

# PEPS NEWS

FOR MEMBERS ONLY

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PEPS news is an internal newsletter for subscribing members. The editorial welcomes articles, contributions and letters from members for publication.

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### Newsletter Committee

#### Editor

Dainah Mahmud

### Committee Members

Tee Chin An  
Shamsiah Mohd Yusoff  
Salbiah Sabeh  
Norzaini Rakimen

## PRESIDENT'S MESSAGE

As we are entering a new term of PEPS, my Exco members and I would like to extend our fraternal greetings to all PEPS members. A newsletter is one way of reaching out to the members, particularly the non-Klang Valley members and we hope to come up with quarterly issues.

PEPS had been in existence since 1984 and we have grown in stature and recognition over the years, which is in no small part due to the capable leadership of our Past Presidents and their hard-working Exco members. PEPS is and will always represent the interests of all our members, the majority of which are Registered Valuers, Registered Estate Agents and Property Managers. PEPS will be the eyes, ears and mouthpiece of the valuation profession. PEPS will also strive to uphold the standards and professionalism of the valuation and property consultancy profession. Towards this end, PEPS will continue to:-

- Work closely with the Board of Valuers, Appraisers and Estate Agents on various matters affecting our profession and the real estate industry through representations in the Board and its committees and regular dialogues.
- Work closely with PCVS Division, ISM and MIEA towards improving the standards of our profession, minimising fees undercutting and addressing issues for the common good of our profession.
- Submit recommendations to the relevant Government Ministries and Departments and engaged in dialogues with them for the betterment

of the valuation and property consultancy profession and the real estate industry.

- To make representations to the Committee formulating the Malaysian Property Management Standards to be issued by the Board.
- To have dialogues with the Association of Banks and Bank Negara Malaysia on valuation fees.

PEPS also have representation in FIABCI Malaysian Chapter, Professional Services Development Centre and the International Relations Committee of ISM, Malaysia and is a member of the panel in the Budget Consultation with the Ministry of Finance.

PEPS currently only has 204 members, of which 166 are Registered Valuers and 38 are associate members. The registered Valuers only represent 31.6% of total registered valuers with the Board. More Registered Valuers, Graduate Valuers and Estate Agents are encouraged to join the Association so that we can have a bigger voice to represent the interest of the profession. Hence the Association is now embarking on a membership drive to attract more new members. We urge Registered Valuers who are not yet members of PEPS to join PEPS now.

On behalf of PEPS, I would like to wish all our Hindu members, "Happy Deepavali" and our Muslim members "Selamat Berpuasa" and "Selamat Hari Raya Aidilfitri."

## FROM THE EDITOR

We are already into the 4<sup>th</sup> Quarter of 2006, the profession is yet again facing a huge mountainous task of fighting to keep our 'rice bowl' intact. PEPS wants to be heard, visible and be connected in all aspects for the benefit of its members. Several major issues are now at hand such as Property Managers Registration, Registration of Negotiators, Valuation Fee Review etc. Therefore, this newsletter is for members to air their views, offer ideas, assistance – a forum on issues and being updated on latest industry reports, activities, projects of the association.

As such we are updating the news of PEPS, its activities and many more exciting ones in the pipeline! Your articles, comments and suggestions are most welcome.

Wishing everyone a safe journey home during this festive season. Happy Deepavali & Selamat Hari Raya!

Best Wishes  
Dainah Mahmud

## IMMEDIATE PAST PRESIDENT – His Success Story

Mr. Tangga Peragasam is the Immediate Past President and was at the helm of PEPS from June 2002 till May 2006. He had to grapple with the usual problems facing the profession i.e. taking care of the needs of our members as well as the various dialogues and meetings with the authorities and other associations and bodies. The problem of Property Management also started heating up during this time and many committees and meetings were held to inform the members, the consumers and the public of the various roles and functions of this aspect of the profession. Other challenges included the prevalence of fee cutting, need for professional and independent market and feasibility studies for property projects, professional indemnity insurance, arbitration and CPD seminars for the members.

In addition we had the task of playing the lead role in organising the 14<sup>th</sup> and 17<sup>th</sup> NRECs, the latter of which was organised a few months before the World Valuation Congress XI which was held in collaboration with University Malaya and the World Valuation Congress body. This was the first time World Valuation Congress was being held in Malaysia.

He together with the PEPS Exco and various Committees have worked tirelessly for the betterment of the Association and the profession.

He has now passed the baton to Mr. James Wong, the new President of PEPS and we take this opportunity to thank him and welcome the new President to take PEPS to greater heights.

## CONTACT DETAILS OF EXCO MEMBERS

<u>Name</u>	<u>Position</u>	<u>Tel. No.</u>	<u>Fax. No.</u>
Mr. James Wong Kwong Onn	President	21450952	21441809
Mr. Siders Sittampalam	Vice President	26923236	26941769
Mr. Chee Kok Thim	Hon Secretary	26919922	26919992
Mr. Lim Lian Hong	Hon Treasurer	78805711	78806544
Mr. Elvin Fernandez	Exco Member	22829699	22829799
Pn. Nor Izrin Isahak	Exco Member	92839782	92839827
Mr. Eric Ooi Yew Hock	Exco Member	22899688	22899788
Mr. Choy Yue Kwong	Exco Member	79579528	79565386
Mr. Lim Eng Chong	Exco Member	26942212	26945543
Pn. Dainah Mahmud	Exco Member	20263388	20787788
Mr. Tay Guan Wei	Exco Member	21619135	21631991
Mr. Paul Khong Poh Yew	Exco Member	20925955	20925966
Mr. Ho Sek Chuan	Exco Member	56319668	56329588
Mr. Tee Chin An	Exco Member	21624133	21624188
Mr. P. Tangga Peragasam	Ex-Officio	20955811	20955843

## PORTFOLIO OF EXCO MEMBERS (2006-2008)

<b>PORTFOLIO</b>	<b>ASSIGNED TO:</b>
Valuation & Property Consultancy	Paul Khong / Ho Sek Chuan
Estate Agency	Lim Eng Chong / Lim Lian Hong / Tay Guan Wei
Property Management	Eric Ooi / Tay Guan Wei
Seminar & CPD Talks	Siders / Choy Yue Kwong / Ho Sek Chuan
Liberalization & Globalization	Lim Lian Hong / Tangga
Membership Development	Dainah / Nor Izrin
Publicity	Lim Eng Chong / Lim Lian Hong / James Wong
Arbitration & Professional Indemnity	Elvin Fernandez
Constitution Review	Chee Kok Thim
Newsletter	Dainah / Tee Chin An
PEPS Website	Siders
Fund Raising & Building Committee	-
Social & Recreation	Nor Izrin / Dainah / Tee Chin An

## REPORT FROM THE VALUATION FEE REVIEW COMMITTEE

PEPS, in promoting the development of the profession of Valuers and Property Consultants in Private Practice Malaysia, had set up a Valuation Fee Review Committee this year to look into proposals for fee review under the Valuers, Appraisers and

Estate Agents Act for the benefit of the members of the profession. This is in view of the fact that the last valuation fee review was more than 10 years ago and since then, the cost of doing business has gone up due to inflation, higher wages,

increase in petrol price etc. In responding to this challenging environment, PEPS spearhead the need for changes by proposing certain recommendations which, after considering the feedback of other

*Cont'd page 3*

## CONGRATULATORY MESSAGES

PEPS would like to express its heartiest congratulations to the following distinguished members:-

**Y. BHG. DATO' HAJI ABDUL RAHIM BIN HAJI ABDUL RAHMAN, DIMP, DMSM, DPTJ**

Executive Chairman of Rahim & Co. Chartered Surveyors Sdn Bhd, and;

**Y. BHG. DATO' HAJI ZAKI BIN HAJI SAID, DPTJ**

Managing Director of Raine & Horne International Zaki & Partners Sdn Bhd

on being conferred Darjah Dato' Paduka Tuanku Ja'afar (DPTJ) by Yang Di-Pertuan Besar Negeri Sembilan Darul Khusus, Tuanku Ja'afar Ibni Al-Marhum Tuanku Abdul Rahman on the occasion of His Royal Highness 84<sup>th</sup> Birthday on 19<sup>th</sup> July 2006.

This award is a great honour and recognition of their contribution to the State of Negeri Sembilan and the nation as a whole, and PEPS is most pleased that valued members of our Association have been so recognized and rewarded.

### CONGRATULATIONS & SYABAS!

## CONTINUATION OF REPORT FROM THE VALUATION FEE REVIEW COMMITTEE (CONTINUE FROM PAGE 2)

valuers, shall be submitted to the Board of Valuers for their final consideration.

A Dialogue was called among the valuation fraternity which was held on 24<sup>th</sup> August 2006 at the Royal Lake Club to seek the views and feedback to the proposed recommendations of the Committee as well as to look into issues of undercutting and enforcement. Invitation was sent out to 96 valuation firms throughout Malaysia through email and/or fax during the period July/August 2006 and despite the short notice of 3 weeks, the turnout for the dialogue was considered good.

In addressing the issue of undercutting, PEPS is of the opinion that if the current minimum fee of RM300 be increased, it will benefit the small valuation firms and also rural branches of valuation firms whereby the bulk of their valuation assignments are small valuation cases. With this, these firms stand a better chance of survival and hence less likely to undercut valuation fees. Valua-

tion firms must also agree among themselves not to deduct tax from valuation invoices because this action can only hurt the profession in the long run.

Our members who are conducting valuation to claim for the compulsory acquisition of land on behalf of their clients are having problem as the fees payable by the Land Administrator is not following the Board of Valuers' Scale Fee on Land Acquisition. This is because under **Section 14(5)** of the Land Acquisition Act 1960 (as amended), *"The Land Administrator shall determine the amount of the costs, which shall include any valuation fee imposed by the valuer, incurred in the proceedings and by what persons and in what proportion they are to be paid."* PEPS will request the Board of Valuers to have a meeting with the Ministry of Land & Cooperative Development to resolve this issue.

The valuation fraternity should have a check and balance system in place such that if

clients, especially banks were to force valuers to accept fees below the Scale Fee, valuers should give the evidence in writing in order for enforcement to be effected. PEPS will seek a dialogue with the Association of Bankers as the banks have great influence on their clients to resolve this issue.

PEPS appreciates the feedback it had received from the dialogue and will thoroughly study the suggestions and recommendations received to date.

As the voice of valuers, PEPS hopes that its members will cooperate among themselves to start the enforcement and later on, to expand the enforcement to cover other firms that are flouting the law and not following the Board's scale of fees by writing to errant firms to seek compliance before reporting to the Board.

A paper on PEPS' recommendations of fee review is now being prepared for presentation to the Board of Valuers, Appraisers and Estate Agents.

## RECOGNITION

PEPS would like to congratulate one of its Past Presidents and current Exco Member, Mr. Elvin Fernandez for being elected as Chairperson-Designate of the International Valuation Standards Committee. Past President Elvin Fernandez has worked diligently for more than 10 years to secure this position and we not only congratulate him for his extraordinary effort but also for increasing the image and standing of Malaysia in the field of valuation internationally. It is all the more meaningful to us because this is the first time that a person outside the United Kingdom, USA, Australia, New Zealand and Canada who has reached this level in IVSC.

### CONGRATULATIONS & SYABAS!

*"PEPS is recommending increase in the current minimum fee ...."*

#### BOOK FOR SALE

PEPS would like to announce that they have the **Market & Feasibility Guidelines for Property Projects Or Property Investments** for sale at

**RM20** per copy.

*Interested Persons, please contact the  
PEPS Secretariat at tel: 03-  
21450952*

## MEMBERSHIP NEWS

We are still lacking in the numbers for us to be noticed and speak as the common voice of the private Valuers and Property Consultants.

We need your support. Members to get new members from their own firms, new graduates in Estate Management, other associations etc.

New Members Admitted since the last Annual General meeting held on 26<sup>th</sup> May 2006:-

1. Dato' Mani Usilappan—Ex President of the Board
2. Thiruselvam a/l S. Arumugam – PPC International Sdn Bhd
3. Shamsiah Mohd Yusoff – SMY Valuers
4. Faudziah Haji Ibrahim – KLCC Sdn Bhd
5. Sharizal bin Supian – Irhamy & Co
6. Abd Jalil bin Hashim – Irhamy & Co
7. Tee Chin An – JS Valuers Property Consultant Sdn Bhd

## PEPS WEBSITE

PEPS is in the process of reviewing its website which will be interactive for members' benefit.

## JUST FOR LAUGHS

At the entrance of the Inland Revenue Department, the caption reads,  
"Mind Your Steps!"  
At the exit, the sign reads,  
"Mind Your Language!"

On being asked to contribute articles for the newsletter, one valuer responded, "Many minds are in menopause state!"

## ISM Members Routes to RICS membership

Pursuant to the Memorandum of Co-operation (MOC) signed between the President of Royal Institution of Chartered Surveyors (RICS) and the President of Pertubuhan Juruukur Malaysia (ISM) on 5<sup>th</sup> September 2005, RICS has opened its membership to eligible members of ISM.

Members of ISM who have more than 10 years of relevant working experience after obtaining their ISM memberships shall be eligible to become members of RICS (MRICS). Members of ISM who have less than 10 years post qualification working experience are eligible to become members of RICS (MRICS) provided they hold RICS Accredited Degrees and obtained their qualifications from ISM by means of taking the TPC examination conducted by ISM or the relevant Statutory Board. Members of ISM who have less than 10 years post qualification working experience and do not hold RICS Accredited Degrees or do not participate in ISM TPC examinations may be eligible to pursue their RICS memberships through other routes.

Further information on the Direct Entry Route to RICS membership for ISM members subject to the approval of RICS Malaysia can be obtained from the ISM website ([www.ism.org.my](http://www.ism.org.my)) or RICS website ([www.rics.org](http://www.rics.org)).

Fees payable for the first year of RICS membership is approximately RM1,100 (Entrance Fee of £115 + Annual Subscription of £36) and every year after that, the fees is approximately RM300 (Annual Subscription of £36). Members of ISM shall be eligible for 20% discount on subscriptions.

Members of PEPS who are members of ISM who are interested in RICS membership are requested to download the application form from ISM website or contact Ms. Pat Lim of RICS Malaysia at tel. no. 03-7957 9184 or email: [ricsasiapacific@rics.org](mailto:ricsasiapacific@rics.org).

## ESTATE AGENCY PRACTICE COMMITTEE'S REPORT

The Board of Valuers, Appraisers & Estate Agents had written to MIEA, PCVS and PEPS to get feedback on the review of the 40% Cap on Commission and Mandatory Salary for Real Estate Negotiators.

PEPS had conducted a sample survey among the members on 22<sup>nd</sup> June 2006 and based on the results of the survey, PEPS had given a written reply to the Board of Valuers on 24<sup>th</sup> July 2006 and our recommendations and justifications are as follows:-

PEPS is recommending that the cap on commission for negotiators be increased to a maximum of 60%, whereas those firms that are comfortable at 40% may choose to do so. The reasons cited for the proposed increase in commission up to 60% are as follows:-

- A higher commission will be more attractive for top performing negotiators.
- 60% seems to be the market rate for senior negotiators.
- There appears to be a correlation between commitment and commission. It is noted that the higher the commis-

sion, the higher is the commitment.

- A higher percentage of commission to negotiators also means that the firm only has to pay minimum monthly salary and allowances.
- Negotiators feel that the bulk of the work including negotiations is through their effort and they should be entitled to more commission.
- To prevent the negotiators from moving from one firm to another as well as to be attached to a few firms at the same time.
- The majority of the firms are no longer following the 40%.

PEPS is of the viewpoint that there must be a salary and a permanent employment contract for the negotiators. PEPS is recommending salary and employment contract as a means:-

- To commit the negotiators to the profession by providing a sense of belonging and continuity and adherence to professional ethics
- To impose accountability for the control, supervision and monitoring of activities of the

negotiators

- To raise the standards of estate agency services
- To provide confidence to clients and for better fiduciary matters
- To comply with contractual obligations under employment contracts and labour laws

PEPS is also of the opinion that if the Board do not enforce the estate agency standards, then whatever cap or salary that is to be decided will not be followed and PEPS would therefore like to see a stricter enforcement by the Board.

PEPS is also recommending to the Board to reduce the number of negotiators per Registered Agent. From the experience of the Valuation firms with estate agency departments, it is difficult to monitor and manage anything more than 15 negotiators per Registered Agent.

On the issue of whether negotiators should be registered under the Board, PEPS Exco is still deliberating on the issue.

# WORLD VALUATION CONGRESS XI

(BY TANGGA PERAGASAM)

PEPS came into organising the World Valuation Congress XI when Mr Elvin Fernandez brought up this subject at one of our Exco Meetings in May 2005. We then had to look for a university so that the congress could be jointly organised with a body of practicing valuers (PEPS) and an institution of higher learning (University Malaya). After a few meetings, it was agreed that we would have this congress in May 2006 and the machinery for organising this congress was put in place with the appointment of Mr P. Tangga Peragasam and Puan Sharifah Azah as Co-Organising Chairpersons of the

Congress.

We had very good support for organising this seminar from PEPS whose Secretary Mr. Choy Yue Kwong was also appointed Treasurer to the Congress. The others in the Committee were Mr. Siders Sittampalam, Puan Dianah Mahmud and En. Hatta Adam. The University of Malaya also gave its full support through the appointment of Puan Sharifah Azah, Puan Yasmin Mohd Anan, Dr Md Nasir Daud, Puan Aioriza Mohd Aini, Puan Wan Nor Azriyati and Cik Hasniyati Hamzah. Dato' Mani Usilappan also came in to be Co-

Chairman of the Congress upon the resignation of Puan Sharifah.

The World Valuation Congress Committee played its part with the full support of Dr. James Baxter and Mr. David Greenwood especially in getting the speakers, assisting with choice of topics as well as participating in the Congress. Support also came from the various sponsors which included PEPS, ISM, Board of Valuers, RICS, TH Properties Sdn Bhd, Rahim & Co, Colliers, Jordan Lee & Jaafar, Firdaus & Associates Property

Professionals Sdn Bhd, Ravindra Dass Property Services Sdn Bhd, University Malaya, JB Jurunilai Bersekutu Sdn Bhd, Raine & Horne International Zaki & Partners Sdn Bhd, Ho Chin Soon Research Sdn Bhd, "Home & Furnishing" Magazine and Koperasi Kedai Buku Universiti Malaya Berhad and finally the seminar itself had the support of about 120 participants from 15 countries plus about 30 speakers and organisers. From the feedback, response and participation this must be one of the most successful Congress in the history of the World Valuation Congress.

## SEMINAR ON PROFESSIONAL INDEMNITY INSURANCE

Date : Thursday, 9<sup>th</sup> November 2006

Time : 2 – 6 p.m. (Registration: 1.30 p.m.)

Venue : Auditorium, MNI Twins Tower, Jalan Pinang, Kuala Lumpur

Topics : 1. Trends and Developments in Property and Insurance Market in Asia. The Need for Professional Indemnity Insurance and How such a Scheme can address Future Trends.

Speaker: Mr. Paul Cheng, Swiss Re

Duration: 1 hour

2. Professional Indemnity Legal Trends – An Overview of the Nature of Professional Indemnity Claims within the Region and Damages and Awards by the Courts.

Speakers: Mr. Liew Teck Huat, TH Liew & Partners & Mr. Niru Pillai, Niru & Co

Duration: 1 hour

3. Professional Indemnity Policy Coverage and Claims addressing Specific Areas of Policy Coverage, Exclusions and Impacts on Claims

Speaker: Mr. Dilsher Singh, Craford & Co.

Duration: 1 hour

Fees : RM50.00 (for PEPS members)

RM100.00 (for non-PEPS members)

CPD Hours Applied For : 3 hours

Interested to attend : Contact PEPS Secretariat.

## OTHER SEMINARS COMING UP: FINANCIAL REPORTING STANDARDS & 9TH MALAYSIA PLAN

### INDUSTRY NEWS

#### Retail Update

- New shopping complex in Bukit Bintang - The Pavillion (opposite Star Hill Centre) targeted to open in 2007.
- Additional retail space for Sunway Pyramid—A larger Sunway Pyramid and Mid Valley—The Gardens for retailers to expand their businesses and for us, Consultants/Agents to get a piece of the action.
- For those venturing to East Malaysia, Sandakan Harbour Square and Borneo Shopping Centre in Kota Kinabalu (the largest in Sabah) are other excitement in the retail sector.

Other notable complexes targeted for 2007:-

- Tropicana Mall - neighbourhood mall in the proximity of Tropicana Golf & Country Club.
- The Spring in Kuching, Sarawak
- Sunway Carnival, Seberang Prai

### LIBERALISATION & GLOBALISATION NEWS

With the collapse of WTO Agreement, we need to be prepared for any circumstances in our professional business.

More importantly, we must be able to 'withstand' the competition when there is an influx of foreign players and we must also be able to venture into their territory/foreign country.

The Board of Valuers had called for a meeting on 23rd August 2006 with PCVS, MIEA and PEPS to discuss on the preparedness for liberalization of services. Among the things discussed were services that we can let go.

Mutual Recognition Agreement, i.e. recognition of qualification in each other countries so that valuers can practiced in each other's countries were also discussed.

Members are advised to be vigilant and braced themselves for the opening up of our market in 2008.

## PROPERTY MARKET MILESTONES

(BY PEPS SECRETARIAT)

### May 23, 2006

The Hwang-DBS Global Property Fund's offering of 500 million units, which was recently increased from 300 million units, was fully subscribed within two weeks of launch. Malaysian investors are warming up to the benefits and potential of investing in property funds, be it local or global.

### June 13, 2006

Capitol Hotel Sdn Bhd, acquired Plaza Ampang in Kuala Lumpur from Hong Kong's Chinney Investments Ltd for HK\$142.1 million (RM70 million). Plaza Ampang is a commercial and shopping complex with a total gross floor area of about 401,777 sq ft.

### June 15, 2006

Aeon Co (M) Bhd signed a long-term lease with WCT Land Bhd to operate a RM320 million shopping centre within the latter's township development project in Bukit Tinggi, Klang. The Aeon Bukit Tinggi shopping centre, its largest in the country with a gross lettable area of one million sq ft, will house Aeon's Jusco store along with 200 other tenants.

### June 20, 2006

United Malayan Land Bhd (UM Land) will jointly develop a project on the 1.72ha piece of land in Jalan Mayang, off Jalan Yap Kwan Seng, in central Kuala Lumpur with a gross development value of RM600 million with Bolton Bhd and Capital Land of Singapore.

### June 28, 2006

Malaysian Airline System Bhd (MAS) sold its former headquarters in Kuala Lumpur to Permodalan Nasional Bhd (PNB) for RM130 million cash. The 21-year-old former headquarters is a 35-storey office building with five levels of car park with a net lettable area of about 270,071 square feet.

### June, 2005

The Government announced incentives to developers for the 10:90 build-then-sell scheme. A house buyer needs to put down only 10% of the cost of the investment, with the remaining 90% to be settled in full once the property is completed and the certificate of fitness issued.

### July 7, 2006

Lien Hoe Corporation Bhd sold Menara Lien Hoe at Tropicana Golf & Country Resort in Petaling Jaya to E-Globalfocus Sdn Bhd for RM1 and the settlement of estimated debt of RM53 million.

### July 18, 2006

880 development projects worth RM15 billion were announced for tender by the Malaysian Government.

### July 25, 2006

The Edge Top Property Developers Award 2006 named SP Setia Bhd as the best property developer in terms of financial performance as well as all round quality. The other top 10 developers were IGP Corporation, I&P, Sunway City, IOI Properties, Sime UEP, Sunrise, MK Land, Bandaraya Developments and YTL Land.

### July 2006

Soft launch of Pavilion Residences which carry a RM1,000 psf price tag. KL Pavilion held an exclusive preview of the 50-storey Tower 2 comprising 205 units to a select group of customers.

### August 15, 2006

Asia Pacific Land Bhd (AP Land) sold its prime City Square Centre to international group Macquarie Global Property Advisors (MGPA) for RM680 million cash. The sale involves the 61-storey Empire Tower for RM270 million, 28-storey 571-room Crown Princess Hotel for RM240 million and 11-storey City Square Shopping Centre for RM170 million. The deal marks MGPA's first acquisition of assets in Malaysia. MGPA is focused on real estate investments in Europe and Asia.

### August 22, 2006

The Government unveiled the Third Industrial Master Plan (2006-2020). The services sector is one of the pivots in the Third Industrial Master Plan (IMP3). During the plan period, the non-government services sector is projected to grow at 7.5% per annum while construction services, at 5.7%.

The IMP3 has identified several sub-sectors for further development. They are business and professional services, distributive trade services, construction services, education and training, healthcare and tourism.

### August 28, 2006

Makro Cash & Carry Distribution (M) Sdn Bhd, the country's first cash-and-carry wholesale store that was set up in 1993, has been put up for sale by its shareholders. Makro operates eight stores in Malaysia, with the flagship store in Shah Alam. The other stores are in Cheras, Selayang, Ipoh, Johor Bahru, Penang island, Seberang Perai and Seremban. The Hongkong and Shanghai Banking Corporation Ltd has been engaged as the financial adviser to prepare the company for sale.

### August 29, 2006

F&N launched Zon-E @ Fraser Biz Park, its remaining landbank at the Sungei Besi site. Launched in early 2004, the first phase of 13 acres — Fraser Promenade — comprising 80 units of 5- and 6-storey shopoffices with individual lifts and priced from RM1.7 million to RM4 million was sold out. These shopoffices come in various sizes — 26ft by 66ft, 33ft by 66ft, 39ft by 66ft and 46ft by 66ft is 95% complete and will be handed over by year-end.

### August 29, 2006

Ireka Corporation Bhd subsidiary Ireka Sdn Bhd sold the 452-room five-star Westin Kuala Lumpur hotel to Newood Assets Ltd, an international property investment company, for RM455 million.

### September 2006

Announcement of 2007 Budget. Corporate income tax is planned to be reduced to 26% over two years.

REITS are exempted from tax on all income, provided that at least 90 pct of total income distributed to investors. Withholding tax for non-resident institutional investors was reduced to 20% and for individuals, reduced to 15%.

Expenses incurred by developers within the defects liability or warranty period will be allowed as deduction from the same project, and losses incurred in the last year of a project will be allowed as deduction from profits received from the previous years of that project.

### September 13, 2006

The government has approved the setting up of a special Cabinet Committee to handle applications of foreign investors whose high-impact projects need special consideration.

The Deputy Prime Minister will chair the Committee which will include International Trade and Industry Minister Datuk Seri Rafidah Aziz and Second Finance Minister Tan Sri Nor Mohamed Yakcop. Officials from the Malaysian Industrial Development Authority (Mida), Economic Planning Unit and the National Implementation Directorate would also be part of the panel.

## 9TH MALAYSIA PLAN—IMPACT ON THE PROPERTY MARKET (BY PEPS SECRETARIAT)

The 9<sup>th</sup> Malaysian Plan (9MP) with the RM200 billion development allocation is expected to act as the catalyst for economic expansion and sustaining GDP at an average of 6% per annum for the next 5 years. The construction sector will receive a shot in the arm when big-ticket projects under the Ninth Malaysia Plan are announced for tender.

**COMMERCIAL SECTOR**  
Since 9MP has identified human capital development as the factor to strengthen the economy, the growth of colleges and universities will spur demand for commercial space.

Another key area of 9MP is the promotion of Islamic capital market products. This will create demand for prime commercial space in the city as these new financial institutions seek good urban addresses.

**INDUSTRIAL SECTOR**  
The industrial sector will also experience a boost in growth as the Government focuses on small and medium enterprises (SME). Recent SME activity has centred on new areas such as biotechnology, aerospace and maritime. The move by Dell Inc. to set up a technology and development centre in Cyberjaya was one of the first results of the 9MP.

The biotechnology sector has been given a boost under the Ninth Malaysia Plan (9MP) by an allocation of RM2.02 billion of which 49.5% or RM928.5 million will be to biotechnology infrastructure. Many biotech-related companies have been issued licenses to set up plants.

The scope for better take-up will be sparked by the general lack of new industrial parks in the country, especially in the Klang Valley.

Under the 9MP, three economic areas are targeted for intense development:

1. South Johor Economic Corridor (SJEC);
2. Northern Peninsular Development Zone; and
3. Eastern Economic Corridor.

### **SOUTH JOHORE ECONOMIC CORRIDOR**

SJEC covering Senai in the north, Pasir Gudang in the east and Tanjung Pelepas / Gelang Patah in the west is one of the key areas that have been identified for growth under 9MP.

Up to RM10 billion has been budgeted for this massive development which includes the proposed Nusajaya township (Johor Government's new administrative capital) styled after Putrajaya and the waterfront of Danga Bay.

The port of Tanjung Pelepas, Senai Airport and Pasir Gudang Port including a high-speed rail link to Kuala Lumpur will be synergized to provide air, sea and rail links to turn Johore into a regional transport hub.

Among the new road projects in SJEC are the Permas Second Bridge, Danga Bay – Nusajaya coastal road and Permas – Pasir Gudang coastal road. Existing roads to be upgraded include the Inner Ring Road from Jalan Storey, the Middle Ring Road from Jalan Tun Razak and the Outer Ring Road from Jalan Tebrau.

Reviving the seafront is one of the main objectives under the tourism related component of SJEC including the beautification of the 20km waterfront promenade starting from Tanjung Puteri Customs and Quarantine Complex.

The world-class infrastructure facilities planned is aimed at attracting joint ventures and investment activities by local and foreign investors trying to take advantage of the opportunities coming on-stream. Singapore property companies may become interested in developing parts of SJEC as development land is limited in Singapore. Discussions are underway for an international amusement park in Nusajaya.

The Private Finance Initiative or PFI has been identified as a cornerstone for the success of the 9<sup>th</sup> Malaysia Plan and for SJEC, Petrolim Nasional Bhd is expected to spearhead development in the region.

Given its strategic location the South Johor Corridor has the potential to compete with Kuala Lumpur and Penang when fully completed.

### **NORTHERN PENINSULAR DEVELOPMENT ZONE**

The government has identified the Northern Peninsular Development Zone comprising Kedah, Perlis, Seberang Prai and northern Perak to spearhead the development of food industries including a halal food hub.

The business community in the northern region is encouraged to focus on areas such as logistics, aerospace, petrochemicals, food manufacturing, biotechnology, and resource-based products.

Besides manufacturing activities, the government is also actively promoting manufacturing-related services activities such as regional establishments and support services in the Northern Region. These include operational headquarters (OHQs), international procurement centres (IPCs), regional distribution centres (RDCs), regional and representative offices (RDOs), integrated logistics services and integrated market support services.

To date, a total of 53 regional establishments had been approved in the Northern Region, including five OHQs, 47 IPCs and one RDC.

United Engineers Malaysia Bhd under the PFI concept will be a major driver of development in the Northern Region.

### **MEGA PROJECTS**

Mega projects which have been identified are:

1. the Penang Second Bridge
2. the Penang Monorail
3. the Pahang-Selangor Interstate Water transfer project and,
4. the Integrated Transportation Terminal in Gombak and Bandar Tasik Selatan

A total 880 construction projects have been announced totaling RM15 billion of which 59% were for the building of more schools and 66 projects involved the up-

grading of roads, building of bridges and government quarters. However, the major jobs are expected to start sometime in 2007.

Work on the RM2.6 billion second Penang Bridge is targeted to begin by middle of 2007. The bridge will link Batu Maung on the island and Batu Kawan on the mainland. Both of these towns are expected to experience rapid growth as this project gets underway.

The UEM Group was appointed to build, manage, operate and maintain the second Penang Bridge will complete detailed plans in about 3 months.

The other projects listed above are in the early stages of planning and therefore, information is limited.

The Government has also identified upgrading of several roads and these include:

1. Serdang Raya / Puchong Sungei Besi
2. Kapar – Sabak Bernam
3. Klang-Banting
4. Padang Besar – Bukit Kayu Hitam
5. Ulu Tiram – Kota Tinggi
6. Jalan Tampoi, Johor and
7. Kuantan – Pekan coastal road
8. Trans-Eastern Kedah Hinterland Highway in Kedah.
9. Banting-Taiping Coastal Highway
10. Simpang Pulai-Gua Musang-Kuala Terengganu Road
11. Oya-Mukha-Balingan road and the coastal Sibubawang-Assan-Seredeng Road in Sarawak
12. Sepulut-Kalabakan Roas and the Sipitang-Tenom Road in Sabah

These road improvement projects can be expected to uplift economic activities in the respective areas as well as neighbouring districts.

## FOOD FOR THOUGHT

**“For those who have seen the Earth from space, and for the hundreds and perhaps thousands more who will, the experience most certainly changes your perspective. The things that we share in our world are far more valuable than those which divide us.”**

Donald Williams

**“It Is Often Easier To Fight For Principles Than To Live Up To Them”**

Adlai Stevenson

**Individual commitment to a group effort—that is what makes a team work, a company work, a society work, a civilization work.”**

Vince Lombardi

**Leadership is solving problems. The day soldiers stop bringing you their problems is the day you have stopped leading them. They have either lost confidence that you can help or concluded you do not care. Either case is a failure of leadership.”**

Collin Powell

## A TO Z OF STRESS MANAGEMENT

**A** lways take time for yourself, at least 30 minutes per day.

**B** e aware of your own stress meter: Know when to step back and cool down.

**C** oncentrate on controlling your own situation, without controlling everybody else.

**D** aily exercise will burn off the stress chemicals.

**E** at lots of fresh fruit, veggies, bread and water, give your body the best for it to perform at its best.

**F** orgive others, don't hold grudges and be tolerant – not everyone is as capable as you.

**G** ain perspective on things, how important is the issue?

**H** ugs, kisses and laughter: Have fun and don't be afraid to share your feelings with others.

**I** dentify stressors and plan to deal with them better next time.

**J** udge your own performance realistically; don't set goals out of your own reach.

**K** eep a positive attitude, your outlook will influence outcomes and the way others treat you.

**L** imit alcohol, drugs and other stimulants, they affect your perception and behaviour.

**M** anage money well, seek advice and save at least 10 per cent of what you earn.

**N** o is a word you need to learn to use without feeling guilty.

**O** utdoor activities by yourself, or with friends and family, can be a great way to relax.

**P** lay your favourite music rather than watching television.

**Q** uit smoking: It is stressing your body daily, not to mention killing you too.

**R** elationships: Nurture and enjoy them, learn to listen more and talk less.

**S** leep well, with a firm mattress and a supportive pillow; don't overheat yourself and allow plenty of ventilation.

**T** reat yourself once a week with a massage, dinner out, the movies: Moderation is the key.

**U** nderstand things from the other person's point of view.

**V** erify information from the source before exploding.

**W** orry less, it really does not get things completed better or quicker.

**X** press: Make a regular retreat to your favourite space, make holidays part of your yearly plan and budget.

**Y** early goal setting: Plan what you want to achieve based on your priorities in your career, relationships, etc.

**Z** est for life: Each day is a gift, smile and be thankful that you are a part of the bigger picture.