masklone



Goh

**KOTA KINABALU:** The government should compel finance institutions to fulfil their corporate social responsibility by giving out MyHome loans to applicants under the MyHome Scheme.

Sabah Housing and Real Estate Developers Association (SHAREDA) President Francis Goh said earlier today. He said SHAREDA showed many first-time property buyers were unable to buy their dream homes because banks imposed stringent conditions, thus many applicants could not get the 90 per cent loan.

"The involvement of banks in making the affordable home scheme a success is very important and we need them to come in. The participation from banks also help to realise the Prime Minister's call to bank new million-affordable houses for the medium income group," he said.

"As asked by our Chief Minister during the launching of the Sharada property exhibition in late August, Bank Negara has accepted the invitation of SHAREDA to have a dialogue on Sept 25," he said.

During the meeting, he will propose to Bank Negara to impose a quota to finance institutions similar to the one they imposed on developers.

"I don't see any reason why they cannot do the same to banks especially as they are to provide 100 per cent or automatic loan approval to first-time home buyers or low properties categories under affordable houses," said Goh in a press conference at Wisma Kinabalu here today.

The developers have been asked to fulfil their corporate social responsibility and now it is the turn of the bankers to play their part, he said.

"After all, he said the rise in giving loans to affordable home buyers is down the selling price of the properties to 20-30 per cent lower than the market value so the bank can recover the loan 100 per cent in the event of foreclosure.

In Sabah, the size of the affordable home under the MyHome Scheme is 800 to 900 sq ft (approximately 1,200 sq ft) and cost "Our size is smaller because we have to pay 20 per cent higher for the building material due to the shortage policy," he said.

On another note, Goh said the Chinese community here was still unaware of the MyHome Scheme launched by the Prime Minister in April this year.

He said out of some 3,000 people registered during the (two-day) Sharada Property Exhibition 2014 at Sabah Trade Centre on Aug 29-30, only 100 were only new Chinese.

"We hope the Chinese will take advantage of this scheme provided by the Federal government and implemented by the Ministry of Urban Wellbeing, Housing and Local Government," he said. He said the registration could also be done online at <http://jhuibh.com.my> or [www.jhuibh.gov.my](http://www.jhuibh.gov.my).

According to the National Housing Department (NHD) so far they had completed 100 projects and 10 housing projects in Sabah under the MyHome2 Scheme.

Two of the projects are in Tuaran namely Tuaran Jaya Apartment with 888 units and Apartment Jelapang with 400 units and third project is Jalan Karambah

Jedah in Lahad Datu with 193 units of single storey terrace houses, said Goh.

The scheme is open to first-time property buyers aged 18 and above for them to buy affordable homes as the government will provide an interest rate of RM30,000 upfront to cover the 10 per cent deposit.

The prices of the property range between RM120,000 and RM250,000 requiring a maximum of 830 sq ft and the household income of the applicant is between RM4,000 and RM6,000, he said.

"I was told by the NHD those who are self-employed and do not have the income tax 1A form, are also eligible to apply provided they declare their income with the endorsement from the commissioner for tax," he said.

He said Malaysia is the third country in the world that provides the incentive to first-time property buyers after UK and Australia.

The Federal government allocated a budget of RM100 million annually to implement the scheme and a large first-time property buyers take advantage of the offer," he said.

Goh said Sharada has also coordinated its input to the scheme where it advised the government to remit the RM330,000 incentive on behalf of the buyer into the developer account only upon signing the sale and purchase agreement at the time in the past where the incentives are given without any agreement being signed which asked the danger of loss.

"This method is to make sure completed developers will not manipulate the selling price so when the buyer goes to the bank the selling price is still RM330,000 and the bank will approve the 90 per cent loan," he said.

## Talk to Bank Negara, CM Urges Shared

By Merih Merpi

**KOTA KINABALU:** Chief Minister Datuk Seri Musa Aman has urged Sabah Housing and Real Estate Developers Association (SHAREDA) to engage Bank Negara in discussions on its proposal to ease stringent procedures for housing loan applications.

"The stringent procedures on loan applications are imposed by Bank Negara due to increasing household debts in Malaysia. I hope Sharada will find ways to dialogue with Bank Negara on this and other matters," he said in his speech for the opening of Project 2014 here yesterday.

The text of Musa's speech was read by Minister of Special Tasks Datuk Tee Chee Kang, who also officiated at the event on his behalf.

Sharada has over the years vocally called for the banking authorities to relax their stringent credit vetting imposed

against home loan applicants, especially the low and medium income group.

The tight requirement, said the association, hampers the government's vision of ensuring all citizens can own a home as most government and government-private developed housing would not be taken by the target group due to difficulties in finding loans.

Meanwhile, Musa said the State Government acknowledged the importance of the property sector to the State's economy and were mindful of the developers' worries and constraint in implementing their projects.

He said issues brought up by Sharada were being carefully looked into but the authorities must practise caution because while a decision may bring about resolution to a particular issue, it may create a set of new problems.

"Take for example Sharada's

push for the gazettement of the draft local plans for Penampang, Tawau, Lahad Datu, Kota Kinabalu and other towns.

"This sort of long-term planning involves so many departments, agencies and spheres of concerns that if we were to expedite it, we could be guilty of being reckless or short sighted."

"Therefore, we need every party, including organisations like Sharada, to work with us in finding the best solutions," he said.

On Sharada's call to reduce the 99-year lease to 99 years when a master title is sub-divided, Musa said he has been assured by the Attorney General's office that the suggestion and its many far-reaching implications were being thoroughly studied.

Similarly, the same was being done on the proposal to ease the conversion of Native Title Land for property development and

subdivision.

"While on the one hand we want to make it easier for land to be converted for development, we are cautious about indiscriminate conversion which will undermine the very core principle upon which Native Title safeguard was put in place all those years ago," he said.

On the issue of civil servants' lack of home ownership, Musa said the government was responding and will soon implement the construction of 1,000 units of Perumahan Penjawat Awam Satu Malaysia (PPAM), an affordable home scheme for civil servants, those working with government-linked agencies and statutory bodies.

At the same time, he said a few thousand units of affordable apartments will be built in collaboration with PRIMA in major towns such as Kota Kinabalu, Sandakan, Lahad Datu and Tawau.

The impact of Budget 2015 and the roles of the banks can be concluded as such:

- Budget 2015 proposed budget for the people without any additional fiscal burden on the Rakyat;
- Budget 2015 seeks to address the Bank Negara needs for affordable homes and the rise of property prices; and
- Price of properties would be of upward trend due to GST imposition and the lower supply in the primary and secondary market;

Urgent need for Banks to act swiftly in helping lower income group to own homes:

- Discouraging bank loan approval rate deviates the government's effort to enhance Rakyat affordability;
- The local banks should play more effective role by providing more accessible financing facilities for home buyers, especially the low income group;
- The participation of financial institutions will help to realise the Prime Minister's call to build affordable homes for lower income group;
- Urge Bank Negara to impose quota to finance institutions similar to the imposition made to developers

# 6.0 PROPOSAL TO EXPEDITE DEVELOPMENT PLAN APPROVAL

By : Ar Ronnie Ang

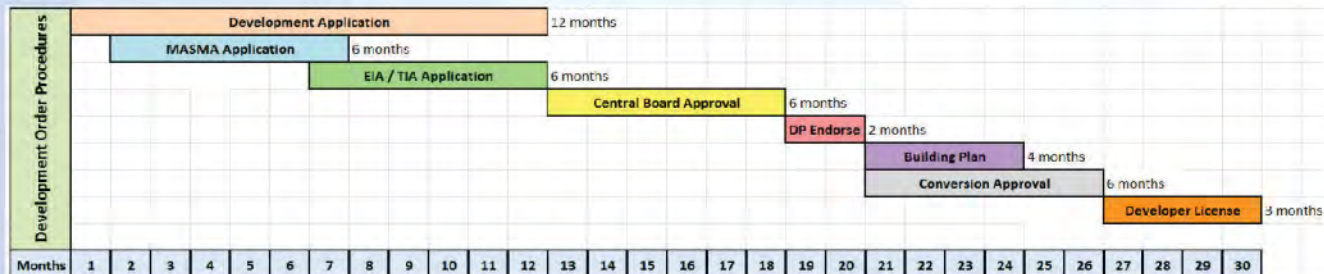
## 6.1 INTRODUCTION

Back in year 2005, Development Plan for residential development was approved within a period of 6 months with anticipated time of additional 2 to 3 months to obtain Developer's Licence from Ministry of Local Government and Housing.

Later, more stringent measures were introduced from various government agencies for more technical studies like JKR Traffic Impact Assessment (TIA) or Traffic Site Plan (TSP), DID MASMA studies, Environmental Impact Assessment (EIA), DBKK High risk committee on Hill Slope Development. Lately, the Health Department also enforced that the "Health Impact Assessment" must also be submitted by developers to mitigate spread of "dengue disease" at construction site. These additional procedures have deterred the approval process as the studies take a longer time to complete and they must be done simultaneously before reaching a final decision by the local councils before sending over to Central Board for final decision.

## 6.2 SHARED'S SURVEY

Recent survey amongst SHARED's members has shown that most of the Development Plans have taken between 30 to 36 months to obtain a Development Plan's approval. It is indeed a welcoming news when it was announced by the Minister YB Datuk Seri Panglima Haji Hajiji Bin Haji Mohd Noor, the Minister of the Local Government and Housing at the recent State Legislative Assembly that the Government is setting up a one stop centre to streamline the process of approving developments, building plans and issuance of Occupational Certificates.



In this respect, SHAREDADA fully concurs and is supportive of YB Datuk Seri Panglima Haji Hajji Bin Haji Mohd Noor's innovative and creative views in delivering services to the public. This effort will definitely expedite the approving process and reduce the unnecessary red tapes in all aspects.

### **6.3 SEVERAL PROPOSALS BY SHAREDADA TO EXPEDITE THE APPROVAL OF DEVELOPMENT PLAN (DP)**

#### **(i) Submission of DP to Central Board First for Principal Approval**

The role of Central Board is to deliberate the zoning and rezoning issue, to ascertain the Development Plan is in line with Government's policies as well as to consider the social impacts created by the proposed development apart from traffic impacts and environment impacts issue. Central Board has no sufficient technical support such as qualified engineers and architects to review the technical aspects of the proposed development. Thus, local authorities still need to circulate the proposed Development Plan to the respective advisory departments for technical comments.

This has caused distressful experience to the developers due to heavy capital investment cost on land, resources and fee payments for consultants' services. Inevitably, this would delay the approval process which will further exacerbate the cash flow problems and service higher bank loan interest. Hence, SHAREDADA hereby recommends to the Central Board under the Ministry of Local Government and Housing to accept all development plans to be submitted to Central Board for approval ahead of the development plans before being circulated to all relevant advisory departments for technical comments. The "Top Down" procedure is more appropriate as Central Board is the highest authority to approve DP prior to the gazettelement of Draft Local Plan as a short term solution.

The above "Top Down" procedures would save a lot of development risks for developers and many hopes that the Central Board would recommend a Development Planning Approval (DPA) stage to be arranged within 2 months from the date of submission by a qualified architect. With this order in place, the developers would have the confidence to pay up the balance of the land price within the 6 months grace period to prevent huge loss in securing unsuitable land for development.

### **(ii) To expedite the gazette of all Draft Local Plan by MLGH**

The Ministry of Local Government & Housing (MLGH) through its Town Planning Department must expedite the gazette of all draft local plan so that Development Plans does not need to be submitted to Central Board as a long term solution. The Central Board's role should only then focus on the issues of rezoning applications and to regulate appropriate development policy.

### **(iii) To set up "One Stop Centre" to gather for technical comments in all District Council**

After the principal approval has been obtained from Central Board, the Development Plan will be submitted to the respective councils for technical comments for final approval. In order to expedite the process of technical comments, it is recommended that the District Council will set up a One Stop meeting every month to involve all relevant advisory departments to give their comments on the spot in accordance to what has been suggested by the Minister, YB Datuk Seri Panglima Haji Hajiji Bin Haji Mohd Noor in his winding up speech in the recent concluded State Assembly.

## **6.4 TO ENCOURAGE TRANSPARENCY AND TO ESTABLISH FIXED RATE IN CAPITAL CONTRIBUTION**

SHAREDA welcomes YB Datuk Seri Panglima Haji Hajiji Bin Haji Noor's view that the State government would appeal to the Federal agencies involved in providing utilities such as electricity and telephone services to reduce capital contribution charges on local housing developers to be on par with the charges on peninsular Malaysia in an effort to stabilize home prices. The metrical charges of the so called capital contribution will eventually transfer to buyers which constitute almost 3% of the products' pricing.

SHAREDA is opined that SESB or other agencies should advise their contribution charges at the early stage while assessing the development plan so that it may provide an accurate budget to the developers in determining the house price. Otherwise, it may cause budget over run on the estimated development cost.



## **6.5 DID MASMA STUDIES**

SHAREDA urges the District Councils and DID to consider detail submission of MASMA after the Development plan approval i.e. during building plan submission provided there is a provision of land reserve for detention pond under the development plan. This will expedite the approving process as the study itself is a comprehensive document that requires longer period to compute and most of the time, retention of water is through sizes of drainage that will prevail after the calculation of drain sizes during the submission of building plan.

## **6.6 MASTER INTEGRATED TRAFFIC PLAN**

SHAREDA is opined that the current requirement for Traffic Site Planning is a good move by JKR but it is difficult to resolve the traffic problems due to its individual micro scale studies. It would be prudent if the State Government takes an initiative to study and evaluate the traffic issues in totality for urban areas which will achieve more consistent approach to traffic planning and sustainable development. The developers should be asked a Traffic Network Plan only to mitigate the traffic problems within the development site and its adjacent road networks.

## **6.7 ENVIRONMENT IMPACT ASSESSMENT**

EIA should not be required on flat land reclamation so long as the developers can prove where is the source of the imported earth.

# Hajiji: Red tape to be reduced

Hayati Dzulkifli

KOTA KINABALU: The Local Government and Housing Ministry is aiming to shorten the process of approving required documents for physical developments by reducing red tape.

Minister Datuk Hajiji Mohd Noor said this was adopted from resolutions concluded in a convention of local authorities held this year, with a target to be implemented next year.

In answering the government's call to have smart and sustainable development for the wellbeing of the people, he said all departments and agencies including local authorities will apply innovation and creativity in delivering their services to public.

He also thanked the State government for allocating RM117.26 million for the ministry where RM94.30 million is allotted for expenditures and RM22.96 million for development programmes.

"During the local authorities' convention, several resolutions were drawn up that look practical and could be considered for implementation for the benefit of development projects and people's wellbeing.

"One of them is to streamline the process of approving development plans, building plans and issuance of Occupation of Certificates (O.C.) whereby we plan to activate a one-stop centre that will process and look into all the development projects applied by the developers.

"This will be done before the documents are sent to the Central Board in the ministry to be approved," Hajiji said in his winding speech for his ministry at the State Legislative Assembly here.

By adopting this approach, he hoped the Standard Operating Procedure (SOP) in all local authorities could cut down bureaucracy when handling the development plan, building plan and issuance of O.C.

To strengthen the enforcement aspect, Hajiji said the ministry will make uniform several by-laws to help the local authorities carry out enforcement duties and

that efforts to streamline other by-laws will be continued next year.

For the first time, Hajiji said the National Audit Department awarded the ministry a four-star rating under the Financial Accountability Index 2013.

"Four district councils - Papar District Council, Kuala Penyu District Council, Lahad Datu District Council, and Nabawan District Council and Town Planning and Regional Department under my ministry have also been awarded the four-star rating.

"The ministry and these agencies will be getting the awards in a ceremony at Kedah on Nov 24 this year," he said.

Replying to a proposal by Api-Api assemblywoman Christina Liew and Luyang assemblyman Hiew King Cheu on government measures to tackle hikes in housing prices, Hajiji said such phenomenon is happening globally affecting in Malaysia and indirectly affecting the financial standing of the people.

"The government has taken several measures to help low-income earners and youths to own houses. Among the measures are:

- the ministry will ensure the private developers will not reap more than the fixed profit margin of 30 per cent from the total development costs for a housing project.

- an incentive of RM30,000 will be given to house buyers especially under the MyHome 1 and MyHome 2 programme.

- the government through the ministry will interact more with professional bodies to get accurate information on the real costs of housing development that would give the picture on each component into the costing and able to assess the real structure of housing prices.

- to ask Royal Institute of Surveyors Malaysia to conduct a study on the causes of rising housing prices and to come up with positive proposals to address the issue.

- the ministry will consider to create a post of Quantity Surveyor to be placed at Housing Controller Secretariat



Hajiji (left) with his assistant minister Datuk Zakaria Mohd Edris.

Division to help assess the development cost in detail that is submitted by the developers before the developer's licence is issued.

- to ask the utilities agency to streamline the Capital Contribution rate charged by the housing developer in Sabah with those in the peninsula.

- housing developers are required to fulfill a 30 per cent quota policy to build affordable homes in each of their housing projects where the size of the house must be between 850 and 1,000 sq ft with the pricing being not more than RM250,000 per unit.

Replying to Liew, Hajiji said Sabah Housing Development and Town Authority (LPPB) had built 4,509 units of affordable houses and 385 units of high end houses implemented in a joint venture with the private sector from 2001 until this year.

He said a total of 10,465 affordable houses and 3,649 high end houses will be constructed under the 11th Malaysia Plan (11MP).

Replying to Sri Tanjong assemblyman Chan Foong Hin on the landfill at Bukit Gemok, Tawau, Hajiji said the site will be upgraded to having an environment-friendly sanitary system where the solid and liquid waste will be processed and will not adversely affect the natural sur-

roundings.

He said the Bukit Gemok landfill has a life span that can sustain the pile of rubbish for another 10 years after the upgrading on the site and before this will be relocated to a new site with an integrated concept in the Balung area.

Replying to Sukau assemblyman Datuk Sadii Abdul Rahman, Hajiji clarified that the State government did not allocate RM4.5 million for the development of new townships in Sabah for next year.

"It is not true that the ministry only allocates RM4.5 million for development of all new townships in the State next year.

"In fact, we allocated RM10 million as the funding for such purpose and each implementation of a new township would be done in stages as there are 68 new townships in Sabah," he said.

Specifically for Sukau New Township, Hajiji said a total of RM3 million has been allocated for it under the 10th Malaysia Plan whereby RM1 million is each given in 2013, 2014 and 2015.

To a request by Sebantik assemblyman Datuk Abd Muis bin Picho for the government to establish a new township at Sebantik, Hajiji said the application would be considered under the 11th Malaysia Plan (11MP).

# Utility costs way too high

By Jenne Lajlan

**KOTA KINABALU:** The exorbitant prices of houses in Sabah are very much due to the high users' capital contribution charged by utility providers such as Sabah Electricity Sdn Bhd (SESB), Telekom and the Water Department.

According to Local Government and Housing Minister Datuk Hajji Haji Noor, the capital contribution charged by these utility companies are five times higher here than in Peninsular Malaysia.

He said the capital contribution were imposed on housing developers in Sabah, who in turn include these costs when setting the prices for the housing properties, resulting in housing buyers shouldering the high costs incurred.

"I would like to stress here that GLCs (government linked companies) such as Telekom Malaysia and Sabah Electricity Sdn Bhd together with other government agencies such as the Water Department must rationalise to help lower house prices.

"We would like to see the rates on the capital contribution to be lower than the current rates or at least on par with the rates in Peninsular Malaysia," he said.

Hajji said this during the 'Rationalisation of Property Development in Sabah' forum held at the Magellan Sutera Harbour Resort near here yesterday.

He expressed the hope that the forum would be able to come up with recommendations that could be brought up to the cabinet for further action.

He also said that among others, the forum would touch on issues related to the Cabotage Policy and other causes of high property prices in Sabah.

Earlier, in his speech, Hajji pointed out that a double storey terrace house in Kota Kinabalu in 2007 was sold at RM210,000, but today, a similar unit on the outskirts of Kota Kinabalu, such as Menggatal or Penampang, were being sold for RM450,000.

"That is a growth of some 11.5 percent. Comparing this with the mean income growth of 7.2 percent for the period of 2009 to 2012, it shows that the housing price index has grown faster than the general income of the public," he revealed.

He also said that the phenomenon of the rise in the selling price of houses was very obvious in the last five years.

"Various rationales were provided for this, foremost among them is the increased



Hajji

cost of land, building material and labour."

"On this, my ministry is conducting a study based on the submission by a professional consultant against the valuation report on the land cost and actual figure on the tender documents for the building and labour cost. We will study the results carefully, and, if indeed, the costs are in line with the professional submission, then it is perhaps high time for the construction industry to look to other avenues when undertaking housing construction, such as more mechanised equipment and

modular system," he said.

Hajji also challenged the professionals such as consultant engineers, architects and quantity surveyors to work together with the housing developers to adopt available technology to lower the costs of construction and labour.

"Significantly, building and infrastructure costs contribute 70 percent of development cost whereas the balance 30 percent lies with land cost, capital contribution, professional fees, marketing and administration cost," he said.

Hajji also stressed that the State Government was well aware of the grouses on the issue of house prices that has gone beyond the affordability of the general public.

He said that he was aware of the issue and his ministry was monitoring the situation and had been out trying out various administrative procedures to curb the price increase.

"If and when necessary, I will instruct the Housing Controller to seek new approaches to mitigate this matter; like employing a quantity surveyor to evaluate the submission by industry players prior to approving their housing developers licence.

"The reasons provided by the industry players to increase prices are only one side of the

story," he said.

He added that the government has a duty to ensure that the people can afford to buy houses and called on the Royal Institution of Surveyors Malaysia (RISM) to speed up the study on the reasons for the price increase and to give positive proposals to overcome the situation by the end of the year.

"I am positive that the study can assist to verify the truth or otherwise as claimed by the industry players," he said.

Hajji also said that schemes such as the Developers Interest Bearing Schemes or DIBS has been disallowed in Peninsular Malaysia as it has been blamed for indirectly increasing house prices as buyers will have to bear the cost of interest in the selling price eventually.

"To curb further speculation, developers are required to inform whenever there are buyers purchasing more than four properties in the same development.

"To increase and make possible home ownership among the first-time home buyers, the Federal Government has also introduced the incentive of RM30,000 under the My Home Scheme.

"All these steps taken indicate the concern of the government towards the increases of house prices," he said.

## 7.0 30% SIMPANAN LOT BUMIPUTRA, APA TUJUAN SEBENARNYA?

Oleh : Reggie Sua

Sudah menjadi salah satu syarat wajib kepada Pemaju Perumahan untuk memperuntukkan simpanan 30% kuota lot bumiputra terhadap semua pembangunan perumahan untuk memperolehi Lesen Pemaju dan Lesen Pengiklanan projek daripada Pengawal Perumahan di bawah pemantauan Kementerian Perumahan dan Kerajaan Tempatan. Simpanan lot bumiputra tersebut hanya boleh dijual kepada para pembeli bumiputra dan kebiasaannya potongan harga minima 5% akan ditawarkan oleh pemaju sebagai insentif istimewa kepada kaum bumiputra.

Mengikut kajian yang telah dilakukan oleh SHAREDADA, kita boleh menyimpulkan bahawa pencapaian 30% kuota bumiputra ini hanya dapat menepati sasaran 10-20% sahaja. Kegagalan pencapaian kuota bumiputra tersebut adalah disebabkan oleh sekatan yang dikenakan daripada pihak Jabatan Tanah dan Ukur (JTU). Jabatan tersebut telah menghadkan lot-lot bumiputra yang dibeli oleh kaum bumiputra hanya terhad kepada pembeli sekunder yang berbangsa bumiputra, dan lot bumiputra adalah dihadkan tidak boleh dijual kepada kaum bukan bumiputra dalam tempoh 5 tahun selepas tarikh perjanjian jual beli ditandatangani.

Walaupun permohonan untuk pembatalan sekatan tersebut boleh dikecualikan dengan mendapatkan kebenaran daripada Pengarah JTU, tetapi pemilik lot-lot bumiputra dikenakan bayaran premium untuk pertukaran syarat yang tidak kurang daripada RM5,000 oleh Jabatan Tanah dan Ukur.

Oleh yang demikian, terdapat segelintir pembeli kaum bumiputra yang berkemampuan sanggup membeli lot-lot bukan bumiputra kerana tidak ingin terikat dengan syarat-syarat lot bumiputra tersebut.

Sebagai seorang bumiputra, saya berasa ragu-ragu dengan pelaksanaan kekangan-kekangan seperti yang dinyatakan di atas. Hendaklah difahamkan bahawa 30% simpanan kuota tersebut adalah selaras dengan Dasar Ekonomi Baru (DEB) yang bertujuan untuk memupuk pembabitkan kaum bumiputra dalam perolehan hartanah dan seterusnya mempertingkatkan status ekonomi kaum bumiputra melalui pelaburan hartanah (Property Investment) yang membawa pulangan keuntungan yang lumayan seperti yang dinikmati oleh kaum bukan bumiputra yang lain.

Pada pendapat saya, sekatan simpanan kuota bumiputra yang diperkenalkan oleh Jabatan Tanah dan Ukur telah terbias daripada tujuan murni DEB untuk memupuk pemerolehan hartanah oleh kaum bumiputra. Bahkan sekatan ini telah mengklasifikasikan hartanah lot bumiputra ini sebagai hartanah "kelas kedua" yang menawarkan minat kaum bumiputra untuk melabur dan membeli lot bumiputra. Tanggapan lot bumiputra sebagai hartanah "kelas kedua" sememangnya pun telah dipraktikkan oleh kebanyakan bank dan juru nilai dengan nilai "Force Sale Value" yang lebih rendah jika dibandingkan dengan lot bukan bumiputra sekiranya hartanah tersebut dilelong. Pihak berkuasa telah mengabaikan objektif kedua DEB iaitu mempertingkatkan status kaum bumiputra melalui pelaburan hartanah.

Saya menyeru pihak kerajaan Negeri atau Jabatan Tanah dan Ukur mengkaji semula sekatan syarat tersebut kerana ini adalah punca utama kuota bumiputra tidak dapat memenuhi sasarannya dan polisi tersebut telah terkongkong dengan polisi simpanan tanah Melayu atau "Malay Reserved Land" yang ingin mengekalkan dominasi tanah oleh kaum Melayu sahaja. Hendak dimaklumkan bahawa polisi "Simpanan Tanah Melayu" tidak pernah wujud di Sabah kerana kita tidak mempunyai tanah "Simpanan Melayu."

Justeru itu, kekangan penjualan sekunder lot bumiputra kepada kaum bukan bumiputra dalam tempoh 5 tahun itu hendaklah dibatalkan bagi memupuk minat kaum bumiputra untuk melabur dalam bidang hartanah. Polisi tersebut bukan sahaja tidak dapat memajukan ekonomi kaum bumiputra, malahan akan memundurkan dan mengabaikan kepentingan kaum bumiputra untuk berkecimpung dalam arus pelaburan hartanah.

SHAREDA tidak pernah membantah peruntukan 30% kuota lot bumiputra malah ingin membantu kaum bumiputra dengan memberi diskaun 5%. Memang menjadi hasrat SHAREDA untuk melihat lebih ramai pembabitan kaum bumiputra dalam pelaburan hartanah kerana ini adalah satu teknik perniagaan yang telah membuahkan keuntungan yang lumayan yang selama ini telah dinikmati oleh kaum yang lain. Sekiranya sekatan lot bumiputra itu telah dibatalkan, lot-lot bumiputra semestinya akan lebih laris dan pemaju tidak perlu lagi memohon kepada Pengawal Perumahan untuk mengeneppikan baki peratusan kuota bumiputra yang telah gagal menepati sasaran 30%.

Diharap cadangan tersebut mendapat perhatian yang serius daripada pihak kerajaan demi kepentingan kaum bumiputra dan juga kebaikan pemaju hartanah dalam proses memperkasakan status ekonomi kaum bumiputra!

Sekian.

### Reggie Sua

SHAREDA Council Member

## REHDA proposes auto release mechanism on B'putera properties

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The Real Estate and Housing Developers' Association of Malaysia (REHDA) is asking the government for a structured mechanism allowing developers to automatically release unsold Bumiputera properties as it affects their cash flow.

"We are asking for a very structured mechanism. Maybe six months after a project receives Certificate of Fitness and the Bumi allocation is unsold, we can release it to other buyers," said Datuk Seri Michael K.C. Yam, President of REHDA.

Yam said that unsold Bumiputera units have also caused unwanted immoral activities leading to developers paying a fine.

Additionally, REHDA urged the government to review the 30-year old low-cost housing quota imposed on private property developers.

The low-cost housing quota served as a social obligation for private sector developers who were confined to building low-, low-medium and medium-cost houses with prices limited between RM42,000 and RM99,000 each.

"The government should do research as to how many units are really required. We think there is more than enough low-cost houses here. We understand some are not even occupied, while others own two to three units that are on rental," noted Yam

He added that the lower income group seems to have the purchasing power to purchase better homes, adding that the government should do social housing for the poor ones and allow developers to concentrate on building medium to high-end houses.

In 2011, the country's housing stock was around 4.5 million units consisting of 1.04 million low-cost houses, 402,000 bungalows and 296,000 units of semi-detached homes.



## 8.0 COURTESY CALL-RECAP OF SHARED A'S ACTIVITIES FOR YEAR 2014

### 1. 19TH MALAYSIAN DEVELOPERS' COUNCIL MEETING



KOTA KINABALU: Sabah Housing and Real Estate Developers Association (SHARED A) hosted the 19th Malaysian Developers' Council (MDC) Meeting on 25.04.2014 at Wisma Kinsabina, Kota Kinabalu. The tripartite meeting between Real Estate And Housing Developers' Association (REHDA) Malaysia, the Sarawak Housing And Real Estate Developers' Association (SHEDA) and SHARED A is held biannually to deliberate and discuss issues relevant to the housing and property industry in the Peninsular Malaysia, Sabah and Sarawak. The joint communique issued by the three associations is as follows:

### **1. Access To End-financing For Affordable Housing**

The housing and property sector plays a key role in the adequate affordable housing for the nation. Whilst the Government's objects and policies to increase affordable housing should be applauded, the MDC is concerned that the financing facilities for these affordable units are not aligned. Feedback from members of the three Associations indicated that loan rejection for end-financing for affordable housing has been very high. Purchasers, in particular, first time home owners are facing great difficulty in securing housing loans. The stringent housing loan guideline introduced by Bank Negara Malaysia (BNM) in 2012 has affected developers' sales and such guideline is clearly contrary to the efforts to promote affordable housing. We understand that the prime intent of BNM for introducing the guideline is to curb household debt but MDC is of the view that BNM and the Government should review the mechanism and qualifying criteria to facilitate first time home owners and buyers to own such affordable houses.

### **2. Labour Shortage Issue**

MDC acknowledged and recognised the success of the on-going Economic Transformation Programme (ETP) in transforming Malaysia into a high income nation which to date has started to bring about commendable success to the economy including the real estate and property industry. This however, has given rise to capacity and demand side, challenges such as costs increase and currently very critical, acute labour shortage. Unless the Government reviews the measures taken against the use of foreign labour, this shortage of human resource would lead to delivery problems and legal implications arising from contractual obligations. We appeal to the Government to engage the various stakeholders to quickly resolve this serious problem, otherwise, project development and delivery will be in jeopardy resulting in even higher labour costs.

### **3. Inadequate Licensed Land Surveyors In Sabah**

In line with capacity challenges, there is concern on the adequacy of professionals in particular, licensed land surveyors in Sabah. Such shortage is not in tandem with development growth in the state and has caused difficulties for developers. SHAREDAs, through MDC urged the authorities to urgently address this matter and if required open up the land surveying practice to licensed land surveyors from the Peninsular or Sarawak.



Sunday, April 26, 2014

# Developers Council voices concern on issues

Neil Chan

PENANGPANG: The Malaysian Developers Council (MDC) on Friday elaborated on the state of the housing industry and expressed concern over access to end financing for affordable housing, labour shortage issues and inadequate licensed land surveys.

The council was represented by Sabah Housing and Real Estate Developers Association (SHARDA) President Francis Goh, Sarawak Housing and Real Estate Developers Association (SHEDA) President Zaidi Ahmad and Malaysia Real Estate and Housing Developers Association (REHDA) President Tanik Sri Michael Yam Kong Chay.

They raised these concerns during the 19th Malaysian Developers Council meeting held in Wangsa Kinis-Sira here.

Goh said with regards to the access to end financing for affordable housing, the housing and property sector plays a key role in the adequate affordable housing for the nation.

"Whilst the Government's objectives and policies to increase affordable housing is to be applauded, the MDC is concerned that financing facilities for these affordable units are not adequate."

"Feedback from members of the three associations indicate that the latest rejection of end financing for affordable housing is quite worrying."

"Purchases, in particular first time home owners, are facing great difficulty in securing housing loans."

"The stringent housing loan guideline



From right: Zaidi, Yam and Goh.

introduced by Bank Negara Malaysia (BNM) in 2012 has affected developers' sales and such guideline is clearly contrary to the efforts to promote affordable housing.

"We understand that the prime intent of BNM for introducing the guideline is to curb household debt but MDC is of the view that BNM and the Government should look at other better mechanisms and qualifying criteria to facilitate first time home owners and buyers to own such affordable houses."

On labour shortage, Yam said MDC acknowledges and recognises the success of the ongoing Economic Transformation Programme in transforming Malaysia into a high income nation which so date has started to bring about creditable success to the economy, including the real estate and property industry.

"This, however, has given rise to capacity and demand side, including challenges such as cost increase and currently very

critical acute labour shortage.

"Unless the Government reverses the measures aimed against the use of foreign labour, this shortage of human resource would lead to delivery problems and legal implications arising from contractual obligations."

"As such, we appeal to the Government to engage the various stakeholders to quickly resolve this serious problem of overseas prospects, development and delivery will be in jeopardy and may even cause labour fees to surge upwards," Zaidi said.

"Such shortage is not in tandem with developed growth in the industry and has caused difficulties for developers."

In this regard, Sharda, through MDC, urged the authorities to urgently address this matter and it need be open up the land surveying practice to licensed land surveyors from the peninsula and Sarawak.

# Developers push for banks' support

By Nurul Mohd

PENANGPANG: Property developers associations from Sabah, Sarawak and Peninsular Malaysia are seeking an audience with Prime Minister Datuk Seri Najib Razak to push their demand for the banking industry to shoulder more responsibilities in the implementation of a private-led affordable homes scheme.

Sabah Housing and Real Estate Developers Association's president Francis Goh Fah Sun, said the organization together with its partners, Real Estate and Housing Developers Association (REHDA) and Sarawak Housing and Real Estate Developers Association (SHEDA) would make a courtesy call on the premier soon.

"We have concluded during the meeting that we should have a discussion with Datuk Seri Najib Razak, who is also the Finance Minister, (to forward) our suggestion to have local banks come in to play a more effective role towards achieving the government's pledge to provide 1 million affordable homes for the rakyat," he said to reporters after the 19th Malaysian Developers' Council (MDC) meeting here yesterday.

He said it was important that the banks provide more accessible financing facilities for home buyers, especially the low income group to ensure that they could actually afford to buy the houses built for them.

This came following Goh's statement earlier this month that failure to secure housing loans due to stringent requirements imposed by banks was the main reason low income families were unable to buy a house, despite many assistance and schemes provided by the authorities.

Stressing that local loan requirements for eligible applicants of government housing initiatives such as MyHome need to be more flexible, he had suggested that local banks adopt



Goh

a quota system, under which they would approve a certain number of housing loan applications as part of their social corporate responsibility (SCR) programme.

"There are over 2,000 branches of local banks across the country. If each of them adopts a quota of 500 affordable home applicants, we will meet the 1 million target in no time. Perhaps Bank Negara can impose this as some kind of requirement for the banks," he proposed.

On a separate issue, Goh called for Chief Minister Datuk Seri Musa Aman's intervention to expedite delayed land conversion approval for housing projects in Sabah.

He noted there were projects ready to commence but could not go forward pending the issuance of land premium endorsement letters by the related department.

"The endorsement letters are still stuck at the Natural Resources Department which comes directly under the Chief Minister's Office. I believe this is due to the changing of administration and hope that it could be resolved soon," he said.

Meanwhile, REHDA president Datuk Seri Michael Yam, suggested measures be taken by the government to reduce the upfront cost paid by home buyers to help reduce the prices

of houses.

He said this included the utility charges imposed on developers which are transferred to the end prices of housing properties.

"Instead of charging the cost up front to developers, who in return add the additional cost to their selling price, why not have the buyers, for instance, pay higher tariff for 20 years. This will increase the affordability of the houses as they would be sold at lower prices," he said.

Goh, in supporting Yam's suggestion, said utility charges translated to about six to seven percent of the prices of affordable houses in Sabah, depending on the unit density of the project.

On other matters discussed during the meeting, Yam said the three associations had deliberated on the issue of labour shortage in the property development industry.

SHEDA's president, Haji Zaidi Ahmad, in elaborating on this, said the industry was faced with acute shortage of labour and high dependency on imported workers.

In this regard, he said the council was of the opinion that more training programmes should be conducted by the government together with the industry players to produce more skilled construction workers among the locals.

Another representative from SHEDA also informed that the council, together with 13 other associations, have submitted a memorandum of the industry's perspective on the impact of the Goods and Services Tax (GST) planned for implementation starting April 1 next year.

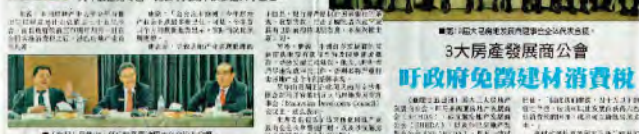
The association said the memorandum also contained several suggestions to minimize the impact of GST especially on the prices of the affordable houses.

Among the suggestions included to zero rate the taxes for main construction prices such as steel bars, cement, brick and sand.

## A18 要聞

### 吳華山：今年房屋計劃總值量比去年同期跌60%

【本報廿五日訊】沙朥越地產發展商公會主席吳華山表示，本州今年首三個月在發展商計劃的總值為九千五百萬令吉，比去年同期下跌達六十六巴仙。



圖為沙朥越地產發展商公會主席吳華山與多位成員合影。

### 國銀房貸條件苛刻

【本報廿五日訊】本報記者與多位地產發展商及銀行界人士交流後發現，目前國銀房貸條件非常苛刻，且利率高企，令不少發展商及買家望而卻步。據悉，國銀房貸利率高達百分之五，且要求發展商提供大量擔保，令不少發展商及買家望而卻步。

### 建議水電安裝費每月扣除 減輕購屋者負擔

【本報廿五日訊】地產發展商公會主席吳華山建議，政府應考慮將水電安裝費每月扣除，以減輕購屋者的負擔。吳華山指出，目前水電安裝費通常由購屋者一次性支付，這對於許多購屋者來說是一筆巨大的開支。他建議政府應考慮將這筆費用分攤到購屋者的月供中，以減輕他們的負擔。

## 3大房產發展商公會 吁政府免徵建材消費稅

【本報廿五日訊】沙朥越地產發展商公會、沙朥越地產發展商公會及沙朥越地產發展商公會三大房產發展商公會，昨日聯名致函沙朥越地產發展商公會，呼籲政府免徵建材消費稅。三大房產發展商公會表示，目前建材消費稅高達百分之十，這對於發展商來說是一筆巨大的開支，也增加了購屋者的負擔。他們建議政府應考慮免徵這筆稅費，以減輕發展商和購屋者的負擔。

### 實現居者有其屋 須銀行業者配合

【本報廿五日訊】地產發展商公會主席吳華山指出，實現居者有其屋的目標，需要銀行業者的配合。吳華山表示，目前銀行業者的房貸條件非常苛刻，這使得許多購屋者無法獲得貸款。他建議銀行業者應考慮降低房貸利率，並提供更具靈活的房貸方案，以支持政府實現居者有其屋的目標。

**DISCUSSION / BRIEFING ON MYHOME SCHEME  
03 APRIL 2014 AT WISMA KINSABINA**



Participants attending the briefing on MyHome Scheme by SHAREDA President, Datuk Francis Goh at Wisma Kinsabina recently. The briefing was aimed to educate all SHAREDA members about this scheme in line with the announcement by Prime Minister, Datuk Seri Najib Tun Razak on 25 October 2013 to encourage more affordable housing for Malaysians.

**COURTESY CALL TO Y.BHG. DATUK ISMAIL ABDULLAH, DIRECTOR OF ECONOMIC PLANNING UNIT (EPU)  
05 MAY 2014 AT WISMA SEDIA**



Ybhg. Datuk Ismail Abdullah receiving a memento from Datuk Francis Goh (SHAREDA President) during a courtesy visit at Wisma Sedia.

## COURTESY CALL TO YB DATUK TEO CHEE KANG, MINISTER OF SPECIAL TASKS, CHIEF MINISTER'S OFFICE 06 MAY 2014, KOTA KINABALU

Daily Express  
Wednesday, May 7, 2014

### Teo: No plans to freeze NT conversions

**KOTA KINABALU:** Minister of Special Tasks Datuk Teo Chee Kang (pic) assured property developers that the State Government has no policy to freeze the conversion of Native Title (NT) land to Country Lease (CL) status.



"As long as property developers follow the procedures and comply with all the required terms and conditions, they can still apply (to convert NT land to CL). I personally think we should not have this restriction as it will affect our property development industry," Teo said after meeting Sabah Housing and Property Developers Association (Shareda) committee members led by its President Francis Goh Fah Sun, yesterday.

At the same time, Teo opined that freezing the conversion of NT to CL titles would impact on the price of residential properties, particularly when available lands are scarce nowadays. He said the restriction was contrary to the Government's effort in encouraging the construction of more affordable homes.

On another note, Teo applauded Shareda's commitment in building 10,000 units of affordable home as part of its corporate social responsibility (CSR). Teo believed the banking industry in Sabah should play its role to allow more first time buyers to own a home.

"We can build a lot of affordable homes but if the requirements for housing loan are too stringent, all these efforts will be in vain."

Apart from the difficulty in converting NT land to CL status, Goh also raised other issues faced by developers, including the delay of development plan processing by local authorities, price hike of building materials in Sabah and the goods and services tax (GST) that would be implemented next year.

In addition, Goh reiterated that banks should shoulder more responsibilities in the implementation of the affordable homes scheme, including having a quota system where they approved a number of housing loan applications as part of their CSR effort.

Goh further said that Shareda forecast a drop of 25 per cent in gross development value (GDV) of property development this year, as compared to the total GDV of RM 7.562 billion generated by Shareda members the year before.

He cited stringent loan requirements imposed by Bank Negara Malaysia as the reason for the expected drop in GDV this year.

Also present at the courtesy call were Shareda deputy president Chew Sang Hai, vice president Dato' Ir John Chee Shi Tong, treasurer-general Wesley Chai, council members Sr Chua Soon Ping and Ar Ronnie Ang.



KOTA KINABALU: A courtesy call to Y.B. Datuk Teo Chee Kang, the Minister of Special Tasks was led by Datuk Francis Goh, President of Sabah Housing and Real Estate Developers Association (SHAREDA) at the latter's office in Wisma Innoprise on 6 May 2014 at 10:00 a.m.

At the discussion, several predicaments plaguing the housing developers in Sabah were deliberated and brainstormed with YB Datuk Teo including the proposed freeze of converting NT to CL titles, delay in development plan processing by local authorities, high rejection of bank loans due to stringent

conditions imposed, price hike of building materials, high land cost due to scarcity of land in urban areas, other reasons on why the property pricing is high, CSR programme of SHARED A members to build more affordable homes in Sabah and so forth. YB Datuk assured SHARED A that the State Government currently has no policy to freeze the conversation of NT to CL status, but to comply with the procedures and all other terms and conditions for applying the conversion. Also, he opined that the restriction was contrary to the government's effort in encouraging the construction of more affordable homes whereby land is scarce nowadays and believed that the banking industry in Sabah too, should play its role to allow more first-time housebuyer to own a home, otherwise all these efforts would be in vain. YB Datuk Teo applauded SHARED A's commitment in building 10,000 units of affordable homes as part of their CSR programme and in the ongoing projects of members to absorb the GST would be implemented next 1 April 2015.

**COURTESY CALL TO Y.BHG. DATUK DR. MOHD YAAKUB HJ JOHARI, PRESIDENT/CHIEF EXECUTIVE OFFICER OF SEDIA  
07 MAY 2014 AT WISMA SEDIA**



Y.bhg Datuk Dr. Mohd Yaakub Hj Johari receiving a memento from Datuk Francis Goh (SHARED A President) during a courtesy visit at Wisma Sedia.

**SHARED MORNING TALK ON PROPERTY MANAGEMENT: ROLES & RESPONSIBILITIES  
10 MAY 2014 AT WISMA KINSABINA**



Three papers were presented at the morning talk. Datuk Francis Goh presented his piece on Property management and it's challenges - a developer's perspective, Mr Liaw Lam Thye, principal consultant of Taylor Hobbs presented his paper about Competency of property managers and Mr Christopher Chin, JP presented a topic on Property management - legal and advisory's perspective.

**COURTESY CALL TO YB DATUK RAYMOND TAN SHU KIAH, DEPUTY CHIEF MINISTER & MINISTER OF INDUSTRIAL DEVELOPMENT  
17 JUNE 2014 AT WISMA TUN FUAD STEPHEN**



Y.bhg. Datuk YB Datuk Raymond Tan Shu Kiah receiving a memento from Datuk Francis Goh (SHAREDA President) together with SHAREDA Council members during a courtesy call at the Ministry of Industrial Development.

**COURTESY CALL TO YAB DATUK SERI PANGLIMA MUSA HAJI AMAN CHIEF MINISTER OF SABAH  
26 JUNE 2014**



KOTA KINABALU: Sabah Housing and Real Estate Developers Association (SHAREDA) led by its President, Datuk Francis Goh Fah Shun made a courtesy call to the Sabah's Chief Minister and Minister of Finance Sabah, YAB Datuk Seri Panglima Musa Haji Aman at the latter's office in Wisma Innoprise on 26 June 2014 at 11:00 a.m.

Datuk Goh said that, it was an honour to brief YAB Datuk Seri Panglima Musa on his visions to re-image and branding the profile of SHAREDA and Members in-line to complement the Government's initiatives and Halatuju. In the pipe-line, SHAREDA would heighten their performances on CSR programmes through its Youth committee to build 10 units for the hardcore poor, amongst others and its commitment to build 10,000 units of affordable housing for our citizens.



Then, Datuk Goh presented the SHAREDA Property Development Annual Report highlighting its contributions in 2013 with a total gross development value (GDV) of approximately RM7.56 Billion supporting more than 165 related businesses that contributes significantly to the State's economy.

Then, Datuk Goh presented the SHAREDA Property Development Annual Report highlighting its contributions in 2013 with a total gross development value (GDV) of approximately RM7.56 Billion supporting more than 165 related businesses that contributes significantly to the State's economy.

He also shared the industry's predicaments over several issues such as:-

1. The strict lending policies resulted in high loan rejection especially to mid to low income group.
2. To review the potential on the removal of 5 years sub-sale restriction imposed on Bumiputera lots.
3. To review of the high capital contribution by SESB contributing to high development cost.
4. To review the process for submission of Development Plans to the Central Board for better efficiency hence cutting down cost and developer's risk.

In response, YAB Datuk Seri Panglima Musa welcomed SHAREDA's good relations and rendering co-operation to the Government in a win-win situation. He remarked that SHAREDA plays an important role in the growth and shaping of the property development in Sabah and he is happy to note that in the last couple of years the properties were booming. Nevertheless, the government hopes that SHAREDA members could strike a balance to continue to keep the housing prices reasonable and affordable. He lauded SHAREDA members for the commitment of providing 10,000 units or more affordable homes in the State and urged developers to be committed to CSR programmes to give back to the community.

Moving forward he wished and urged the call to SHAREDA and developers in Sabah to improve on delivering well planned developments, emphasising on providing quality environment with functional spaces, well designed buildings and public facilities such as open spaces, drainage, etc. SHAREDA President immediately responded by thanking YAB Datuk Seri Panglima Musa Haji Aman and agreed to hold talks for SHAREDA and developers to inculcate the ethics and values of being a responsible developer and building towards a better tomorrow for the State.

During the courtesy visit, YAB Datuk Seri Panglima Musa Haji Aman has also accepted to be the Guest of Honour for the Opening Ceremony of SHAREDA PropEX 2014 themed as "MyHome" to be held on 29 August 2014 at 2:30 p.m. at the Sabah Trade Centre. This expo is in its 15th edition featuring 130 booths with a very special "MyHome & Affordable Housing Corner" to showcase MyHome & affordable housing projects in Sabah listed with SHAREDA and Jabatan Perumahan Negara (JPN) under the purview of the Ministry of Urban Wellbeing Housing and Local Government, Malaysia, capping prices of RM250,000 per unit with a minimum floor area of 850 sf. JPN also open a service booth to register First Time Homebuyers for MyHome1 and MyHome2 Schemes with an incentive sum of not more than RM30,000 for each eligible buyer in Sabah. Thereafter, JPN confirmed that more than 3,000 First Time Homebuyers in Sabah registered during the expo. The exhibition runs for 4 days from 29 August to 1 September 2014 at Sabah Trade Centre, Kota Kinabalu from 10:00 a.m. to 8:00 p.m. The Organising Chairman was Sr. Chua Soon Ping, a Council Member of SHAREDA

**SHAREDA PropEX'14 - THEME : MyHome**  
**29 AUGUST 2014 – 01 SEPTEMBER 2014 at Sabah Trade Centre**



PropEx 2014 held at the Sabah Trade Centre here was launched by Minister of Special Tasks, YB Datuk Teo Chee Kang representing Chief Minister of Sabah, YAB Datuk Seri Panglima Musa Haji Aman. Highlights at the property exhibition were the introduction of the Green Corner, MyHome Scheme in collaboration with the National Housing Department to make houses affordable and property talks by renowned speakers from Singapore and Peninsular Malaysia who shared their findings and expertise in various aspects.

## DIALOGUE SESSION BETWEEN SHARED A AND BANK NEGARA MALAYSIA (ECONOMIC DEPARTMENT) 22 SEPTEMBER 2014

KOTA KINABALU: SHARED A President Datuk Francis Goh together with the Council Members of SHARED A welcomed the informal dialogue session with Bank Negara Malaysia led by Dr. Mohamad Hasni Shaari, Deputy Director of the Economics Department on 22 September 2014 at Wisma Kinsabina.



Photo showing SHARED A President Datuk Francis Goh (standing 5th from the left) and Dr. Mohamad Hasni Shaari (standing 4th from left) together with SHARED A Council members and BNM staffs.

In the slide presentations by Datuk Francis on the Current Issues and Challenges Faced by Property Developers in Sabah, it was highlighted that the economic impact created by the property developments in year 2013 ranks 3rd in the key industry for economic growth at a value of RM7.56 Billion in GDV for 15,125 units; RM115 Million in taxes/assessments; 165 jobs or more in related businesses and supply chain downstream call to the bank to relax the strict lending policies resulting in high loan rejection (overall 30%) especially towards the low and middle income groups. Bankers are urged to perform their CSR in assisting first time house buyers to own homes and in order to echo the call by our YAB Prime Minister to deliver RM1 Million units of affordable homes. Without the assistance from bankers, the above promise is certainly hard to deliver!

SHARED A concluded that a study of social and financial impacts must be carried out and involve industrial players before imposition of any policy which may dampen the economic performance.

## 4 | Suara Tampatan Andia Institusi kewangan akan diwajibkan penuh CSR

Chris Meksione

KOTA KINABALU: Kerajaan akan menamatkan latihan-bertela, namun kini usaha memajukan pembangunan modal insan (MCI) melalui program pembangunan manusia seperti kerjasama di bawah Skema MCI. Menteri Pendidikan, Yutong Hermalan dan Pengerusi Sabah SHARED A, Francis Goh berkata latihan yang dilaksanakan memfokuskan kepada pembolehubah perantara ialah memberi manfaat kepada kaum-kaum yang kurang berkemampuan seperti golongan MCI. Beliau berkata, latihan ini akan memberi manfaat kepada golongan MCI yang kurang berkemampuan.

“Pembelajaran yang dijalankan akan memberi manfaat kepada golongan MCI yang kurang berkemampuan seperti golongan MCI. Beliau berkata, latihan ini akan memberi manfaat kepada golongan MCI yang kurang berkemampuan.”

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**THE EDGE PROGRAMME "SABAH WELCOMES MALAYSIA'S TOP PROPERTY DEVELOPERS"  
17 OCTOBER 2014 AT WISMA KINSABINA**



Group photo at Wisma Kinsabina's office in Penampang with SHARED council members and top executives from Sunway Berhad, Sime Darby Property Berhad, SP Setia Berhad, UEM Sunrise Bhd, Gamuda (Property) Berhad, Tropicana Corporation Berhad, IGB Corporation Berhad, Eastern & Oriental Berhad, Mah Sing Group Berhad, IOI Properties Berhad and 20 others listed and honoured by the Edge Magazine.

**COURTESY VISIT BY THE ENVIRONMENTAL MANAGEMENT & RESEARCH ASSOCIATION OF MALAYSIA (ENSEARCH)  
SABAH  
21 OCTOBER 2014 AT WISMA KINSABINA**



Mr. Ahmed Tariq Datuk Aripin, Sabah Chairperson for Ensearch Sabah Branch and Committee members presenting Datuk Francis Goh, President of SHAREDADA a memento.

**DIALOGUE WITH BAHAGIAN PINJAMAN PERUMAHAN (BPP) WITH SHARED A  
28 OCTOBER 2014 AT WISMA KINSABINA**



Datuk Susan Wong presenting a copy of SHARED A Property Development Report 2013 to Encik Sendeli Sebli, Timbalan Setiausaha Bahagian Pinjaman Perumahan (Operasi dan Kewangan) Perbendaharaan Malaysia during their visit to SHARED A on 28 October 2014.

**SHARED A NITE 2014 - THEME : UNITY**  
**14 NOVEMBER 2014 AT GRAND BALLROOM, MAGELLAN SUTERA**



SHARED A Nite 2014 was held at Magellan Sutera Harbour Resort on 14 November with the theme 'Unity'. The theme was meant to signify the strength of the people of Malaysia in overcoming adversities by being united in thoughts, deeds and conviction.

The guest of honour was Minister of Local Government and Housing, Yang Berhormat Datuk Seri Panglima Hajiji Haji Noor, who represented the Chief Minister of Sabah, Yang Berhormat Datuk Seri Musa Haji Aman.



## **COURTESY VISIT BY CHINA REAL ESTATE CHAMBER OF COMMERCE HONG KONG CHAPTER (CRECCHK) TO SABAH 21 MARCH 2014 AT WISMA KINSABINA**



In the picture from left to right: Mr Ben Kong, Mr Chew Sang Hai, CRECCHK Member Mr Kelvin Miranda, CRECCHK International Director Mr Stanley Chin, CRECCHK Chairman Mr Ivan Ko, Datuk Francis Goh, Dato' Ir. John Chee, Sr. Chua Soon Ping and Mr Wesley Chai at Wisma Kinsabina, Kota Kinabalu.

KOTA KINABALU: Sabah Housing and Real Estate Developers Association (SHARED A) received a courtesy call from the delegates of China Real Estate Chamber of Commerce Hong Kong Chapter (CRECCHK) led by its Chairman, Mr Ivan Ko during their trip to Kota Kinabalu, Sabah.

CRECCHK is a non-government organisation representing the real estate industry in the mainland China, and today has more than 4,500 members consists of leading real estate developers, suppliers, planning and design enterprises and financial institutions. This association, in particular the Hong Kong Chapter plays a pivotal role in exploring investments or business opportunities overseas for their members.

Datuk Goh welcomed the group and gave a detailed briefing on the investment opportunities, particularly in leisure property to lure CRECCHK members to come as a property investors and JV partners, especially in Kota Kinabalu, which is known as "City of Nature Resort". This is in line with the vision of Sabah Government to turn stretches of long white sandy beaches along the West Coast up to Tip of Borneo under the Sabah Development Corridor for tourism development to be known as "Kinabalu Gold Coast". With this in place, Sabah will propel and excel in the latest development trend for leisure properties.

Datuk Goh also added that their visit is timely for SHARED A's proposed study tour to China, in which CRECCHK could link and build a strong network with SHARED A members to better understand the real estate property development and market in China.

Mr Ivan Ko was very grateful and thanked SHARED A President and Council Members for their warm hospitality and presented a memento to Datuk Francis Goh and subsequently SHARED A accepted the invitation from CRECCHK to join them as an Association Member.

## CHINA REAL ESTATE CHAMBER OF COMMERCE HONG KONG CHAPTER: 12TH ANNIVERSARY ACTIVITIES 01 DECEMBER 2014

HONG KONG: SHARED A President Datuk Francis Goh led a Council delegation to participate in the 12th Anniversary Activities – "Greater China and ASEAN" of China Real Estate Chamber of Commerce Hong Kong (CRECCHK) Chapter on 1 December 2014.

At the Anniversary Seminar housed in Asia Society Hong Kong Center, Datuk Francis delivered his maiden paper on the topic : **Living Quality Aspirations in Kota Kinabalu, Sabah and Malaysia** to entice the participants in the hardscapes & softscapes of living quality aspirations, MM2H programme and leisure properties and real estate investments. After the deliberation of Datuk Francis' paper which revealed the huge potential in leisure property, real estate investment and related businesses in particular for Sabah. It was a successful and fruitful sessions of business networking with more than 130 participants from other countries besides China, such as Netherlands, UK, Germany, Korea, etc. Speakers/Panelists in the pic L-R: Datuk Francis, Mr Tony Tang, Dr Mao Daqing, Prof. Eddie Hui, Dr Peter Pun and Mr Ivan Ko. Not in the pic: Prof. The Honorable Anthony Cheung, JP (Secretary for Transport & Housing Hong Kong).



Datuk Francis Goh delivered a speech entitled "Malaysia Truly ASEAN" as the ASEAN Representative in the 12th Anniversary Dinner of CRECCHK. In the speech, he said that *"Malaysia is the first ASEAN country to establish a diplomatic relationship with China since the 1970's even though China is still conservative and feudalistic at that time. In the long running relationship of 40 years, I am sure that a connection of trust and confidence is established in between these two countries. Malaysia has established a good trade relationship with China since 2000, with a total trade growing rate at 22% per annum. The two-way trade volume between China and Malaysia in 2013 reached US\$ 106 billion, making Malaysia China's 3rd largest trade partner in Asia, just behind Japan and South Korea and 8th largest overall. China should have a continued interest in Malaysia because Malaysia is unique and truly Asian in the sense that it is a multiethnic and multicultural society."*

*"Because of their business investment in Malaysia, most China investors have made Malaysia their second home and became a dominant group in the MM2H programme. But, don't you forget to visit SABAH in the East Malaysia. The state capital is Kota Kinabalu "City of Nature Resorts" and is one of the most preferred livable city with equality to Penang and Kuala Lumpur. Sabah also will be the next attractive tourist destination with vibrant opportunities in leisure property development."* Datuk Francis concluded, *"We stand by as your host should you ever have the intention of investing in Sabah or Malaysia."*



Group photo of SHARED Council Members and Mr Ivan Ko, Chairman of CRECCHK at the 12th Anniversary Dinner in Hong Kong.



CRECCHK's Theme: "GO GLOBAL" Mr Patrick Sun (CRECCHK Advisor), Mr Zhang Li (CRECCHK President), Mr Ivan Ko, Honorable Jasper Tsang Yok-sing, JP (President, Legislative Council HKSAR), Datuk Francis Goh, Mr Tony Tang Wai Man (CRECCHK Vice Chairman), Mr Yau Shing-mu, JP (Under Secretary for Transport & Housing Bureau, HKSAR) symbolically touching the globe reaching out to more countries.

**COURTESY VISIT BY JOSE CH. ALVAREZ, GOVERNOR FROM REPUBLIC OF THE PHILIPPINES PROVINCE OF PALAWAN-  
26 DECEMBER 2014**



A group photo of SHARED A President Datuk Francis Goh (standing 3rd from the left) together with Mr Jose Ch. Alvarez (standing 3rd from the right)

KOTA KINABALU : A courtesy visit was made by the Governor from Republic of The Philippines, Province of Palawan, Mr Jose Ch. Alvarez to SHARED A President, Datuk Francis Goh at Wisma Kinsabina on 26th December 2014.

Mr Jose revealed that Palawan needs more residential developments in affordable homes for the medium/lower income group. Furthermore, he hoped that SHARED A members shall invest in Palawan especially in resort and hotel development, whereby the land cost in Palawan is cheaper than Kota Kinabalu.

Mr Jose has further extended his invitation to all SHARED A council members for a business collaboration trip to Palawan in near future. He promised to send his government's private jet to receive SHARED A members for a group of not more than 40 businessmen to visit Palawan.

**COURTESY CALL TO YB DATUK SERI PANGLIMA DR. MAXIMUS ONGKILI, MINISTER OF ENERGY, GREEN TECHNOLOGY & WATER, MALAYSIA  
08 DECEMBER 2014 AT SESB PENTHOUSE, KARAMUNSING**



SHAREDA President, Datuk Francis Goh presenting a memento to YB Datuk Seri Panglima Dr. Maximus Ongkili, Minister of Energy, Green Technology & Water during a courtesy visit on 8 December 2014.

**SHARED A SHOEBOX GIVEAWAY EVENT  
13 DECEMBER 2014 AT SURIA SABAH**



City Hall Director General, Datuk Yeo Boon Hai representing KK Mayor as Guest of Honour taking pictures with SHARED A delegates and Jireh Home.

SHARED A Youth held their inaugural Shoebox Christmas event at Suria Sabah recently to gather donations such as clothes and toys to be distributed to orphanage homes.

## SHAREDA PROPERTY RESEARCH UNIT



L-R Sitting: Chew Fei Sean, Datuk Francis Goh, Chew Sang Hai, Ar. Ronnie Ang Guo Wei  
L-R Standing: Karine Goh, Naveen Nallayan, Salina Lee, Peggy Chin, Reggie Sua

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