



BNM rate cut lifts demand for property refinancing

BANK Negara Malaysia's decision to cut the overnight policy rate by 75 basis points to 2.5% recently will push up demand for property refinancing activity, Rahim & Co Research Sdn Bhd's executive chairman Datuk Abdul Rahim Rahman said yesterday.

This, he said, is expected to take place within three to six months from now.

Abdul Rahim said buyers were currently adopting a wait-and-see attitude, hoping for property prices to fall further.

"The reduction in interest rate will definitely encourage people though at the same time the banks are more cautious in lending," he said.

"But from what we see, (there) will definitely (be) an increase in applications for refinancing as the banks are also giving more incentives, such as not having to pay any fee to migrate to their banks for refinancing."

He also said that the stimulus package introduced by the government as well as developers offering more extra packages for housing loans were also among factors to spur the refinancing activity. — *Bernama*

iProperty.com expo to draw 50,000 visitors

IPROPERTY.COM'S exhibition, Property & Home Product Showcase to be held at the Mid Valley Exhibition Centre in Kuala Lumpur from Feb 20-22, is expected to attract some 50,000 visitors.

The event is designed to be a one-stop event for home enthusiasts looking to purchase a new home or home interior needs, with exhibitors ready to offer good bargains and exclusive promotions.

The exhibition will offer 300 booths covering an area of about 23,000 sq ft.

The list of exhibitors include Bolton Bhd, Mah Sing Properties Sdn Bhd, UK Land International (M) Sdn Bhd and other reputable companies.

Besides the expo, educational property talks by some of Malaysia's leading property industry figures will be held throughout the three-day show, including Ho Chin Soon, director of Ho Chin Soon Research Sdn Bhd.

Visitors can get insights on the property market outlook in 2009 and how the current economic climate will impact the sector.

Call for special entity to oversee hillside development

THE Federation of Malaysian Consumers Association (Fomca) yesterday called on the government to urgently set up a special accredited agency to oversee and approve all hillside developments.

In the meantime, all development on hill slopes and hill sides should be temporarily suspended, its president, Datuk N Marimuthu said.

He told *Bernama* that the agency should be tasked to develop mandatory standards and enforce them to ensure no landslides occurred.

He was commenting on the announcement by Works Minister, Datuk Seri Mohd Zin Mohamed, that there would not be a blanket ban on hillside development.

The minister was quoted as saying that a total ban would be a waste of land and instead proposed an immediate halt on the tip fill techniques during construction at hillslopes, which he said was the cause of landslides in Ulu Klang.

Marimuthu said the proposed agency should have at least one independent representative who did not have any vested interest. — *Bernama*

Property market may take up to 40 months to rebound

The sector has yet to face the worst, says Rahim & Co's executive chairman

By ALFEAN HARDY

THE property development sector may take up to 40 months to rebound should the country recover from the effects of the global financial crisis within the next year or so, given historical trends, Rahim & Co executive chairman Datuk Abdul Rahim Rahman said.

"We have to face the worst first before we start recovering and I don't think we've faced the worst yet. I would say (the local economy) will take between 12 months and 16 months after (the crunch) comes (to recover)," he told reporters at a briefing in Kuala Lumpur yesterday.

The briefing was on the international real estate consultant's overview of the local property development and to announce its research seminar on the local property market to be held at the Istana Hotel Kuala Lumpur on March 3.

The real estate market is usually slower to recover than the economy and, in 1997, during the (last) economic downturn, it took three to four years to recover. But then, that was when (the country) was really, real-



The silver lining is the office market, which remains stable in terms of rental, says Abdul Rahim

Photo: Othman

ly affected.

"Now, I would say we're more stable and we will recover within two years, depending on the government's efforts in building up the economic stimulus," he added.

Rahim & Co has already seen a softening in the Kuala Lumpur City Centre (KLCC) area of between 15% and 20%, with bankers being more cautious in lending money.

"The silver lining is the office market, which remains stable in terms of rental," Abdul Rahim said.

The KLCC area sees rental at around RM8 per sq ft and

is good indication of the market in the area. The KLCC offices remain fully occupied and the other buildings in the vicinity also remain stable with rental at about RM5 psf on average," he added.

However, Abdul Rahim warned that with the increased office building construction activity outside of the central business district (CBD) within the next two years, this market too could be impacted.

"By 2010 and 2011 some eight million sq ft of office space will be completed outside the CBD," he said.

"When they start coming in, they're going to affect supply and demand and on rental. (It) may push rental value downwards... we're looking at perhaps (a drop of) between 10% and 15%," he said.

On housing price trends nationwide, Abdul Rahim said it was difficult to gauge.

However, prices of landed properties, especially in Kuala Lumpur, have remained relatively intact in spite of the limited supply and softening demand.

"Prices have yet to slide down as a whole in KL. On a nationwide basis, because of less-than-strong demand and the more choosy banks, the downturn may be less than 5%, but I think in the next two to three months, we have to observe how the market reacts (to gauge this further)," he added.

On the real estate investment trust (REIT) segment, he said, under normal market conditions, REITs would have done well.

"The REIT market is well regulated but since they're listed, they're now affected as other shares," he said.

"In the long-term it will be successful, provided that the regulations continue to be monitored and adhered to.

"The economic downturn doesn't differentiate between REITs and shares. And, while I haven't checked, I believe that most REITs are below par," he added.

Skypark terminal refurbishment completed

SUBANG Skypark Sdn Bhd has completed the internal refurbishment works to the Skypark Subang Terminal, formerly known as Terminal 3 Subang, putting it back on the Malaysian aviation map.

The refurbishment and improvement to the terminal encompassed interior and exterior works involving a comprehensive makeover costing a total of RM40 million.

The newly unveiled interior, which cost RM28 million, now boasts state-of-the-art amenities and facilities.

In a statement on Monday, Subang Skypark executive director Datuk Ravindran Menon said the completion of the first phase of the makeover marked an important milestone in the project.

He said some 70,000 sq ft of retail space has been created, of which 85% has already



The newly unveiled interior, which cost RM28m, now boasts state-of-the-art amenities and facilities

been leased.

The tenant profile includes names such as Maybank, CIMB, Pos Malaysia, Nationwide Express as well as specialty retail and food and beverage outlets such as Langkawi Duty Free, D'Zon, Starbucks, Butlers, 1901 and

Big Apple Donut.

Besides being the home of community airlines Berjaya Air and Firefly, national carrier Malaysia Airlines and budget airlines Air Asia also have sales and ticketing offices at the terminal.

What sets Skypark Subang

Terminal apart from other airports in Malaysia is the presence of a Fixed Base Operations (FBO) facility that caters to corporate and private jet travellers.

The FBO facility, which was officially opened in August last year, comprises a fully equipped business centre, relaxation facilities, food and beverage services plus dedicated crew amenities.

This facility, which is also the regional hub for private jet charter giant VistaJet, is easily the largest of its kind in Asean and the most comprehensive and luxurious, placing it on par with other FBO facilities worldwide.

With the interior now completed, Ravindran said the focus is now on the exterior, which is scheduled for completion by the end of the second quarter of this year.