

GLOBAL SPOTLIGHT

Kuala Lumpur, Malaysia



Kuala Lumpur is Malaysia's commercial and financial capital and home to the tallest twin towers in the world. The Petronas Twin Towers stand at a majestic 88 stories and 1,483 feet high.

- The city continues to thrive on Malaysia's strong economic growth and is currently experiencing an unprecedented real estate boom. Service apartments in the prime Golden Triangle sell for \$295 per SF, up almost 35% from a year ago. The soon-to-be-completed 'The Binjai' condominiums (171 units) are expected to be priced above \$443 per SF.
- Strong demand for Class A office space is driven by better corporate earnings, liberalization of the financial services sector, and the entry of foreign groups and the expansion of the oil & gas sector. Petronas Twin Towers is securing rents above \$2.95 per SF per month. The occupancy rate in Class A buildings is above 90%.
- Strong consumer demand has taken hold in the city, and the Kuala Lumpur's major malls are all experiencing full or near-full occupancy rates. There are 165 retail and shopping centers in the area with total inventory of 40.7 million square feet. Overall occupancy rate at the end of 2006 was 86.3%.
- Pressure on prime retail and office rentals are expected to push rates up 10% to 20% in 2007.
- REIT's have played an active role in the city's financial development continuing to drive the real estate sector and having total assets valued at almost \$1.1 billion as of January 2007.
- The industrial sector is primarily driven by domestic demand and rentals are stable at \$0.30 per SF. Land prices in established industrial estates and technology parks with good infrastructures within Klang Valley improved 10%. Land prices in the city's prime Golden Triangle shot above \$295 per SF as scarcer land and strong foreign demand continue to fuel values.
- Commercial and industrial real estate sales topped \$911 million in 2006, representing almost 33% of total sales activity.

Kuala Lumpur At A Glance

City Population	City – 1.8 million (2007 est.) Metropolitan – 5.5 million (2007 est.)
Location	Capital of Malaysia
GDP	\$81.53 billion (2006 est.)
Inflation	3%
Interest	6.75% (Source: Maybank)
Unemployment	3% (2006)
Exchange Rate:	\$1 = RM3.399

Property	Rent/SF/Month		Effective Avg.
	Low	High	
City Centre Office Class A (Prime)	\$1.33	\$2.21	\$1.77
Suburban Office Class A (Prime)	\$0.89	\$1.33	\$1.11
Industrial Bulk Warehouse	\$8.85	\$20.66	\$14.76
Retail Downtown	\$0.21	\$0.50	\$0.36

NAI Reapfield offers local market expertise in 12 offices in Kuala Lumpur, Malaysia.

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At A Glance

350	Offices
45	Countries
5,000	Professionals
\$40 billion	Annual Transaction Volume
200	MSF of Property Management

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