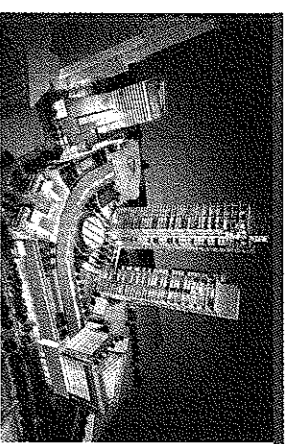


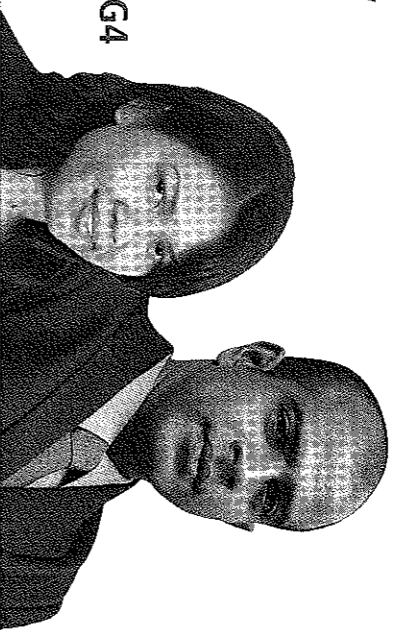
CITY & COUNTRY



Shoppers in for exciting times PG2

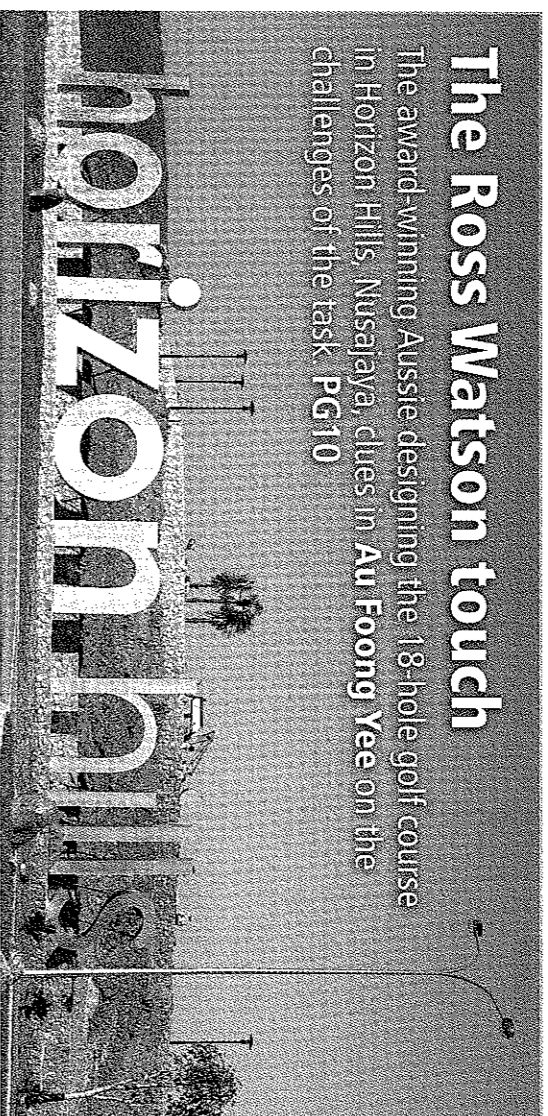
Damansara Heights, the alternative address

Two property consultants examine the commercial space in this upmarket enclave on PG4



The Ross Watson touch

The award-winning Aussie designing the 18-hole golf course in Horizon Hills, Nusajaya, clues in Au Foong Yee on the challenges of the task. PG10



ABDUL GHANI ISMAIL/THE EDGE

DIJAYA

The way forward

The developer of Tropicana Golf & Country Resort in Petaling Jaya is sourcing for land in the Klang Valley for niche developments and eyeing projects on foreign shores. Fintan Ng speaks to Dijaya MD Tong Kien Onn (left) and executive director Quek Cham Hong on the group's plans. Turn to Page 8 for the story.

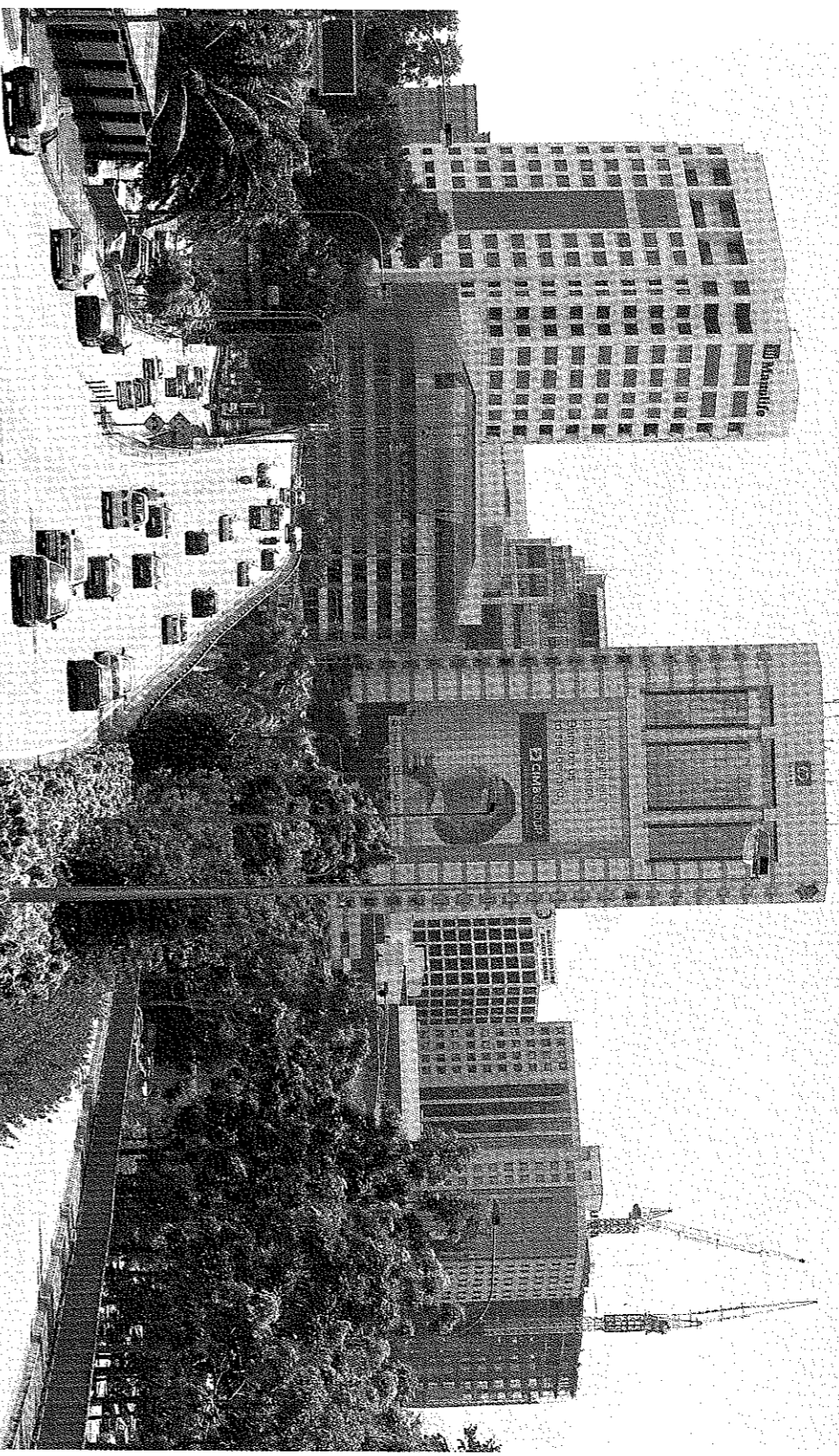
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Damansara Heights' exclusivity

Address has evolved into a popular choice for expatriates

PATRICK GOH/REX



Strategically located Damansara Heights is an alternative to the congested Golden Triangle

Damansara Heights prides itself as one of the most exclusive neighbourhoods in the Klang Valley. Starting as a residential scheme for government servants more than two decades ago, the address has evolved into a popular choice for expatriates. Besides this, almost all major financial institutions are represented in this limited commercial enclave which now hosts colleges, large multinational corporations, restaurants, regulatory bodies and government departments. To be precise, Jalan Semantan, Jalan Dungan, Jalan Damania and Medan Setia are the main corridors with commercial developments

Over the years, the strategically located Damansara Heights has emerged as a favourable alternative to the congested Golden Triangle in KL where rents and land values are higher. The first office building that came up in Damansara Heights was Wisma Damansara, built in 1970 by Selangor Properties. This was followed by Damansara Office Complex on Jalan Dungan, which at the time also housed the local stock exchange.

There are about 25 purpose-built office buildings within the Damansara Heights Commercial

enclave, contributing

some five million sq ft

of lettable office space.

Rentals here are about 25% cheaper than that in the city — for example in KL City Centre with

the exception of Grade A

buildings like Petronas Twin Towers,

Menara Maxis, Menara Citibank,

Menara Dion and Menara IMC, rent

averages at RM5 psf against RM3.50

psf in Damansara Heights. The

crème de la crème of Petronas Twin

Towers commands RM9 psf while

Menara Milenium in Damansara

Heights fetches RM5.50 psf.

The Damansara Heights landscape is improving and demand heating

up — as evidenced by the 100% occupancy in 70% of the buildings. The net take-up in 2006 was 71,000 sq ft.

The housing facility availability in the area is another draw. The lists of A-grade tenants relocating here is growing, due possibly to the easier traffic flow (helped by the upgrading of the Sprint Highway), competitive rentals and accessibility



BY ABRHAM JACOB AND LAILITHA ANANDARAJAH

between KL, Petaling Jaya and other suburbs. Fortune 500 firms such as Caltex, Hewlett-Packard, Siemens, Ogilvy and Shell all have their operational bases in

Damansara Heights. The office market in the Klang Valley totals 70 million sq ft and this is dominated by city-located projects

(65%), Damansara Heights (7.5%), Bangsar/Pantai (6.4%), Petaling Jaya (9.5%) and others. Based on government-sourced data, Damansara Heights will see another 500,000 sq ft in the near future. These will be Grade A and B buildings and with demand tightening in the area, we see the additional space being absorbed quite easily.

Damansara Heights is limited by its small size of developable commercial land and redevelopment is therefore on the cards. The trend is already evident in the demolishing

of Wisma Socfin on Jalan Semantan for the construction of UOA II Damansara. Several buildings nearby have also been slated for redevelopment. Increasing efficiency of newer buildings and more modern designs are the driving forces behind this trend. There are now redevelopment plans for some office buildings in the area, such as Banguan SPPK and Wisma Damansara. Wisma Beringin

Tenants will be spoilt for choice as Damansara Heights and other suburbs offer themselves as more cost-efficient alternatives to the congested and more pricey KL City Centre. However, they will also eventually run out of space.

is undergoing refurbishment.

The future looks interesting for the office market within decentralised areas, trying to lure tenants from traditional favourites into established suburbs. Does this mean an exodus from the city centre into suburbia? In our opinion, is a resounding "no".

KL city will always house MNC tenants and those dependent on the former. Major hotels and amenities are also city centered, thus complementing the chain of supply. Major organisations will wish to stay in KL city for branding purposes.

Fringing the city are less traditional commercial areas such as PJ/Mutiara Damansara

sara Perdana/Kota Damansara/Shah Alam. The success of these infant projects will depend heavily on the expansion of road networks/LRT lines and more dependable forms of public transportation. Large tracts of land, procured at cheaper prices, however, will give developers in these secondary areas more flexibility in pricing.

Professional building management will also be one of the main determining factors in the performance of office buildings in the future. Some companies are willing to consider less traditional locations in return for professionally managed buildings. This is the case for IBM and KPMG, which exchanged a Kuala Lumpur address for a superb office building in a Bandar Utama suburb called 8 First Avenue, with truly professional in-house property management.

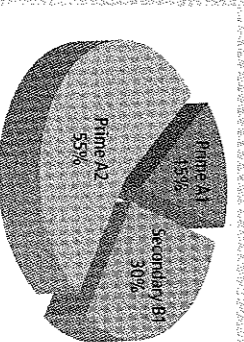
The advent of outsourced facilities management takes the burden of managing and maintaining office premises away, thus reducing focus on non-core issues.

What is clear is that tenants will be spoilt for choice. Damansara Heights and other suburbs will offer themselves as more cost-efficient alternatives to the congested and more pricey KL City Centre. However, the former will also, eventually, run out of space as well.

Abraham Jacob and Lailitha Anandarajah are the head of Business Space and corporate market executive respectively at Zerotin Properties

Commercial developments

Building name	Occupancy (4th quarter, 2006, %)	Current market rental psf (RM)
Menara Milenium	100	5.5
Menara Manulife	100	5
Wisma HP	95.16	4.5
Wisma Perintis	100	4
Menara KPMG	100	3.8
Bangunan CIMB	100	NA
Commerce Square	100	NA
PNB Damansara	90.59	3
Setia 1	100	3.2
Wisma UOA	98.40	3.8
Wisma E&C	100	3.8
Wisma IBI	100	NA
Bangunan Malaysian RE	100	4.2
Bangunan Amanah Raya	100	NA
Wisma MBSB	100	NA
Bangunan Antah	100	NA
Wisma Beringin	42.30	2.3
Wisma Tenggara	100	4.5
Chase Perdana	98.98	3
Wisma Damansara	44.24	3.5



Category of office buildings in Damansara Heights