

## **KL property investment ranking slips in new survey**

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KUALA LUMPUR, Dec 7 — Kuala Lumpur's property outlook will continue to slide in 2012 while Singapore remains the most attractive Asia Pacific city for real estate investors, according to an Urban Land Institute (ULI) report.

Kuala Lumpur's investment prospects slipped one spot to 16th out of 21 Asian cities tracked going into next year while development prospects dropped three places, also to 16th, the "Emerging Trends in Real Estate Asia Pacific 2012" outlook released yesterday said.

Singapore topped the list despite a less positive environment and falling yields this year, and was the only city besides Shanghai considered to have "generally good" development prospects.

Buying sentiment was stronger in Kuala Lumpur for retail and industrial property than in Singapore while the reverse was true for office, apartment and hotel property.

The largest group of experts polled for the report recommended a hold on all property sectors in Kuala Lumpur next year, while a "sizable minority" backed acquisitions in all areas.

"Construction financing (for Kuala Lumpur) might remain more limited as global economic concerns continue to linger," the report added.

"However, government plans are in place to improve infrastructure over the coming years — always a boost for commercial real estate."

It also said that despite recent declines investors still saw Malaysia's capital as "an emerging city of interest", noting that properties in the city were valued at one-fifth that of comparable properties in Singapore.

Investors also predicted bullish growth in Malaysia, with the report predicting that national GDP growth would remain at five per cent or above through to 2015.

The report was compiled by Washington-based ULI with PricewaterhouseCoopers International from interviews with 360 property experts, including investors, developers, asset managers, fund managers, brokers and architects.

Only three cities — Bangkok, Manila and Osaka — saw their investment ratings rise this year while Taipei, Bangkok, Sydney and Jakarta achieved the largest gains in investment rank.

Chinese cities dominated the investment prospect rankings, with Shanghai, Chongqing and Beijing placing second, fourth and fifth respectively; Guangzhou was the lowest ranked Chinese city at sixth spot.

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