



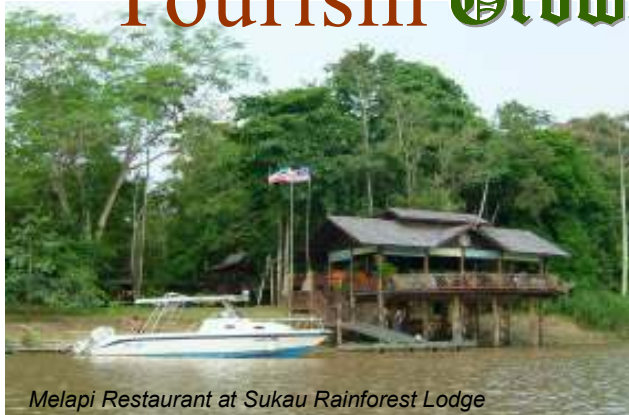
SABAH PROPERTY BULLETIN

Sharing Property Information in Sabah with You

PPH 260/7/2008(006770)

Volume XIV, December 2007

Tourism Growth & Challenges



Melapi Restaurant at Sukau Rainforest Lodge



1 Borneo Hypermall

Of late, Sabah has been abuzz with talks of tourism-related events. Sabah Tourism Board statistics show a 14% jump in visitor arrivals to 2.1 million from 2005 to 2006, generating receipts of RM2.6billion. Arrivals up to October 2007 have reached 1.9million. Major resort and hotels in the State Capital are reporting good take up rates. Sabah is gearing up for more active years ahead with the completion of the low cost carrier terminal in January 2007 and the massive upgrade of the Kota Kinabalu International Airport, which is expected to see its first phase completed by April 2008. Close to 2,000 hotel rooms of various classifications are currently under construction in Kota

WTWS: How would you describe tourism in Sabah?

Teo: Sabah is entering a new and most exciting phase of tourism development. For the last 5 years we saw a huge paradigm shift. Firstly, the entry of Air Asia to Sabah to cater for budget travellers, backpackers and domestic tourists. The tremendous increase in domestic tourism has boosted Sabah, the furthest State from mainland Malaysia where the bulk of the population is based. KK, Tawau and Sandakan which have direct flights from KL, have benefited the most. There is some effect on the 4-5 star hotels but the 3-star category and below have benefited the most, including local restaurants and other sectors associated with the tourism industry. Internationally, Air Asia has also increased its international network filling the vacuum given up by MAS with travellers taking Air Asia to Kuala

Inside this issue

- New Hotel Developments
- Lahad Datu: Facts & Figures
- Happenings
- New Developments
- Budget 2008 Highlights
- Feature Developments: Taman Malakun & Puteri Damai

Lumpur and then to Sabah. Coupled with new direct flights by other airlines from Asia, this has created a positive optimism that with the completion of the airport extension, visitor arrivals to Sabah will increase manifold. Even without the new airport extension, the Low Cost Carrier Terminal is already doing well through Air Asia. We were

all caught flat footed as this has never happened to us before. If the same thing happened to the international airport, the ripple effect will be even more significant.

With increased international air accessibility, people are now discovering that Sabah has many more natural attractions. During his tenure as Deputy Chief Minister and Tourism Minister, Tan Sri Chong Kah Kiat, with the support of Tengku Adlin and Datuk Irene Charuruks from Sabah Tourism Board, was instrumental in opening up Sabah on the world tourism map. When these new air routes open up, the rest is history. The fact that there are many new hotels coming up is also an indication we are putting a lot of hope on this sunrise industry. The construction of more shopping complexes shows the positive optimism generated by tourism, albeit some overbuilding in this sector at the moment.

..Cont'd inside



Teo with Colin Harold Williams, co-founder of CH Williams Talhar & Wong at Monkey Mia, West Australia in 2005.

What you see today is not the effort of the last 2 years, but a lot of groundwork and effort put in by various sectors of the industry. Without Shangri-la's Rasa Ria, Nexus Karambunai or Sutera Harbour resorts, we wouldn't have a tourism industry also...these were the catalysts for having a tourism industry that is as buoyant as what we have today. I have been waiting for this day to come since I started working in 1977 and I'm glad it is happening during my lifetime.

How have the profile and tastes of visitors to Sabah evolved since you first ventured into tourism?

Visitors are becoming more aware of security, and lately environmental and global warming issues. After 9/11 and the Sipadan kidnapping case in 2001, security was the primary concern especially for the Americans and Japanese. The Sipadan case actually pulled us down for several years due to travel advisories issued against travel to the East Coast of Sabah. In fact, if you check the Australian Government and British travel website, the travel advisory is still maintained. But people are numb to it and cynical about the advisory as they become better informed. You can't blame these governments as they are protecting themselves from being sued by their own people. We just have to be more aggressive in our marketing and publicity to counter that.

Secondly, with the growth of budget airlines, more budget travellers will come to Borneo. I met some very interesting backpackers recently and to my surprise, these people are medical doctors. They travel every year and take four weeks off to experience the world. They are not just student travellers, but also professional people who want to get away from mass tourism. They stay at the backpackers lodge, bring their children, meet other backpackers as a source of information, hook up and travel together. They spend little on rooms so their money can stretch for a-month long holiday but a lot on food, drinks and tours. But backpacking is more for Westerners. I went backpacking in Fiji and I was the only Chinese at the lodge there. I felt so out of place! Most Asians don't like

to stay with strangers, preferring their comfort zone but this is expected to change with the younger generation of Asians as budget airlines bring down airfares.

What are your views on Malaysia My Second Home programme in Sabah?

A friend of mine recently considered this programme, but decided not to pursue it because it is so easy to travel with the budget airlines nowadays. To him, the second home offer is not attractive enough with the requirement to deposit some money in Malaysia. He can fly in as and when he likes rather than commit his funds to the MM2H programme.

If I were to put myself in the shoes of one who intends to migrate to Malaysia, the 10-year renewable social visit pass is insufficient. Say I am now a 60-year old. When I reach 70, I'll be taking a huge risk to go back to England if my visa is not renewed. Would you take that risk at that age? To look for another house in

England or Australia after 10 years where the prices will be so expensive? People need more assurance and certainty beyond a 10-year visa. Plus, if we are sincere in promoting MM2H, government departments must take responsibility and initiative to solve any problems that crop up during application of the social visit pass. It is like inviting a foreign guest to our homes and not giving them the proper hospitality. However, some will still go through with the inconvenience as it is a lot cheaper to buy a house and live in Malaysia than in their countries.

What is your take on the recent hype on some of the residential resort developments in Sabah?

There is huge potential for the property market to promote MM2H. Foreign visitors are like ambassadors promoting Malaysia for free, and will attract their relatives and friends. Sabah is the Land below the Wind blessed without calamities. Our weather is conducive for a lot of foreigners as when they get older, they want to retire to warmer climates and want to bring down their living expenses. We have a multi-racial and English speaking population, relatively clean, beautiful and safe environment and good air accessibility to regional cities. Plus, property here is relatively cheap. As people have longer life span, they need their money to stretch and it is cheaper to live in Sabah compared to many regional cities. So, there is good potential here.

Has the reported shortage of hotel rooms in the State affected Borneo Eco Tours' operations?

Yes, definitely. There were times 5-star hotels were running at 30%-40% occupancy but are now in the 80s and 90s (percent) and rates have also doubled. After many lean years, they deserve to enjoy the good business now. We handle small groups and individual tourists; most of them Caucasians who pay higher room rates, unlike mass tourists who come in big groups by chartered flights. So we don't normally face room shortage unless it is last minute. But as tour operators, we can move them to Kundasang, Tawau or Sandakan first. So we juggle the dates and accommodation.

Has the lack of rooms stopped tourists from coming to Sabah?

Not really, except in 2007 when we did have a serious problem. At one stage FAX (Fly Asian Express) was unable to fly regularly to certain destinations. For example, the Mulu and Lahad Datu flights were often cancelled without notice. Many tourists were stranded and tour companies offering such tour programs suffered huge losses and many chose not to offer these tours to Sabah and Sarawak in 2007/8 brochures and opt for other destinations. Now that the domestic air routes have been reinstated by MASWings and a new special tour program introduced, the business will come back but it will take 6 months to a year to regain the confidence of overseas tour operators.

The Tourism Ministry reports that Sabah needs about 6,000 more hotel rooms whilst there will be an increase in the number of business-type hotels in KK in the next few years. How do you think this would impact tourism?

Visitor arrivals and hotels have a huge multiplier effect on the rest of the economy including the retail business while generating much needed employment. While this is great for the state economy, we also need the government to increase its funding for tourism development for infrastructure at key tourist attractions which will face bottleneck problems as tourist numbers have risen with minimal increase in facilities. Tourism facilities like those at Selingan Island and Laban Rata are already at optimum capacity and cannot be expanded. We therefore have to develop new tourism products and not just new hotels. Hotel developers also need to beware of the type of hotels that tourists prefer. Most international tourists prefer beach to city business hotels. What we need is more 3-star beach hotels, not 3-star city centre business hotels. So why are we not building more of resort hotels?

It comes down to the supply of land. And to have a resort, one needs the essential ingredients of beachfront and natural settings. But some of these lands are not accessible and the problem is amalgamating the small pieces of lands.

The industry that you are in can help look into this and be part of the strategy and solution with the government. If you talk about gazetting lands in Kudat and Tuaran for tourism development, then the whole machinery must be geared to making the land available for tourism and

the government need to identify and offer the lands to potential investors. Government must get involved. My friends who sit in West Australia government departments actually identify lands that are good for tourism, alienate these lands and provide the infrastructure including power, water and road. Then they will offer it to potential investors for tourism development.

At the moment, development in Sabah needs to be better co-ordinated and organised. I know of investors who were so frustrated that they gave up after they could not find lands of 400-acre size to build tourism facilities here. When things are not transparent, it is very difficult to attract international investors. Lands with many conditions attached including Native Titles which cannot be bought by non-bumiputras only makes it worse.

What is your vision for tourism in Sabah?

That would be a two-hour session (laughs). Sabah is a beautiful State and very ideal for tourism. For many years I was very sad that so much of our lands have been degraded through logging and oil palm cultivation, including corridors along Kinabatangan River where the best of our wildlife are found. There is nowhere else in Malaysia we can see elephants or proboscis monkeys in such abundance and yet we as a State were unable to come up with a cohesive policy to ensure that the wildlife have sufficient natural habitat to survive sustainably. Tourists may not all go to see these iconic wildlife, but the fact that the wildlife are there is an added attraction to Sabah. The power of marketing and branding is so powerful. When you think of kangaroos or koalas, you think of Australia. So when people think of Mount Kinabalu, proboscis monkey or orang utan, Sabah comes to mind.

But we don't value our own backyard enough. Have we been good stewards of our environment? I don't think we have done well enough. We need to change this. Tourist numbers keep increasing, but the infrastructure has not kept up with that. In Kinabalu Park, lack of sufficient parking space is now a common problem. In Sepilok, the infrastructure is still not enough to cope. We need to speed up our development with a year-by-year plan as the industry is growing at a pace beyond what we are used to. There's a lot of stress on the environment with overcrowding, littering problems and

How did you first venture into tourism?

I got involved by default. I finished my degree in Economics in 1977 and my father asked me to work in KK Hotel (now known as Hotel Shangrila), but I wanted to be a lecturer. He made me come to KK and put me in the Chinese restaurant in charge of purchasing food. So every morning at 4am, I would go to the fish market in town. From there I learnt how to do food purchasing. Finally, I got involved with the hotel as an Executive Director in 1978...just like a CEO running the day-to-day operations of the hotel and reporting to the Managing Director then, Datuk Hong Kim Sui. It was unexpected that I ended up in the tourism industry as my background was in accounting, finance and economics. But these gave me a very broad view of the industry.

I had to develop my interest in tourism. After working so long and with my kids growing up, I decided I had to either specialise or get out. So in my thirties, I decided to go all out, taking part-time and short courses on Hotel Management. Once I made a commitment then I knew that's the way I would go. At that time I was also involved in Sabah Tourist Association and was exposed to the other sectors of the industry. I found that after running a 3-star hotel for some years, it gets rather boring once you get the hang of it. I wanted to diversify to other things but I couldn't have my way. With the way I was going, I felt that my potential would be

the resulting jam on islands, parks, airport and roads. It's almost like a crisis, although it is a happy problem. We need to increase our capacity to manage the environment better if Sabah is going to become a premier international tourism destination.

The future is very bright but I'm concerned we are not keeping pace with tourism growth, which could turn into a threat. There are signs that we are not able to keep up, not just in tourism but the growth of cities and towns. There are still many shopping centres that are not opened yet but traffic is already at bottleneck point. Can you imagine the number of people working and visiting those shopping centres, the cars spewing onto the roads and crawling along the flyovers when they open in the next few years? In the end, KK and locals will suffer. I am scared KK will be another city with deteriorating air quality. We need to fix the traffic congestion not just by building more flyovers but also reducing the duration cars are allowed to park at any one spot (so that people can find a parking spot and do business), improve public transport and perhaps provide free shuttle service within the CBD. Otherwise, the tourism experience will be more and more negative.

What do you think can be done to improve and enhance tourism in Sabah?

In today's environment of globalisation it is through responsiveness and proactive-ness that we become more competitive. As a tourist destination, we are competing with neighbouring countries. We need to keep our environment clean, clean up the floating plastics in KK and Sandakan waters, provide smooth traffic flow especially around construction sites such as the new airport and flyovers. But we are having a lot of challenges that should not be there.

The world has changed so fast and so much in the last 10 years due to the Internet and globalisation. There are fewer boundaries and the world is becoming more transparent. If one doesn't like our MM2H programme or if we are not efficient, they can go to some other country that is more transparent, efficient and proactive. I know of many tourism projects that were built without proper approvals because the local authorities do not have the human resources or space to cope. It is normal to see piles of documents on the floor of their offices. The

private sector has just simply overwhelmed the local authorities with the investment of new hotels and lodges whether in Kundasang or Sukau because they have not kept up with the market reality. Until and unless the government machinery becomes more efficient while tourist arrivals increasing, don't you think the problem will compound? We need to beef up civil service efficiency, invest in human software and infrastructure.

What is your outlook on tourism in Sabah?

We need to wake up and take care of the environment where the natural beauty has been taken for granted. Otherwise, we will lose our shine. My business is ecotourism which is related to sustainable development. So everything I do is geared towards quality, environment, interpretation and operating in remote areas. Although the environment is not necessarily destroyed, the future of my business is also at threat, because more secondary or virgin forests are being converted to oil palm each day. But some still consider oil palm as forest cover. That is also what Tun Dr. Mahathir used to say against international criticisms of Malaysia having less than 50% forest cover but we have most of it under oil palm. But oil palm is not going to attract nature tourists. We need balance in our development. Otherwise I will have to do mass tourism.

I am very particular about how I operate my tours and how I build my lodge. This requires training the local people to be one my stakeholders, equip them with skills to run the lodge and to help them to benefit from the business. That is why I am taking a long time to build my lodge on Mount Kinabalu. It has to be done with EIA, geotechnical surveys, planning and design with minimum cutting of slopes. We need to retain the natural environment as we build. So we build upon areas that are degraded and areas that are pristine we retain as much as possible. It will cost more but I can worry less about maintenance later. It is also maintaining the integrity of the environment, critical to the future success of any tourism businesses. Most people are thinking short term. But I am trying to leave a legacy behind, creating a success model to show people the right way to do it. **WTWS**

Ecotourism : a niche market

Why did you choose eco-tourism?

In 1985, I started a subsidiary tour company when I worked at Hotel Shangri-la. For 6 years, I travelled around Sabah and promoted Borneo. I published a few books including Sabah, Land of the Sacred Mountain, which is now in its 6th edition. I also did a video promoting Sabah. The more I travelled, the more I knew and loved Sabah. So when I set up my company in 1991, I decided that I need to specialise on what I think is the competitive advantage of Sabah. 1991 was the first Earth Summit in Brazil where the whole idea of eco-tourism was officially mooted although eco-tourism existed before that. People just did not use that term. By 1991, people became conscious and countries realised

that travel and tourism development need to be sustainable so the idea of eco-tourism was proposed.

I decided to call my company Borneo Eco Tours because Sabah has a lot of potential for ecotourism. It requires more skill and knowledge to operate but it is a niche market. I looked at my strengths; I speak English and know the natural environment relatively well, so I decided to focus on the Caucasian markets, a small group of tourists who are nature lovers that match my skills. With that I don't have to compete with 95% of the tour operators in the market.

At the moment, how many people in Sabah are involved in ecotourism?

That depends on how you define ecotourism. According to the industry, maybe 70%...but genuinely, maybe less than 5-10% as many do not understand eco-tourism.

How would you define eco-tourism?

The definition I use is the one by Hector Ceballos-Lascurain, the Father of Ecotourism. He is a Mexican architect and planner, who was here recently as the consultant for my new eco lodge in Mount Kinabalu. Ecotourism Association of Australia also has a good definition and the shortest one is by The International Ecotourism Society, of which I am a member and advisor for 10 years.

Basically, there are 4 key components in ecotourism. First, is travel to natural environment. Just a day trip to Sapi Island may not be eco-tourism. And true ecotourism is travel to undegraded natural environment. A lot of places in Sabah are degraded. Second is appreciation of natural and cultural components. This means interpretation, where guides are trained to explain what is interesting about the place, animal or plant. Many guides only act as tour leaders providing general information as in mass tourism.

The third component is promoting conservation. I am aware that every tour has a negative impact. In Sukau, we use speedboats that may burn RM400 of fuel which causes a tremendous carbon footprint. But I have to deliver my tours. How do I compensate? I set aside RM12 for every tourist that I bring to Sukau for conservation and capacity building. I do tree planting in Sukau. Not many tour operators do that. So they may score 3 out of 4, or 2 out of 4 (criteria for ecotourism). But you can't say that they are not eco-operators as the degree of compliance varies.

Ecotourism Defined

There are several definitions of ecotourism and the following will give you an idea of what ecotourism means.

Environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features-both past and present) that promotes conservation, has low visitor impact, and provides for beneficially active socio-economic involvement of local populations.

Hector Ceballos-Lascurain, 1993/IUCN Ecotourism Program. (In 1983, Lascurain coined the term "ecotourism" and its preliminary definition. His modified version of this definition has been officially adopted by IUCN in 1996).

Responsible travel to natural areas that conserves the environment and improves the welfare of local people.

The International Ecotourism Society, USA.

Nature-based tourism that involves education and interpretation of the natural environment and is managed to be ecologically sustainable.

Ecotourism Association of Australia.

Source: www.borneoecotours.com

The fourth component is very critical, that is, benefit to the local community. A lot of so called eco-operators don't help the local community, i.e. they don't bring the tourists to stay in certain local places or spend money in local coffee shops. They use the facilities but don't contribute to the local economy. They may not employ locals. I had a hard time training locals who can't speak English but today, 12 years later they are doing very well. I must admit that this is one of the hardest things for me to deal with. But if we are genuine eco-operators, we have to help them come up to our level although it may take many years. 85% of my staff in Sukau Rainforest Lodge are Orang Sungai.

Ecotourism is therefore very loosely used as there is different degree of compliance. I try to stay away from the word and let consumers decide if I am "eco" or not. I try to undersell and "over deliver".

What is the proportion of ecotourism sector in Sabah's overall tourism industry?

Ecotourism is a niche market, so the proportion should be low. Sometimes Malaysians think that ecotourism needs to take up 50%, but that is not the point. We should cater to different market segments. The majority of arrivals to Sabah is mass tourism, and that could be around 70%. The remaining could comprise those that come for trekking, kayaking and rafting, diving, adventure, wildlife and others. Most of these but not all are ecotours. No one has taken the task to quantify based on the definition of ecotourism. We can only guesstimate but it is difficult due to the different degrees of compliance.

How has ecotourism in Sabah grown over the years?

One of the pioneers in the eighties was Uncle Tan who operated in Kinabatangan. His tours were very low impact but he put Sabah on the map. Eco tours in those days mean trekking in the jungle or rural places.

As infrastructure improved, things started to change. I started using the word "eco" in 1991 and intentionally promote Sabah as an eco-destination. Those were the early days where I was all for ecotourism.

But after a few years, I realised the term has been subject to green washing and people jumping on the bandwagon. The first 10 years I began to learn a lot. I sat on the Board of The Ecotourism Society, USA and saw the problem the industry was facing. I started organising the first of four conferences on ecotourism in the last 10 years to educate the public. But it takes a long process to educate people. Ecotourism requires the support of infrastructure and government to ensure that the law is in place and being enforced. I see the danger of overselling ecotourism in Sabah as I see so much environmental degradation. I try to highlight this issue through education and conferences but those that attend are already the converted ones. The majority are not converted and don't attend. I tell people that environmental degradation in other tourist areas can also happen in Sabah. So I am now more realistic and focus more on sustainable tourism development for all tourism enterprises. **WTWS**

Albert can be reached at albert@borneoecotours.com

Kota Kinabalu New Hotel Developments

Hotel	Location	Proposed Star Rating	No. of Rooms (approx)	Scheduled Completion
Tune	1 Borneo	Budget	168	2008
Best Western Courtyard	1 Borneo	3-star	160	2008
Mercure	1 Borneo	3-star	341	2008
Novotel	1 Borneo	4-star	263	2008
Tang Dynasty Park	Karamunsing	2-star	192	2008
Hotel in Harbour City	Sembulan	Boutique	120	2008
KK Cititel Express, Asia City	Kota Kinabalu CBD	Budget	275	2009-2010
Hotel in Asia City	Kota Kinabalu CBD	4-Star	240	2010
South China Sea Place Hotel	Sembulan	4-star	174	2010
Total			1,933	

Other hotel developments proposed include those in KK Times Square, Harbour City, Suria Sabah, proposed Jesselton Waterfront and the conversion of Gaya Centre office building to hotel.



Other Property Developments

Among the new property developments recently initiated in Kota Kinabalu are:

Name	Location	Type*	No. Units	Land/Floor Area (min/std)	Developer Selling Price (std/onwards)
Residential development with resort features					
D'banyan Residency @ Sutera	Sutera Harbour Resort	SL3	60	3,415	RM1.4 million
		SD2	48	5,332	RM2.3 million
		D3	14	8,465	RM3 million
Llen Tuaran	Next to Dalit Bay Golf Club, Tuaran	D2 Condo	n/a	5,737 1,201	RM908,000 RM433,000
Landed residential developments					
Taman Cerah	Menggatal	T2	65	1,539	RM189,000
Taman Seri Chimera Ph 1 & 2	Along Jalan Nountun	T2	18	1,538	RM493,888
Tanam Malakun	Along Jalan Ramayah-Putatan	T2	120	1,641	RM263,800
		SD2	14	3,681	RM586,800
Vila Imbaan	Jalan Penampang Lama	T2	23	1,460	RM273,000
		SD2	6	3,026	RM501,600
		SD3	2	5,726	RM688,000
Kingfisher Park 4 Ph 5A	Kingfisher area	SD2	40	3,703	RM645,000
Condominium/Apartment					
Prince Tower	1 Borneo, Jalan KK-Sulaman	C22	119	1,900 - 3,240	RM350psf (RM330psf early bird price)
University Apartments Ph 2	Jalan KK-Sulaman	A4	560	550 - 750	RM211psf
Universiti Condo Apartments 3	Jalan KK-Sulaman	A4	558	589 - 751	RM212psf
Malawa Court	Jalan Sepangar	A4	96	880	RM162psf
Delta Heights Ph. 2	Bundusan	A4	96	707 - 1,073	RM170psf
Alam Damai	Damai	C16 & C19	552	976 - 1,302	RM230psf

Source: Various Developers

*Abbreviations: T2=2-s Terraced, SD2/SD3=2/3-s Semi-Detached, C=Condominium, A=Apartment

2008 National Budget Highlights



Prime Minister Datuk Seri Abdullah Ahmad Badawi tabled the 2008 Budget on 7 September 2007. Budget highlights, particularly those affecting the property sector and Sabah, include:

For Sabah

- RM4billion is allocated for the implementation of several projects. These include construction of Jalan Kota Marudu-Ranau, Sandakan Northern Ring Road, upgrading of Jalan Kota Belud-Langkon, provision of rural health services, hospital facilities, low-cost housing, electricity & water supply and upgrading of roads and railway.
- To further promote tourism activities in Sabah and Sarawak, RM200mil is provided under the Tourism Infrastructure Fund, managed by Bank Pembangunan Malaysia Berhad. Priority is given to tourism projects that leverage on the rich natural endowments of Sabah and Sarawak.
- A sum of RM800mil is provided for Sabah and Sarawak to improve income and standard of living of Bumiputeras. Programmes to be implemented, particularly for the low income group, include housing, skills and entrepreneurship training, water and electricity supply, roads and pre-school education.

Property/Housing Sector

- Effective January 1 2008, private valuation will be allowed for the purpose of assessment in stamp duty payment to expedite the transfer of property by enabling it to be executed pending the final valuation form the Valuation and Property Services Department.
- A 50% stamp duty exemption on documents of transfer will be given for the purchase of one house of not more than RM250,000 per unit. Full stamp duty exemption given on transfer of property from spouse.
- Effective January 1 2008, EPF contributors will be allowed to make monthly withdrawals from Account 2 balance to reduce their loans.
- Fund to provide guarantee to specific banks to enable those without regular income to get housing loans. As a start, RM50mil will be allocated to Bank Simpanan Nasional and Bank Islam Berhad to kick start the scheme beginning January 1 2008.
- RM381million for low cost housing. SPNB had been directed to rehabilitate 6,000 units of abandoned houses. It will also build 36,000 affordable homes and 4,000 Rumah Mesra Rakyat homes. RM887mil allocation in 2008 to build more quarters for civil servants nationwide.

RM2.3bil Budget for Sabah

The biggest ever allocation of RM2,301.15mil has been made to meet the State's expenditure in 2008. In unveiling the Sabah Budget 2008, Chief Minister Datuk Seri Panglima Musa Aman said State revenue in 2008 is estimated at RM2,333.19 million with a surplus of RM32.04mil. Musa said the Budget would focus on developing the State's infrastructure, implementing rural development and poverty eradication programmes as well as enhancing public delivery system and the State's human capital.

Under the new Budget, RM39.25mil has been allocated for development expenditure, with the largest allocation of RM313.22mil going to Infrastructure Development Ministry. The next two largest recipients are Chief Minister's Department and Agriculture Food Industries with allocation of RM160.71mil and RM156.53mil, respectively. Musa said the budget is meant to establish a solid foundation for the Sabah Development Corridor and ensure smooth implementation of the 9MP.

Adapted: 30 November 2007, The Borneo Post



Happenings

Land Acquisition (Amendment) Enactment 2007

The State Legislative Assembly passed a bill to amend Section 2, paragraph (e) of the Land Acquisition Ordinance (Cap. 69) the definition of “public purpose”, by substituting the words “or any corporation incorporated directly by written law” with a new line, “any corporation incorporated directly by written law or by private enterprise or otherwise howsoever”. The bill sought to amend the definition of “public purpose” to empower the Head of State to acquire compulsorily land for, or in connection with any public utility undertaking or the provision of any public service to be undertaken or provided by private enterprise or otherwise howsoever.

Assistant Minister in the Chief Minister’s Department Datuk Radin Malleh who tabled the amendment, said that the amendment was necessary due to landowners refusal to negotiate with the Government over land acquisition and the existing definition of public purpose in the Ordinance is not clear. This has resulted in failure or hiccups in some government utility projects involving land acquisitions. He added that the Government would not simply acquire the land at will using law and background of person/s who applied for the land using the amended Chapter 69 would be thoroughly checked.

The amendment was met with cautious sentiments by some parties citing that the amendments would be open to abuse, amongst which include acquisition done for purposes outside of those stipulated under the “public purpose”. Chief Minister Datuk Musa Aman reassured that the State would ensure that no government agency would abuse this amendment for personal interest and similar land acquisition provisions existed in Sarawak and West Malaysia. The amendments were necessary to ensure no unnecessary delays in acquisition of land for public service and utility projects such as electricity and water supply schemes that had run into problems in the past. Meanwhile, the Land and Survey Department is coming up with a written procedure on the mechanism of acquiring land under the newly amended Ordinance and when ready, would be distributed to relevant associations and professional bodies.

Sheraton Labuan bought over By HK developer

Sheraton Labuan Hotel was officially renamed Grand Dorsett Labuan Hotel, following the purchase of the property by Hong Kong developer Far East Consortium International Limited (FECIL). It is the first flagship 5–star hotel under the brand and management of Dorsett Hotels & Resorts International that is owned and managed by FECIL. The 178–room downtown property changed ownership at a price of RM32million through Faber Group restructuring scheme. According to FECIL Malaysia’s representative, Eddie Tang, there would

‘Visit Malaysia Year 2007’ exceeds target

Tourism Minister, Datuk Tengku Mansor said that a total of 20.7 million tourists had visited the country as at 28 December 2007, in conjunction with the ‘Visit Malaysia Year 2007’ programme. This had exceeded the visitor target set by the government by 600,000. Also, the foreign exchange earnings brought in by visitors was higher than expected at RM45.7 billion compared to the targeted RM44.5 billion. The Minister believes that the promotional campaigns, tourist activities, flight arrangements, and the uniqueness of the country, being both multicultural and multireligious strongly contributed to the success of the programme. Last year, 17.4million tourist visited Malaysia. The government targets to achieve more tourist in 2008 at 21.5 million and 2010 at 24 million. As such, the Visit Malaysia Year programme has been extended to Aug 31, 2008.

Adapted: 29th December 2007, New Sabah Times

Native Status: A Stop Gap Solution

Local Government and Housing Minister Datuk Hajiji Noor said the Cabinet has put in place a temporary measure to address the native status of Sinos in Sabah. With immediate effect, children of mixed marriages can apply for a special "verification letter" from the Director of Sabah Native Affairs Office to enable, among others, the transfer of native titled land to them. He said that 'clear cut cases' can apply for a special verification letter that would be issued on a case-by-case basis. Offspring from mixed marriages who can apply for the verification letter are those who have at least one parent who is a native and whose race is clearly stated in the birth certificate.

Examples of children from mixed marriages who qualify for native status are Sino-Kadazan or Dusun, Indian-Kadazan or Dusun, Sino-Murut, Pakistan-Bajau, American-Murut, English-Brunei, Arab-Idahan, Filipino-Kadazan and similar cases. If the parent has a Native Certificate, it must be certified by the Native Court that issued it upon checking by the Director of the Sabah Native Affairs Office, who is also Secretary of the Sabah Native Affairs Council. The Sabah Native Affairs Council comes under the purview of the Ministry of Local Government and Housing.

Hajiji said that the Cabinet decided that while the freezing of the Sijil Anak Negeri (Native Certificate or NC) since April, 22, 1982, had its merit, its lifting could only be done after careful study due to its sensitivity given the abuses associated with it in the past. The freezing of the Sijil Anak Negeri is still enforced considering its importance in protecting the rights of natives in Sabah. Among the difficulties faced by Sabahans, one of whose parents is a Bumiputera (Native), are problems purchasing Amanah Saham Bumiputera shares, purchasing or inhering native land or registering their names in Native Titles, missing educational opportunities like scholarships and enrolment in institutions meant for natives, purchase of housing units under the bumiputera quota and business opportunities including registering as a bumiputera contractor or participating in tenders meant for natives.

Adapted: 12 October 2007, Daily Express

Lahad Datu

facts & figures

Accessibility

Lahad Datu is a coastal town located at the south-eastern bay of Sabah. It is linked to Kota Kinabalu via a 6-7 hour drive or a 55 minute flight. Regular air service is provided thrice daily by MASwings, which provides air travel within and between Sabah and Sarawak. A 2½-hour drive would link neighbouring Sandakan and Tawau to this east coast town.

Economy

Lahad Datu is a planter's town, well known for its agricultural-driven economy and vast hectares of oil palm plantations. It is part of Sabah's Agriculture Belt, stretching from Sandakan in the north to Tawau in the south-west. The oil-palm sector is the main engine of growth for this district. Blessed with fertile alluvial soil and sufficient rainfall, Lahad Datu is home to the largest planted oil palm area in Sabah at 234,757 hectares in 2005, encompassing 50% of estimated planted area in Tawau Division and 19% within Sabah.

The significant growth in oil palm plantations in Lahad Datu over the last 15-20 years from 69,081 hectares in 1990 is due to the influx of large corporations from West Malaysia such as Tamaco, Fordeco, KLK, KS Taiko, IOI, Unico, including home-grown Kwantas Corporation as well as from the Federal Land Development Authority (FELDA). Currently, mature oil palm lands in Lahad Datu are going for about RM40,000-60,000 per acre while undeveloped jungle lands at RM12,500-25,000 per acre.

Land area	7,444 km ² (10.1% of total area in Sabah).
Neighbouring districts	Kunak, Semporna, Tawau.
Population	166,011 (Year 2000). About 80% located outside local authority area. Population estimate for 2006 is 192,100.
Population Growth	3.86% per annum (1991-2000).
Ethnicity	Bajau (19%), Malay (15%), KadazanDusun (5.5%), Murut (0.15%), Other bumiputera (5%), Chinese (6%), non-Malaysian (36%).

Source: Department of Statistics, Sabah

In May 2005, the State Government set up the Palm Oil Industrial Cluster (POIC) under POIC Sabah Sdn. Bhd. to spearhead the development of oil palm-based activities in Sabah. Lahad Datu was designated as a palm oil logistics hub for Malaysia as it is situated in the heart of Sabah's palm oil belt and strategically located within the major palm oil and coconut oil producing provinces of Kalimantan and Mindanao. With a natural, sheltered harbour with a draft of more than 20 metres, the Lahad Datu port possesses advantages over other locations in Borneo as a future shipping hub for vegetable oils.

Coal Power Plant

According to news reports, the RM1billion coal power plant project located in Silam, Lahad Datu is expected to take off this year. Preliminary work on the site is scheduled to commence as soon as all relevant legal requirements are met with including that of an Environmental Impact Assessment (EIA) report. The project, undertaken by Sabah Electricity Sdn. Bhd. (SESB), comprises the development of a coal-fired plant that will be capable of providing electricity power of up to 300 megawatts once it is fully completed in 2011. Project implementation will be in stages and the first block capable of producing 40MW of power is expected to be ready in 2010.



Site of Darvel Bay Plaza

Property Development

Recently launched/on-going property developments taking shape in Lahad Datu are:

- **Darvel Bay Plaza**

A 5-acre site located at the southern section of the town centre and developed as part and parcel of the Darvel Bay Commercial Centre. Accommodating a total retail area of 250,000 sq. ft within 2 storeys with a gross development value of RM170million. Expected to be operational by mid 2010, this largest shopping complex in Lahad Datu will introduce a brand new shopping experience, offering a mix of retail, supermarket, food court, homewares, IT, fashion and cafes-all under one roof. Developer selling price for ground and first floor are RM760-1,334psf and RM570-966psf, respectively.



Sri Perdana mixed property development

- **Bandar Sri Perdana Phase 4A**

The latest phase of Lahad Datu's largest mixed development encompassing 250 acres located along Jalan Silam. Phase 4A covers some 28 acres of land. It comprises 114 units of 2-storey semi detached houses with developer's selling prices starting from RM360,800 (land area 3,788 sq. ft.) and 137 units of 2-storey terraced houses going for RM205,000 onwards (land area 1,838 sq. ft.). Phases 1, 2 and 3 comprising 358 terraced & semi-detached houses and 333 units of light industrial shopoffices have been developed and sold out.

- **Ming Garden**

Small-scale housing development situated off Jalan Dam consisting of 42 units of 2-storey terraced houses and 4 units of 2-storey semi-detached houses. Developer's selling price for the terraced house start from RM188,888 (land area 1,934 sq. ft.) and RM330,000 (land area 3,279 sq. ft.), respectively. About two thirds of the units have been sold and the development is expected to be completed by first half of 2008.

- **Asia Hotel**

Lahad Datu's most recent hotel development that opened in August 2007. Located within Lahad Datu town centre, this 10-storey hotel comprises 60 guest rooms.

TAMAN MALAKUN:



If you are in the hunt for a home away from the hustle and bustle of the city, yet within close proximity to urban conveniences, the proposed Taman Malakun may just be the place for you.

Situated at Kampung Kuai along Jalan Ramayah-Putatan, Taman Malakun combines the tranquility of nature with modern living. It is built on 15 acres of elevated land comprising 14 units of double-storey semi-detached houses and 120 units of double-storey terraced houses in Phase 1 and a private retirement cum nursing home plus 8 units of 3-storey shophots in Phase 2. The retirement cum nursing home is modelled after those in the United States and European countries, which provide professional medical care 24/7 for retirees.

Developer selling prices for semi-detached houses with floor area of 3,075 sq. ft ranges is RM586,800-639,800 (3,681-5,019 sq. ft land area). Type-A double-storey terraced houses with floor area of 2,024 sq. ft is RM313,800-419,800 (1,967-4,057 sq. ft. land area) whereas Type B double-storey terrace houses with a floor area of 1,733 sq. ft ranges from RM263,800-365,800 (1,641-3,757 sq. ft land area).

Other features of Taman Malakun include concrete/brickwall with m.s. grille fencing, 2' x 2' files for living & dining areas and heat resistance & sound proof roofing. For more information, please contact Malakun Holdings Sdn. Bhd. (088-716034 or 088-713688).



WTWS Branches

KOTA KINABALU

2nd Flr, Bangunan Uni.Asia
1, Jalan Sagunting
P.O Box 14414
88850 Kota Kinabalu
Tel: 088 – 248801
Fax: 088 – 230826 /265387
Email: kotakinabalu@wtw.com.my

SANDAKAN

Room 602, 6th Flr
Lai Piang Kee Building
Jalan Lima, WDT No. 110
90009 Sandakan
Tel: 089 – 217025
Fax: 089 – 272850
Email: sandakan@wtw.com.my

TAWAU

Lot 305, 1ST Flr
Leong Hua Building
Dunlop Street
P.O Box 60394
91013 Tawau
Tel: 089 – 774349 / 779739 / 763532
Fax: 089 – 762287
Email: tawau@wtw.com.my

LAHAD DATU

2nd Flr, Lot 2, Block A
RHB Building
Metro Comm. Centre
Jalan Kiambang
P.O Box 60600
91100 Lahad Datu
Tel: 089 – 882393
Fax: 089 – 885088
Email: lahaddatu@wtw.com.my

F.T LABUAN

1st Flr, No. 48
Wisma Chee Sing
Jalan Bunga Kenanga
P.O Box 82229
87032 FT LABUAN
Tel: 087 – 416341
Fax: 087 – 416342
Email: labuan@wtw.com.my

KENINGAU

1st Floor, Lot 22
Future City Shopping Centre
P.O. Box 1428
89008 Keningau
Tel: 087 - 336 803
Fax: 087 - 338 803
Email: keningau@wtw.com.my

Feature Development



Features & Facilities

Sauna & Steam Bath (Male & Female)
Thematic Garden
Children Playground
Reading & Waiting Room
2 Car Parks per unit
Games room , Meeting Room
BBQ Corner
Gymnasium
Poolside Pantry
Car Park Locker
Half Basketball Court

Uplifting the modern contemporary lifestyle

Kondominium Puteri Damai is a 10-storey, 73-unit luxurious condominium development located on 2.5 acres of land within the well sought-after Luyang-Damai locality. It is situated about 5km from the Kota Kinabalu city centre and is easily accessible from Jalan Tuaran, Jalan Kolam and Jalan Damai. Puteri Damai is developed by Wah Mie Group, one of the most prominent and well established developers in Sabah established since 1979.

With real estate, location is key and Puteri Damai offers key location; having a range of commercial, recreational, social and civic amenities within close proximity. These include, amongst others, thriving commercial centres such as Damai, Foh Sang-Bornion and Sunny Garden; prominent educational institutions SM Tshung Tsin and Institute Sinaran; private medical centres such as Sabah Medical Centre and Damai Specialist Centre; Likas Sport Complex and various places of worship.

Puteri Damai comes in 8 different designs with sizes ranging from 1,285 to 2,965 sq. ft. The units are designed with spacious living and dining areas, individual lanai balconies, wet kitchen and a dry kitchen. The development emphasizes on good finishes and workmanship. The design also promotes a unique lifestyle living that is unmatched by others. 3 penthouse units are situated on the top floor with sizes of 2,584 sq. ft. to 7,407 sq. ft. The upper level units enjoy a panoramic view of the surroundings and the majestic Mount Kinabalu. Developer selling price for available units start from RM726,550 for a 2,270 sq. ft. unit. Currently more than 70% of the units have been taken up with Types A and D being sold out. Occupational Certificate for the development has been obtained.

For further information, please contact Wah Mie Group at 088-252177.



Published by CH Williams Talhar & Wong (S) S/B. (34874-P)

Printed by Chin Chi Printing Works Sdn. Bhd.

CH Williams Talhar & Wong

Valuation Surveyors
Property Consultants
Estate Agents
Property Managers
Auctioneers



Kuala Lumpur Petaling Jaya Penang Johor Bahru Ipoh
Alor Setar Butterworth Kota Bharu Batu Pahat Kuala
Terengganu Kuantan Malacca Seremban Kota Kinabalu
Sandakan Tawau Lahad Datu Labuan Keningau Kuching
Sibu Miri Bintulu Brunei

The information in this newsletter is subject to change and cannot be part of an offer or contract. Every reasonable care has been taken in providing this information and WTW cannot be held responsible for any inaccuracies. The information and photographs in this newsletter cannot be reproduced in other publications without the permission of WTW.