

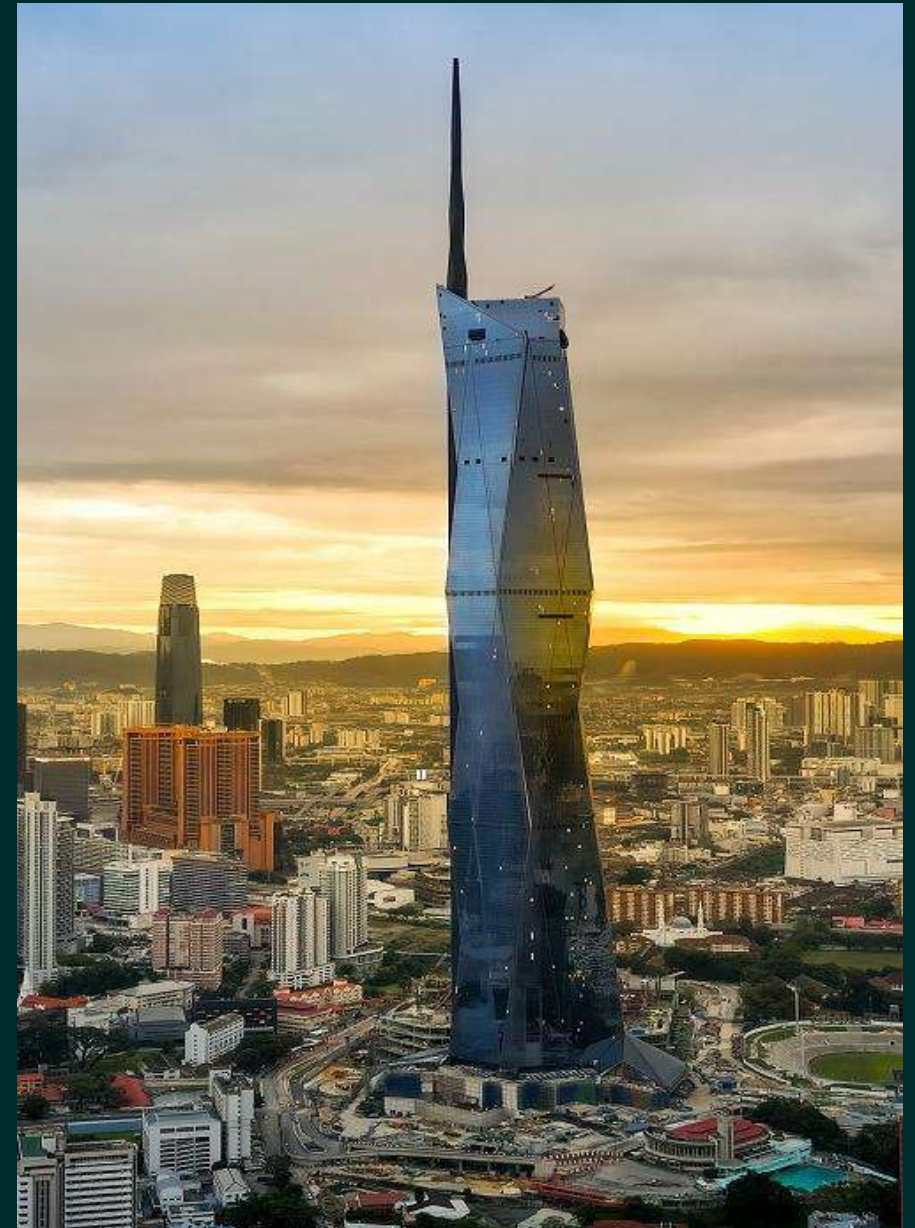
Sustaining Game Changers

2025 Market Outlook

REPORT

MALAYSIA
REAL ESTATE

CBRE | WTW
RESEARCH &
CONSULTING





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“ Malaysia’s economy is projected to grow at a steady rate of 4.5% to 5.5% despite challenges posed by uncertainties surrounding Trump’s trade policies.

The country’s recent inclusion as a partner of BRICS, coupled with its role as ASEAN Chair, is expected to bolster economic resilience and mitigate potential disruptions. In the broader context, Malaysia remains on a promising trajectory for sustained growth and long-term progress.

Sr Danny SK Yeo
EXECUTIVE CHAIRMAN
CBRE | WTW



“ The completion of new mega infrastructure and transitioning to new industrial technologies will be a key driver for Malaysia's property market in 2025.

In Peninsular Malaysia, significant initiatives such as the East Coast Rail Link (ECRL), the Rapid Transit System (RTS) in Johor, and Penang’s Light Rail Transit (LRT) project are expected to greatly enhance connectivity. In East Malaysia, airport expansions and the Pan Borneo Highway are boosting regional accessibility. To maximise and sustain the benefits from these game changers, development planning and building regulations should be reviewed and updated to fully leverage the potential of the property market.

Sr Tan Ka Leong
GROUP MANAGING DIRECTOR
CBRE | WTW



Introduction

Ongoing economic expansion indicates Malaysia's robust fundamentals and investor confidence.

The Malaysian economy continues to improve and is projected to expand between 4.5% and 5.5% in 2025.

Steady Economic Recovery

Malaysia's economy expanded by 5.3% in 3Q 2024, driven by investment and consumer spending. In the first three quarters of 2024, Malaysia's GDP at constant prices was RM1,217 billion, growing by 5.2% compared to the same period in 2023, up from 3.8% in the first three quarters of 2023.

Headline inflation remains at 1.9% in 3Q 2024 with the Consumer Price Index (CPI) reaching 133.2 points. For the whole of 2024, headline inflation is projected between 1.5% and 2.5%, depending on the degree of knock-on effects from the implementation of policy measures on subsidies and price controls.

Malaysia's total trade for the first nine months increased by 10% year-on-year, amounting to RM2,139 billion. Exports amounted to RM1,115 billion, while imports reached RM1,024 billion. This represents a 5% growth in exports and a 16% increase in imports compared to the same period in 2023.

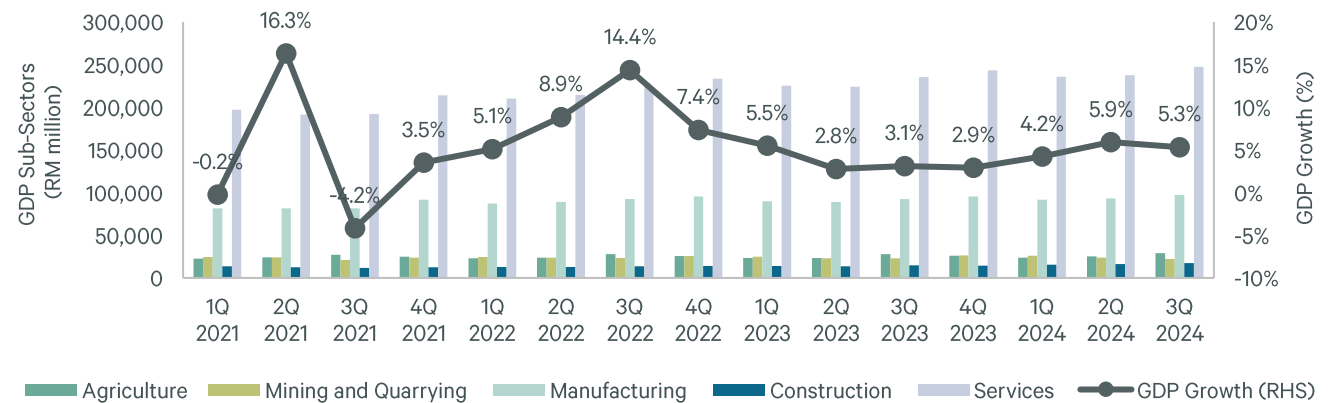
In 3Q 2024, the unemployment rate was 3.2%. The number of employed individuals increased to 16.72 million while the total labour force grew to 17.26 million. Employment growth continued to outpace the rise in the overall labour force.

The Overnight Policy Rate was kept steady at 3.0% and is expected to remain unchanged for the year.

The loan approval rate remained at 52% during the first nine months of 2024, unchanged from the same period in the previous year. However, the total amount of loans applied for increased by 3.6% year-on-year to RM1,108 billion, indicating confidence in the economic environment. Lending conditions have remained largely consistent.

The Industrial Production Index (IPI) also recorded growth of 3.9% with strong performances in the Manufacturing, Mining, and Electricity sectors.

GDP by Sectors at Constant Price



Abbreviation: GDP – Gross Domestic Product; RHS – refer to right-hand-side axis
 Source: Department of Statistics Malaysia, Bank Negara Malaysia, CBRE | WTW Research & Consulting

Introduction (cont'd)

Budget 2025

A tax relief of up to RM7,000 per annum can be claimed by first-time homebuyers, for residential purchases priced up to RM500,000, and up to RM5,000 per annum for properties valued between RM500,000 and RM750,000. This relief will be available for three consecutive years, applicable to sale and purchase agreements signed between 1 January 2025 and 31 December 2027.

In 2025, the Sales and Service Tax (SST) will be expanded to cover a wider range of services, particularly in the B2B (business-to-business) sector, as well as non-essential goods.

As part of Malaysia's ongoing efforts to rationalise subsidies, the RON95 subsidy will be adjusted in 2025, but 85% of the population will still enjoy a subsidised price.

The adjustments are designed to target non-essential goods and higher-income individuals.

Ongoing Expansion

The economic expansion indicates Malaysia's robust fundamentals and investors' confidence. The Malaysian economy is projected to expand between 4.8% and 5.3% in 2024. Bank Negara Malaysia attributes this positive outlook to domestic spending, driven by increased employment and income. Several strategies have been planned to maintain economic growth. These include the National Energy Transition Roadmap, the New Industrial Master Plan 2030, and the Twelfth Malaysia Plan.

Looking ahead, GDP growth is projected between 4.5% and 5.5% driven by domestic spending and exports.

With the anticipated domestic policy measures, headline inflation is expected to range between 2.0% to 3.5% in 2025.

On the global landscape, there are both opportunities and threats. Malaysia is a partner of BRICS which is growing in influence and has proposed an alternative international payment system.

Potential changes in global trade policies could impact our trade volumes, resulting in shifts in market dynamics and trade relationships.

The launch of the Chancay Port in Peru under the BRI initiative could open up a new trade route to South America.

Major Policy Updates

DESCRIPTION	AUTHORITY/ AGENCY	EFFECTIVE DATE	REMARKS
Visa-Free Entry	Ministry of Tourism, Arts, and Culture	1 January 2025 - 31 December 2026	<ul style="list-style-type: none"> 30-day visa-free entry to visitors from China extended until end of 2026, but not India. 30-day visa-free entry already exists for all visitors from ASEAN except Myanmar.
Stamp Duty Fee	Ministry of Finance	1 January 2024	<ul style="list-style-type: none"> Fixed stamp duty fee of RM10 on the transfer of property where the eligible beneficiary renounces his right to another beneficiary. Flat rate of 4% stamp duty fee on transfer of property by non-citizens/ foreign-owned companies, excluding Malaysian permanent residents.
Capital Gains Tax	Ministry of Finance	1 March 2024	<ul style="list-style-type: none"> CGT at 10% on net gains from the disposal of unlisted shares by companies, limited liability partnerships, cooperatives and trust bodies.
Sales and Service Tax (SST)	Customs Department	1 March 2024 1 May 2025	<ul style="list-style-type: none"> Increased from 6% to 8%, and extended to include brokerage, karaoke, underwriting and logistics (excluding food and beverage, telecommunications, and other essential services). The scope of the SST will be expanded on non-essential and imported goods, such as premium foods (including salmon and avocado).
GreenRE Existing Non-Residential Certification Criteria	GreenRE	April 2024	<p>Applicable to non-residential buildings (such as hotels, offices, malls, schools, and healthcare facilities). Updated certification criteria:</p> <ul style="list-style-type: none"> Energy efficiency, in building design and system Water efficiency, during construction and operation Sustainable operation & management, this reduces environmental impact Indoor environment quality, includes air quality, thermal comfort, acoustics, and daylighting Others, new green practices and new technology, that are innovative and have potential environmental benefits Carbon emission of the development, use of carbon calculator
Malaysia My Second Home (MM2H)	Ministry of Tourism, Arts, and Culture	1 June 2024	<ul style="list-style-type: none"> Updates on the requirements for the three categories: <ul style="list-style-type: none"> Platinum: Fixed deposit of USD1 million, valid for 20 years Gold: Fixed deposit of USD500,000, valid for 15 years Silver: Fixed deposit of USD150,000, valid for 5 years Minimum age: 25 years old (previously 30 years old) Children of applicant: Maximum 34 years old (previously 21 years old) Holders are required to spend a minimum of 90 cumulative days in Malaysia each year. For participants between the ages of 25 to 49 years old, the length of stay in Malaysia can be fulfilled by the principal or his/ her dependents.
Dividend Tax	Ministry of Finance	2025	<ul style="list-style-type: none"> A 2% tax on dividend income (net of deductions and reliefs) of individual shareholders with annual dividend income exceeding RM100,000 from Malaysian shares.
Forest City Special Financial Zone (SFZ)	Ministry of Finance	2025	<ul style="list-style-type: none"> The 0% tax rate for single-family offices on income from eligible investments is granted for an initial 10 years and can be extended for another 10 years. To qualify for the extension, family offices must have at least RM50 million in assets, annual OPEX of RM650,000, and 4 full-time staff. Initial minimum RM30 million assets under management of which 10% or RM10 million in local eligible investments. Initial minimum annual OPEX of RM500,000 and minimum 2 full-time staff and a minimum monthly salary of RM10,000. Concessionary corporate tax rate of 0% - 5%. A special 5% tax rate is provided for financial global business services, financial technology (fintech), and foreign payment system operators. Special individual income tax rate of 15% for knowledge workers. More flexible forex arrangements for locally incorporated foreign banks.
Personal Tax	Ministry of Finance	2025	<ul style="list-style-type: none"> Individual tax relief for first-time home buyer, 2025 - 2027, for three consecutive years: <ul style="list-style-type: none"> Up to RM7,000 tax relief on houses priced up to RM500,000 Up to RM5,000 tax relief on houses priced between RM500,001 to RM750,000
Carbon Tax	Ministry of Finance	2026	<ul style="list-style-type: none"> Proposed carbon tax on the iron, steel, and energy industries in 2026. However, no further details are available.

Source: CBRE | WTW Research & Consulting

Major Infrastructure Updates

DESCRIPTION	LOCATION	COMPLETION	REMARKS
HIGHWAY/ EXPRESSWAY			
West Coast Expressway (WCE)	Banting – Taiping – Sabak Bernam – Changkat Jering	2025	<ul style="list-style-type: none"> 8 of the 11 sections has been completed and open to public (Section 1, 2, 5, 6, 8, 9, 10, 11). The remaining sections to be completed by 2025 (Section 3, 4, 7).
East Klang Valley Expressway (EKVE)	Sungai Long – Ukay Perdana	2025	<ul style="list-style-type: none"> Under construction and expected to complete by 4Q 2025.
Sarawak Coastal Road (2nd Trunk Road)	Kuching to Sibu	2025	<ul style="list-style-type: none"> The 2nd trunk road covers 232 km and consists of three packages. It is funded by the State at a cost of RM530 million, including road upgrades and 11 bridges. It will shorten the distance between Kuching and Sibu by nearly 90 km.
Bintulu – Jepak Bridge	Jalan Kuala Tatau Roundabout - Jalan Tun Ahmad Zaidi/ Jalan Tun Razak	1Q 2025	<ul style="list-style-type: none"> The project costs RM466.7 million and is 3.5 km long, including the expressway. It will reduce the distance between Bintulu Airport and Bintulu Town by 15.6 km.
Central Spine Road (CSR)	Kuala Pilah – Kuala Krai	2026	<ul style="list-style-type: none"> Divided into six separate sections, parts of Section 5 have been opened to the public. The remaining sections are expected to complete by 2026.
Pan Borneo Highway Sabah (PBH)	Sindumin – Kimanis, Kota Belud – Kudat	2026	<ul style="list-style-type: none"> 4 of the 15 sections of Phase 1A has been completed. The remaining sections to be completed by 2Q 2026. Phase 1B is under procurement process since 4Q 2024. Contract finalization is pending.
Pan Borneo Highway Sarawak (PBH)	Miri – Telok Melano	2027	<ul style="list-style-type: none"> 22 of the 25 sections have been completed and opened to the public. The remaining sections to be completed by 2027.
Sarawak – Sabah Link Road (SSLR)	Lawas – Lopeng, Pa'Berunut – Lopeng	2030	<ul style="list-style-type: none"> Phase 1 is due for full completion by 4Q 2026. Phase 2 is under construction and expected to complete by 2030.
RAIL			
Light Rail Transit 3 (LRT3)	Bandar Utama – Klang	2025	<ul style="list-style-type: none"> To be completed by 1Q 2025, operations to begin in 3Q 2025.
Gemas-Johor Bahru Electrified Double Track Project (EDTP)	Gemas – Johor Bahru	2025	<ul style="list-style-type: none"> Under construction and on track for completion by 2025.
Rapid Transit System (RTS)	Bukit Chagar – Woodlands, Singapore	2026	<ul style="list-style-type: none"> Under construction and on track for completion by 2026. Operations expected to begin in January 2027.
East Coast Rail Link (ECRL)	Tumpat – Kuantan – Mentakab – Jelebu – Port Klang	2027	<ul style="list-style-type: none"> Kota Bharu – Gombak to be completed by 4Q 2026. Gombak – Port Klang to be completed by 4Q 2027.
Kuching Urban Transportation System (KUTS)	Red Line: Kuching Sentral – Pending Blue Line: Rembus – Hikmah Exchange Green Line: Pending – Damai Central	2025 to 2027	<ul style="list-style-type: none"> Blue Line (Stage 1) scheduled to complete by 2025. Blue Line (Stage 2) and Red Line scheduled to complete by 2026 Green Line scheduled to complete by 2027.
Mutiara Light Rail Transit line	Pulau Silikon – Seberang Perai Utara	2030	<ul style="list-style-type: none"> Construction set to begin in 1Q 2025 and is due for completion by 2030.

Source: CBRE | WTW Research & Consulting

02

Market Overview

Market Indicator

▲ UP MARKET

▼ DOWN MARKET

● MAINTAINED MARKET

Regions/ Sub Offices	Overall		Landed Residential		High-Rise Residential		Purpose-Built Office		Shop Offices		Purpose-Built Retail		Industrial		Hotel		
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	
KLANG VALLEY	▲	●	▲	●	▲	●	●	●	●	●	●	▲	▲	▲	▲	▲	▲
SEREMBAN	●	●	▲	●	●	●	NA	NA	●	●	●	●	●	●	●	●	●
PENANG	▲	▲	●	●	●	●	▲	▲	▲	▲	▲	●	●	▲	▲	●	●
ALOR SETAR	▲	▲	▲	▲	▼	▼	NA	NA	●	▲	▼	▼	●	●	▲	▲	▲
IPOH	●	●	●	▲	●	●	NA	NA	●	▲	●	●	●	●	●	●	●
ISKANDAR MALAYSIA	▲	▲	▲	▲	▲	▲	●	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
BATU PAHAT	●	●	▲	▲	●	●	NA	NA	●	●	●	●	▲	▲	●	●	●
MELAKA	●	●	▲	●	●	●	●	●	●	●	●	●	●	●	●	●	●
KUANTAN	●	●	▲	▲	●	●	●	●	●	●	●	●	▲	▲	▲	▲	▲
KOTA BHARU	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
KUALA TERENGGANU	●	●	▲	●	●	●	●	●	●	●	●	●	●	●	●	●	●
KOTA KINABALU	●	●	▲	▲	●	●	●	●	●	●	●	●	●	●	▲	▲	▲
LABUAN	●	●	▲	●	●	●	●	●	●	●	●	●	●	●	●	●	●
LAHAD DATU	●	●	●	●	NA	NA	NA	NA	●	●	●	●	●	●	●	●	NA
SANDAKAN	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	▲
TAWAU	●	●	●	●	●	●	NA	NA	●	●	●	●	●	●	●	●	▼
KUCHING	●	●	▲	▲	●	●	●	●	●	▲	●	●	▲	●	▲	▲	▲
BINTULU	●	●	●	●	▲	▲	●	●	●	●	●	●	●	●	●	●	●
MIRI	●	●	●	▲	●	●	●	●	▲	●	●	●	●	●	●	●	●
SIBU	●	●	▲	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Abbreviation: NA – not available

Market indicator arrows are based on a yearly projection.

Source: CBRE | WTW Research & Consulting

Klang Valley

Increased investment opportunities

MIXED-USE AND GREEN PROJECTS

Mixed-use residential developments and green-tech living spaces highlight trends for more integrated, innovative urban living.

Irama Villa IV and Ferrous 3 provide green switches and solar PV conduit-ready designs. However, whether this change gains market acceptance and is sustainable remains to be seen.

The proposed Urban Redevelopment Act could represent a significant shift in urban planning and development. By revitalising outdated infrastructure and creating more sustainable urban buildings, this initiative may shape the future of Malaysia's cities. The redevelopment of eCurve Mall in Mutiara Damansara into serviced apartments is the first test case of the Urban Rejuvenation initiative.

MNC OFFICE DEMAND FOR QUALITY BUILDINGS

Demand for high-quality, sustainable office spaces remains strong, partly driven by multinational corporations (MNCs) seeking competitive regional rents. This ongoing interest in premium offices could help take-up the increase in available office inventory.

Green-certified offices with advanced amenities are particularly appealing, as they align with corporate sustainability goals and employee well-being priorities.

GREEN INDUSTRIES

Klang Valley's new industrial parks focus on high-tech industries, artificial intelligence (AI), and green real estate (GreenRE) certification, which aligns with the New Industrial Master Plan 2030.

Current trends highlight a growing demand for cloud services, artificial intelligence, and digitalisation and the increase in data centres.

The voracious appetite of these industries for electrical power is a growing concern as it competes with the power consumption of residential and commercial users. The straightforward answer to this threat may be to raise electricity tariffs for data centres.

Simultaneously, this could present a chance for the residential and commercial sectors to shift towards renewable or new energies and acquire the necessary skills in these emerging new energy technologies, particularly from China, which could become a major global supplier.

RENEWED OPTIMISM AND CHALLENGES FOR OLDER MALLS

Retailers are showing renewed optimism, evident in the activities of retail mall acquisitions, new retail entries, and international brands. However, older malls, which have seen a decline in occupancy in the past few years, continue to struggle and search for a niche in the changing retail landscape.

HOTEL SECTOR REBOUND

Chain hotels are leading the expansion of the hotel market, capitalising on a steady rise in both domestic and international visitor numbers within the hospitality sector.

Tourists today are increasingly drawn to accommodations that provide unique and memorable experiences. Key factors such as established brand recognition, consistent service quality, and strategic locations are essential for attracting guests and building loyalty. These elements contribute significantly to guest satisfaction, ensuring that visitors feel valued and comfortable throughout their stay.

Hotels that emphasise personalised service and unique offerings are better positioned to stand out and remain competitive in a market that places high importance on comfort, convenience, and tailored experiences. By focusing on these priorities, chain hotels can secure their place at the forefront of the industry and meet the evolving expectations of today's travellers.

Penang

Infrastructure projects, government incentives, and a thriving industrial sector may be tempered by economic headwinds

CAUTIOUS OPTIMISM IN 2025

The Penang property market has somewhat stabilised in 2024. In the first 9 months of 2024, property transactions in Penang totalled 17,801 properties valued at RM11.5 billion. Compared to 17,953 properties valued at RM13.2 billion in the corresponding period of 2023, there has been a decline of approximately 0.8% and 12.7%, respectively.

As of 3Q 2024, the number of unsold properties totalled 3,257 units worth nearly RM2.6 billion. Compared to 3,453 overhang units worth RM3.0 billion in 3Q 2023, there has been a decrease of approximately 5.7% and 13.2%, respectively.

Transaction-wise, the Penang property market in 2025 appears resilient.

However, the property market in Penang could turn more vibrant with the ongoing infrastructure projects.

The government's incentives as presented under the Budget 2025, Penang's healthy industrial sector, and other developments would continue to benefit the state.

However, the optimism for a growth in 2025 may be tempered by headwinds arising from US trade policies and other unexpected policies of the newly re-elected President.

MAJOR LAND DEALS SUSTAINING DEVELOPMENT MOMENTUM

Several major land deals were inked:

- Scientex Berhad, through its wholly-owned subsidiary company, acquired approximately 708.5 acres of land in Jawi, Seberang Perai, to continue developing affordably priced landed properties.
- Summersonic Sdn Bhd and Pacific Arena Sdn Bhd acquired 178.5 acres of land, also in Jawi, Seberang Perai. At RM77.7 million, it is analysed at approximately RM10 per sq. ft.

In relation to this, Penang Turf Club and its adjoining lands in Georgetown, Penang Island, of approximately 200 acres, have been offered for sale by tender.

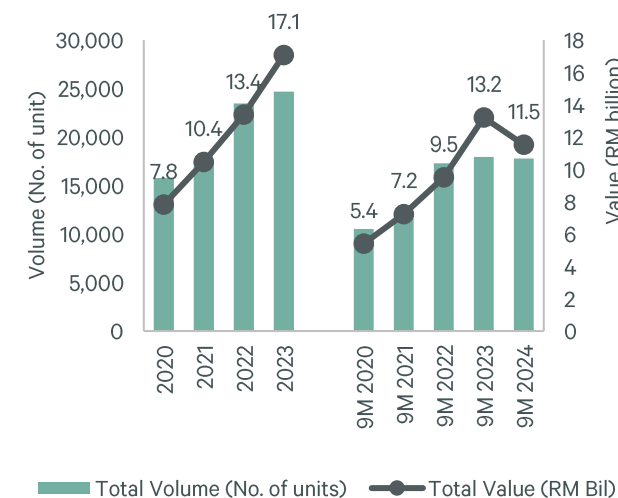
Steel manufacturer Ann Joo Resources Berhad has put up for sale by Expression of Interest (EOI), 100 acres of industrial land in Perai Industrial Park, Seberang Perai.

HIGH-IMPACT INFRASTRUCTURE WORKS ON TRACK

Major infrastructure projects are expected to improve connectivity, enhance urban expansion, and increase demand for properties in the near future.

Reclamation works of the Penang Silicon Island has progressed as scheduled, with approximately 50 acres of land reclaimed. Phase 1 of the Penang Light Rail Transit (Mutiara Line) is scheduled to commence with its first station to be built at Lebuhr Macallum, Penang Island.

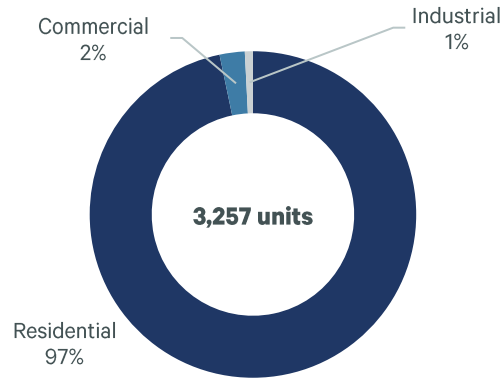
Overall Transaction Activities in Penang (Residential, Commercial and Industrial)



Source: NAPIC, CBRE | WTW Research & Consulting

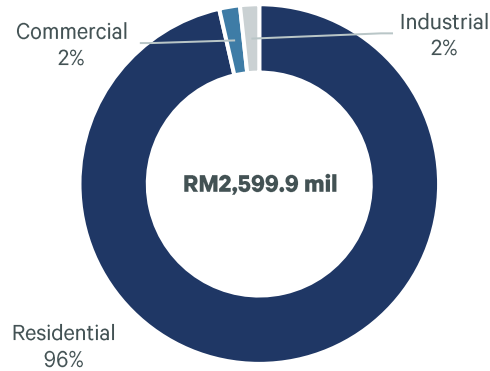
Penang (cont'd)

**Number of Overhang
(Developers' Unsold Units, 3Q 2024)**



Source: NAPIC, CBRE | WTW Research & Consulting

**Value of Overhang
(Developers' Unsold Units, 3Q 2024)**



Source: NAPIC, CBRE | WTW Research & Consulting



Penang's Silicon Island

Source: Gamuda



No. Stesen	Nama Stesen
S01	PSR-A
S02	Permatang Damar Laut
S03	Penang International Airport
S04	Sungai Tiram
S05	FIZ South
S06	FIZ
S07	Jalan Tengah
S08	SPICE
S09	Bukit Jambul
S10	Sungai Nibong
S11	Sungai Dua
S12	Batu Uban
S13	Jalan Universiti
S14	Gelugor
S15	The Light
S16	East Jelutong
S17	Sungai Pinang
S18	Bandar Sri Pinang
S19	Macallum
S20	KOMTAR
S21	Penang Sentral

Penang LRT Mutiara Line

Source: Mass Rapid Transit Corporation Sdn Bhd

Iskandar Malaysia

Strong growth in Iskandar Malaysia

As of 9M 2024, 30,893 properties were transacted for RM25.9 billion, up 16% and 36% year-on-year (y-o-y) in volume and value, respectively (cf. 26,550 properties transacted for RM19.0 billion in 9M 2023).

INFRASTRUCTURE DEVELOPMENTS ELEVATE MARKET SENTIMENT

With the Rapid Transit System (RTS) reaching 83% physical completion in August 2024, IM's property market has seen significant activity, particularly in the residential sector with a surge in high-rise developments and the launch of new phases in landed housing projects.

SINGAPORE: A KEY DRIVER

The strong Singapore currency continues to drive IM's retail and hotel sectors. Retail malls have experienced high foot traffic and improved occupancy rates. The hotel sector is attracting international brands, targeting Singaporean visitors and business travellers.

CO-WORKING SPACES BOOST OCCUPANCY IN PURPOSE-BUILT OFFICES (PBO)

New PBOs have contributed to a decline in overall occupancy. However, the entry of co-working spaces in PBO has helped improve occupancy. With stable demand for PBO space, the disparity in office rental rates between new and old PBO is due to the better facilities provided.

JOHOR-SINGAPORE SPECIAL ECONOMIC ZONE AND FOREST CITY SPECIAL FINANCIAL ZONE: CATALYST FOR INVESTMENT OPPORTUNITIES

The forthcoming Johor-Singapore Special Economic Zone (JS-SEZ) aims to capitalise on Johor's strategic proximity to Singapore. JS-SEZ plans to establish the Pengerang Integrated Petroleum Complex (PIPC), the largest refining and petrochemical complex in Malaysia, as a key regional oil and gas hub.

The Forest City Special Financial Zone (SFZ) was officially launched in September 2024 to boost foreign investments. Several key features include a 0% tax rate for family offices, a reduced income tax rate of 15% for skilled professionals, concessional corporate tax rates ranging from 0% to 5%, multiple-entry visas, and special incentives for financial companies.

OUTLOOK: DIVE OR THRIVE

IM and the entire southern region are poised for significant economic growth, thanks to the convergence of several game changers at the same time and place:

- The completion of several mega infrastructure projects, including RTS.
- The creation of JS-SEZ and Forest City-SFZ.
- The spillover of market demand from Singapore, particularly data centres, home buyers, and shoppers.
- Global investors are diversifying away from Western economies as the geopolitical landscape shifts. Chinese markets and consumers are also seeking new opportunities away from the US and Europe.
- The support of the Sultan of Johore to leverage his position as the current YDP Agong for the next four years to draw investors to IM.

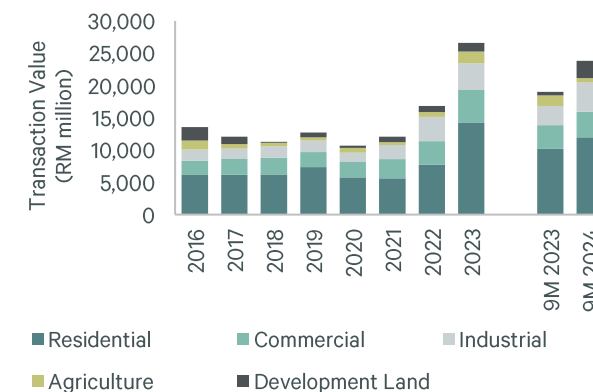
While game changers are huge opportunities, they are also fraught with risks, requiring leverage on experts for strategies and contingencies.

Transaction Volume By Sector



Abbreviation: 9M – January to September
Source: NAPIC, CBRE | WTW Research & Consulting

Transaction Value By Sector



Abbreviation: 9M – January to September
Source: NAPIC, CBRE | WTW Research & Consulting

Sabah

Gradual economic recovery, moderated property transactions

Sabah recorded a 1.3% growth in 2023 (cf. 2022: 3.9%) with a GDP of RM83.2 billion, compared to RM82.1 billion in 2022. Growth was driven by the services sector, contributing about half of GDP with RM42.4 billion, an increase of 4.5% from 2022. This is followed by mining and quarrying activities at 23% (-5.2%), agriculture at 15% (+0.8%), manufacturing at 7% (+4.4%), and construction at 3% (-1.1%).

Taking into account current economic trends, the GDP growth rate for year 2024 and 2025 is expected to increase to 2% and 2.5%, respectively.

Between January and August 2024, the State recorded a total trade balance of RM9.7 billion compared to RM13.0 billion in the same period in 2023, which is a 25% contraction with total exports increasing by 3.8% and imports by some 10.8%.

For 1H 2024, Sabah attracted RM1.7 billion in domestic and foreign investments, mainly in manufacturing and services.

China's Kibing Group's subsidiary, SBH Kibing New Solar Energy (M) Sdn Bhd, committed to investing RM7.2 billion in a new solar glass manufacturing plant in Kimanis. The group also plans to expand its solar glass production capacity at its facility in Kota Kinabalu Industrial Park, which was opened last year, with an additional investment of RM700 million for a third production line.

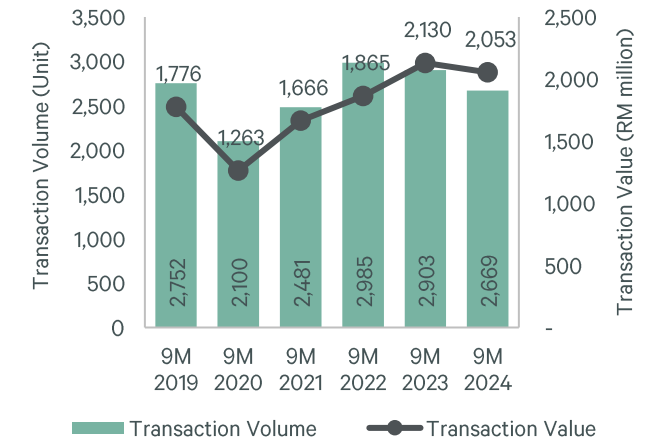
On Sabah's transaction activities up to 3Q 2024, transactions declined by some 9.2% y-o-y, from 7,742 to 7,029 in volume, with a 2.4% decrease in value, from RM4.0 billion to RM3.9 billion.

In the Kota Kinabalu – Penampang – Putatan districts, transaction volume (excluding agriculture) declined by 8% to 2,669 (cf. 3Q 2023: 2,903 units) while transaction value decreased by 4% to RM2.05 billion (cf. 3Q 2023: RM2.13 billion). Despite subdued activities, there are no discernible drops in prices.

The residential sector remained the most active, registering 74% of total transaction volume and half of the total transacted value, while the commercial property sector accounted for about 17% and 18% in terms of volume and value, respectively.

Overall, the momentum of the state's economic growth is expected to continue with contributions from key sectors such as tourism, manufacturing, and agriculture. In general, the property sector is likely to be stable, though external factors such as geopolitical changes and uncertainty in the global marketplace put a damper on market sentiments.

Property Transactions in Kota Kinabalu, Penampang and Putatan



Abbreviation: 9M – January to September
Source: NAPIC, WTWS Research

Sarawak

Economic recovery in good progress

PROGRESSIVE MARKET RECOVERY

Sarawak's economic recovery is progressing well and on track to achieve full recovery. Its Gross Domestic Product (GDP) growth is projected to improve to between 5% and 6% for 2024. As one of the top few highest GDP-grossing states in Malaysia, Sarawak is expected to remain a key contributor to the national economy. Together with Johor and Penang, Sarawak has collectively accounted for 25.9% of the GDP in 2023, with stronger growth forecasted for these three states. A better-than-expected GDP growth for 2024 for both nation and state has bolstered confidence in most sectors.

Sarawak is emerging as a new economic powerhouse with its strong performance owing to the state's socio-economic and political stability.

Some key developments occurring in the year include:

- The appointment of state-owned company Petroleum Sarawak Bhd (Petros) in February 2024 as Sarawak's sole gas aggregator gives Sarawak full control over the distribution of gas resources in the state, in-line with Sarawak's 10-year Gas Roadmap.
- The Sarawak State Government has successfully acquired a 31.3% stake of Affin Bank Berhad in Sept 2024. A larger stake in a banking group can help garner more financing to industrialise and develop the state over the longer term.
- The 1st methanol complex, the State's first owned petro-chemical project, costing RM7 billion with 1.8 million mT of methanol capacity, was launched in Bintulu, in line with the Chemical Industry Roadmap (CIR) 2030.

- Announcement of two new deep seaports in Kuala Baram, Miri, and Tanjung Embang, Samarahan/ Gedong.
- Establishment of Central Port Authority (CPA) to look after port operations in Sarawak, starting with the takeover of Bintulu Port.
- Announcement on establishment of Sarawak Artificial Intelligence Centre (SAIC) in line with Digital Economy Blueprint 2030.
- The launching of Kenyalang Smart City, a hi-tech smart city or township with mixed developments – medical, hospitality, education, and industrial – in Miri, whereby its Convention Centre and Recreation Centre (CCRC) was awarded a 5-Star Rating winning the Mixed-Use Architecture category for Malaysia, qualifying also for the International Property Awards 2024 for the Asia Pacific region.
- An MOA to establish a friendship city relationship between Miri City and Zhaoping City in Guangning County, China which aims to strengthen ties and boost collaboration in sectors like trade, culture, and tourism.

The flagship ART project has created much buzz with construction works underway for the blue line (Rembus to Hikmah Exchange) and red line (Kuching Sentral to Pending), to be followed by the green line (Pending to Damai Central).

Sarawak remains committed to the development of green technology and renewable energy, which is attractive for the setting up of data centres. This has the potential to draw more investments into Sarawak.

The tourism sector continues its growth trajectory and showed the greatest rebound, with visitor arrivals of close to 4 million by October 2024. The Rainforest World Music Festival (RWMF 2024; the largest tourism event for the state) held from 28th to 30th June 2024, recorded 26,000 visitors, surpassing its 2019 record.

The Ministry of Tourism, Creative Industry and Performing Arts (MTCP) Sarawak projects 5.0 million visitors for 2024 to achieve an all-time high for Sarawak, surpassing the record of 4.6 million visitors recorded in 2019.

Several significant events in Sarawak that helped to boost visitor arrivals are:

- Rainforest World Music Festival (28-30 June);
- Kuching Food Festival (KFF) 2024 (26 July-18 August);
- Borneo Cultural Festival 2024 (8-17 August);
- SUKMA XXI (17-24 September) & Para SUKMA XXI (22-28 September) Sarawak 2024;
- Borneo International Kite Festival 2024 (25-29 September);
- Siniawan Country Music Festival (27-29 September);
- Borneo Sonic Music Festival 2024 (11-12 October);
- 7th International Digital Economy Conference (IDEC) Sarawak 2024 (16-17 October);
- Kuching Marathon (27 October);
- Sarawak Regatta (1-3 November);
- Borneo Jazz Festival (29 November-1 December); and
- 12th Sibu International Bike Week (6-8 December).

Sarawak (cont'd)

IMPROVED TRANSACTION ACTIVITIES

Transaction activities were down for 3Q 2024 compared to the same period last year. The volume and value transacted have decreased about 12.5% and 4.9%, respectively, y-o-y, with the residential sector being the biggest contributor, making up about 44% thereabouts of volume and value, respectively.

High-rise residential continues to outstrip landed in terms of new supply and sales. New supply of landed residential properties remains limited. Hence, demand remains high in the secondary market for landed units.

The growth of new malls continues to be subdued, with only one mall added in 2024 (Tropics Mall) for Kuching, as a substantial amount of retail space remains vacant in the market. Retail performance had improved in occupancy and vibrancy in some popular malls, whilst most older malls are still experiencing low occupancies and rental rates.

Malls with good potential have resorted to major revamping/refurbishment in order to level up performance. The market for F&B outlets and supermarket chains continues to see growth but remains competitive and challenging. Unique selling points and good marketing and business strategies are crucial to staying in competition. Meanwhile, purpose-built offices (PBOs) remain a niche market with demand yet to catch up with overall increased supply. The industrial sector has room for SME growth and remains stable and steady.

CHALLENGES AND OPPORTUNITIES

Amidst the economic challenges posed by both global geopolitical events and local rationalization exercises, the property development sector in Sarawak continues to provide much opportunity, especially with new regions opened up by the progressive infrastructure developments such as the mega Pan Borneo Highway and the setting up of the new Indonesian capital of Nusantara in East Kalimantan.

The State continues to press on towards sustainable growth in its goal of achieving high-income developed status by 2030. Sarawak's road map is focused on green/clean energy production, carbon footprint reduction, digitalisation, interconnectivity within Sarawak, as well as rural developments to achieve its Post-Covid Development Strategy (PCDS) by 2030.

Sarawak's unemployment rate hovers around 3.2% as of 3Q 2024, similar to the nation's average. With the increased direct investments coming into the state, the labour force is expected to continue to grow steadily in the upcoming quarters.

The inflation rate for Sarawak has dropped to 2.1% y-o-y as of 3Q 2024 but is higher than the national average of 1.9% y-o-y, mostly impacted by higher costs of imports, being off the main route. The improving performance of the Ringgit is hoped to ease the inflationary pressure in the coming quarters.

CAUTIOUSLY OPTIMISTIC AMID GLOBAL AND LOCAL CHALLENGES

Despite the improved GDP growth and increased market demand, continuing uncertainties and market volatility as a result of external global uncertainties and local policy changes continue to plague the market. Thus, although the overall property market for 2024 maintains a positive stance, it remains cautiously optimistic. The maintaining of OPR will help to quell high interest fears and continue to support household expenditure. However, spending may remain cautious as inflation risks remain between 2.0% and 3.5%.

Continued recovery is seen in 1H 2024 and remains on track to achieve the anticipated 5% to 6% economic growth for the year for Sarawak and likely, to regain or even surpass pre-pandemic levels if the same momentum is maintained, especially in the tourism sector.

The residential sector remains optimistic as it continues to be the major contributor to transaction volume and value and is expected to experience further increases in prices and rentals. For commercial segments, the market has recovered in terms of rentals, although there is still catching up to do for occupancy rates. With the strong rebound in the tourism sector, the prospects and outlook for the hotel sector are upbeat, which are evident from the increase in occupancy and hotel room rates. The industrial sector is also expected to be robust with the slew of mega projects coming in.

The property market will likely continue to face some headwinds even as it tries to maintain the improved momentum going into 2025. This comes on the back of ongoing challenges within and outside the country, which tend to dampen consumer sentiments and affect business confidence.

East Coast – Kota Bharu, Kelantan

Urban high-rise boom, landed homes resilient

Residential transactions in Kelantan in 3Q 2024 increased by 108% to 3,167 units (*cf.* 3Q 2023: 1,521) in volume and by 63% in value. Vacant plots made up the highest transaction volume (71%), followed by terraced units (9%) and detached units (4%).

Arika Kubang Kerian offers an urban contemporary living space that seamlessly blends sleek modernity with the beauty of its lush green surroundings. The development consists of 668 fully furnished service residences, with units ranging from 260 sq. ft. to 1,040 sq. ft. Prices for these residences start at RM221,000 and go up to RM921,500.

Incentives were introduced to encourage residential ownership: land tax exemption, reduction in land premiums, and the issuance of property titles. Notably, there is a 50% quit rent exemption, reduced application fees, and a 50% assessment discount for the first year after the Certificate of Completion and Compliance (CCC).

The state government also introduced Rumah Mampu Milik Kelantan (RMMK) to offer affordable homes for lower-income families, addressing the housing needs of a significant portion of the state population.

Nevertheless, there is a resilient increase in demand for landed properties in and around urban areas.

IMPROVED COMMERCIAL ACTIVITIES

The privately-owned Purpose-Built Office (PBO) supply stood at approximately 1.9 million sq. ft. with no future supply in the pipeline. As of 3Q 2024, overall occupancy stood at 87.4%, showing a slight improvement from 87.1% during the same period in 2023.

Government offices have started to move to new areas such as Bandar Baru Tunjong. Wisma Persekutuan will be relocated to the new Wisma Kompleks Gunasama Persekutuan.

The commercial subsector in Kelantan saw significant growth, with a 73% year-on-year increase in transaction volume. In 9M 2024, transaction volume rose to 587 units, up from 339 units in the same period of 2023. However, the transaction value dropped to RM212.3 million from RM293.6 million in 2023. This decrease is mainly due to the sale of a shopping complex in Kota Bharu worth RM165 million in Q3 2023, which boosted value during that period. Upcoming projects are Uptown Machang and Bandar Baru Kota Hartamas in Pasir Pekan.

Retail mall supply stands at 4.5 million sq. ft.

Occupancy dropped to 76% in 3Q 2024 (*cf.* 3Q 2023: 81%), suggesting a need for innovation and change.

The expansion of Sultan Ismail Petra Airport was completed in 2Q 2024 and is set to receive 4,000 to 4,500 passengers a day.

Phase 2 of Sultan Ismail Petra Airport is set to be completed by January 2025, in time for Visit Malaysia Year 2025. The next step would be upgrading it to an international airport.

Additionally, ESG interest is increasing, opening opportunities for PBO and commercial buildings with ESG features.

ONGOING INDUSTRIAL ACTIVITIES

The East Coast Economic Region Development Council (ECERDC) reported around RM10.9 billion in investments since 2008. Most of the industrial transaction activities are recorded in Kawasan Perindustrian Pengkalan Chepa.

Taman Industri IBS Labok (200 acres) will be the first industrial area developed by the state with the Industrialised Building System (IBS). Phase 1 will involve infrastructure work for 70 industry plots and 60 commercial plots, which are currently about 50% complete.

Phase 1A of Tok Bali Industrial Park was awarded to Widad for project management. The site is currently being cleared and leveled.

ECERDC and the State Government have proposed a joint venture into the dairy goat industry, widening the agriculture sector and the halal industry in the state.

INFRASTRUCTURE IMPROVEMENTS

Under the 12th Malaysia Plan, 92 developments worth RM2.8 billion are to commence in 2024 in Kelantan. A major project is the Integrated River Basin Development for Flood Mitigation. Better infrastructure may encourage economic growth.

The ECER Master Plan 3.0 was announced by ECERDC to focus on the manufacturing sector in Kelantan.

East Coast – Kuala Terengganu, Terengganu

IMPROVED TRANSACTION ACTIVITIES

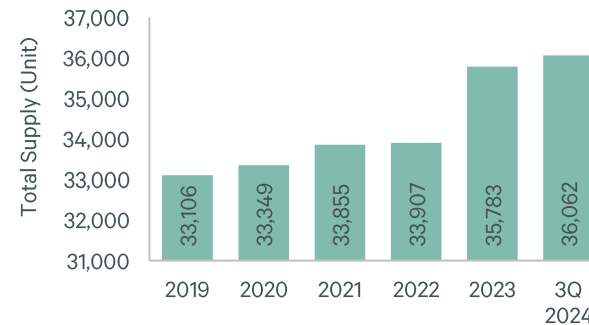
As of 3Q 2024, residential transactions in Terengganu total 2,262 units, accounting for 71% of all transactions. This marks a 5% decrease y-o-y but a 21% increase q-o-q. The transaction value for the same period reached RM658 million, compared to RM633 million in 3Q 2023 and RM500 million in 2Q 2024. This represents a 4% increase y-o-y and a 32% rise q-o-q.

A noticeable trend in Kuala Terengganu's residential market is the growing preference for landed properties, particularly in urban and suburban areas. Buyers are increasingly drawn to homes that offer spacious layouts, a quieter environment, and enhanced privacy, making landed properties more appealing than high-rise alternatives. This lifestyle-driven shift reflects a demand for comfort and exclusivity within proximity to city amenities. Recent developments such as Taman Desa Padang Indah and Taman Tiara Paka Fasa 3 exemplify this trend by offering larger, low-density housing options tailored to these preferences.

Complementing this demand, new high-rise developments are also emerging to meet the needs of a different segment of buyers. Notably, Qubaz Suites introduces a modern Islamic-themed serviced apartment strategically located along Jalan Kampung Tiong. This development features 759 units with diverse configurations, ranging from studios to two-bedroom and three-bedroom apartments, priced between RM341,550 and RM720,100. Designed for modern lifestyles, Qubaz Suites includes business rooms and contemporary facilities, appealing to urban professionals and families seeking convenience and a vibrant community setting.

Looking ahead, Kuala Terengganu's residential property market is expected to remain on a growth trajectory, driven by the launch of diverse, mid-range developments and the ongoing demand for affordable housing options. A steady decline in overhang units and an increase in new launches indicate continued potential for sustainable growth into 2025.

Cumulative Supply at Kuala Terengganu



Source: NAPIC, CBRE | WTW Research & Consulting

STABLE RENTS AND SOLID YIELDS

Rentals for purpose-built office spaces remained steady, ranging between RM1.50 and RM2.50 per sq. ft. Meanwhile, shop office spaces commanded slightly higher asking rents, at RM2.50 to RM2.70 per sq. ft. In terms of investment returns, the average yield for shop offices was noted at 6% to 6.5%, supported by transacted prices averaging between RM1.3 and RM1.5 million.

For the retail sector, rental rates for shopping complexes remained unchanged, ranging between RM4.00 and RM6.00 per sq. ft. Yields were averaged at 5% to 6%.

This stability in rental rates and yields reflects a steady demand for commercial properties in the area, suggesting a balanced market environment.

PRESSURE FROM UPCOMING DEVELOPMENTS

Upcoming purpose-built offices and shop offices are anticipated to create pressure on occupancy and intensify competition.

The highly anticipated opening of Mayang Mall in December 2024 is poised to transform the retail landscape in Kuala Terengganu. Situated on 10.8 acres of land, the mall boasts a total NLA of 715,000 sq. ft. Owned by Pelaburan Hartanah Bhd (PHB), Mayang Mall is set to elevate the region's retail experience.

SOGO will be the anchor tenant occupying 150,000 sq. ft., alongside a curated mix of 300 brands, designed to cater to diverse consumer preferences. Positioned 1 km away from the Pasar Kedai Payang and in close proximity to the iconic DrawBridge, the mall aims to capitalise on its prime location to attract both tourists and local visitors.

Mayang Mall's enhanced offerings and state-of-the-art facilities will create strong competition for established retail hubs such as KTCC Mall, Mydin Mall, and Pasar Kedai Payang. This development may position Kuala Terengganu as a growing commercial and tourist destination.



Mayang Mall

Source: Discovery Terengganu

East Coast – Kuala Terengganu, Terengganu (cont'd)

INDUSTRIAL OPPORTUNITIES AND EXPANSION

The industrial development trend in Kuala Terengganu is marked by infrastructure improvement, diversification of industrial activities, and strategic location planning.

Key industrial areas such as Gong Badak and Cenering have become focal points. Additionally, Kertih and Teluk Kalung Industrial Areas are also demonstrating the continued relevance and success of industrial activities in these regions.

The industrial sector continues to show promising returns, with average yields ranging from 4.5% to 5.5% and average rental rates between RM1.00 and RM1.50 per sq. ft.

A notable addition to the region is the Kertih Terengganu Industrial Park (KTIP), located 6.6 km from Kertih Port and 17.8 km by road from Kertih Airport. Strategically positioned between the upcoming East Coast Rail Link (ECRL) Dungun and Kemasik stations, the park offers strong connectivity to essential transportation networks. Nearby industrial parks, including Kerteh Biopolymer Park and Gebeng Industrial Park, further enhance the region's industrial appeal.

Spanning 1,007 acres, KTIP is designed to accommodate various types of heavy industries, providing ample space for large-scale operations. Valued at RM680 million, the project is a collaboration between MGB Bhd, Terengganu Inc., TI Properties Sdn Bhd, and Retro Court Sdn Bhd. It is also eligible for incentives from the East Coast Economic Region (ECER) and the Malaysian Investment Development Authority (MIDA).

In addition, the Kertih Biopolymer Park SME Complex, Phase 1B, is a key initiative aimed at fostering the growth of small and medium enterprises (SMEs).

The industrial sector in Terengganu is set for further growth. The ECRL project is 86% complete. The upgrading of Sultan Mahmud Airport and the Kuala Terengganu City Centre road will enhance connectivity.



Kertih Terengganu Industrial Park (KTIP)

Source: MGB Bhd

GROWTH FOR HOSPITALITY MARKET

Hotel guests in Terengganu rose by 2% in 1H 2024, reaching 1.4 million compared to 1.3 million in the same period in 2023. Foreign guests showed a substantial y-o-y increase of 136%, with 140,758 guests in 1H 2024 compared to 59,621 in 1H 2023.

Hotel room rates in Terengganu remained steady in 3Q 2024, RM150 to RM250 per night for 3-star hotels and RM330 to RM350 per night for 4-star hotels.

In April 2024, Marriott debuted its first resort on Perhentian Island with the Perhentian Marriott Resort & Spa. This establishment marks Marriott's first hotel in Terengganu and Malaysia's East Coast, offering 200 rooms and 17 villas.

In July 2024, Marriott also opened Fairfield by Marriott Kuala Besut, catering to business and leisure travellers with 98 rooms. Convenient for dedicated hotel transfers to both Sultan Ismail Petra Airport in Kota Bharu and Sultan Mahmud Airport in Kuala Terengganu, the hotel also provides return ferry transfers to the Perhentian Marriott Resort & Spa on Perhentian Kecil island.

Marriott's presence in Terengganu will promote regional tourism.

East Coast – Kuantan, Pahang

SEAFRONT RESIDENCES

The residential market in Kuantan recorded 4,399 transactions in 9M 2024, valued at RM1.42 billion.

Repulse Bay Residence is the first seafront housing development in Kuantan offering terrace, semi-detached, and bungalow residential units with clubhouse facilities.

In contrast, the high-rise residential sector was subdued, though demand remains relatively strong, particularly for properties with investment potential, such as those suitable for Airbnb operations.

Among new major high-rise seafront projects are Sea Crestz and Balau Residence. Sea Crestz is by Exsim, situated within the Kuantan Waterfront Resort City (KWRC). Balau Residence is located close to the popular Teluk Cempedak beach. The seafront setting has generated significant interest among developers and buyers.

CONVENIENCE SHOPPING TREND

Yields remain stable for retail at 5% to 6%. East Coast Mall has the highest rental rates at RM16 to RM38 per sq. ft., followed by Kuantan City Mall at RM12 to RM15 per sq. ft.

Harvey Norman (home household) debuted its store in Pahang in Berjaya Megamall Kuantan, followed by HWC Coffee's (F&B) debut in East Coast Mall.

99 Speedmart and KK Mart (mini marts) are expanding their presence in Kuantan. Additionally, the first CU Mart (Korean convenience store) opened its doors in Indera Mahkota in August 2024. These highlight the demand for convenient shopping options.

Me'Nate (a fusion restaurant) opened its doors along the major route to the Teluk Cempedak beach during CNY 2024 to very good response by the public.

INDUSTRIAL HUBS CONNECTIVITY

The industrial sector remains one of Kuantan's key growth areas due to Kuantan Port and the Malaysia-China Kuantan Industrial Park (MCKIP). Infrastructure improvement is key to facilitating industrial growth. A notable recent launch is the Malaysia-China Kuantan Industrial Logistics Park (MCKILP) at Gebeng Industrial Estate. The promoted industries are heavy and medium industries, high-end equipment, advanced materials manufacturing, stainless steel products, electric and electronics, information communication technology, and renewable energy. As of November 2023, the park has attracted RM31 billion in investments. It is part of the Belt and Road Initiative (BRI) and will be integrated with the East Coast Rail Link by 2027.

Notable projects are:

- Proposed Joint Venture Energy Project Taman Ilmu Pekan with an estimated project investment of RM200 million.
- Proposed Green Ship Recycling Centre in the Tanjung Agas Industrial Area with an investment value of RM250 million.
- Petronas carbon capture and storage (CCS) hub at Kuantan Port.

ACTIVE TOURISM, GROWTH FOR HOTELS

In 2023, Pahang welcomed over 13.2 million tourists, with an estimated expenditure of RM11.9 billion. Genting Highlands saw the highest number of tourists at around 8.1 million, followed by Kuantan (2.2 million), and Cameron Highlands (1.4 million). The majority were domestic tourists, while international visitors mainly comprised Singaporeans, Mainland Chinese, Indonesians, Thais, and Indians. The target for 2024 is 13.5 million tourist arrivals.

The state government is undertaking improvements at popular tourist spots such as Gua Sisik Naga, preservation works of historical sites, and facilities at recreation sites.

The average room rate for 3-star hotels is RM120 per room per night and RM180 for 4-star hotels, an improvement over 2021.

For the office sector, rental rates and yields have remained stable. For PBOs, the rental rate ranges from RM2.00 to RM2.50 per sq. ft., with a yield of approximately 6.5%. Meanwhile, shop offices see rental rates between RM1.10 and RM1.50 per sq. ft. and yields of around 4.5% to 4.8%.

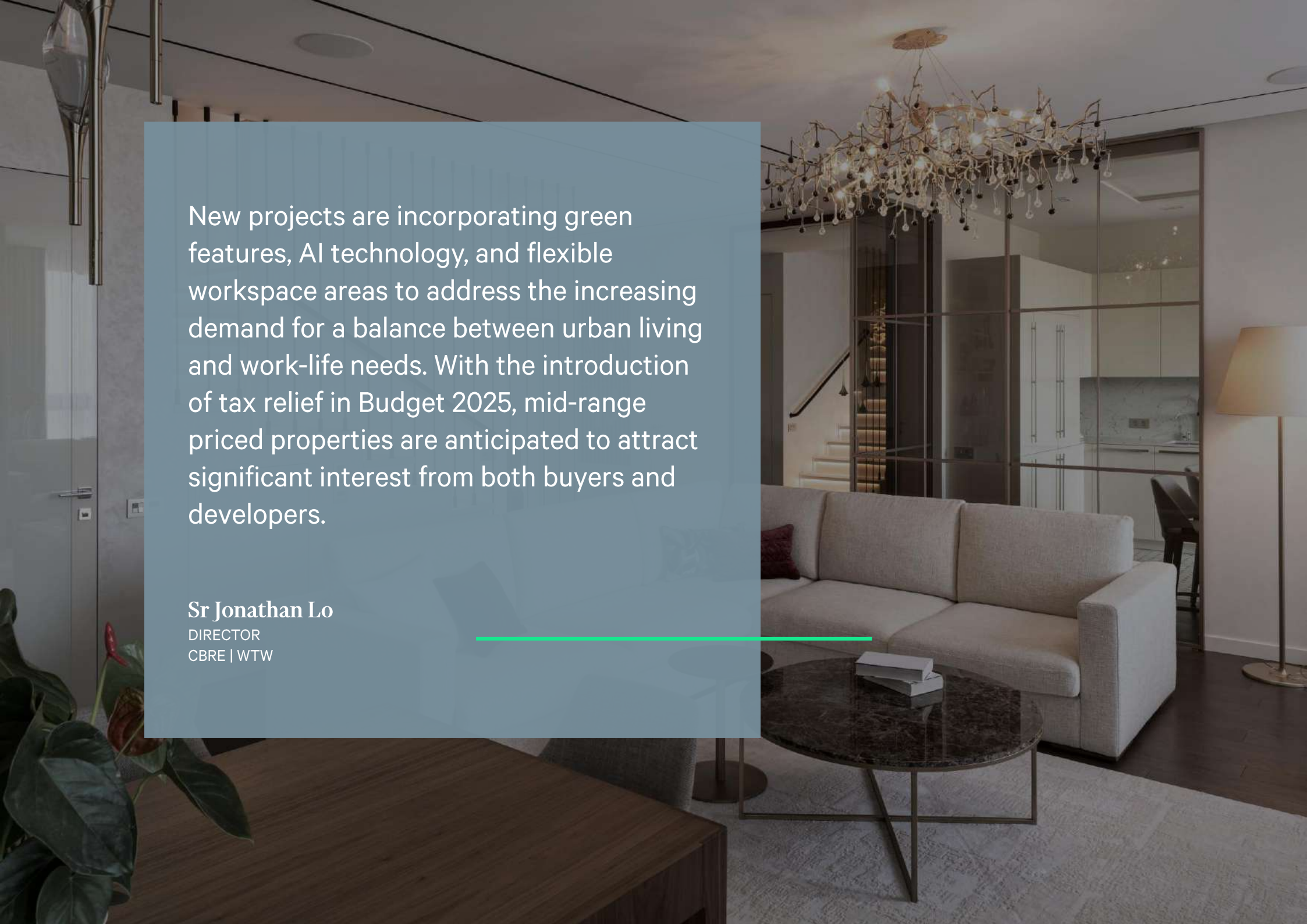
INFRASTRUCTURE FOR NEW AREAS

Several significant infrastructure projects are key to attracting market players and investors. Collaborations are also key in sustaining projects. Some of these include:

- Relocation of Kuantan International Airport and upgrading it into an international hub, to be completed by 2026.
- City Mosque and Pahang Islamic Centre Complex are currently under construction at KotaSAS. This may entice the attention of business travellers and local tourism.
- ECRL project to enhance connectivity and economic growth in Pahang.
- Malaysia Rail Link Sdn Bhd (MRL) and Kuantan Port to collaborate on a land bridge connecting Kuantan Port to Port Klang.
- The state's administrative centre has moved to the new Sultan Ahmad Shah Administrative Centre, KotaSAS.

03

Residential

A modern living room interior featuring a light-colored sofa, a round coffee table, and a large, ornate chandelier. The room has large windows and a glass partition wall. A blue semi-transparent box is overlaid on the left side of the image, containing text.

New projects are incorporating green features, AI technology, and flexible workspace areas to address the increasing demand for a balance between urban living and work-life needs. With the introduction of tax relief in Budget 2025, mid-range priced properties are anticipated to attract significant interest from both buyers and developers.

Sr Jonathan Lo

DIRECTOR
CBRE | WTW

Klang Valley

Stable Residential Sector

As of 3Q 2024, Klang Valley's residential supply showed moderate growth, with existing supply increasing by 4%, amounting to approximately 2.1 million units. High-rise residential supply has surpassed landed supply for the first time in 2024, indicating a shift in consumer preference towards more cost-effective and space-efficient non-landed housing in key metropolitan areas.

Landed property supply increased by 2% y-o-y, with Selangor contributing 99% of the growth, primarily in Sepang, Klang, and Kuala Selangor. However, incoming supply decreased by 14% even with new launches like Irama Villa IV (380 units), Elmina Ridge 1 Phase 2 (228 units), and Ferrous 3 (101 units).

The supply of high-rise residential units continues to grow faster than landed properties, with a 6% year-on-year increase driven by the completion of TRX Residences (896 units), Agile Bukit Bintang (1,316 units), and Duta Park Residences (1,376 units). However, the incoming supply of high-rise units has dropped by 4%, following the trend in landed properties. Notable high-rise projects launched in 2024 include Bangsar Hill Park (Talisa-Tower C) with 392 units, Solasta Dutamas (Tower A) with 329 units, Tuju Residences with 932 units, Sunway Velocity 3 with 1,604 units, and Times Square 2 (Phase 1) with 375 units.

Upbeat Luxury Residential Market

As of 3Q 2024, the luxury residential market supply increased by 7% to 80,209 units. The KL Golden Triangle and Mont Kiara/ Sri Hartamas areas make up approximately 28% of the total supply, followed by the Central Kuala Lumpur-Secondary (CKL-S)^{Note 1}. Despite the increased supply, the occupancy rate rose y-o-y from 67% to 71%.

An additional 22,623 units are anticipated by 2028, with the overall sales rate averaging 68% as of 3Q 2024.

Notable upmarket developments in KL include Kyliez Suites @ KLCC (126 units) and Branniganz Suites @ Bukit Bintang (269 units), both by Exsim Group. Pavilion Square in Bukit Bintang offers 960 units by the Pavilion Group.

In Ampang Hilir/ U-Thant, the Skyline Embassy, with a total of 864 units (currently launched for Towers A and B), was launched by TSLAW Land and The Ashwood by Paramount Property (342 units).

Many projects in KL are incorporating workspace areas and facilities such as corporate suites and co-working lounges, offering convenience and flexibility, while eliminating commutes. These projects are anticipating a trend for a balance of urban living and work styles.

Note 1: The areas in the City Centre excluding KL Golden Triangle. Areas are bounded by Lebuhraya Mahameru, Jalan Tun Razak, Jalan Sungai Besi, Jalan Istana and Jalan Damansara (These areas fall under Sections 1-40, 41-45, 49-59, 61-65, 68, 71 and 93).

Active Sub-Sale Transaction Activity

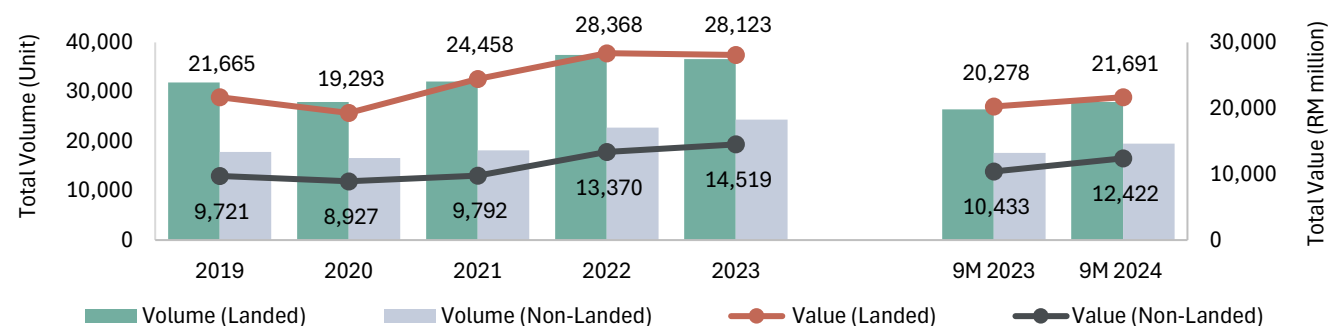
Landed properties experienced moderate growth in transaction volume and value for 9M 2024, with increases of 6% and 7% respectively. Consistent with the previous year, the areas of Petaling, Hulu Langat, and Klang continued to record the highest levels of transaction activity.

High-rise properties showed higher activity with an 11% increase y-o-y in volume and a 19% increase y-o-y in value, compared to 6% and 7% y-o-y increases for landed properties, respectively.

Overhang Situation Continues to Improve

Klang Valley's residential overhang situation slightly improved in 3Q 2024, with an overall y-o-y decline of 7%. High-rise properties recorded a 10% reduction, while landed properties saw a modest increase of 292 units following the completion of 8,761 landed units during the same period. The majority of the overhang consisted of properties priced between RM500,000 and RM800,000.

Transactions in Klang Valley



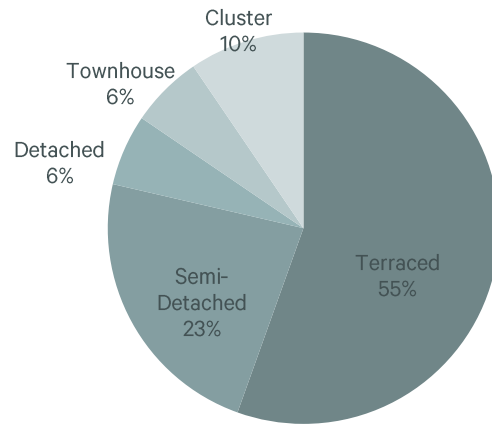
Abbreviation: 9M – January to September

Note: Residential supply is inclusive of serviced apartments and SOHO units and excludes affordable housing.

Source: NAPIC, CBRE | WTW Research & Consulting

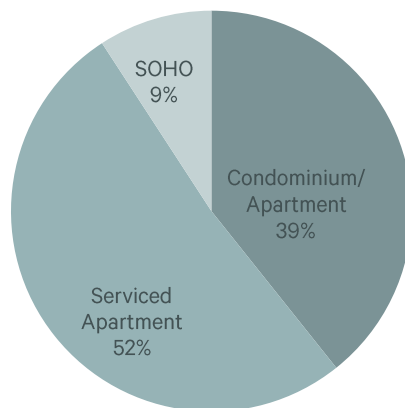
Klang Valley (cont'd)

Overhang By Type for Landed Residential in Klang Valley, 3Q 2024



Source: NAPIC, CBRE | WTW Research & Consulting

Overhang By Type for Non-Landed Residential in Klang Valley, 3Q 2024



Source: NAPIC, CBRE | WTW Research & Consulting

Government Facilitating Accessibility

First-time homebuyers can benefit from a tax relief of up to RM7,000, offering a helpful start for young individuals to purchase their own homes. This relief, designed to encourage first-time home ownership, is claimable for three consecutive assessment years for sales and purchase agreements signed between January 1, 2025, and December 31, 2027.

New housing developments are also required to designate one or two blocks for affordable Madani units for lower-income groups.

Other than that, a stamp duty exemption on instruments of transfer and loan agreements for homes priced below RM500,000 remains available until the end of 2025 to assist first-time homeowners.

The government is demonstrating a strong commitment to tackle housing affordability by offering significant tax relief and financial incentives for first-time homebuyers.



Show unit of terrace types of the newly launched Irama Villa IV, Bandar Kinrara Puchong

Source: SP Setia

SEREMBAN

The new high-rise projects in Nilai (Mesa Hill and Nilai Impian) and Seremban (Arena Residences) are mixed-use developments, offering a blend of residential, commercial, and leisure spaces, which will appeal to local middle-income buyers and younger residents, as well as the growing international student population.

The landed residential market in Seremban is experiencing slower growth due to some unsold units, primarily caused by high prices. However, there is a positive trend towards sustainable developments, with new launches such as the 2-storey terrace Eka Heights in Sendayan incorporating green technology, setting some new standards in urban living.

Despite some oversupply, the overall property market in Seremban and Nilai is expected to remain stable through 2025.

The introduction of more diverse and sustainable developments, including green, smart homes and mixed-use communities may help to sustain buying interest.



Township of Eka Heights in Sendayan, Seremban

Source: Matrix Concepts Holdings Bhd

Penang

Regulating Housing Demand and Green Building Initiatives

The residential sub-sector continues to contribute the most transactions in Penang, at 75% as of 3Q 2024, according to data released by NAPIC. Residential transaction value grew to RM6.14 billion as of 9M 2024, up 4% as compared to the corresponding period last year.

The overhang of residential properties in Penang decreased to 3,150 units in 3Q 2024 compared to 3,341 units in 3Q 2023. High-rise residential properties lead the overhang with 2,288 units worth RM1.8 billion, dominated by units priced over RM1 million each.

Robust Demand Initiates Active New Launches

New launches are driven by sustained demand, aligned with consumer preferences and appealing to local homebuyers.

Jesselton Courtyard is a newly landed residential development by Berjaya Land Development Sdn Bhd in Jesselton Selatan, Georgetown. Spanning 11.9 acres, adjacent to the Penang Turf Club and Kensington Gardens, it features 239 units, comprising four-storey Courtyard Homes and 1.5 and two-storey Courtyard Villas. The Courtyard Homes offer a built-up size starting from 6,649 sq. ft. with prices beginning at RM6.5 million, while the Courtyard Villas range from 2,734 sq. ft. with starting prices of RM2.9 million.

Meanwhile, Eastern & Oriental Bhd (E&O) recently launched a 261-unit residential condominium named The Lume and landed residential projects named Senna and Fera (Phase 2). The take-up rate for the first phase of Senna and Fera has reached 90% since its launch in 2024. Moving forward, E&O plans to progressively launch a serviced apartment named Marina.

Several other notable new launches of landed residential are as follows:

- Mekarsari Unggul, Bertam, Seberang Perai Utara.
- Jesselton Hills, Bukit Mertajam, Seberang Perai Tengah.
- Cassia Cempaka (Phase 2), Batu Kawan, Seberang Perai Selatan.

In the high-rise market, Chin Hin Group Property Bhd has announced its inaugural project, Crown Penang, a 41-storey development. This venture covers a two-acre freehold site located on Jalan Seri Tanjung Pinang 1. It comprises 588 residential units, with sizes from 614 to 1,851 sq. ft. and priced from RM704,000 per unit onwards.

The high-rise residential market in Penang is experiencing robust demand, backed by the introduction of properties featuring upgraded amenities that will positively impact rental growth, attracting tenants seeking enhanced features.

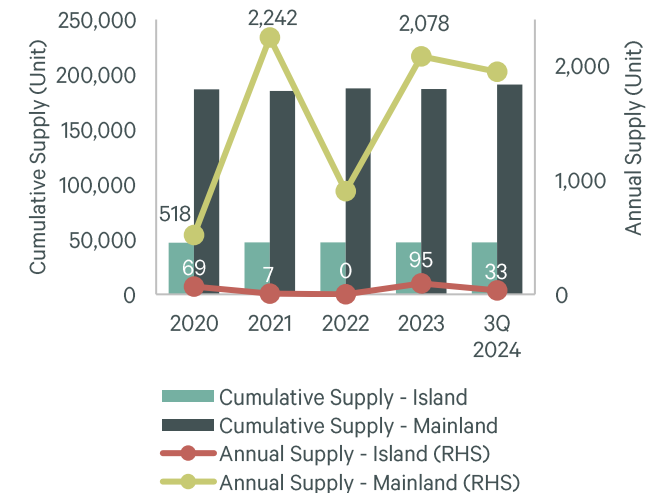
The state government is becoming the first state in Malaysia to offer affordable housing with green certification. All affordable housing projects in Penang will be required to obtain green certification from recognised bodies such as Green Real Estate (GreenRE) or the Green Building Index (GBI). This requirement applies to homes priced from RM42,000 to RM300,000, ensuring that sustainability is integrated across all price points and environmental consideration is prioritised. Whether this is financially viable without further cost and price increases has not been indicated.

Notable Newly Launched High-Rise Residential Developments

Projects	Location	Type
Penang Island		
Twin Star	Jelutong	Affordable Housing
Lumina Residence	Georgetown	Condominium
Scott @ Logan	Georgetown	Serviced Apartment
The Lume	Seri Tanjung Pinang	Condominium
Stark	Gelugor	Executive Suite
Seberang Perai		
Ari Mellizo	Butterworth	Affordable Housing

Source: CBRE | WTW Research & Consulting

Supply of Landed Residential

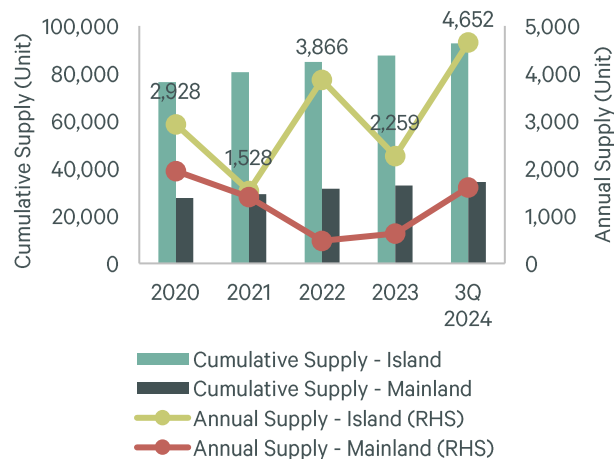


Abbreviation: RHS – refer to right-hand-side axis

Source: CBRE | WTW Research & Consulting

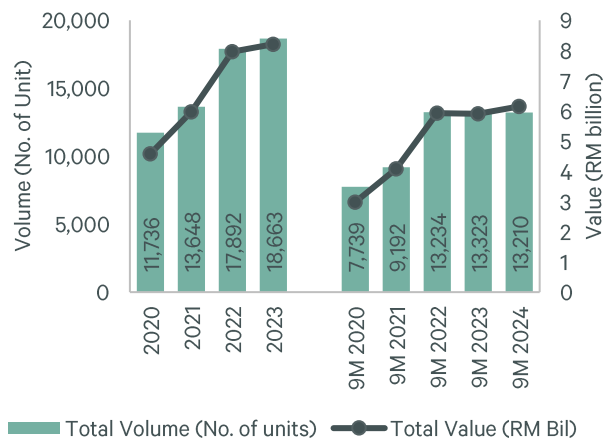
Penang (cont'd)

Supply of High-Rise Residential



Abbreviation: RHS – refer to right-hand-side axis
Source: CBRE | WTW Research & Consulting

Residential Transactions in Penang



Abbreviation: 9M – January to September; RHS – refer to right-hand-side axis
Source: CBRE | WTW Research & Consulting

KEDAH

The landed sector remains active with a new development, 11 Tanjung in Alor Setar, to be launched in 4Q 2024, offering 3-storey super-links and 3-storey detached houses, with prices starting from RM1 million and RM2 million, respectively.

For the high-rise segment, G Residence in Alor Setar is completed and currently awaiting its Certificate of Completion and Compliance (CCC).

Legenda Properties plans to acquire 855 acres of land in Kuala Muda for RM148 million to develop affordable housing. GPC Development is also working on affordable housing projects in Taman Indah, Jeniang, Taman Cassia, and Taman Nabira in Alor Setar.

PERAK

Perak residential market has been favorable in 2024. The active market is expected to prevail in 2025 and the near future.

Asking prices for landed residential are generally higher than market values. The current average price is RM460,000 for terraced and RM850,000 for semi-detached units.

New launches of landed residential include:

- Sunway Bayu in Sunway City Ipoh, offering town houses from RM620,000 per unit. The expected completion is by 2Q 2027.
- Villa D'Pollo in Ipoh, offering semi-detached houses from RM1.4 million per unit, to complete by 1Q 2026.

Incoming high-rise residential projects include:

- Loft 26 @ Bercham in Ipoh, 394 serviced apartments to complete in 3Q 2026.
- Kepingang Sentral in Greentown, 399 serviced apartments to complete in 1Q 2026.

Affordable housing is still in demand. Around 950 applicants are on the waiting list for People's Housing Project (PPR) units.

The Perak Housing and Real Estate Board (LPHP) and the National Housing Department are collaborating on abandoned and sick housing projects in Ipoh, Tapah, Manjung, Kampar, and Beruas. For building maintenance, RM13.4 million has been allocated to the state by the Housing and Local Government Ministry (KPKT).

Iskandar Malaysia

Market Momentum to Extend Into 2025

Transaction activity for landed and high-rise properties in the first nine months of 2024 exhibited an upward trend compared to 2023.

Landed residential property volume increased 15.2% y-o-y, totalling 15,032 units (cf. 9M 2023: 13,046 units), with transaction value rising 34.6%, to RM9,913.9 million (cf. 9M 2023: RM7,368.0 million).

High-rise residential properties transaction volume and value increased 46% and 57% y-o-y (5,922 units, RM32.6 billion) (cf. 9M 2023: 4,057 units; RM19.5 billion).

The overhang condition improved 13.3% when comparing 3Q 2024 to 3Q 2023. The overhang for landed and high-rise properties had declined 44.6% and 10.5%, respectively, in 2Q 2024.

Residential Properties Transaction Volume and Value in Iskandar Malaysia

	Total Volume	Total Value
9M 2023	16,737	RM9,192.7 mil
9M 2024	20,954	RM13,171.8 mil
% Change y-o-y	25.2%	43.3%

Abbreviation: 9M – January to September; mil - million
Source: NAPIC, CBRE | WTW Research & Consulting

Residential Developments Driven by RTS and SEZ

Encouraged by the Rapid Transit System (RTS) and the forthcoming Special Economic Zone (SEZ), IM's residential market was active with more new launches unveiled this year. Developers are acquiring land banks. Johor Bahru City Centre and the City Fringe are experiencing new high-rise residential developments. Some developers are redeveloping their properties into serviced apartments.

For instance, Sentral Hotel Johor Bahru is being redeveloped into serviced apartments named Gen Rise Residences. This also goes to The Connoisseur Food Generation food court in Johor Bahru City Centre, with redevelopment works for serviced apartments.

Meanwhile, localities like Tebrau, Iskandar Puteri, Gelang Patah, and Pasir Gudang are witnessing township developments. Developers such as Eco World Group, Tropicana Corporation Berhad, Austin Senibong Development Sdn Bhd, KSL Group, and Mah Sing Group are actively introducing new products in the aforementioned localities, primarily launching landed housing targeting medium-high-end income buyers.

Proactive Strategies: Early Bumiputera Releases and Lower Foreign Purchase Thresholds

Following the boom in IM's residential market, developers have been applying for lower bumiputera quotas and/or early releases, mainly for high-rise developments in the City Centre and Fringe.

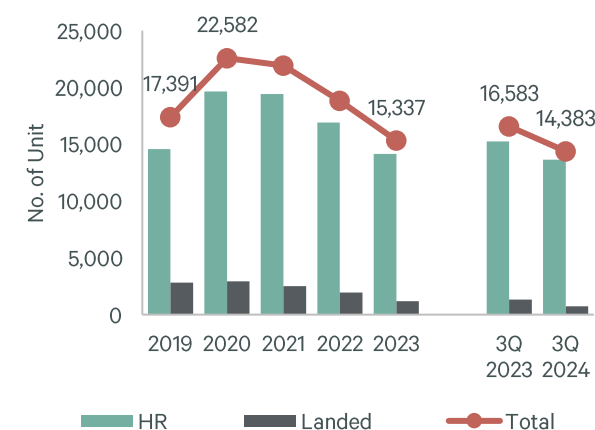
Developers are able to obtain approval for a lower price threshold, while foreign purchasers can also tap into a wider pool of potential units.

Leveraging favourable market conditions backed by strengthening currency and government initiatives on connectivity and economic zones, developers are keen to launch projects to meet the increasing demand. However, rising construction costs are driving up the selling prices of new developments.

While this increased supply may capture current demand, sustainability of the broader housing market may be difficult without the required infrastructure for connectivity between regions. Upcoming projects, including the upgrade of NSE, Causeway, and Second Link Checkpoint, need to be completed as planned.

State government policies will play a key role, such as the early release of bumiputera allocations, foreigner-friendly property investment rules, etc. Additionally, facilitating and supporting private sector applications to redevelop or convert underperforming buildings for other purposes, such as residential usage, may be a good starting point.

Residential Properties Overhang in Iskandar Malaysia



Abbreviation: HR – high-rise residential
Source: NAPIC, CBRE | WTW Research & Consulting

Iskandar Malaysia (cont'd)

BATU PAHAT

Batu Pahat's residential sector recorded an uptrend in transactions: volume and value increased 36.1% and 24.6% y-o-y, respectively; 1,766 units and RM613.9 million (cf. 9M 2023: 1,298 units and RM492.6 million).

New housing developments are expanding towards the outskirts of the town centre, particularly Tongkang Pechah and along Jalan Tanjong Laboh, due to the scarcity of land in the town centre. With good market response, local developers are introducing new phases of their existing projects. Meanwhile, new entrants to Batu Pahat, such as KSL Holdings and Parkland Group, are planning township developments.

For high-rise residential, no new projects have been launched in the past two years due to low market demand.

Residential Properties Transaction Volume and Value in Batu Pahat District

	Total Volume	Total Value
9M 2023	1,298	RM492.6 million
9M 2024	1,766	RM613.9 million
% Change y-o-y	36.1%	24.6%

Abbreviation: 9M – January to September
Source: NAPIC, CBRE | WTW Research & Consulting

MELAKA

Melaka's residential property sector observed a positive outlook in the first nine months of 2024, with both total transaction volume and value up 22.8% and 17.8% y-o-y, respectively. The landed residential sector is expected to see a competitive supply of high-quality developments. Landed housing developments are shifting to regions like Ayer Molek, Tanjung Minyak, Krubong, Jasin, and Jalan Gapam, which now have a continuous supply of new housing at affordable pricing.

The high-rise residential market is expected to remain quiet with few project launches. Rising land prices and the scarcity of land in the city centre have prompted developers to promote more high-rise products. The market is seeing increased interest from Airbnb operators and investors due to the rising number of tourist visitors. However, the surge in supply is expected to intensify competition. Developers are offering attractive sales packages to entice potential buyers.

Residential Properties Transaction Volume and Value in Melaka

	Total Volume	Total Value
9M 2023	6,066	RM1,884.16 million
9M 2024	7,450	RM2,220.16 million
% Change y-o-y	22.8%	17.8%

Abbreviation: 9M – January to September
Source: NAPIC, CBRE | WTW Research & Consulting

Sabah

Residential recorded muted sub-sales activities

KOTA KINABALU

Dip in sub-sale activities

Sub-sale activities in the residential sector for Kota Kinabalu – Penampang - Putatan for the year up to 3Q 2024 moderated, as were the landed residential segment.

Within the same period, condominium transactions remained stable. Units priced below RM400,000 were about 14% of transaction volume; units priced RM400,000 to RM599,000 were 34%; units priced RM600,000 to RM799,000 were 24%; units priced RM800,000 to RM999,000 were 14%, and units priced above RM1 million were 14%.

While the market for landed residential properties will remain firm in Kota Kinabalu, elsewhere the rising prices are likely to pose challenges.

New Launches

Newly launched landed residences this year included Araya Gardens 2-storey super link houses in Alamesra, off Jalan UMS, and Parklane 2 Phase 3A and 3B 2-storey terraced houses in Sepangar. There were also landed housing developments of less than 10 units in pockets of established residential areas in Luyang, Likas, Penampang, and Kolombong.

In the high-rise segment, condominium projects were launched in the Kepayan, Kolombong, Alamesra, and Damai suburbs.

Several completions were also recorded, which were the iconic 56-storey Jesselton Twin Towers, Forest Hill Residences, and Bay Suites. For the landed residential segment, they include Lume Homes and Parklane 2 (Phases 2B and 2C).

The outlook for landed residential remains firm due to limited new supply, while high-rise residential offers numerous supplies, spoiling homeowners for choices.

All Residential Transactions in Kota Kinabalu (Including Penampang and Putatan)

	Total Volume	Total Value
9M 2023	2,080	RM1,006.0 million
9M 2024	1,918	RM957.9 million
% Change y-o-y	-7.8%	-4.8%

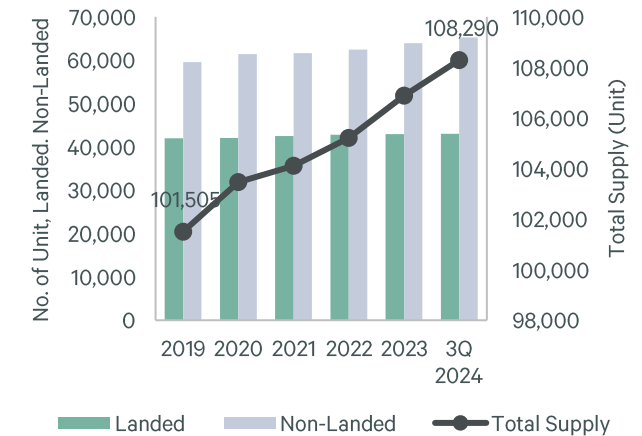
Abbreviation: 9M – January to September
Source: NAPIC, WTWS Research

Landed Residential Transactions in Kota Kinabalu (Including Penampang and Putatan)

	Total Volume	Total Value
9M 2023	1,132	RM673.4 million
9M 2024	1,046	RM654.6 million
% Change y-o-y	-7.6%	-2.8%

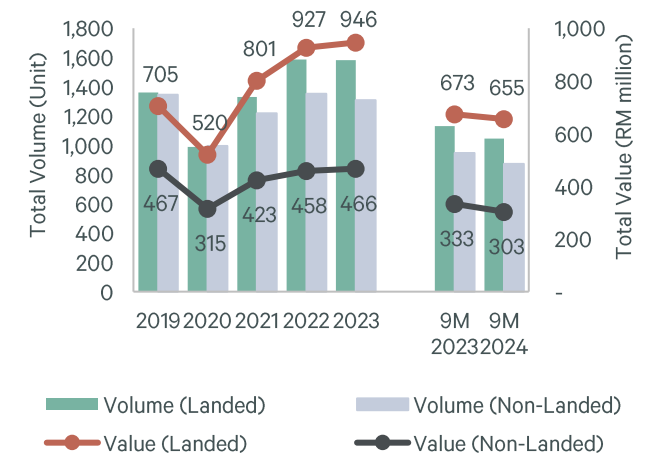
Abbreviation: 9M – January to September
Source: NAPIC, WTWS Research

Residential Supply in Kota Kinabalu (Including Penampang and Putatan)



Source: NAPIC, WTWS Research

Residential Transactions in Kota Kinabalu (Including Penampang and Putatan)



Abbreviation: 9M – January to September
Source: NAPIC, WTWS Research

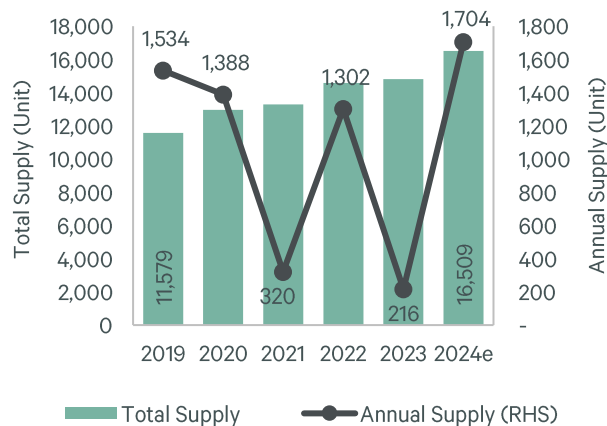
Sabah (cont'd)

Sabah MM2H Opportunities

Sabah's Malaysia My Second Home Programme (MM2H), launched in mid-2024, is specific to the state and differentiated from Malaysia's MM2H. An essential requirement under the new Sabah MM2H program is the purchase of a high-rise property exceeding RM600,000, whether completed or under construction, and whether titled residential or commercial. The program also allows purchased property to be traded off after 5 years, provided that investors purchase another new second home.

The state government had also relaxed its policy on the ownership of residential units under bumiputera status. Among others, this includes allowing buyers of bumiputera units to choose their preferred lots from the developer's 30% allocation for such units. Also, the previous restriction on the sale of units under bumiputera status to non-bumiputera buyers has been repealed.

Supply of High-Rise Residential Units in Kota Kinabalu (Including Penampang and Putatan)



Abbreviation: e- estimate; RHS – refer to right-hand-side axis
Source: NAPIC, WTWS Research

LAHAD DATU

The stable market in 2024 is expected to be unchanged. The crude palm oil price of more than RM4,000 per metric tonne has been sustained, although input costs have increased significantly.

Landed residential is still in good demand, but affordability remains a major drawback in addition to higher bank lending rates.

There is a vacuum of residential properties ranging from RM400,000 to RM1,000,000 due to a lack of new residential housing projects for the past 3 years.

TAWAU

Landed residences remain the preferred choice while demand for medium-cost units near the town continues to be the bright spot. Upper-end residential units priced at RM650,000 to RM800,000 saw moderate movement.

Medium-cost walk-up apartments are driving sales, but take-up is modest. This segment will attract the bulk of buying interest, with some bargain hunting in the sub-sale market for properties in prime residential areas, although higher borrowing costs might depress concluded sales.



Jesselton Twin Towers
Source: WTWS Research

SANDAKAN

Transactions for residential properties for the year up to 3Q 2024 totalled 674 transactions and RM198.19 million in value, compared to 574 transactions and RM185.95 million in value for the same period in 2023. Respectively, they increased by 17% and 7% y-o-y. New launches comprise 123 two-storey terraced houses from two projects.

For the year 2025, house prices are expected to be sustained for the landed residential segment with muted demand for high-rises.

LABUAN

Sub-sales transactions in Labuan increased by 7% y-o-y in volume to 188 transactions and increased by 20% y-o-y to RM73.4 million in value for the year up to 3Q 2024 (cf. 9M 2023: 176 transactions, RM61.0 million).

Ongoing developments include Taman Supreme at Kampung Lajau, comprising 17 units of 2-storey terraced houses going for a RM699,000 price tag, whilst the 2-storey semi-detached houses are priced from RM899,000. The initial phase of Southseas Pearl Residences, with 80 condominium units, is selling for RM346,100 to RM457,000 for units sized 908 to 1,077 sq. ft.

Sarawak

KUCHING

Residential transactions down in 2024: volume (-14.3%) and value (-6.4%). New supply of landed residential continues to be limited. The housing market remains robust.

Limited Landed Supply

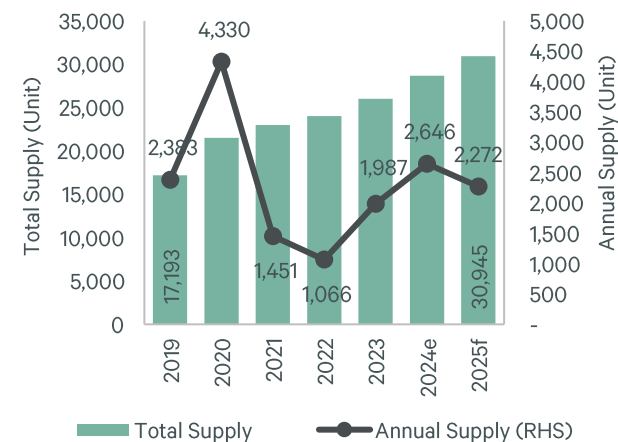
There were more launches of landed residential projects in 2024 compared to 2023. Most of the new launches of landed residential projects were in Secondary Prime and Secondary areas such as Matang, Petra Jaya and Jalan Kuching Serian.

Some significant landed housing launched in 2024 include:

- The Sanctuary at Jalan Ceria by Pembinaan Dinasti Tias Sdn Bhd - 208 units of single-storey terrace priced from RM376,000.
- Sejjak Residence at Jalan Sejjak by Lik Kuok Realty Sdn Bhd/ Sinar Mekar Properties Sdn Bhd - single-storey terraced (108 units) priced from RM408,000; and single-storey semi-detached (18 units) priced from RM518,000.
- Petra Vistana Malachite at Jalan Kopodims by GSD Southland Sdn Bhd - single-storey terrace (104 units) priced from RM441,000.
- The Mansions @ Kenny Heights at Jalan Ong Tiang Swee by Arif Hemat Properties Sdn Bhd - double-storey semi-detached (28 units) priced from RM3,096,000, and double-storey detached (25 units) priced from RM5,891,000.
- SÓL Estate Apex at Off Jalan Batu Kawa by EXAL (M) Sdn Bhd - double-storey terraced (48 units) priced from RM1,188,000 to RM1,828,000.

Demand for landed residential units continues to outstrip supply. The launch of new landed residential remains limited. The scarcity of landed residential units for sale continues to push prices up, and the situation is expected to persist.

Supply of High-Rise Residential in Kuching



Note: e- estimate; f - forecast
Source: NAPIC, WTWY Research

High-Rise Continues to Trend

The supply of high-rise projects continues to climb in 2024 with 2,735 units launched (2,659 units in 2023). Most projects launched were below 200 units. The few bigger projects were ONYX Residence at Galacity, Skyline at Aeroville, and Neu Pendington Residences.

Central Business District (CBD) remains the main area for high-rise residential with more than 80% of launched units in 2024. The other active area is Batu Kawa. High-rise residential units launched are more than double of landed.

Following a peak last year, high-rise residential units completed in 2024 have dropped to about 1,257 units (Cf. 2023: 2,339 units). Completions for 2024 were mainly in the Kuching Built-up Area (KBUA), which included 440 units at The IXORA @ Stutong Baru and 168 units at Doncaster Residence @ Hup Kee.

The average unit price has increased whilst units are trending smaller to maintain affordability. While the average price per sq. ft. across the board (which includes older units) is maintained at RM650 per sq. ft., prices of new launches in favourable locations have breached RM700 per sq. ft. Apartment types range from studio units to 3 + 1 bedroom units/ dual-key units with typical sizes between 800 sq. ft. and 1,200 sq. ft. Apartment yields are maintained at 3.5% per annum.

Residential prices are expected to hold steady and increase marginally for those in prime and popular locations.

New launches remain active, and demand remains satisfactory. The density of the project is seen to be increasing whilst the average size of units offered is seen to be getting smaller. The continuing interest, especially from the younger generation, has kept prices afloat. Prices have reached as high as RM700 per sq. ft. for some projects, whilst prices have remained stagnant and even decreased for older projects.



IXORA @ Stutong Baru, Kuching

Source: WTWY Research

Sarawak (cont'd)



PD Apartments & Condominiums, Kuching

Source: WTWY Research



Doncaster Residence, Kuching

Source: WTWY Research



Morrison Residence, Kuching

Source: WTWY Research

MIRI

Landed Residential

There were new launches for landed but no high-rise. Significant new landed launches in Miri include 81 Taman Delight (80 units), Ardence Cahya (91 units), and Richmond Park Phase 2 (114 units). 81 Taman Delight is the first landed strata-titled residential project in Miri.

As per JPPH data at 3Q 2024, transaction volume stood at 1,252 units, a decrease of 132 units (8.5% y-o-y), while transaction value has decreased 7.2% y-o-y from RM577.5 million to RM535.7 million. Affordable housing, gated-guarded housing estates, and niche-market products continue to trend.

Price increment is noted in both the primary and secondary markets for all segments.

Occupancy and take-up rates remain stable for 2024, and transaction activity and prices are expected to be up in 2025 due to launch activities and an improved economy.

Known as Resort City and popular with expats, the revised S-MM2H^{Note 1}, especially with the downward revision of the age eligibility, may draw in more foreign residents.

Landed housing remains the preferred housing choice in Miri.

Note 1: S-MM2H offer opportunities to retirees above 50 years old, investors aged 40-50 years old for houses priced above RM600,000; 30-50 years old foreigners undergoing long-term medical treatment in Sarawak or have children studying in Sarawak.

Miri: Average Transacted Price and Yield for 2024

	Price (RM)		Average Yield	
	2023	2024 ^P	2023	2024 ^P
Terraced House	513,000	565,000	3%	3%
Semi-Detached House	721,000	743,000	3%	3%
Condominium	400-590	300-560	3-4%	3-4%

Note: The prices above are per unit for terraced and semi-detached houses and per square foot for condominiums.

Abbreviation: p – preliminary

Source: WTWY Research

High-Rise Residential

Transaction volume and value for high-rise residential units (including serviced apartments and SOHOs) as of 3Q 2024 were both up by 33%. (cf. 3Q 2024: 48 units, RM25.3 million; 3Q 2023: 36 units, RM19.0 million)

Units with great views and smaller sizes continue to trend. Challenges faced by the high-rise subsector are the perception of less control over one's own property as bounded by the Strata Titles Ordinance 2019 and Strata Management Ordinance 2019. High-rise residential properties target young families, first-time homebuyers, retirees, and singles, attracting property investors and S-MM2H residents.

Government policies like stamp duty exemptions for first house purchases and affordable high-rise options like Sri Pertiwi can encourage more buyers.

The high-rise residential sector is expected to be stable with moderate growth as the economy grows.

Sarawak (cont'd)

BINTULU

Landed Residential

As of 3Q 2024, transaction volume for landed residential properties decreased by 10% to 405 units (cf. 9M 2023: 451 units) worth RM163.0 million, a drop of 6% y-o-y (cf. 9M 2023: RM173.5 million).

Projects launched in 2024 include Unity Residence (84 two-storey terraced and 64 three-storey townhouses), Yu'reka (76 units), and Green Height Residence Phase 3 (93 units).

The transient nature of most of the working population of Bintulu, such as migrant workers and expatriates, has shaped the housing market in Bintulu to be more rent-orientated, as renting options are more flexible than purchasing, without the need for long-term commitments.

Housing demand in Bintulu remains positive, with the new mega projects attracting more local and migrant workers. However, the reliance on transient workers results in higher market volatility. Once a project ends, rental demand may take a dive.

Bintulu: Average Transacted Price and Yield for 2024

	Price (RM)		Average Yield	
	2023	2024 ^P	2023	2024 ^P
Terraced House	600,000	615,000	3-3.5%	3-3.5%
Semi-Detached House	880,000	900,000	3-3.5%	3-3.5%
Condominium	540	580	2.5-3%	2.5-3%

Note: The prices above are per unit for terraced and semi-detached houses and per square foot for condominiums.

Abbreviation: p – preliminary

Source: WTWY Research

High-Rise Residential

There are no new high-rise residential launches in 2024. As of 3Q 2024, transactions of high-rise residential increased from 46 units (2023) to 51 units. Likewise, the transaction value increased from RM20.2 million as of 3Q 2023 to RM20.5 million as of 3Q 2024.

High-rise units are more affordable and popular for rent by migrant and transient workers who are increasing in Bintulu. Apartment units in Bintulu are also trending smaller in size.

SIBU

Landed Residential

As of 3Q 2024, transactions decreased about 15% y-o-y from 1,468 to 1,252 units, while transaction value decreased by 13% y-o-y from RM435.3 million to RM380.2 million.

Occupancy and take-up rates are anticipated to remain stable in 2025. The controlled inflation rate and Overnight Policy Rate (OPR) would help maintain stability and steady demand. However, newer units may require a longer time to sell with further price increases.

As the key town in Central Sarawak, SibU is experiencing migrants from the surrounding districts such as Kapit, Sarikei, Bintangor, etc., due to better job and business opportunities. This growing group will boost housing demand. New projects are trending towards smaller units to keep them affordable.

The sub-sale market is popular due to its relatively cheaper prices and established locations compared to new housing projects.

Housing prices are expected to increase marginally amidst inflationary pressures. Home buyers might shift to housing alternatives that are more financially viable, such as older houses, affordable housing, and high-rise residential units.

High-Rise Residential

High-rise residential in 3Q 2024 performed better y-o-y compared to 3Q 2023. Transacted volume as of 3Q 2024 recorded 44 units, an increase of 13% compared to 3Q 2023 (39 units). Transacted value of high-rise residential units increased by as much as 30% y-o-y from RM10.3 million (9M 2023) to RM13.4 million (9M 2024).

Sibu: Average Transacted Price and Yield for 2024

	Price (RM)		Average Yield	
	2023	2024 ^P	2023	2024 ^P
Terraced House	484,000	500,000	3%	3%
Semi-Detached House	760,000	780,000	3%	3%
Condominium	550	570	4%	4%

Note: The prices above are per unit for terraced and semi-detached houses and per square foot for condominiums.

Abbreviation: p – preliminary

Source: WTWY Research

Sarawak (cont'd)

SIBU

High-Rise Residential (cont'd)

The current existing stock of high-rise residential in Sibu stands at 1,146 units as of 3Q 2024, with increased incoming supply y-o-y as evidenced by 392 units of new incoming supply for 3Q 2024.

A significant ongoing high-rise residential project noted is The Breez @ Pulau Li Hua, developed by Messrs. Hock Peng Realty Sdn. Bhd. This development features two 17-storey blocks, comprising a total of 320 serviced apartment units, located on the banks of the Batang Rajang River.

The data reveals a steady, albeit slow upward trend for high-rise residential in Sibu. In 2025, the high-rise residential sub-sector is expected to maintain stability.

With the increasingly built-up nature of Sibu city, the positive population growth, and increasing acceptance, and hence, demand for modern, convenient living spaces, it is anticipated that there is much potential for high-rise residential developments in the Sibu market, especially since its stock is now the lowest of all the 4 major cities. Demand in Sibu remains highly domestic.

Sector Outlook

There were more completions than launches up to 3Q 2024. Apartments completed were more than 3 times the number of units launched.

Overall transaction volume (-9.7%) and value (-4.4%) decreased y-o-y.

Prices continue to trend upwards in all major towns or cities, whilst rentals held steady. The House Price Index (HPI) as of 3Q 2024 for terraced units is the highest for Sibu, followed by Miri and Kuching. Prices of landed residential are expected to increase further. High-rise residential units, particularly in good locations, continue to see demand with competitive pricing. New launches continue to trend towards smaller units.

The overhang numbers for the residential sector for 3Q 2024 in Sarawak eased y-o-y by 12% in volume and 4.4% in value. High-rise residential units contribute 54% of Sarawak's total overhang.

Demand for housing will continue to grow in line with households and be influenced greatly by location and price. Housing affordability remains a pressing issue with house price increases.



Junction 3 Apartment (Block 1), Bintulu

Source: WTWY Research

Significant Residential New Launches (Landed Residential)

PROJECTS	LOCATION	DEVELOPER	TYPE	LAND AREA (SQ. FT.)	NO. OF UNITS	PRICE (RM PER UNIT)
KLANG VALLEY						
Ridge View (Phase 1)	Taman Saujana Puchong	IJM Properties	2-T	1,579 – 1,804	35	From 1.29 million
Irama Villa IV	Bandar Kinrara	S P Setia	2-T	1,760	31	From 1.70 million
			2-T	2,400	7	From 1.98 million
Aderyn (Phase 2)	Setia Alamsari, Kajang	SP Setia	2-T	1,300	60	From 679,000
Ferrous 3	Alam Impian, Shah Alam	SP Setia	2-T	1,400	101	From 916,000
			2-T	1,680		From 1.16 million
			2-C	2,520	228	From 1.50 million
Elmina Ridge 1 (Phase 2)	Elmina, Shah Alam	Sime Darby	2-SD	3,200		From 2.10 million
SEREMBAN, NEGERI SEMBILAN						
Iringan Bayu	Sendayan	Aspect Synergy Sdn Bhd	2-T	1,300	290	From 477,000*
Eka Heights	Sendayan	Matrix Concepts Sdn Bhd	2-T	1,540	262	From 638,888
Taman Bukit Enstek	Sendayan	New Times Development Sdn Bhd	2-T	1,540	297	From 660,000
Nova	Seremban 2	Seremban Two Holdings Sdn Bhd	2-SD	3,601	64	From 1.78 million
Vio Banj'ran	Seremban 2 Heights	Seremban Two Holdings Sdn Bhd	3-D	5,070 – 8,934	35	From 3.98 million
BATU PAHAT, JOHOR						
Bandar Putera Indah (Phase 16C)	Tongkang Pechah	Johbase Development	1-TH	1,650 – 4,118	62	548,800 – 820,119
			2-TH	1,650 – 4,581	33	730,800 – 1.09 million
Bandar Putera Indah - Imperial Garden (Phases 2A & 6)	Tongkang Pechah	MITC Sdn Bhd	2-SD	3,600 – 7,439	63	575,280* – 860,510
Taman Puteri Jaya	Simpang Kanan	Sekawan Ekuiti Sdn Bhd	2-SD	2,944 – 5,875	8	888,000 – 1.44 million
Taman Desa Tropika	Simpang Kanan	Gold Li Development Sdn Bhd	2-TH	2,087 – 3,193	20	750,000 – 1.13 million
Taman Puteri Jaya	Simpang Kanan	Multi Star Realty Sdn Bhd	1-TH	1,633 – 3,657	18	468,000 – 652,432

* Bumiputera unit

Abbreviation: T- Terraced; SD- Semi detached; D- Detached; C- Clustered; TH – Townhouse; sq. ft. – square feet

Source: CBRE | WTW Research & Consulting

Significant Residential New Launches (Landed Residential)

PROJECTS	LOCATION	DEVELOPER	TYPE	LAND AREA (SQ. FT.)	NO. OF UNITS	PRICE (RM PER UNIT)
ISKANDAR MALAYSIA						
Ponderosa Vista (Phase 2i)	Masai - Plentong	Pandan Baru Sdn Bhd	2-T	1,920 – 4,320	57	1.09 million – 1.55 million
St Marco Park (Phase 3B)	Kulai	Casa Bayu Idaman Sdn Bhd	2-T	1,650 – 4,750	82	779,900 – 1.39 million
M Tiara (Phase 1)	Skudai	Venice View Sdn Bhd	2-T	1,400 – 3,894	223	920,000 – 1.45 million
Sunway Aviana (Phase 3)	Sunway City Iskandar Puteri	Sunway Property	2-T	1,400 – 2,798	90	1.03 million – 1.36 million
Pearl 6A @ Austin Crest	Crest @ Austin	Austin Senibong Development Sdn Bhd	2-T	1,170 – 2,571	220	773,000 – 1.13 million
Pearl 6B @ Austin Crest	Crest @ Austin	Austin Senibong Development Sdn Bhd	2-T	1,170 – 3,198	165	817,000 – 1.31 million
Sunway Maple Residence	Sunway City Iskandar Puteri	Sunway Property	2-T	1,800 – 6,242	156	1.46 million – 2.47 million
Kaza Hill (Phase 2)	Ulu Tiram	Far East (Ulu Tiram) Sdn Bhd	2-C	2,100 – 3,862	217	1.13 million – 1.78 million
			2-SD		279	1.63 million – 2.18 million
Aurinia @ Setia Tropica	Setia Tropica, Kempas	Setia Indah Sdn Bhd	2-SD	3,200 – 5,680	40	1.96 million – 2.49 million
Valeria 2	Taman Kempas Utama	Wealthy Growth Sdn Bhd	2-SD	3,003 – 8,267	28	1.54 million – 2.82 million
IPOH, PERAK						
Sunway Bayu	Sunway City Ipoh	Sunway City (Ipoh) Sdn Bhd	2-TH	1,044 – 1,485	168	620,000 – 1.09 million
Villa D'Pollo Ipoh	Jalan Raja D'Hilir (also known as Jalan Tambun)	Macorp Holdings Sdn Bhd	2-SD	2,594 – 5,586	48	1.46 million – 2.19 million
KOTA BAHRU						
Taman Sutera, Kuala Krai	Kuala Krai	Revenue Team Sdn Bhd	1-T	1,400	165	From 278,000
Residensi Intan, Desa Green	Kuala Krai	Fajarbaru Real Development Sdn Bhd	1-T	1,300	143	From 225,000
			1-SD	3,000	84	From 325,000
KUANTAN, PAHANG						
Repulse Bay Residence	Tanjung Lumpur	Effective Venture Development Sdn Bhd	2-T	1,690	24	From 738,800
			2.5-T	1,690	25	From 982,800
			2-B	From 10,053	7	From 2.87 million

Abbreviation: T- Terraced; SD- Semi detached; D- Detached; C- Clustered; TH – Townhouse; sq. ft. – square feet

Source: CBRE | WTW Research & Consulting

Significant Residential New Launches (Landed Residential)

PROJECTS	LOCATION	DEVELOPER	TYPE	LAND AREA (SQ. FT.)	NO. OF UNITS	PRICE (RM PER UNIT)
MELAKA						
Taman Sutera Wangi (Phase 4A, Phase 4B, Phase 4C & Phase 4D)	Batu Berendam	Nusa Murni Sdn Bhd (Setia Awan Group)	1-T	1,399 – 1,432	256	From 374,500
Taman Serambi Gapam (Phase 1A)	Jalan Gapam	Bintang Urusjuta Sdn Bhd (GJH Group)	1-T	1,755	11	382,950 – 394,450
			2-T	1,755 – 3,272	2	546,250 – 679,650
Taman Gapam Perdana	Jalan Gapam	Riverwell Resources Sdn Bhd (Teladan Setia Group)	1-T	1,960 – 6,103	156	400,000 – 630,200
			1-T	1,960 – 3,897	38	413,000 – 522,000
			2-T	1,960 – 3,897	41	560,000 – 698,890
			2-T	1,960 – 3,897	41	580,000 – 728,890
Taman Tanjung Minyak Jaya	Tanjung Minyak	Serta Lega Development Sdn Bhd (NKS Group)	2-T	1,302	29	From 478,000
			2-T	1,399	62	From 498,000
Taman Ozana Residen (Phase 6)	Ayer Keroh	PDG Corporation Sdn Bhd	2-T	1,539 – 5,058	76	583,920 – 1.16 million
Taman Paya Rumput Lagenda	Paya Rumput	Fixmax Entity Sdn Bhd (NKS Group)	2-T	1,485 – 4,058	90	620,000 – 926,800
Scientex Bandar Jasin	Lipat Kajang, Jasin	Scientex Heights Sdn Bhd	2-C	2,077	188	422,000 – 480,000
			2-T	1,170	289	286,700 – 433,700
Taman Scientex Jasin Mutiara	Jasin	Scientex Heights Sdn Bhd	2-T	1,170	281	344,000 – 565,000
Residensi D'Aman @ A'Famosa	A'Famosa	Tanjung Ratna Sdn Bhd	2-T	1,400	25	385,000 – 468,635
KUALA TERENGGANU						
Taman Tiara Paka Fasa 3	Kuala Paka, Dungun, Terengganu	Kemaman Technology and Industrial Park Sdn Bhd	1-T	1,400	35	From 246,800*
Taman Desa Padang Indah	Batu Buruk, Kuala Terengganu	Tanjong Developer Sdn, Bhd	2-D	BUA:	5	730,000* – 795,000*
			2-SD	2,088 – 2,605	14	550,000* – 564,000*

* Bumiputera unit

Abbreviation: T- Terraced; SD- Semi detached; D- Detached; C- Clustered; TH – Townhouse; BUA – built-up area; sq. ft. – square feet

Source: CBRE | WTW Research & Consulting

Significant Residential New Launches (Landed Residential)

PROJECTS	LOCATION	DEVELOPER	TYPE	LAND AREA (SQ. FT.)	NO. OF UNITS	PRICE (RM PER UNIT)
PENANG						
Mekarsari Unggul	Bertam, SPU	Hunza Group	1-D	3,067	37	From 934,000
			2-T	1,586	317	From 702,000
			2-T	1,694		
Frieden	Bukit Minyak, SPT	WHH Land	2-T	1,378	52	From 794,700
IJM Bayouri @ Ayra Terraces	Jawi, SPS	IJM Land Bhd	2-T	1,432	100	From 765,000
Fera (Phase 1 & 2)	Andaman Island	E & O Bhd	3-T	1,798	51	From 3.31 million
Senna (Phase 1 & 2)	Andaman Island	E & O Bhd	3-SD	3,154	18	From 4.55 million
				3,488		
KOTA KINABALU, SABAH						
Parklane 2 (Phase 3A & 3B)	Sepangar	Ramindah Sdn Bhd	2-T	1,313	37	From 750,000
Vila Mahandoi	Penampang	Eco Star Kinabalu Sdn Bhd	2-T	1,204 – 3,178	40	780,000 – 1.10 million
Araya Gardens	Alamesra	KTI Development Sdn Bhd	2-T	2,754 – 2,813	36	1.35 million – 1.50 million
SANDAKAN, SABAH						
Taman Bayu Idaman	Off Jalan Airport	HBA Property Venture Sdn Bhd	2-T	1,214 – 3,819	93	350,360* – 524,800
Taman Mawar Villa	Off Jalan Sibuga	Megapex Sdn Bhd	2-T	1,327 – 3,029	30	481,150* – 689,080
BINTULU, SARAWAK						
Unity Residence	Jalan Sibiyu	Poly Drive Sdn Bhd	2-T	1,911	84	747,800 – 1.04 million
			2-TH	1,782 – 1,862	104	549,800 – 769,800
The Yu'reka	Jalan Sibiyu	Hong-Yet Construction Sdn Bhd	2-T	1,535 – 1,606	64	648,888 – 989,888
			2-SD	2,101	12	1.14 million – 1.33 million
Green Height Residence (Phase 3)	Jalan Bintulu – Miri	Dayabaru Sdn Bhd	2-T	1,733	93	645,000 – 818,000

* Bumiputera unit

Abbreviation: T- Terraced; SD- Semi detached; D- Detached; C- Clustered; TH – Townhouse; sq. ft. – square feet

Source: CBRE | WTW Research & Consulting

Significant Residential New Launches (Landed Residential)

PROJECTS	LOCATION	DEVELOPER	TYPE	LAND AREA (SQ. FT.)	NO. OF UNITS	PRICE (RM PER UNIT)
KUCHING, SARAWAK						
Ava Grand (Phase 1)	Off Jalan Kung Phin	Zuragaya Sdn Bhd	2-SD	3,468 – 3,821	8	1.28 million – 1.38 million
			2.5-SD	4,074 – 4,401	4	1.28 million – 1.48 million
Ava Grand (Phase 2)			2-SD	3,956 – 4,684	8	1.48 million – 1.55 million
			2-T	1,948 – 5,255	18	898,000 – 1.21 million
Ava Grove (Phase 2)	Lorong Datuk Temmenggung Tan Meng Chong 13D	Zuragaya Sdn Bhd	2-SD	3,817 – 6,004	16	1.89 million – 2.12 million
Kensho Townhouse 2 (Block M2)	Off Jalan Batu Kawa	Lee Onn Development Sdn Bhd	TH	BUA: 1,229 – 1,771	48	588,000 – 813,000
Petra Vistana Malachite	Jalan Kopodims	GSD Southland Sdn Bhd	1-T	1,642 – 4,813	104	441,000 – 650,000
Sejjak Residence (Phase 2)	Jalan Sejjak	Lik Kuok Realty Sdn Bhd/ Sinar Mekar Properties Sdn Bhd	1-SD	3,355 – 5,717	18	518,000 – 559,000
			1-T	1,821 – 4,139	108	408,000 – 492,000
SÓL Estate Apex (Phase 2)	SÓL Estate Road, Off Jalan Batu Kawa	EXAL (M) Sdn Bhd	2-T	1,991 – 3,250	40	1.19 million – 1.83 million
The Green	Jalan Field Force Batu Kawa	UrbanPro Development Sdn Bhd	TH	BUA: 1,426 – 2,495	94	651,020 – 935,497
The Heidi	Jalan Tinggian Demak	Bumi Tetap Sdn Bhd	2-D	4,227 – 6,030	4	1.80 million – 2.00 million
The Mansions @ Kenny Heights	Jalan Ong Tiang Swee	Arif Hemat Properties Sdn Bhd	2-SD	3,660	28	3.10 million – 4.03 million
			2-D	6,405	25	4.46 million – 5.89 million
The Sanctuary	Jalan Ceria	Pembinaan Dinasti Tias Sdn Bhd	1-T	1,595 – 5,460	208	376,000 – 518,000
MIRI, SARAWAK						
81 Taman Delight	Luak - Bakam	Asset Borneo Development Sdn Bhd	2-T	1,402 – 1,445	72	478,000 – 638,000
			2-SD	1,744	8	880,000
Ardence Cahya	Riam – Lopeng	Green Summit Development Sdn Bhd	2-T	1,402 – 1,445	91	658,800 – 968,800
Richmond Park (Phase 2)	Riam – Lopeng	Central World Development Sdn Bhd	2-T	2,050 – 2,157	114	628,000 – 828,000

Abbreviation: T- Terraced; SD- Semi detached; D- Detached; C- Clustered; TH – Townhouse; BUA – built-up area; sq. ft. – square feet

Source: CBRE | WTW Research & Consulting

Significant Residential New Launches (High-Rise Residential)

PROJECTS	LOCATION	DEVELOPER	TYPE	UNIT SIZE (SQ. FT.)	NO. OF UNITS	PRICE (RM PER SQ. FT.)
KLANG VALLEY						
The Ashwood	Ampang Hilir/ U-Thant	Paramount Property (Cityview) Sdn Bhd	C	1,381 – 3,020	342	960 – 1,420
Bangsar Hill Park (Talisa – Tower C)	Bangsar	Bangsar Hill Park Development Sdn Bhd (Sunsuria and Suezcap)	C	803 – 1,478	392	1,090 – 1,320
TuJu Residences	Jalan Kuching	Distinctive World Sdn Bhd (Joint-venture with Eccaz Sdn Bhd)	SA	710 – 1,442	932	From 620*
Solasta Dutamas (Tower A)	KL Metropolis, Dutamas	Kar Sin Bhd (YNH Property Bhd)	SA	720 – 900	329	790 – 1,190
Sunway Velocity 3	Maluri, KL	Sunway Velocity Three Sdn Bhd	SA	721 – 926	1,604	From 860
Skyline Embassy (Tower A & B)	Ampang Hilir/ U-Thant	Skyline Embassy Sdn Bhd	SA	521 – 822	864	From 1,170
Times Square 2 (Block 1)	Jalan Imbi, KL	Berjaya Times Square Sdn Bhd	SA	488 – 1,038	629	From 1,210
Branniganz Suites @ Bukit Bintang	Bukit Bintang	Lembaran Beruntung Sdn Bhd (Exsim Group)	SA	495 – 678	269	From 2,160
Kyliez Suites @ KLCC	KLCC	Exsim Avenue Sdn Bhd	SA	484 – 657	126	2,190 – 2,490
Pavilion Square	Bukit Bintang	Armani Hartajaya Sdn Bhd (Pavilion Group)	SA	504 – 1,272	960	From 2,420
SEREMBAN, NEGERI SEMBILAN						
Arena Residences	Seremban	Karisma Perwira Sdn Bhd	SA	385 – 1,099	195	625 – 751
MELAKA						
Ambience @ Kota Laksamana (Phase 2)	Kota Laksamana	Real Golden Development Sdn Bhd (Faithview Group)	SA	688 – 1,088	638	From 600
PENANG						
London Pavilion	Bayan Lepas	M Summit Premium	C	982 – 1,342	527	From 420
Maya Residensi	Bukit Mertajam, SPT	Jayamas Property Group	SA	777 – 1,187	213	From 500
Senze @ PICC	Bayan Baru	Hunza Group	SA	657 – 2,142	1,680	From 820
G'Vinton	Georgetown	GSD Land	SA	387 – 474	508	From 1,430

* Bumiputera unit

Abbreviation: C – Condominium; SA – Serviced Apartment; sq. ft. – square feet

Source: CBRE | WTW Research & Consulting

Significant Residential New Launches (High-Rise Residential)

PROJECTS	LOCATION	DEVELOPER	TYPE	UNIT SIZE (SQ. FT.)	NO. OF UNITS	PRICE (RM PER SQ. FT.)
KUANTAN, PAHANG						
Sea Crestz	Kuantan Waterfront Resort City	EXSIM Group	SA	506 – 1,894	456	From 850
KOTA BAHRU, KELANTAN						
Arika @ Kubang Kerian	Kubang Kerian	Seruan Mewah Sdn Bhd	SA	260 – 1,350	668	From 850
KUALA TERENGGANU						
Qubaz Suites	Bandar Kuala Terengganu	EXSIM Kg Tiong (KT) Sdn Bhd	SA	388 – 753	759	840 – 1,000
ISKANDAR MALAYSIA, JOHOR						
Pinegate Residency (Tower A)	Masai	Kim Lun	SA	685 – 885	448	486 – 521
Parkland Residence Permas	Masai	Parkland Southern Sdn Bhd	SA	562 – 1,020	1,078	562 – 1,020
Austin Regency (Tower D)	Tebrau	Scudai Development Sdn Bhd	SA	490 – 1,317	279	584 – 688
Waterway Peaks (Tower 1) @ Senibong Cove	Masai	Senibong Cove Development Sdn Bhd	SA	930 – 1,378	205	600 – 638
M Minori (Tower C)	Tebrau	Mah Sing	SA	570 – 800	486	605 – 706
Zenit Molek/ Pangsapuri Saujana Indah (Tower A)	Masai	Multi Court Developers Sdn Bhd (LBS Group)	SA	590 – 863	393	618 – 648
Nadi Residence	Southkey, City Fringe	Southkey City Sdn Bhd	SA	649 – 1,050	395	633 – 640
Avenue Residences (Phase 2)	JB City Fringe	MBW City	SA	435 – 1,001	1796	797 – 1,025
Florian Residences (Tower 7 & 8)	City Fringe	MBW	SA	488 – 1,687	388	800 – 869
IPOH, PERAK						
Raffles 188	Thompson, Ipoh	Raffles World Sdn Bhd	C	712 – 1,174	188	560 – 705
Kepayang Sentral	Greentown	Luxe Properties (Gt) Sdn Bhd	SA	538 – 1,055	399	600 – 624
Loft 26 @ Bercham	Ipoh	Luxe Premier Groups Sdn Bhd	SA	673 – 1,236	394	603 – 682
SIBU, SARAWAK						
The Breez @ Pulau Li Hua	Jalan Pulau Li Hua	Messrs. Hock Peng Realty Sdn Bhd	A	620 – 939	320	From 743

Abbreviation: A – Apartment; C – Condominium; SA – Serviced Apartment; sq. ft. – square feet

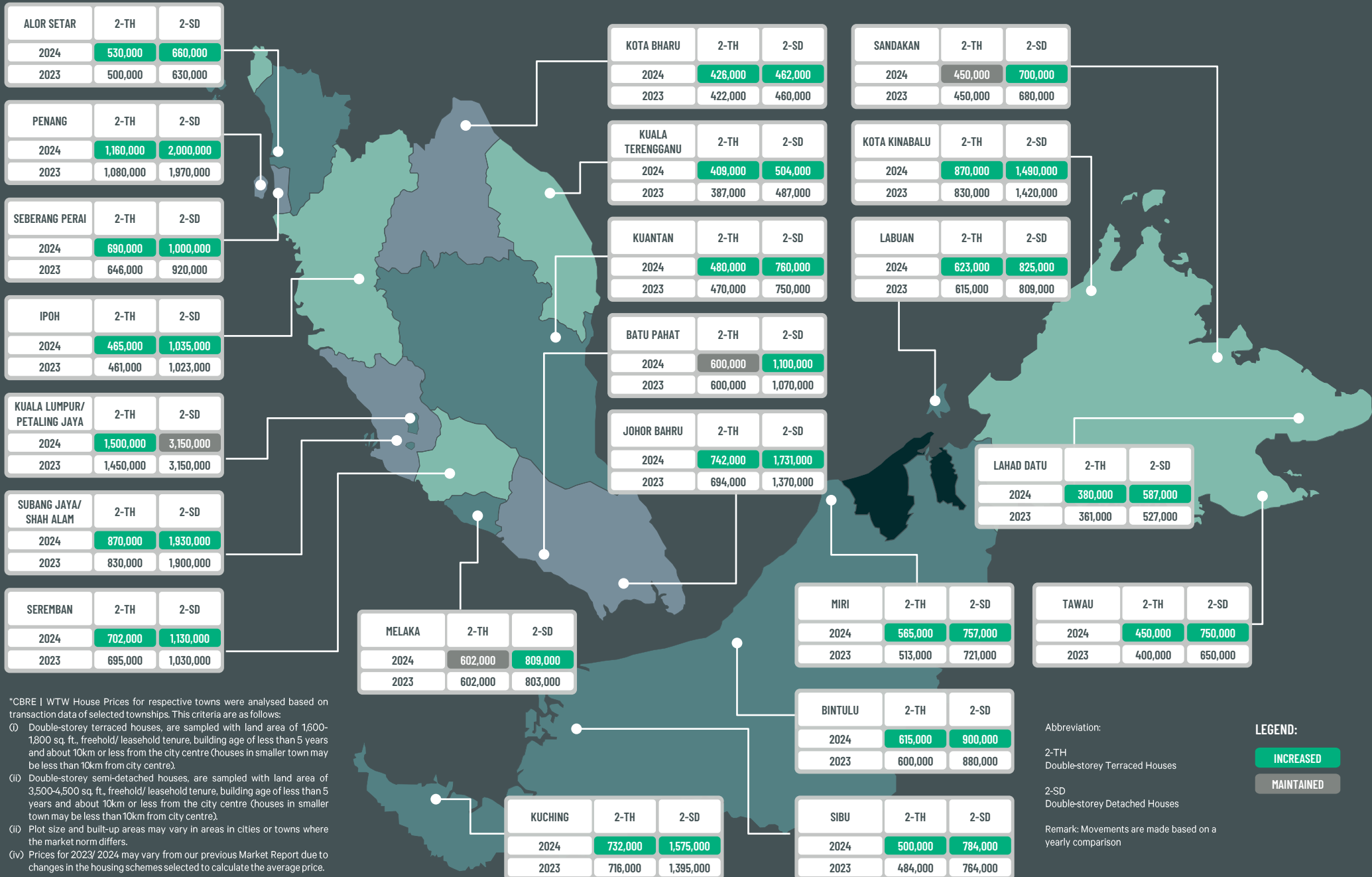
Source: CBRE | WTW Research & Consulting

Significant Residential New Launches (High-Rise Residential)

PROJECTS	LOCATION	DEVELOPER	TYPE	UNIT SIZE (SQ. FT.)	NO. OF UNITS	PRICE (RM PER SQ. FT.)
KOTA KINABALU, SABAH						
Kayana Heights Block A1	Alamesra	KTI Development Sdn Bhd	C	650 – 900	433	483 – 548
Aria Residence	Kolombong	Aton Group Sdn Bhd	C	915 – 2,038	360	556 – 744
Residensi Bayu Damai	Damai	Fyt Land (KK) Sdn Bhd	C	697 – 1,132	762	717 – 859
KUCHING, SARAWAK						
D'Isabelle (Tower A)	Jalan Dogan	RJ Realty Sdn Bhd	A	798 – 1,617	165	511 – 599
The Skyline	Jalan Stutong Baru	Timeless Harmony Sdn Bhd	A	652 – 1,547	510	606 – 753
Kenny Hill Residence (Phase 2)	Lorong Kenny Hill 2, Off Jalan Ong Tiang Swee	Multi Construction Sdn Bhd	A	511 – 1,218	63	723 – 840
ONYX Residence	Lorong Kempas 6C	Musyati Sdn Bhd	A	527 – 4,004	510	756 – 905
Abberton Avenue @ Pine Square	Jalan Batu Kawa	Lee Onn Development Sdn Bhd	SA	576 – 1,137	168	480 – 634
Neu Pendington - Residences	Jalan Datuk Marican Salleh	UDA Land (Sarawak) Sdn Bhd	SA	675 – 1,110	329	585 – 822
Canning Residences	Lorong Setia Raja 4K	GKS Development Sdn Bhd	SA	1,756 – 4,672	114	620 – 1,205
Summervale Residence @ BDC	Jalan Stutong	Tecktonic & Sons Holdings Sdn Bhd	SA	420 – 1,631	195	700 – 760
Polar Suites	Lorong BDC F	Joo Yan Property Sdn Bhd	SA	965 – 1,091	16	810 – 916
Springfield Residence	Lorong Taman Seng Goon 9	Shin Yang Properties	SOHO	1,050 – 2,332	154	612 – 741

Abbreviation: A – Apartment; C – Condominium; SA – Serviced Apartment; SOHO – Small Office Home Office; sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

2023/2024 Malaysia Housing Price Indicator



*CBRE | WTW House Prices for respective towns were analysed based on transaction data of selected townships. This criteria are as follows:

- (i) Double-storey terraced houses, are sampled with land area of 1,600-1,800 sq. ft., freehold/ leasehold tenure, building age of less than 5 years and about 10km or less from the city centre (houses in smaller town may be less than 10km from city centre).
- (ii) Double-storey semi-detached houses, are sampled with land area of 3,500-4,500 sq. ft., freehold/ leasehold tenure, building age of less than 5 years and about 10km or less from the city centre (houses in smaller town may be less than 10km from city centre).
- (iii) Plot size and built-up areas may vary in areas in cities or towns where the market norm differs.
- (iv) Prices for 2023/ 2024 may vary from our previous Market Report due to changes in the housing schemes selected to calculate the average price.

Abbreviation:

2-TH
Double-storey Terraced Houses

2-SD
Double-storey Detached Houses

Remark: Movements are made based on a yearly comparison

LEGEND:

INCREASED

MAINTAINED

04


Office

PURPOSE-BUILT OFFICE:

Relevant to Klang Valley, Penang, Iskandar Malaysia, Kota Kinabalu, and Kuching; relating to a privately-owned office building.

SHOP OFFICE:

Relevant to other localities; relating to shop office buildings with multi-ownership and is used for office purposes.



Demand remains steady for new, high-quality green buildings in prime locations, driven largely by relocations from older buildings, which are increasingly left vacant. Landlords of older buildings face challenges in retaining tenants, underscoring the need for upgrades or repurposing. Staff retention, operational costs, and access to amenities are critical factors influencing leasing decisions. Rents for selected new buildings are rising, driven by higher occupancy rates and increasing maintenance costs. However, the rate of increase varies across the market.

Sr Lim Chai Yin

MANAGING DIRECTOR – ADVISORY & TRANSACTION
CBRE | WTW

Klang Valley

Modern, sustainable office spaces reflect today's occupiers' priorities

Cost efficiency, enhanced amenities, and favourable lease terms are at the forefront, guiding relocation decisions toward buildings that offer environmental, social, and governance (ESG) features and value.

Upon the completion of Merdeka 118, Pavilion Damansara Height Corporate Tower 1, Menara Felcra, and ATWATER Corporate Towers in 2024, the total office supply in Klang Valley reached 125.5 million sq. ft., 72% of the supply located in KL and 28% outside KL.

Prime purpose-built office (PBO) totals 62.0 million sq. ft., representing 49% of the overall office supply. The completion of high-quality office spaces within new integrated commercial developments, such as TRX, KL Eco City, and Pavilion Damansara Heights, is expected to increase competition and sustain market interest, offering premium amenities and strategic locations.

As of 3Q 2024, the overall occupancy rates for PBO in Klang Valley and KL showed a q-o-q improvement, reaching 77.7% and 77.4%, respectively. This uptick may partly reflect a growing interest of offshore multinational corporations to relocate to KL.

Budget 2025 introduced measures to reduce vacancy rates by releasing vacant government and GLC buildings for use as preschools, childcare centres, and TVET training facilities.

New Office Developments on the Upswing

New office developments in the Klang Valley are set to continue, with 2.5 million sq. ft. slated for completion in 2025, followed by 2.3 million sq. ft. in 2026 and an additional 1.3 million sq. ft. in 2027.

77% of these will be green-certified buildings, while 19% will comply with the Malaysia Digital standards.

These new projects are expected to meet the demand for high-quality, future-ready offices, featuring Malaysia Digital-compliant infrastructure and Green Building certification.

This shift towards sustainable and tech-driven office spaces reflects the evolving preferences of multinational corporations and businesses seeking modern, eco-friendly work environments.

By 2027, 38% of new office supply (2.3 million sq. ft.) is projected to be completed Outside KL, another 33% (2.0 million sq. ft.) in the KL Fringe, and 29% (1.8 million sq. ft.) in the KL City Centre.

Selected Upcoming PBO Developments

Year	Location	Building Name
	KL City Centre	PNB 1194
	KL City Centre	Oxley Tower @ KLCC
	Bangsar	TNB Gold
2025	Petaling Jaya	Finas Tower @ PJ Sentral
	Bkt Damansara	Pavilion Damansara Height CT10
	Sunway City	Sunway Square Corporate Towers
	KL City Centre	Multibay
	Bandar Utama	The Capitol Twin-Office Towers
2026	KL City Centre	Plaza Conlay Tower 2
	Bukit Bintang	Pavilion Square Bukit Bintang
2027	Bangsar South	DUO Tower Bangsar South

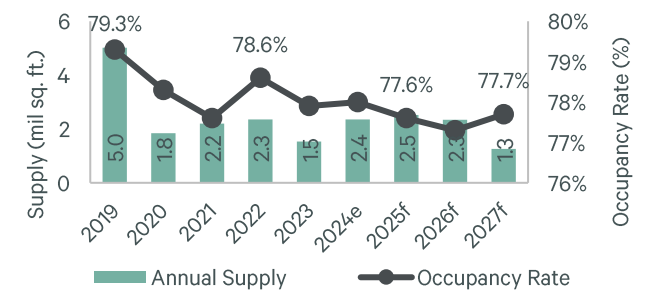
Source: CBRE | WTW Research & Consulting

Sustained Demand for Quality Office Spaces

The occupancy rate for quality office spaces in Klang Valley has been sustainable and will continue through 2025. This trend highlights the perennial demand for quality office environments even as businesses adapt to evolving work practices.

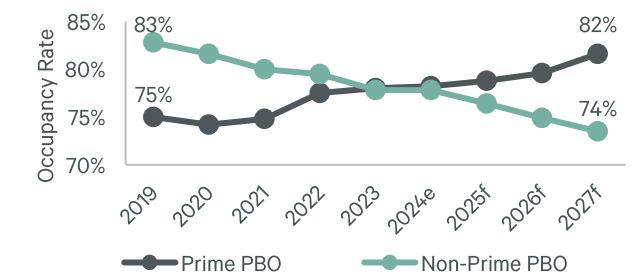
The availability of prime office space continues to attract occupants from non-prime offices, further driving down their occupancy rates. Non-prime offices with outdated layouts and services now face the decision to reinvent themselves, repurpose their spaces, or undergo redevelopment.

Annual Supply and Overall Occupancy Rate



Abbreviation: mil sq. ft. – million square feet; e – estimate; f – forecast
Source: CBRE | WTW Research & Consulting

Occupancy Rate for Prime and Non-Prime PBOs



Note: Prime PBO refers to office buildings with Grade A and Premium A, while non-Prime PBO refers to office buildings with Grade B and C
Source: CBRE | WTW Research & Consulting

Klang Valley (cont'd)

Renewed Confidence in Office Sector

- Nord-Lock (a provider of advanced bolting and engineering solutions) moves its Southeast Asia & Taiwan regional office from Singapore to Q Sentral (KL Sentral).
- Taiwan-based E.SUN Bank expanded into The Exchange 106 @ TRX.
- Ant International (a digital payment and financial technology provider) is to set up a new business centre at The Exchange 106 @ TRX by 2025.
- Bursa Malaysia is to move its front office to The Exchange 106 @ TRX, while keeping the bulk of its operations at the current premise (Exchange Square, Bukit Kewangan).

The relocation of offices and business expansions are driven by the need for strategic and dynamic hubs. Klang Valley is increasingly recognised as a competitive and accessible centre for such growth.

Co-working Continues to Evolve

Co-working operators are continuing to expand with several recent launches in KL. Notable openings and expansions in 2024 include:

- Co-Lab at The Five Damansara Heights (15,000 sq. ft.)
- WORQ at Menara 1 Sentrum (7,200 sq. ft.)
- WORQ at Menara UOA Bangsar (17,500 sq. ft.)
- WORQ at Integra Tower at Intermark (23,000 sq. ft.)
- WORQ at Sunway Putra Mall (20,000 sq. ft.)
- Colony at The Met, Mont Kiara (18,500 sq. ft.)
- HQ by Regus at Menara AmBank (12,971 sq. ft.).

Looking ahead, upcoming launches include SPACES by Regus at Merdeka 118 and Infinity8 at Mid Valley Southpoint.

Co-working spaces are increasingly popular among large companies seeking flexibility. The co-working spaces are also attracting significant interest, particularly from foreign IT firms.

As of 3Q 2024, around 72 co-working centres are operational within office buildings in KL, with 60 of these located in prime office buildings. The average monthly cost for a hot desk ranges from RM400 to RM500.

The outlook for co-working spaces is promising, driven by recent initiatives such as the DE Rantau Nomad Pass. As of October 2024, nearly 2,000 applications for this pass have been approved, positioning Malaysia as a preferred hub for digital nomads. Launched under the Malaysia Digital Catalytic Programmes, the pass allows digital nomads to live and work in the country for up to 12 months, with renewal options available.

Co-working operators like WORQ, Common Ground, and Komune are actively involved in initiatives by Malaysia Digital Economy Corporation (MDEC), including the DE Rantau programme. These efforts are drawing in digital nomads and promoting the growth of a digital-first workforce.

Recent investments from global tech giants like Google and Microsoft also bolster Malaysia's potential as a regional digital hub and promote Malaysia as an attractive destination in the competitive digital economy.

SEREMBAN

The shop office sector in Seremban remained quiet in 2024, spread across Seremban 2, Sendayan, Senawang, and Nilai.

A significant portion of the shop office spaces are occupied by food and beverage (F&B) outlets. The average yield for shop offices ranges between 5.5% and 6.0%. The typical transacted price for these properties is approximately RM1.2 million, up from RM1.1 million in 2023.

Rental rates for shop offices have remained consistent at an average of RM2.50 to RM3.00 per sq. ft. (ground floor) and RM1.80 per sq. ft. (upper floor), showing no significant fluctuation when compared to last year.

Penang

New Supply and State Government Initiative

GBS TechSpace (60,000 sq. ft.) in Bayan Lepas was completed, increasing the PBO supply to 12.2 million sq. ft. in 3Q 2024.

The state government launched “Penang Silicon Design @ 5km+”, an initiative to create an ecosystem for Integrated Circuit design and technology enterprises within a 5km+ radius of the Bayan Lepas Industrial Park.

Silicon Research and Incubation Space, a one-stop centre to support chip design start-ups, is one of the key projects of the initiative. Phase 1 will be housed at GBS TechSpace, occupying 36,000 sq. ft. to accommodate up to eight local and international IC design companies, with at least 300 IC design engineers.

The overall occupancy rate for PBOs remained healthy, approximately 85% on Penang Island and 77% in Seberang Perai, for an overall rate of 83% for the state.

The incoming PBO space in Penang is expected to increase significantly.



GBS TechSpace

Source: Team PDB Sdn Bhd’s official website

Upcoming High-Quality Office Space

Sunshine Tower (MSC) @ Sunshine Central (230,000 sq. ft.) has obtained its Certificate of Completion and Compliance (CCC). The building has been 60% pre-committed to Citigroup.

GBS By the Sea (290,000 sq. ft.), at Penang IC Design and Digital Park, is scheduled for completion by the end of 2024. The building will be occupied by AMD (70%), Celestica, and a major U.S. tech giant. AMD is expanding while Celestica will establish its first R&D and Design Development centre in Penang.

In the northeastern part of Penang, the monthly gross rental for PBOs ranges from RM2.60 to RM5.50 per sq. ft., while in the southeastern part, they range from RM3.50 to RM5.50 per sq. ft. per month. With the new high-quality office spaces, there is potential for a slight increase in rental rates.

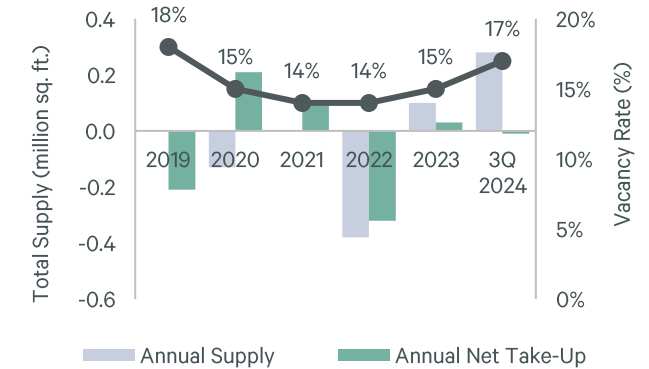
Fresh Co-Working Space

INFINITY8 opened its new co-working facility on July 1, 2024, approximately 25,000 sq. ft. in the historic Standard Chartered Bank building in Beach Street, Georgetown. The workspace features dedicated desks, hot desks, private offices, meeting rooms, and event spaces for SMEs, startups, and corporates. The rate for a private suite is approximately RM990 per month.

Newly completed office buildings will broaden PBO options, but overall occupancy may experience a downturn. Higher rental rates are expected.

Co-working spaces are gaining acceptance due to their more flexible leasing terms, typically offering shorter lease durations and avoiding long-term commitments associated with traditional office leases.

Annual Supply, Annual Net Take-Up and Vacancy Rate



Abbreviation: sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

Other future PBOs in Penang as tabled below:

Building Name	NLA (sq. ft.)	Location	Target Completion
Ideal MSC Tower	230,000	Bayan Lepas	1Q 2025
Office Tower at The Light City	165,000	Gelugor	2025
GBS @ Technoplex	500,000	Bayan Lepas	2027
Capstone Corporate Suites	395 units	Batu Kawan	2027

Abbreviation: NLA – net lettable area; sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

Penang (cont'd)

KEDAH

In 3Q 2024, Kedah recorded a transaction volume of approximately 281 shop office units, with a total value of RM121.6 million. Despite the increase in property values, rental rates remained stable, reflecting steady demand and market confidence.

Properties in prime locations with good accessibility continue to attract interest, contributing to stable occupancy rates across the market. Looking ahead, the shop office market in Kedah is expected to remain resilient in 2025, supported by sustained demand and a balanced supply-demand dynamic.

OSK Property has officially launched BPJ Business Park in Sungai Petani. The first phase of the development, which opened for sale in July 2024, has already been fully sold. The business park is on a 27.6 acres freehold site and consists of ninety-four 2-storey to 3-storey terraced shop offices. The sizes range from 20 ft. to 75 ft. and 20 ft. to 100 ft., with prices starting from RM806,000.

Following that, the second phase is now available for sale, featuring 2-storey semi-detached shop offices and drive-through units.



BPJ Business Park

Source: OSK Property

PERAK

Shops in prime areas are achieving strong prices, driven by high demand and strategic locations. In contrast, shops in secondary areas are focusing on improving their occupancy rates to attract more tenants.

The market shows signs of gradual improvement, a trend that is expected to persist into 2025, supported by sustained interest in well-located properties and efforts to enhance secondary market performance.

The Grande @ Bercham is a new landmark development along Jalan Bercham, next to Lotus Hypermarket. The project consists of 3.5-storey commercial shop lots and is expected to be completed by 2027. Currently, the shop lots are selling with prices starting at RM1.9 million.

Iskandar Malaysia

Rising Office Supply Amid Stable Demand

The office market in Iskandar Malaysia (IM) experienced a significant increase in purpose-built office (PBO) supply during 2Q 2024, driven by a surge in completions that outpaced market demand.

Notable additions included the South Tower in Mid Valley Southkey, contributing 327,000 sq. ft. of office space, as well as UMCity Premium Corporate Office Tower in Medini and Menara Bank Rakyat @ Coronation Square in Johor Bahru City Centre, which collectively supplied an additional 660,000 sq. ft. This influx of new supply is anticipated to exert pressure on the overall occupancy rate in the region.

Notable New PBO

Development	Locality	Est. NLA (sq. ft)
South Tower @ Mid Valley Southkey	Johor Bahru City Fringe	327,000
Menara Bank Rakyat @ Coronation Square JBCC	Johor Bahru City Centre	550,000
UMCity Premium Corporate Office Tower	Medini	110,000
Total New Supply		987,000

Abbreviation: NLA – net lettable area, sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

Better Space Quality, Better Rental Rates

Higher rental rates are observed in new PBOs located in the Johor Bahru City Centre and City Fringe area, where high-quality office space with MD accreditation is offered, with asking rents ranging from RM4.00 to RM5.00 per sq. ft. The new PBOs could lower occupancy rates, with offerings of high-quality spaces, encouraging tenants to relocate from older buildings.

Although lower rental rates are offered by older PBOs, they continue to struggle. Tenants seeking better-quality office space are relocating to new PBOs, despite the higher rental costs. Some old PBOs are undergoing refurbishment and upgrading in an effort to enhance their competitiveness. Apart from that, many business operators still remain in commercial shop offices due to the nature of their business and the lower rental cost.

Existing Supply and Average Asking Gross Rentals

Location	Building	Average Asking Gross Rent (RM/ sq. ft./ month)
JB City Centre and Fringe	Older PBO	2.00 to 3.50
	New PBO	4.50 to 5.00
Medini/ Puteri Harbour	New PBO	3.00 to 3.50

Abbreviation: sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

Co-Working Space Growth: Expanding Opportunities in the Working Environment

Following the growing popularity of co-working space, Johor Bahru has witnessed active expansion within PBOs and commercial shop offices. To date, 66 co-working centres are operating in Johor Bahru. Infinity 8 holds the largest market share with about 44% of the total co-working space in the area, followed by International Workplace Group (IWG) at 11% and Common Ground at 5%. Co-working operators are actively expanding into new PBOs and commercial shop offices. Recent expansions are as follows:

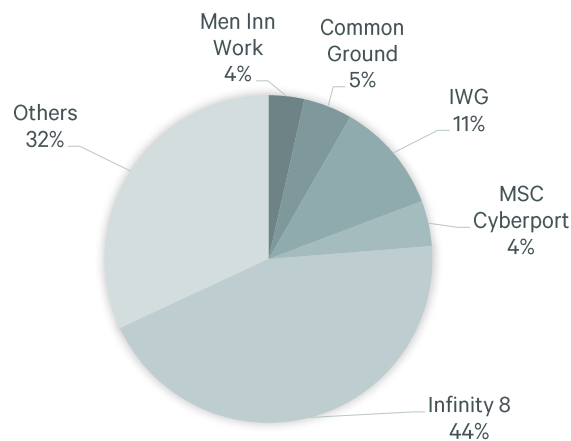
- HQ by IWG: 14,000 sq ft at Menara Pelangi.
- INFINITY8 Reserve: Another 11,000 sq. ft. at Eco Palladium.
- INFINITY8 Reserve: Additional 11,000 sq. ft. at Menara JLand.
- INFINITY8 Reserve: Additional 13,907 sq. ft. at Mid Valley Southkey.
- INFINITY8 Reserve: Another 12,000 sq. ft. at Business Boulevard @ Central Park.
- Regus by IWG: 12,475 sq. ft. in UMCity Premium Corporate Office Tower, upon building completion.

This demand is due to the growing importance of flexibility in a dynamic business environment. These spaces offer shorter rental terms, enabling companies to quickly adapt to changing business needs. Despite lower initial capital expenses, companies have access to high-speed internet, community activities, and F&B options.

Iskandar Malaysia (cont'd)

IM's proximity to Singapore also enables cross-border collaboration and connectivity. While they fill up PBO spaces, they also occupy shop offices, posing a competitive market while meeting the current growing new working demands and serving the needs of a different group of workers. Demand may maintain with the growing economy, currency, and better infrastructure and connectivity to the Southern region.

Market Share for Co-Working Operators (sq. ft.)



Source: CBRE | WTW Research & Consulting

BATU PAHAT

Shop offices located in town centres and transportation hubs are experiencing strong market demand. While prices for shop offices in prime locations have increased, transactions remain limited.

However, market rents remain low, deterring leasing activity and restricting options for prospective tenants and buyers on the market.

MELAKA

Melaka's office sector remains quiet, with new supply expected after 2027. Tatmax Corporation Sdn Bhd is launching two 31-storey blocks of Small Office Versatile Office (SOVO) units in Limbongan. These SOVO towers will further establish the Limbongan commercial hub, which is already the home to popular establishments such as McDonald's, Starbucks, Uniqlo, and Jaya Grocer. In addition, the construction of the office block by Parkland By The Sea is progressing smoothly. Upon completion, the building will comply with ESG architectural design and functionality standards.

With the influx of tourists to Melaka, tourism-related businesses are experiencing significant growth, leading to an increase in shop office demand in tourist spots, such as Kota Laksamana.



Menara Bank Rakyat @ Coronation Square

Source: CBRE | WTW Research & Consulting

Sabah

More activities for the shop office sector

KOTA KINABALU

Aside from Menara SEC, new office space is mainly from upper floors of suburban walk-up shop offices and modern signature offices with lifts. To name a few, they are Sutera Avenue and Aeropod, located within the city fringe or central business district (CBD), the most recent being JQ Gallery Shoppes. Signature offices also cater to sectors F&B, health and beauty services, budget or boutique hotel accommodations, and other speciality uses.

Incoming new purpose-built office (PBO) supply includes Menara Desa, a 5-storey corporate office of Desa Group in Kolombong, and an office tower being a part of the mixed commercial development known as EG Mall in Penampang.

The PBO Sector in Kota Kinabalu and throughout Sabah will remain limited, primarily occupied by the public sector and its agencies. Large successful Sabah corporations also have their offices in Kuala Lumpur to project their image but are content to occupy shop offices in Kota Kinabalu, which are more convenient and practical.

While Johor Bahru and Penang have successfully carved their market positions for PBO tenants, Kota Kinabalu is still in the early stages of this process.

LAHAD DATU

Prices and rents were generally maintained with yields of about 3% to 4%.

Previously vacant shop lots in suburban areas have been gradually taken up for F&B, small agricultural and household supplies, and services, among others. The overall occupancy rate is about 85%.

TAWAU

Demand is primarily for ground floor shop offices at newer commercial centres such as Garden City and T2 Centre.

Contemporary lifestyle commercial developments with a good mix of F&B, recreational, supermarket, speciality retail, retail chains, and household attract good footfall.

Incoming commercial developments such as 1Arena Commercial Centre Phase 2A (22 shop office units) have been fully sold, while Mid Valley has a take-up of over 80%. Subsequent phases of both projects are expected to be launched in 2025.

Growth opportunity is expected in 2025 with increased economic activity and improved market sentiments.

LABUAN

PBO demand is mainly from offshore banks, trusts, and foreign companies. Sub-sales transactions for shop offices have increased.

SANDAKAN

Office space demand is observed mainly for conventional shop offices. While established commercial centres in good locations enjoy good occupancy.

Up to 3Q 2024, 99 shop offices were transacted, amounting to RM68.6 million, an increase of 14% and 8% y-o-y, respectively (cf. 9M 2023: 87 volume, RM63.7 million value).

Sejati Sentral, a new development along Jalan Airport, will comprise 141 two-storey shop offices, 6 two-storey linked shops, a 5-storey hotel, and a drive-thru restaurant. Construction works are in progress for 63 units of shop offices under Phase 1.



JQ Gallery Shoppes

Source: WTWS Research

Sarawak

KUCHING

The PBO sector saw smaller completions in 2024. Overall, the office market remains stable.

SENA @ Petra Jaya, a 4-storey building with a net lettable area of 11,238 sq. ft., was completed and up for leasing at RM4.50 per sq. ft.

The UNIFOR Complex, the HQ for the Unit for Other Religions (UNIFOR), with the Green Building Index (GBI) along Jalan Tiang Swee, built at RM73 million, was also completed.

Another PBO was also launched along the same road, namely, DUBS Building, to be constructed in two 7-storey towers.

The occupancy rate for PBO has dropped to around 75%, with the completions of several buildings of significant size last year.

There was one sale transaction noted for UMW Toyota's office and showroom at Jalan Pending for RM14.4 million.

Rentals of PBO remain unchanged, averaging around RM2.70 per sq. ft., with a yield of 4.5% per annum.

The PBO landscape in Kuching remains niche and is mostly dominated by bigger corporations for their own owner-occupation. Office suites were noted to be more active in transactions and price for 2024.

For the shop office sector, completions in 9M 2024 were about 20% more than in 9M 2023. While new shop offices are gradually being occupied, the vacating of old shophouses and offices is also noted.

More than 50% of commercial transactions recorded were below RM400,000, with 3-storey shophouses being the most common. There were also a significant number of transactions exceeding RM1 million per unit.

Shop office units in prime and popular locations continue to enjoy good price appreciation, such as the 3-storey intermediate units at Saradise, which have increased significantly in price to more than RM3 million.

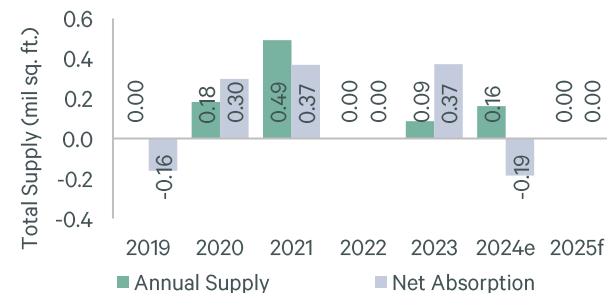
Increased Interest

There is increased interest in stratified office units or suites, although the preference is still for shop offices.

Way To Go

New buildings should gear towards meeting GBI-certified requirements as consumers are becoming increasingly aware of ESG compliance.

Performance of PBO in Kuching



Abbreviation: mil sq. ft. – million square feet; e – estimate; f – forecast
Source: NAPIC, WTWY Research

MIRI

One Shell Square Miri (OSSM) was officially opened by Sarawak Shell Bhd in October 2024. Owned and managed by Pantai Bayu Indah Sdn Bhd, it is an energy-efficient office building serving Shell Malaysia's upstream operations.

Shell's new HQ will create many new opportunities for Miri and Sarawak, as well as spur Green Building agendas.

PBO demand in Miri is mainly driven by the oil and gas, oil palm, and public sectors.

The new hybrid work style of home and remote-based offices has affected office space and layout requirements.

The sector is expected to remain stable in 2025.

Based on NAPIC's data, shop office transaction volume as of 3Q 2024 increased by 9% y-o-y while transaction value decreased by 5% y-o-y.

Autocity @ Parkcity Eastwood, with 54 units of 2-storey terraced shophouses priced between RM977,000 and RM2,303,000, was recently launched by Pantai Bayu Indah Sdn Bhd.

Occupancies of shop offices have improved.

The sector is generally up in terms of prices, whilst rentals and yields are expected to be stable for 2024 and 2025.

Miri: Average Yield of PBO and Shophouses

	PBO		Shop Office	
	2023	2024 ^p	2023	2024 ^p
Average Rent (RM per sq. ft.)	NA	NA	1.30 - 1.50	1.30 - 1.50
Average Yield	NA	NA	4%	4%
Average Transacted Price (RM per unit)	NA	NA	1.30 million	1.35 million

Note: Data for the full year of 2023 and 2024 is based on estimation
Abbreviation: NA – not available; p – preliminary; sq. ft. – square foot
Source: WTWY Research

Sarawak (cont'd)

BINTULU

In Bintulu, PBOs mainly house government offices or owner occupants, e.g., Wisma LHDN (Inland Revenue Board). There was no transaction activity in 2024.

Shop office transaction volume and value as at 3Q 2024 decreased by about 16% and 21%, respectively. Transactions dropped from 134 units to 113 units, and value decreased from RM97.5 million to RM76.9 million.

Rentals and yields remained stable. New shophouse projects show varying sales rates, ranging from 7% to 37%.

An average occupancy around 70% augurs well for the commercial sector. However, the newly completed shop offices tend to have lower occupancy rates due to prospective tenants being more cautious of newer, less established projects.

Most business owners still prefer to rent, which provides more flexibility with no long-term commitment. Rentals appear to be more active than sales. Proximity to infrastructure and amenities and competitive pricing will greatly influence demand for this sector.

Bintulu: Average Yield of PBO and Shophouses

	PBO		Shop Office	
	2023	2024 ^p	2023	2024 ^p
Average Rent (RM per sq. ft.)	1.40 - 2.80	1.40 - 2.80	1.35	1.35
Average Yield	NA	NA	4-5%	4-5%
Average Transacted Price (RM per unit)	NA	NA	1.3 million	1.3 million

Abbreviation: NA – not available; p – preliminary; sq. ft. – square foot
Source: WTWY Research

SIBU

The PBO sector in SibU continued to lack activity in 2024 and is predominantly owner-occupied by the government and corporate sector. Most businesses continue to favour shop offices due to lower costs, better access, and shopfront visibility.

The new SibU Municipal Council (SMC) building, costing RM70 million, is a modest step towards state-of-the-art office spaces.

The government's efforts to position SibU as a transportation and logistics hub may create potential for PBO spaces. However, shop offices are still the current preferred commercial property type. Balancing the competition between PBO and conventional shop offices will be key for effective commercial office growth in the region.

As of 3Q 2024, the shop office market in SibU had a similar transaction volume and value compared with the same period last year: 366 units worth RM146 million.

With the lack of recent completions and new launches, sub-sales of existing shop offices are strong, especially those located at prime locations and pre-tenanted.

Shop office demand seems to have rebounded with increased consumer spending and business confidence. F&B, FMCG retailers, and service providers continue to drive demand.

Although yields remain modest, increased business confidence has boosted shop office transactions. Prices have also increased slightly.

The performance of shop offices in SibU for 2025 is expected to be mixed, with demand remaining strong for units in prime locations, offset by low demand for units in non-prime locations.

Sibu: Average Yield of PBO and Shophouses

	PBO		Shop Office	
	2023	2024 ^p	2023	2024 ^p
Average Rent (RM per sq. ft.)	NA	NA	1.20	1.20 - 1.30
Average Yield	4-4.5%	4-4.5%	4%	4%
Average Transacted Price (RM per unit)	NA	NA	1.20 million	1.25 million

Note: * 3-storey shop offices
Abbreviation: NA – not available; p – preliminary; sq. ft. – square foot
Source: WTWY Research

Sector Outlook

There is increasing interest in PBOs as the major cities develop and grow. Awareness of ESG will increase the potential for green office buildings, in line with the state government's Green and Energy-Efficient Agenda.

In the meantime, PBO continues to be mainly owner- and government-occupied with limited demand. Overall, shophouses are still preferred due to lower flexibility, lower rentals, lower price rates, and lower maintenance costs.



UNIFOR Complex, Kuching

Source: WTWY Research

04

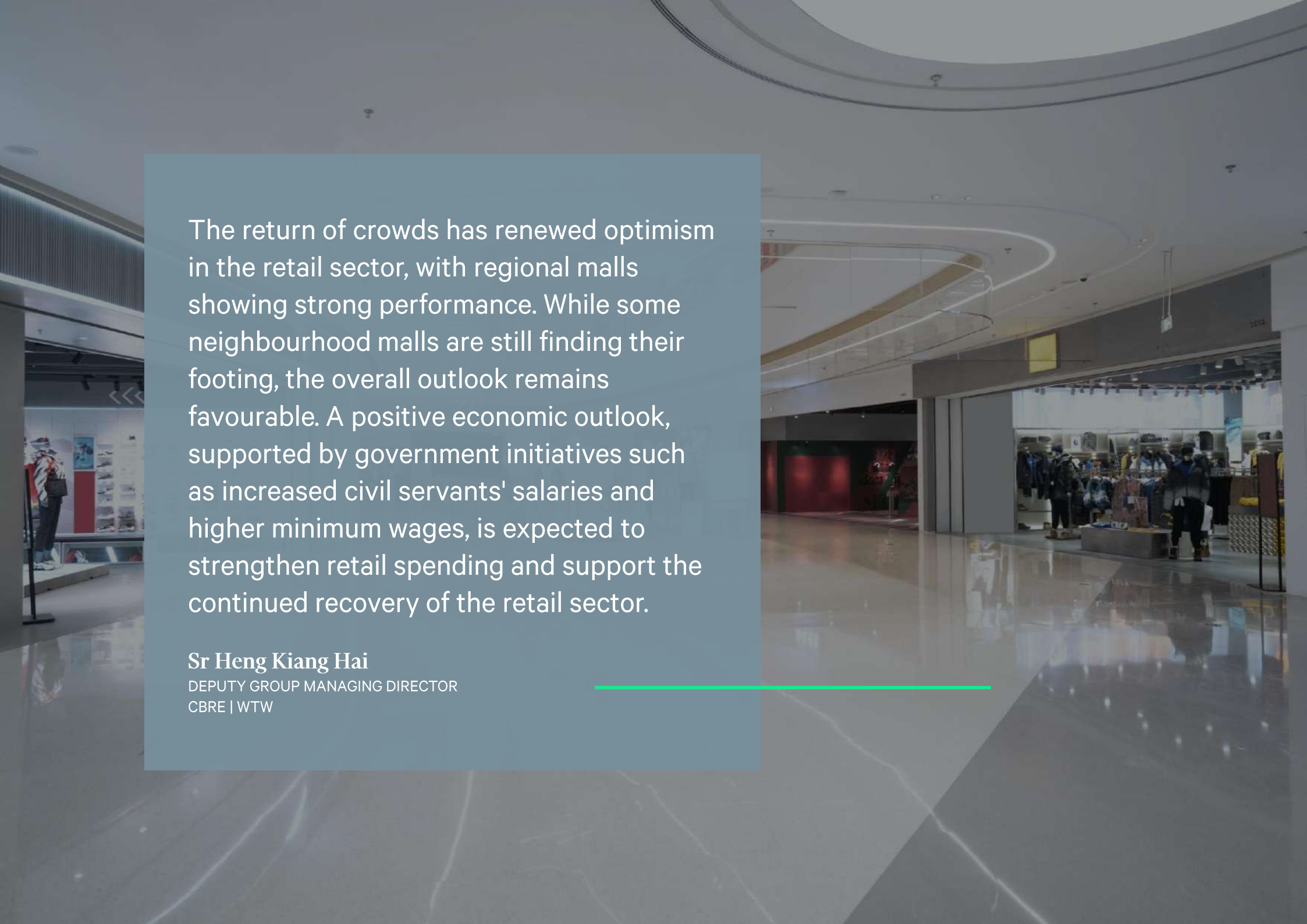
Retail

PURPOSE-BUILT RETAIL:

Relevant to Klang Valley, Penang, Iskandar Malaysia, Kota Kinabalu, and Kuching; relating to a shopping centre with single-ownership.

SHOP OFFICE:

Relevant to other localities; relating to shop office buildings with multi-ownership and is used for retail purposes commonly on the ground floor.



The return of crowds has renewed optimism in the retail sector, with regional malls showing strong performance. While some neighbourhood malls are still finding their footing, the overall outlook remains favourable. A positive economic outlook, supported by government initiatives such as increased civil servants' salaries and higher minimum wages, is expected to strengthen retail spending and support the continued recovery of the retail sector.

Sr Heng Kiang Hai

DEPUTY GROUP MANAGING DIRECTOR
CBRE | WTW

Klang Valley

Klang Valley’s retail sector is evolving into a mixed-use destination

Sustainability initiatives are gaining traction, enhancing the malls as vibrant hubs for shopping and social interaction.

Retail sales in 9M 2024 grew by 3.8% year-on-year and are expected to reach 3.9% for the full year, with a slight improvement anticipated in the last quarter. This growth is driven by the return of the Malaysia Year End Sale (MYES 2024), which began on 15 November, and the early celebration of Chinese New Year in 2025, starting on 29 January, with Malaysian Chinese consumers expected to begin their festive shopping in late December.

In 2024, New Ocean Fine Food City opened as the first lifestyle gourmet mall focusing on F&B with curated restaurant selections such as Raku Matcha, Kyomo Kohi, Jing Cheng, and The Golden Time. The rejuvenated Semua House also reopened with a modern layout and a majority of local retailers. In Shah Alam, Elmina Lakeside Mall opened in 3Q, anchored by Jaya Grocer. The mall has an open-concept layout and poses a 98% occupancy rate.

By 2025, 118 Mall (0.9 million sq. ft.), Pavilion Damansara Heights Phase 2 (0.5 million sq. ft.), and 8 Conlay Lifestyle Quarter (0.2 million sq. ft.) are expected to open.

Occupancy levels slightly improved to 81% (+0.5 percentage points y-o-y) as of 3Q 2024. Tenant movements have been vibrant since early 2024, marked by significant brand debuts at The Exchange TRX Mall. Notable newcomers include France’s Salomon, Hong Kong’s Lukfook Joaillerie, and Malaysia’s first Apple store, originating from the US. Other new retail entries primarily come from the F&B and Fashion & Accessories categories.

Rentals are improving for prime malls. REIT-operated retail malls reported positive tenancy renewals in 2023, recording an average gross rental of RM38 per sq. ft. per month in KL and RM19 per sq. ft. per month outside KL.

Light at the End of the Tunnel

Investors and retailers in the Klang Valley remain optimistic, as reflected by retail mall acquisitions, tenant movements, and international debuts.

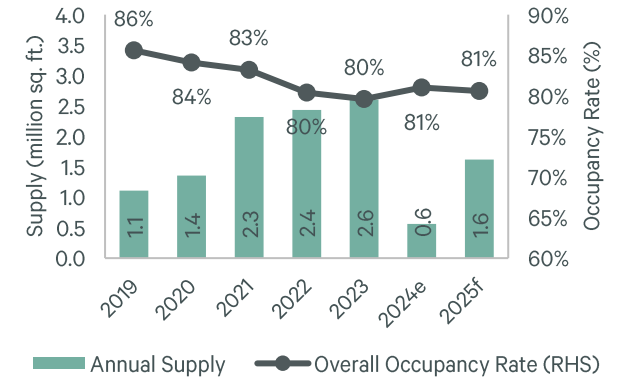
Several acquisitions were observed:

- KIP REIT acquired D’Pulze Shopping Centre, Cyberjaya, for RM320 million.
- IOI Properties acquired Tropicana Gardens Mall, Petaling Jaya, for RM680 million.
- Sunway REIT acquired 163 Retail Park, Mont Kiara, for RM215 million.

Market players anticipate a positive turnaround in 2025, supported by revised civil servants’ salaries and higher minimum wages. These measures are expected to boost retail sales next year.

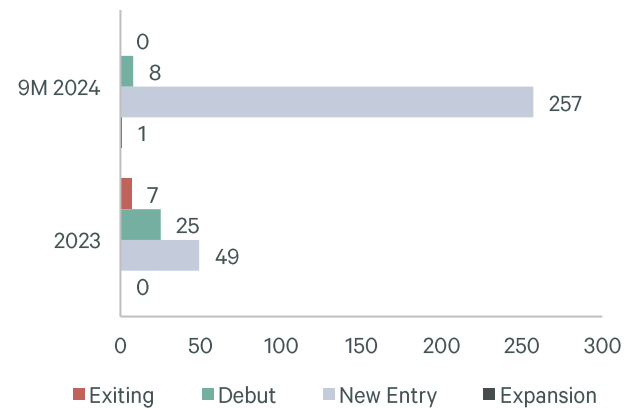
Retailers continue to seek locations that offer strong connectivity, advanced technology integration, and a robust catchment area to sustain shopper traffic and profitability.

Annual Supply and Overall Occupancy Rate



Abbreviation: sq. ft. – square feet; e – estimate; f – forecast; RHS – refer to right-hand-side axis
Source: CBRE | WTW Research & Consulting

Tenant Movement Since 2023



Abbreviation: 9M – January to September
Source: CBRE | WTW Research & Consulting

Klang Valley (cont'd)

The Race to Stand Out

Key players have experimented with various strategies to make retail malls more attractive, including:

- Diverse dining options – e.g., New Ocean World Fine Food City with a curated variety of cuisine, food court expansion, and a wide variety in Pavilion Bukit Jalil
- Art and culture platforms – e.g., creative community in GMBB, art galleries in Publika, and art showcase space in Fahrenheit 88.
- Unique entertainment and sports – e.g., sports courts in Space U8 and KSL Esplanade Mall, and baseball cages in MyTown.
- Open-concept areas – e.g., rooftop space for events in Mitsui Shopping Park Lalaport, MyTown, and Lot 10, and open-concept layout in Elmina Lakeside Mall.

The use of technology in the retail sector is expanding, covering shopping, payment, and delivery to meet consumers' demand for convenience, enhancing the shopping experience. At the same time, retail malls are also evolving into spaces for various activities, including exercising, working, learning, and entertainment.

Retail Space Repurposing

Underperforming retail malls persist in the Klang Valley, marked by low occupancy, rental, and shopper traffic. Repurposing these spaces can be difficult due to high costs, as well as outdated building codes and strict zoning regulations. However, the adaptive reuse of projects like REX KL and the Zhongshan Building stand out as exceptions, where owners have demonstrated persistence and creative vision in overcoming these obstacles.

Flexibility and encouragement by the planning authorities can help underperforming retail assets be adapted for new users, in line with shifting consumer demands and trends.

In the Budget 2025 announcement, the Prime Minister emphasised the importance of converting unused government buildings for purposes such as kindergartens and clinics. This initiative is expected to inspire developers to adopt a similar approach for abandoned spaces in the private sector, transforming them into valuable community assets.



Amcorp Mall, Petaling Jaya

Source: CBRE | WTW Research & Consulting

SEREMBAN

The F&B and entertainment sectors are growing with popular outlets such as Bungkus Kaw Kaw, Kenangan Coffee, and Nippon Sushi, alongside entertainment retailers (e.g., Snowlim Wonderland). However, the lack of reliable, punctual public transport services is posing a challenge to shopper footfalls.

AEON plans to expand its AEON Mall Seremban 2 while the Gateway 2 project is also underway, an extension of the Seremban Gateway. Rental yields have stayed stable at 5% to 6% y-o-y, with rents ranging from RM4 to RM15 per sq. ft. for selected retail malls.



The Square by Jaya One, Petaling Jaya

Source: CBRE | WTW Research & Consulting

Penang

Anticipating Innovation and Diverse Platforms in Retail Malls

The overall retail space in Penang is approximately 21.5 million sq. ft., with 12 million sq. ft. recorded in Penang Island and 9 million sq. ft. in Seberang Perai.

The overall occupancy rate of retail complexes is 71%, with 77% on Penang Island and 64% in Seberang Perai. Well-managed prime shopping malls enjoy sustained occupancy rates. Food and beverage (F&B) and fashion operators are significant contributors to this occupancy improvement.

The projected incoming supply is approximately 2.7 million sq. ft., made up of Sunshine Mall @ Sunshine Central and The Waterfront Shoppes @ The Light Waterfront on the island and Gem Megamall in Seberang Perai.

Sunshine Central Mall in Air Itam had a soft opening for its first phase in October 2024. The opening featured a variety of retail and dining options, including the Sunshine Hypermarket and a food court with 26 stalls. Some tenants are currently renovating their shops and have yet to commence operations. The Golden Screen Cinemas and other facilities are expected to open later, with the cinema slated for a 2025 launch.

While the influx of new retail spaces is expected to intensify competition, it may also lead to improved shopping experiences as malls seek to innovate.

However, the performance disparity between newer and older retail malls will persist. Some older malls are actively hosting community-orientated events such as cultural festivals, food fairs, and seasonal celebrations to mitigate declining shoppers.

As an example, Prangin Mall organised local food festivals while Island 88 (formerly known as Island Plaza) recently hosted Popular's Largest Book Fair.

Notable Tenant Movements in 2H 2024

Retail Mall	New Tenant Entries by Brands
1st Avenue Mall	Entertainment: KKV, Jaemi Wonderland Fashion & Accessories: Poney's, Energized, Poh Sang, Nautica, Ecko UNLTD, Zoo York
Gurney Plaza	F&B: Ai-CHA Home Appliances & Electronics: Le Creuset, Grand SenQ F&B: 5 Coffee (OFFFFive Coffee), HEYTEA, Oriental Kopi
Gurney Paragon Mall	Fashion & Accessories: T Select, Saturday Club, Res Toe Run, Rituals, HONOR Wedding Hall: Anovia
Sunway Carnival Mall	F&B: Auntie Anne, HEYTEA Fashion & Accessories: BebeButterfly, Wah Chan, KKV
Design Village Outlet Mall	F&B: Happy Potato, Café Amazon, Zus Coffee Fashion & Accessories: Leather Avenue

Source: CBRE | WTW Research & Consulting

Notable Upcoming Supply

Expected Completion	Name	Location/Zone	NLA (sq. ft.)
1H 2025	The Waterfront Shoppes	Gelugor, Penang Island	680,000
2026	GEM Megamall	Perai, Penang Mainland	1,200,000

Abbreviation: NLA – net lettable area; sq. ft. – square feet
Source: CBRE | WTW Research & Consulting



Sunshine Central Mall

Source: Sunshine Central website, CBRE | WTW Research & Consulting

Penang (cont'd)

KEDAH

Kedah's retail market is adapting to changing consumer preferences, focusing on digital integration and experiential offerings. Retailers are enhancing in-store technologies to improve customer engagement and sales performance.

The average retail rental and yield have remained stable in 2024 compared to 2023, at RM5.50 per sq. ft. per month and 5%, respectively.

Aman Central Mall continues to show positive occupancy and foot traffic, with various activities and new retailers attracting customers. In 2024, new retailers such as Energized, Converse, Goodnite, Bingxue, Vincci, and Montigo have new openings, further enriching the retail landscape.

On the other hand, with Kedah being a popular tourist destination, particularly in areas like Langkawi, there is potential for retail growth driven by tourist spending.

PERAK

The retail sector is expected to experience steady growth. The Sunway Ipoh Mall in Tambun is set to open by 2027. Sunway is consolidating its position, replicating the success of Sunway Carnival in Penang.

Perak's retail market also attracted KIP REIT, which acquired a 1.15-acre property with a hypermarket leased to TF Value-Mart.

Several brands are planning to expand in Perak, including CU Mart from South Korea, TFP Retail's Village Grocer, Ben's Independent Grocer (BIG), and The Food Merchant.

Iskandar Malaysia

Singaporean Influx Fuels Retail Growth

The influx of Singaporean visitors continues to boost Iskandar Malaysia's (IM) retail sector. The strong Singapore dollar, coupled with the active expansion of retail businesses, is making IM a significant shopping destination.

As of 3Q 2024, the occupancy rate for well-positioned malls such as Mid Valley Southkey, Paradigm Mall, and Johor Bahru City Square averaged 90%. Meanwhile, newer malls like Sunway Big Box, R&F Mall, and Toppen Shopping Centre have seen improved foot traffic and occupancy rates as more retailers expand to these locations. The total cumulative supply has reached 15.03 million sq ft, with the overall occupancy rate recorded at 75%.

On the supply side, The Commune Lifestyle Mall in Kulai officially opened in September 2024, adding another 200,000 sq. ft. of retail space. Its two anchor tenants are Hwa Thai Supermarket and Sports Affairs, a sports facility and multipurpose hall with 10 indoor badminton courts, two futsal courts, and basketball facilities. The mall also features F&B operators such as Chagee, Burger King, Kenangan Coffee, Richeese Factory, Bingxue, Dekori Café, and Guoma Seafood Express.

Other incoming malls include Medini Lakeside Mall, Horizon Mall, and The Gem @ Coronation Square JBCC, which will have about 1.5 million sq. ft. of retail space in the next two years.

The completion of the Johor Bahru–Singapore Rapid Transit System (RTS) is also expected to further boost the cross-border interest of business players and consumer traffic, thereby fueling the continued growth and vibrancy of the retail sector.

Diverse Tenant Mix Revitalizing Retail Sector

F&B operators continue to play a significant role in improving occupancy rates, with both international and local F&B operators expanding into multiple retail malls.

New entries by recreation & entertainment operators are also adding diversity to retail offerings. They include gym centres, bowling alleys, badminton courts, indoor archery ranges, and rock-climbing centres, tapping into the increased awareness of health and fitness. These facilities are improving occupancy rates and enhancing the mall's appeal as a comprehensive destination for shopping, dining, and recreation.

Other notable recent tenants include:

- Anytime Fitness at Aeon Bukit Indah, R&F Mall, Tasek Central Mall, and Sunway Big Box;
- Celebrity Fitness, Camp5 Climbing Gym, Star Archery, and Blue Ice Skating Rink at Paradigm Mall;
- Supreme Bowl at Mid Valley Southkey;
- Jatomi Fitness at Johor Bahru City Square; and
- Sports Affairs at The Commune Lifestyle Mall.

Notable Upcoming Supply

Projects	NLA (sq. ft.)	Completion Year
Medini Lakeside Mall	176,455	4Q 2024
Horizon Mall @ Horizon Hills	150,000	2026
The Gem @ Coronation Square	1,200,000	TBC

Abbreviation: NLA – net lettable area; sq. ft. – square feet; TBC – to be confirmed

Source: CBRE | WTW Research & Consulting



The Commune Lifestyle Mall

Source: CBRE | WTW Research & Consulting

Iskandar Malaysia (cont'd)

Notable Tenant Movements in Selected Malls

Sector	Mall	New Entrant
F&B	The Mall @ Mid Valley Southkey	<ul style="list-style-type: none"> Fix Banana Leaf Gong Cha Malaysia (Expansion) Sin Man Kee HEYTEA
	JB City Square	<ul style="list-style-type: none"> Avery Day Hock Kee Kopitiam Bar.B.Q Plaza
	Paradigm Mall Johor Bahru	<ul style="list-style-type: none"> Akaka Cendol Melaka Lai Kee Hainanese Chicken Rice KOPI Rakyat Cawagan Chucky Cat Café Hot & Roll ChaTraMue Richeese Factory Huo Jian Qiang Malaysia NEZHA Drink The Coffee Bean & Tea Leaf Beautea
Beauty & Wellness	JB City Square	<ul style="list-style-type: none"> Perky Lash
	Paradigm Mall Johor Bahru	<ul style="list-style-type: none"> Kskin Facial Malaysia Sacree Scents Artisan Beaufor Scents
Fashion	The Mall @ Mid Valley Southkey	<ul style="list-style-type: none"> HLA (Expansion) MANGO Comfort Sole Fitflop Malaysia

Source: CBRE | WTW Research & Consulting

Notable Tenant Movements in Selected Malls (cont'd)

Sector	Mall	New Entrant
Fashion	JB City Square	<ul style="list-style-type: none"> Germino
	Paradigm Mall Johor Bahru	<ul style="list-style-type: none"> M&B AD Jeans Refash Turbo by Tomaz High Cultured NUAGE LSL Collection Tuff Tataa & Friends
	The Mall @ Mid Valley Southkey	<ul style="list-style-type: none"> Impulse Gaming (Entertainment) Morse (Home & Lifestyle) Supreme Bowl (Entertainment) The Craft Décor (Home & Lifestyle) MR. D.I.Y PLUS (Home & Lifestyle)
Others		<ul style="list-style-type: none"> 3cat (IT & Digital Gadget) Switch Malaysia (IT & Digital Gadget)
	Paradigm Mall Johor Bahru	<ul style="list-style-type: none"> Roll On (Entertainment) Utopia Titian X (Entertainment) WUMING (Books, Gifts, Toys & Hobbies) LG Puricare (Home & Lifestyle)

Source: CBRE | WTW Research & Consulting

BATU PAHAT

Batu Pahat retail malls have seen a recovery in foot traffic and improved occupancy rates, bolstered by the opening of several attractive brands this year. Notable new tenants include Uniqlo, Padini Concept Store, Brands Outlet, and ChaTraMue (F&B) at Batu Pahat Mall, as well as Harvey Norman at The Store (Jalan Zabedah). Despite the widespread acceptance of online shopping, physical shopping in retail malls has experienced a performance improvement compared to last year.

MELAKA

The tourist influx has significantly boosted local retailers, allowing them to sustain and enhance their business operations. Notably, shopping malls situated near popular tourist attractions and hotspots have capitalised on their locations, experiencing a marked increase in foot traffic, stable rental and occupancy performance, and demand for retail and commercial. A new addition is a Jaya Grocer standalone store in Limbongan, since the launch of NSK in Cheng in 2019.

Sabah

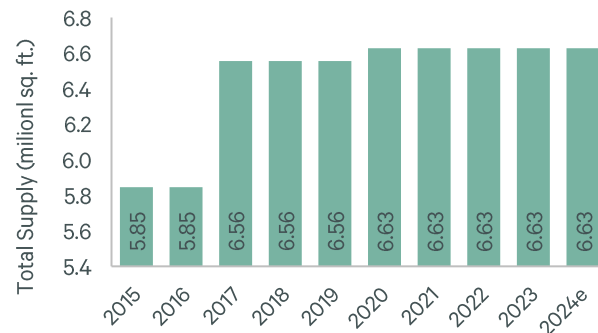
Retailers maintain interest for expansions for well-performing retail malls

KOTA KINABALU

Retail malls under less fragmented ownership continue to enjoy good footfall, sustained occupancy, and rents. The opening of new retail and F&B outlets includes homegrown fashion brand Christy Ng, which opened its first boutique in Imago Mall. The year 2025 will also see the entry of the popular Chinese hotpot chain Haidilao (Imago Mall) and Japanese household and consumer goods store Muji (Imago Mall & Suria Sabah).

Imago Mall is expanding its retail space by partial conversion of its basement floor. Retail mall developments in the pipeline include The Logg in Luyang, EG Mall in Penampang, and 88 Avenue in Kepyayan.

Supply of Retail Space from Retail Malls in Kota Kinabalu (Including Penampang and Putatan)



Abbreviation: e- estimate; sq. ft. – square feet
Source: WTWS Research

LAHAD DATU

The sector is stagnant, as retail properties are not the preferred investment option due to low rents, less attractive yields, and limited purchasing power of the local population.

TAWAU

Well-located ground-floor shop space in newer developments such as Garden City Commercial Centre and T2 Centre poses better demand. In the pipeline supply, a multi-storey serviced condotel is to be developed annexed to Garden City, which could increase retail traffic of the centre once completed.

In addition to that, other upcoming commercial centres include Mid Valley, 1Arena (Phase 2), and The Weld East.

SANDAKAN

Being the only retail mall in Sandakan, Harbour Mall caters to the market with anchor tenant LFS Cinema and other retailers of F&B (McDonald's, Cinerama Café), fashion & accessories (Bata, Fipper, Levi's), and home & living (MR D.I.Y). Other retail activities are mainly in the ground floor spaces of shop offices predominantly along or off Jalan Utara.



Imago Mall

Source: WTWS Research

Sarawak

KUCHING

The overall retail sector has picked up slightly, although older malls remain weak in occupancies and performance. Foot traffic volume is seasonal, and growth is observed to be mainly in the F&B sector, particularly in outside dining.

While new grocers and F&B dining continue to drive demand for retail spaces, the retail sector is becoming increasingly competitive and challenging to maintain occupancies.

Additions of new purpose-built retail (PBR) continue to be subdued, with only one retail mall completed in 2024, namely, The Tropics Enrichment Mall, with a theme emphasising lifestyle.

Prices and rentals generally remain soft and are mostly maintained.

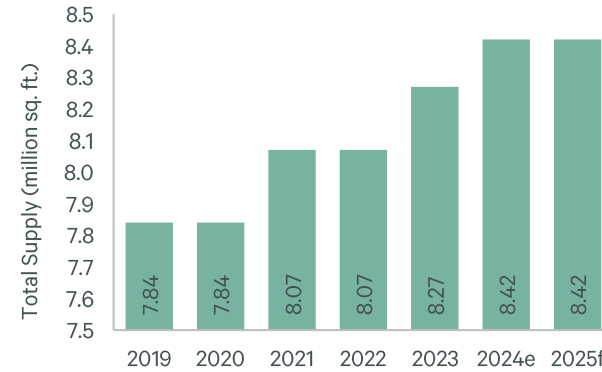
The retail sector remains rather cautious due to the large new supply of retail spaces over the last decade, which has yet to be fully absorbed. Older retail malls are seen to be suffering from low occupancies, whilst popular malls are trying to maintain performance by revamping or refurbishing, e.g., The Spring Mall. Malls need to adjust to the changes in consumers' lifestyles and trends to remain relevant.



The Tropics Mall, Kuching

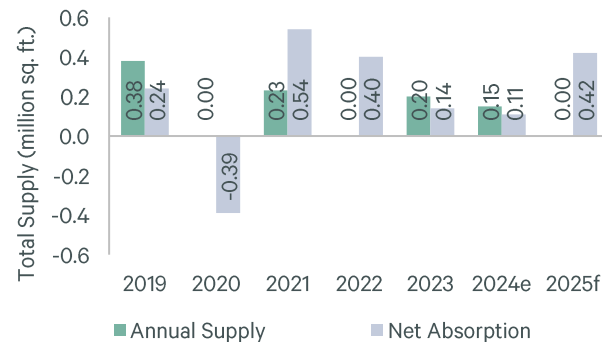
Source: WTWY Research

Supply of Retail Space in Kuching



Abbreviation: sq. ft. – square feet; e – estimate; f – forecast
Source: WTWY Research

Performance of Purpose-Built Retail in Kuching



Abbreviation: sq. ft. – square feet; e – estimate; f – forecast
Source: WTWY Research

MIRI

Based on NAPIC's data as of 3Q 2024, there has been an increase (more than 50%) in transactions of retail lots with a significant increase in value transacted.

The improved shoppers' traffic from Bruneian visitors is maintained for 2024. Retail spending is noted to be mostly on basic necessities, electrical appliances, and F&B. Local consumers, the oil and gas industry, Bruneian visitors, and business travellers continue to drive the retail market.

Besides the growth of online, home-based retail businesses and DIY businesses, there is a growing retail market for themed retail events featuring pop-up stalls and the likes.

The average rents are maintained between RM4.00 and RM7.50 per sq. ft. with an average yield of 4% to 5%.

For the Miri retail market, it is expected to remain steady, with businesses recovering.

Miri: Average Rent and Yield of Retail Units

	2023	2024
Average Rent (RM per sq. ft.)	4.00 - 7.50	4.00 - 7.50
Average Yield	4% - 5%	4% - 5%

Abbreviation: per sq. ft. – per square foot
Source: WTWY Research

Sarawak (cont'd)

BINTULU

According to NAPIC's data as of 3Q of 2024, the number of retail unit transactions was more or less maintained compared to the same period in 2023, but the total transacted value had decreased significantly by 60% from RM5.0 million to RM2.0 million y-o-y, resulting in a much decreased average transacted price.

Rental and occupancy rates generally remain stable. It is noted that major retail malls, such as The Boulevard Shopping Mall and The Spring Mall, which units are mainly retained by the developer, have improved their occupancy to 75% compared to 60% for 2023.

One retail mall known as SK One Garden Mall was completed in 2024 in Bintulu, contributing an additional NLA of approximately 437,000 sq. ft. (15% of Bintulu's total NLA of retail mall space). This may further drag down the overall average occupancy rate of malls in Bintulu.

Good location, effective management, and a well-balanced tenant mix are essential to induce high traffic and shopper volume to bring about a successful mall. In the current soft market, buyers and tenants have an advantage in price and rental negotiations. The significant increase in supply of retail spaces in recent years continues to affect occupancies and impact rental rates.

Bintulu: Average Rent and Yield of Retail Units

	2023	2024
Average Rent (RM per sq. ft.)	6.00 – 15.00	6.00 – 15.00
Average Yield	4% - 4.5%	4% - 4.5%

Abbreviation: per sq. ft. – per square foot
Source: WTWY Research

SIBU

The retail sector experienced increased market activity. Improved performance, particularly in the F&B sector, contributed to higher occupancy rates and rental yields.

The reasonable yields supported by improved performance in this sector have continued to encourage demand.

With no new players in the market, newer established malls such as Star Mega Mall and Hann's Esplanade are expected to experience improved performance until new supply enters the market.

A recent significant retail development in SibU is the Star City Mall, currently under construction as an extension of the existing Star Mega Mall. Upon its completion, the 2 said malls, together with the Star Link Hotel, will form the biggest integrated development in SibU and set itself up as a regional mall for central Sarawak.

Sibu: Average Rent and Yield of Retail Units

	2023	2024
Average Rent (RM per sq. ft.)	12.00	13.00
Average Yield	6%	6%

Abbreviation: per sq. ft. – per square foot
Source: WTWY Research

A rising middle-class population in SibU is driving demand for a broader range of retail products and services, particularly in the mid-range price segment. Thus, growing townships such as SibU Jaya Township, with their increasing population, infrastructure, and amenities, have good potential for retail developments.

The smaller population of SibU with slower growth tends to limit the customer base needed to support larger retail malls. Thus, the retail sector in SibU is more focused on smaller, specialised retail outlets with a personal touch.

With retailers maintaining a stable performance, the occupancy rates and rental yields in the retail market are anticipated to be stable.

Sector Outlook

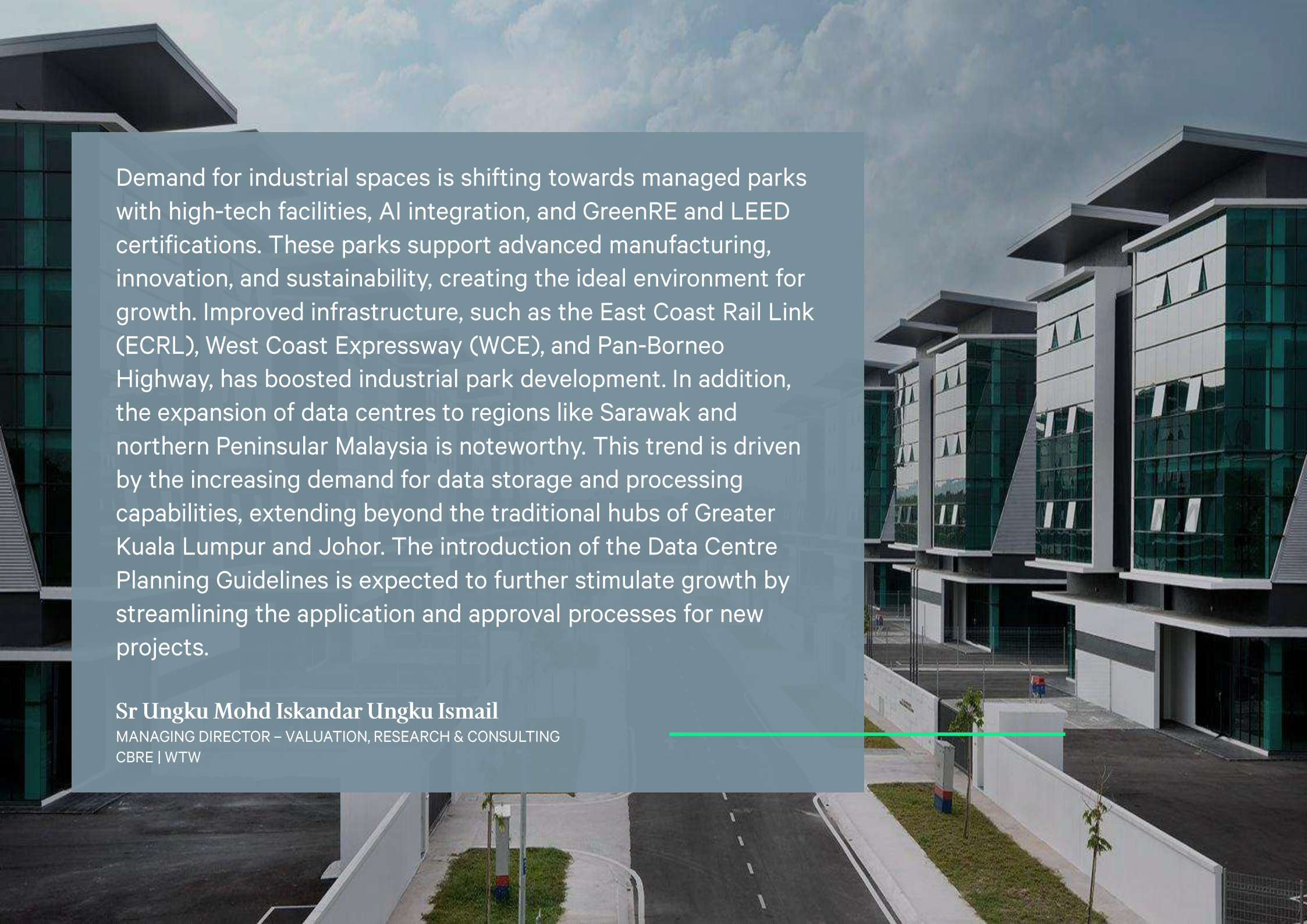
The performance of the retail sector depends to a large extent on the retail mix and shopping experience offered by the respective retail mall and tends to fluctuate due to seasonal demand. Coupled with competition from online shopping, the retail sector remains challenging with the need to innovate and reinvent to remain relevant.

The addition of substantial numbers of retail malls, and hence, retail spaces, in the Sarawak market in recent years has been challenging even to the more established malls, with most struggling to thrive during economically recessive periods.

The supermarkets, F&B, DIY, and personal care sectors continue to dominate retail in Sarawak. Outside dining, which has become a local way of life and culture, continues to be vibrant in Sarawak and helps boost retail figures.

06

Industrial

A modern industrial building with a glass facade and a white concrete structure. The building has multiple stories and a prominent glass section. The sky is blue with some clouds. The foreground shows a paved area and some greenery.

Demand for industrial spaces is shifting towards managed parks with high-tech facilities, AI integration, and GreenRE and LEED certifications. These parks support advanced manufacturing, innovation, and sustainability, creating the ideal environment for growth. Improved infrastructure, such as the East Coast Rail Link (ECRL), West Coast Expressway (WCE), and Pan-Borneo Highway, has boosted industrial park development. In addition, the expansion of data centres to regions like Sarawak and northern Peninsular Malaysia is noteworthy. This trend is driven by the increasing demand for data storage and processing capabilities, extending beyond the traditional hubs of Greater Kuala Lumpur and Johor. The introduction of the Data Centre Planning Guidelines is expected to further stimulate growth by streamlining the application and approval processes for new projects.

Sr Ungku Mohd Iskandar Ungku Ismail

MANAGING DIRECTOR – VALUATION, RESEARCH & CONSULTING
CBRE | WTW

Klang Valley

Strong industrial performance, rising investments.

In 1H 2024, Malaysia attracted RM160 billion in capital investments, an 18% increase from the RM136 billion recorded in the same period last year. Both domestic and foreign investments grew, with domestic investments reaching RM85.4 billion (+19%) and foreign investments totalling RM74.6 billion (+17%). This positive trend highlights Malaysia's strong and competitive investment environment, supporting a positive economic outlook.

As of 3Q 2024, the total supply of industrial properties stands at 48,233 units. Terraced factory units make up the largest category at 31,707 units, followed by semi-detached factory units with 7,760 units and detached factory units at 6,167 units. Notable newly completed industrial developments include:

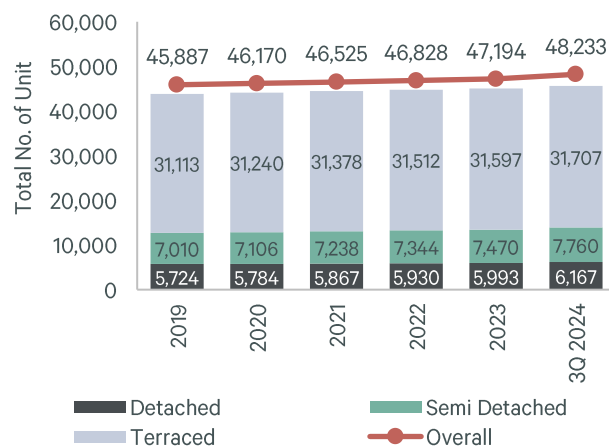
- Eco Business Park V - West Gate that offers terraced, cluster, semi-detached, and detached factories.
- The Signature Collection Twin Factories at Elmina Business Park Stage 2 that offer semi-detached factories.

A total of 990 units of industrial properties are set to enter the market, with the majority located in the Klang district.

Recent industrial development launches include:

- H&A Industrial Park in Klang that offers semi-detached and detached factories.
- Novva Integrated Park in Hulu Selangor that offers semi-detached, detached factories and industrial plots.

Cumulative Supply in Klang Valley



Note: Based on supply in Kuala Lumpur, Putrajaya, and Selangor
Source: NAPIC, CBRE | WTW Research & Consulting

Transaction activity in the industrial property sector remained robust in 9M 2024, reflecting strong demand and growing investor interest. The transaction volume increased by 9% to 2,208 units, compared to the same period last year, while the total transaction value rose by 26% to reach RM10.8 billion.

Some notable transactions include:

- Semangkuk Bhd acquired the Mapletree Logistics Hub, a freehold logistics warehouse with a net lettable area of 1.4 million sq. ft., from Symphony Warehouse Sdn Bhd for RM558.8 million.
- Axis Real Estate Investment Trust (Axis-REIT) acquired a leasehold industrial complex and a leasehold open storage yard at Kawasan Perusahaan Bukit Raja from Amsteel Mills Sdn Bhd for RM351.8 million.

- Axis Real Estate Investment Trust (Axis-REIT) acquired two leasehold auto service centres, one located at Seksyen 51A, Petaling Jaya, and the other at Batu Caves, from Cycle & Carriage Bintang Bhd for a combined RM125 million.
- Knauf Sdn. Bhd. acquired a 28 acres parcel of leasehold industrial land at Pulau Indah Industrial Park from PMB Carbon Sdn. Bhd. for RM79.3 million.

Industrial Parks Evolve with High-Tech and Sustainable Development

New industrial parks in the Klang Valley are evolving towards managed, high-tech facilities with AI integration and GreenRE certification. This shift aligns with the goals of the New Industrial Master Plan 2030 (NIMP 2030) and the National Energy Transition Roadmap (NETR), fostering sustainable and technologically advanced development.

Several notable recently proposed managed industrial parks are as follows:

- The NCT Smart Industrial Park (NSIP) in Sepang, with a GDV of RM10 billion, is the first Managed Industrial Park (MIP) in Malaysia. This state-of-the-art industrial park will feature solar-ready factories, AI-managed centralised labor quarters, 5G connectivity, and smart security entrances, and it is certified with GreenRE, showcasing its commitment to sustainability and innovation.
- COMPASS @ Kota Seri Langat, with a GDV of RM1.4 billion, is another GreenRE-certified MIP project and is designed to meet high-tech, AI-driven logistics and manufacturing needs, with a focus on ESG principles.

Klang Valley (cont'd)

Accelerated Data Centre Growth in Klang Valley

As the demand for data storage and processing increases, investors are also expanding in the Klang Valley, positioning it as a key regional data centre hub.

The introduction of the Data Centre Planning Guidelines is likely to foster steady growth in data centres, by streamlining and standardising the application and approval process for new developments.

One of the most notable investments is Google's RM9.4 billion project to establish its first data centre and Google Cloud region in Malaysia at Elmina Business Park, Sungai Buloh. This development is projected to create 26,500 jobs across sectors such as healthcare, education, and finance, contributing an estimated RM15.04 billion to the economy. The facility will also incorporate advanced water-cooling technology, which consumes 10% less energy than traditional air-cooling systems and reduces carbon emissions by 10%.



Elmina Business Park in Sungai Buloh, Selangor

Source: Sime Darby Property

Other data centre developments include:

- Jakel Group is collaborating with PIDC Holdings Berhad to develop a 51-megawatt data centre on 7.3 acres of land in Cyberjaya, with an estimated value of RM1.2 billion.
- Amazon Web Services (AWS) plans to invest USD6.2 billion (RM29.2 billion) through 2038 to establish an AWS infrastructure region in Malaysia.
- Australia's NEXTDC Ltd plans to invest approximately RM3 billion over the next five to 10 years through the development of Kuala Lumpur 1 (KL1), a Tier IV-certified data centre in Petaling Jaya.
- Sime Darby Property Bhd has signed a second build and lease agreement with Pearl Computing Malaysia Sdn Bhd, valued at up to RM5.6 billion, to develop additional data centre facilities on a 77 acres site in Elmina Business Park, with construction set to be completed by 2026. This follows their first agreement, signed in May 2024, which involves the development and lease of an RM2 billion hyperscale data centre within the same business park.
- Mah Sing Group Bhd has entered into a second partnership with Bridge Data Centres Malaysia Sdn Bhd to expand their joint-venture data centre project, Mah Sing DC Hub@Southville City, located in Bangi. The first phase of the project, which includes the 17.6 acres site from their initial agreement signed in May 2024 and an additional 35.7 acres plot, is expected to commence operations by 2026.

Malaysia's Logistics Industry Poised for Growth Through Strategic Investments

The logistics sector in Malaysia is poised for growth, driven by the government's dedication to enhancing logistics infrastructure.

Budget 2025 outlines plans to expand Port Klang to position it among the world's top 10 ports. Key initiatives include widening roads at the Pulau Indah Ring Road and North Port Klang to improve access and efficiency.

Additional government initiatives include:

- The Westports Phase 2 expansion, which will increase Port Klang's capacity by 13 million TEUs, raising the total capacity to 28 million TEUs upon completion.
- The Carey Island Port development, set to be completed in phases, will feature a mega-port with a 30 million TEUs capacity by 2060. This project will be supported by the West Coast Expressway (WCE), enhancing connectivity and optimising cargo flow.
- The East Coast Rail Link (ECRL), which is expected to boost connectivity in Pulau Indah, improving cargo logistics and regional mobility.

Klang Valley (cont'd)

Klang Valley's logistics sector is growing, driven by key investments and developments, including:

- CapitaLand Malaysia Trust has agreed to acquire its first automated logistics property, Elmina Logistics Hub, for RM180 million.
- GDB Holdings Bhd secured a RM865.7 million contract to construct a logistics hub in Seksyen 15, Shah Alam, Selangor.
- Integrated logistics solutions provider Tasco Bhd plans to invest an additional RM400 million from now to 2026 to expand its warehouse capacity.
- FM Global Logistics Holdings Bhd is purchasing two plots of freehold land totalling 5.7 acres in Setia Alaman Industrial Park, Klang, for future expansion of its third-party logistics (3PL) warehousing and distribution services.

SEREMBAN

Industrial Growth Potential

Negeri Sembilan's industrial sector is set for growth, fuelled by demand from companies looking for alternatives to the Klang Valley. It is well-positioned due to its proximity to Kuala Lumpur International Airport (KLIA) and Port Klang.

Freehold industrial projects in the pipeline include:

- Sikamat Industrial Park by GD Mass Development Sdn Bhd, designed for light and medium industrial use and it is GreenRE certified.
- SPD Tech Valley Industrial Park, developed by Seri Pajam Development, is the first managed industrial park in the region designed for medium and heavy industries. It is certified with both LEED Gold and GreenRE standards and incorporates advanced AI (Artificial Intelligence) technology.

Notable development:

- Nestle Malaysia has launched a new RM18 million biomass power plant at its Chembong Factory in Rembau, in partnership with ENCO Systems Sdn Bhd, which utilises renewable energy from oil palm waste. It is expected to reduce greenhouse gas emissions by 14,000 tonnes of carbon dioxide equivalent (CO₂e) annually, part of Nestlé's sustainability goals.

The average industrial rent in Negeri Sembilan in 2024 is between RM1.00 and RM1.50 per sq. ft. per month, providing a yield of 5% to 6%.



Sikamat Industrial Park, Negeri Sembilan

Source: GD Mass Development Sdn Bhd



SPD Tech Valley Industrial Park, Negeri Sembilan

Source: Seri Pajam Development

Penang

Broader investment horizon

Encouraging Investments and Launches

Penang recorded total approved manufacturing investments of RM5 billion in 1H 2024, encompassing 88 projects, which have increased in number from RM4.3 billion in 1H 2023. From this total, foreign direct investments (FDI) accounted for RM3.7 billion, while domestic sources contributed RM1.3 billion.

The growth of the manufacturing sector is driven by foreign investments. Several notable investments in Penang for 2024 include:

- Ultimate Manufacturing Solutions invested RM15.23 million (approximately US\$4.5 million) for a 5.38 acres leasehold industrial land site in Penang Science Park North.
- Singapore-based Equalbase commenced its RM220 million Valdor II, a 620,000 sq. ft. multi-storey warehouse that is scheduled for completion in 2025. DSV, a Danish logistics group, has been confirmed as the anchor tenant.

Aside from that, several industrial complexes have opened in 2024:

- Nefab, a packaging and logistics solutions company, opened a plant in Batu Kawan, spanning 25,500 sq. ft.
- RIGOL Technologies Co. Ltd. of China, which specialises in electronic test and measurement instruments, opened its first overseas plant and R&D centre in the Bayan Lepas Free Trade Zone (FTZ) Phase 4. Located on 90,040 sq. ft. of land with a factory of 78,024 sq. ft., the total planned investment could exceed RM100 million, to be developed in two phases.

- Enovix Corporation, a high-performance battery manufacturer (mobile phones, etc.), opened Fab2 in Penang Science Park.
- Benchmark Precision Technologies, based in the United States, has opened its fourth factory in Batu Kawan Industrial Park (BKIP). This addition brings Benchmark's total footprint in Penang to over 430,556 sq. ft.

A new industrial park is set to launch in Seberang Perai Tengah. This is by AME Elite Consortium Bhd for 176 acres of Northern TechValley @ BKE with a GDV of RM1 billion. This industrial park will offer 1- or 2-acre plots of detached factories complemented with a business hub, workers' accommodation, and recreational and integrating ESG principles.

Small-scale, ready-built SMI factories were launched in Seberang Perai at Villa Industrial Park, located in Permatang Tinggi, Bukit Mertajam. This 9 acres development by Villa Acres Development Sdn Bhd offers 18 units of single-storey semi-detached and detached factories. The land area starts from 10,495 sq. ft., with selling prices ranging from RM3.8 million to RM7.8 million.

Penang is poised to maintain its status as a top investment destination, thanks to its robust manufacturing ecosystem, business-friendly environment, and skilled talent pool.

Pining on Leading the Industry

According to NAPIC, the supply of industrial units in Penang increased from 9,734 units in 3Q 2023 to 9,953 units as of 3Q 2024. The value of industrial transactions was recorded at RM0.38 billion.

On the other hand, the land values for PDC's industrial parks located in Seberang Perai generally range between RM65 and RM105 per sq. ft. This includes Penang Science Park, Penang Science Park North, Batu Kawan Industrial Park, Bandar Cassia Technology Park, and Batu Kawan Industrial Park 3.

While rental rates range between RM1.80 and RM2.50 per sq. ft. per month in Seberang Perai and between RM2.00 and RM3.50 per sq. ft. per month in Bayan Lepas.

Upcoming New Supply of Major Industrial Parks Sustaining the Momentum.

The Penang Development Corporation (PDC) has reopened the tender for Batu Kawan Industrial Park Phase 2 in Byram, Seberang Perai Selatan.

Reclamation of Silicon Island, formerly Penang South Island, is ongoing, with construction set to begin in 2026 and the first factory expected by 2027. Of the 2,300 acres planned, approximately 40 acres have been reclaimed since September 2023. The island will also host the Light Rail Transport (LRT) depot.

These upcoming industrial parks are expected to sustain the vibrancy of Penang's industrial market.

In fact, such collaborations may be a viable solution to creating a new regional hub realistically capable of competing head-on with Singapore.

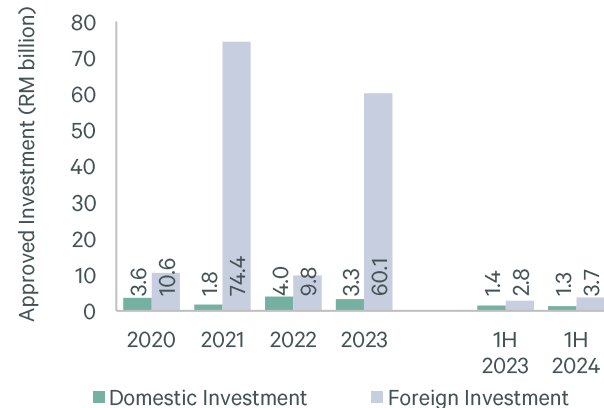
Penang (cont'd)

Future PDC's Industrial Parks

Projects	Location	Acres
Penang Science Park South	Batu Kawan, Seberang Perai Selatan	174
BKIP 3	Batu Kawan, Seberang Perai Selatan	407
BCTP	Batu Kawan, Seberang Perai Selatan	382

Source: CBRE | WTW Research & Consulting

Approved Manufacturing Investment in Penang



Abbreviation: 1H – January to June

Source: CBRE | WTW Research & Consulting

KEDAH

Kedah recorded the highest manufacturing investment, amounting to RM31 billion in 1H 2024, with up to 97% (RM30 billion) contributed by Kulim Hi-Tech Park (KHTP).

Notable openings include Infineon Technologies, which has opened the world's largest 200-millimetre silicon carbide (SiC) power semiconductor fabrication plant in Kulim. Additionally, Sime Darby is expanding its Porsche assembly facility at Inokom, Kulim (118,000 sq. ft.).

Phases 1 to 4 of the KHTP are fully leased out. As a result, the state government is expanding KHTP Phase 4A, which covers 251 acres and includes 10 industrial lots currently in the land clearing and infrastructure development stage.

The asking price in KHTP has risen from RM55 to RM70 per sq. ft., while in the newer industrial park, such as Kulim East Industrial Park, it ranges between RM57 and RM60 per sq. ft.

The NCT Group has signed an agreement with the Northern Gateway Group, a subsidiary of the Ministry of Finance Inc., to establish a 127 acres industrial park within the Delapan SBEZ in Bukit Kayu Hitam, Kedah.

Meanwhile, the AREA Group has acquired 156 acres to develop a hyperscale data centre complex. The first phase, encompassing 30 acres, has commenced.

Jupiter Trading Sdn Bhd has launched the North Kulim Industrial Park (NKIP), spanned 518 acres and consisted of industrial plots, a business hub, and a commercial precinct.

KHTP's strategic expansions and high-profile investments from global companies are expected to further boost the sector.

PERAK

The state authorities have launched several industrial schemes. One key development is the Silver Valley Technology Park, which is about 20% complete. Another potential development is the construction of a multi-purpose and container port at Lumut.

Notable transactions in Perak include Asiatic Plastic Packaging Industries Sdn Bhd purchased a 4.2 acres plot in the Tasek Industrial Area, Ipoh, for RM12.2 million.

The halal industry is also growing with several projects:

- A joint venture between the Perak State Agricultural Development Corporation (Perak SADC) and Leiner Gelatine Sdn Bhd (Pakistan)
- The state government is developing Perak Halal Industrial Park (57.8 hectares) in 2025.

A proactive approach by state authorities to foster industrial growth and attract investments in 2025.

Iskandar Malaysia

Significant Investment Growth In 2024

Ranking 5th among Malaysian states, the state recorded approximately RM12.9 billion in total approved investments in 1H 2024. Foreign Direct Investment (FDI) contributed about RM8.0 billion, while the remaining RM5.0 billion came from domestic investment. In the manufacturing sector, Johor ranked 3rd, behind Kedah and Selangor, with total approved investments of RM6.0 billion. Domestic investments accounted for RM1.5 billion, while foreign investment registered RM4.6 billion.

The Invest Malaysia Facilitation Centre by the State Government was implemented in the Johor-Singapore Special Economic Zone (JS-SEZ) to streamline the investment process. Johor aims to maintain the interest of global investors, highlighting its political stability, connectivity, and current infrastructure upgrades, such as the Johor Bahru-Singapore Rapid Transit System (RTS) Link. The JS-SEZ may further amplify demand, as businesses seek to leverage the incentives and tax breaks offered.

Industrial transactions increased by 5% y-o-y to 923 units in 9M 2024 (cf. 9M 2023: 875 units) valued at RM4.5 billion, up by 51% y-o-y (cf. 9M 2023: RM3.0 billion).

Rising Demand for Grade-A Warehouse

Iskandar Malaysia continues to be a key industrial hub, largely due to its proximity to Singapore and largely due to Singapore's spillover requirements. The warehouse market in Johor is experiencing significant growth, particularly in areas located near seaports (Iskandar-Puteri-Pelabuhan Tanjung Pelepas and Pasir-Gudang-Pelabuhan Tanjung Langsat) and the airport (Kulai-Senai).

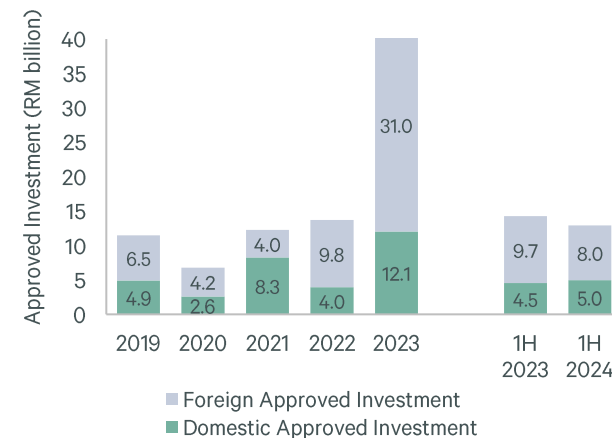
Strong demand is observed from third-party logistics (3PL), e-commerce, and retail or consumer products distributors, such as AME REIT, Axis-REIT, Mapletree Logistics Trust (MLT), Tiong Nam Logistics, DHL Express, and Shopee Express.

A noticeable trend is the shift towards new Grade A warehouses, as businesses seek to improve efficiency, productivity, and cost savings.

To date, Grade A warehouse stocks in Johor Bahru total around 4 million sq. ft., approximately 20% of the overall warehouse supply.

Monthly rental rates for Grade A warehouses remain stable, ranging from RM2.00 to RM2.50 per sq. ft., while older warehouses fetch from RM1.50 to RM2.00 per sq. ft. Most warehouses are owner-occupied.

Approved Investment in Johor



Abbreviation: 1H – January to June
Source: MIDA, CBRE | WTW Research & Consulting

Data Centres

Johor is consolidating its position as a data centre hotspot for foreign investors due to its relatively cheaper land and operational costs compared to neighbouring countries.

In response to the strong momentum, active land transactions for data centre developments were witnessed. Noteworthy transactions in 2024 are as follows:

- April 2024: Axis Real Estate Investment Trust (Axis REIT) disposed of its industrial properties, Axis Steel Centre @ SILC, to a data centre operator for RM162 million.
- May 2024: AME Elite Consortium Bhd disposed 11 plots of freehold land measuring over 34.9 acres in Pulau to Digital Hyperspace Malaysia Sdn Bhd, a Hong Kong-based data centre operator, for RM209.8 million.
- June 2024: Eco World Development has sold 123.1 acres of industrial land in Senai for RM402.3 million to Microsoft Payment (Malaysia) Sdn Bhd.
- June 2024: River Retreat Sdn Bhd proposed land acquisition (41.8 acres) in Iskandar Puteri for RM178.2 million.
- June 2024: UEM Sunrise Bhd is disposing two parcels of freehold land located in Iskandar Puteri, totalling 28.9 acres, to a global data centre operator for RM144.9 million.
- July 2024: Sunway Group has disposed of 2 parcels of land, totalling 64 acres in Sunway City Iskandar Puteri, to Equalbase Pte Ltd, for RM380 million.
- August 2024: Paragon Business Hub Sdn Bhd proposed to sell 19.7 acres of land to Bridge Data Centres Malaysia VI Sdn Bhd for RM99 million.
- August 2024: Tropicana Corporation Bhd's wholly-owned subsidiary, Tropicana Firstwide Sdn Bhd, has sold 68.5 acres of freehold land in Gelang Patah to NTT Data Group for RM383 million.
- October 2024: Tropicana Corporation Bhd, through its subsidiary Tropicana Firstwide Sdn Bhd, has sold 38.5 acres of freehold land in Gelang Patah to Computility Technology (Malaysia) Sdn Bhd for RM240 million.

Iskandar Malaysia (cont'd)

The growth of data centres in Johor and elsewhere has accelerated at a rapid pace. Concern is rising that this could impact the supply of electricity to residents and business operators.

Quoting Public Investment Bank Bhd, the power needs of the data centre industry are expected to balloon from 990 megawatts (MW) to 1,400 MW by 2029, increasing pressure on the national grid and water supplies, particularly in Johor. Ten data centres have already submitted applications to Tenaga Nasional Berhad (TNB) for a potential energy demand of 2,000 MW. In addition to that, these data centres would require an estimated 4.2 million litres of water per day for cooling and operations.

Experts anticipate the need for infrastructure development. However, government response has been mainly to plan increased regulations instead of the development of new power plants and water supplies.

Johor has rejected nearly 30% of data centre applications since June 2024 to address resource conservation concerns amid rapid industry growth. The state's Data Centre Development Coordination Committee now requires proposals to include sustainability plans, job creation metrics, and site assessments to prevent local resource strain.

Johor's data centre capacity has surged from 10MW in 2021 to 1.3GW and is projected to reach 2.7GW by 2027, benefiting from Singapore's previous moratorium on new centres. The federal government, aligning with state initiatives, plans to introduce sustainable development guidelines by late 2024. These efforts aim to sustain Johor as a data centre hub for Southeast Asia.

MELAKA

The state has seen a rise in demand for ready-built factories as businesses look to quickly establish or expand their operations. Developers are actively responding by offering larger industrial spaces that cater to various operational needs. These offerings include terraced, semi-detached, and detached units.

One notable development is the partnership between Teladan Group Bhd and Melaka Corporation to transform 138 hectares of land in Ayer Panas into an industrial park in 2027. This industrial park will feature industrial bungalow lots, semi-detached factories, shop offices, and centralised workers quarters.

BATU PAHAT

Batu Pahat maintains a positive industrial outlook. Several new developments have been launched this year to address the growing demand for larger industrial spaces. However, high selling prices due to rising construction costs have contributed to a slower sales rate.

New Launches in Batu Pahat (2024)

Development	Developers	Location	No. of Units	Property Type
Genting Industrial City	Genting Property Sdn Bhd	Bandar Genting Pura Kencana	148	<ul style="list-style-type: none"> Single storey terraced factory Double storey semi-detached factory Double storey detached factory
Taman Perindustrian HB	HB Development Sdn Bhd	Mukim Sri Medan	10	<ul style="list-style-type: none"> One and a half storey semi-detached factory One and a half-detached factory
KHP Development	KHP Development Sdn Bhd	Mukim Minyak Beku	21	<ul style="list-style-type: none"> One and a half storey semi-detached factory One and a half-detached factory

Source: CBRE | WTW Research & Consulting

Sabah

Active secondary market

KOTA KINABALU

Industrial property totalled 119 transactions worth RM359.67 million up to 3Q 2024, a change of -5% and 77% y-o-y, respectively (cf. 9M 2023: 125 transactions, RM202.9 million). Detached light industrial properties totalling RM234.7 million dominated transactions.

Ongoing industrial developments include The Gallery Industrial Estate in Inanam and Armani Business Park, comprising 44 units of 2-storey semi-detached industrial buildings within 3 kilometres of the Sapangar Bay Container Port.

LAHAD DATU

Vacant industrial lands and buildings are abundant, with demand lagging behind supply.

TAWAU

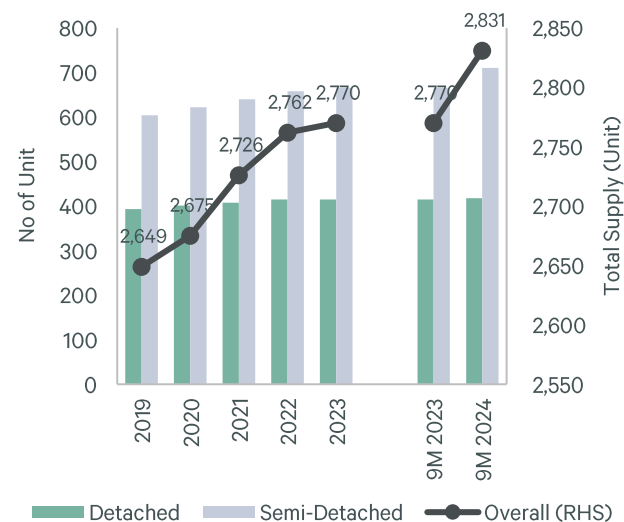
Demand is mainly for light engineering, soft goods manufacturing, and storage. This is seen particularly for 1.5-storey terraced and semi-detached units with larger plot sizes of about 3,000 to 10,000 sq. ft. suited for open storage and future extension. However, these are limited in supply.

LABUAN

International interest from China heavy industry firms is seen in Labuan, specifically for iron and aluminium manufacturing, possibly in the Labuan Halal Hub Complex.

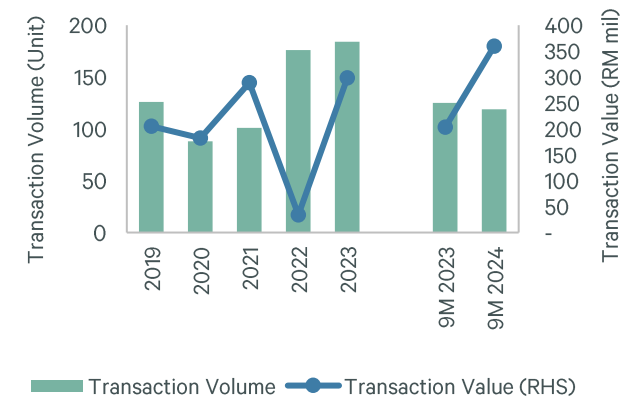
Upside potential is expected, though this is challenged by fluctuating global trends.

Supply of Industrial Units in Kota Kinabalu (Including Penampang and Putatan)



Abbreviation: RHS – refer to right-hand-side axis
Source: NAPIC, WTWS Research

Volume and Value of Industrial Transactions in Kota Kinabalu (Including Penampang and Putatan)



Abbreviation: 9M – January to September; mil – million; RHS – refer to right-hand-side axis
Source: WTWS Research

Industrial Transactions in Kota Kinabalu (Including Penampang and Putatan): Terraced, Semi-Detached & Detached

	Total Volume	Total Value
9M 2023	125	RM202.9 million
9M 2024	119	RM359.7 million
% Change y-o-y	-5%	77%

Abbreviation: 9M – January to September
Source: NAPIC, WTWS Research

Sarawak

KUCHING

Steady Expansion

The industrial sector is looking positive with increased interest from SMEs for factory units for workshops, storage, trading, showrooms, or logistics.

Significant industrial developments in Kuching for 2024 included:

- The Belgium-based, 4-storey Melexis building at the Samajaya High Tech Park, the largest worldwide wafer testing site (land area: 1.1 acres) with an investment of 70 million euros (RM356.2 million).
- 4.1 hectares of land at the Samajaya High Tech Zone granted to chip designer SMD Semiconductor Sdn Bhd to expand operations.
- The launch of I H Industrial Park @ Muara Tabuan consisting of 88 semi-detached industrial units (2,583-2,723 sq. ft.) priced between RM1.3 and RM1.9 million per unit and 8 units of detached units (2,928-5,813 sq. ft.) priced between RM2.2 and RM4.8 million per unit.

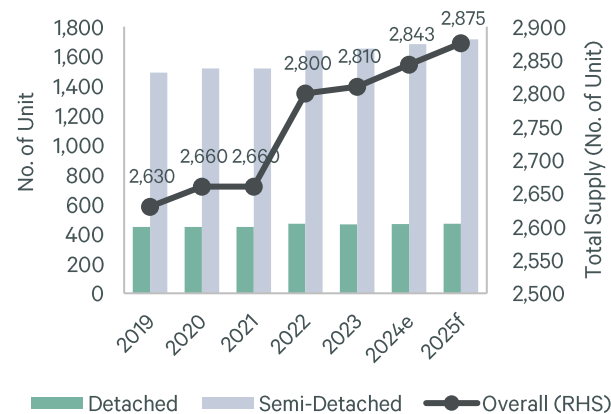
There was an increase in industrial property transactions both in volume (up by 67%) and value (up by 35%) as of 3Q 2024 compared to the same period last year. Double-storey semi-detached units continue to be the most popular, making up 65% of total transacted volume and over 45% of transacted value.

26 units of semi-detached units ranging in size between 5,260 sq. ft. and 6,630 sq. ft. were completed at 26 Industrial Park at Jalan Batu Kawa in 2Q 2024.

Occupancies have increased and prices improved. Rentals are between RM0.80 and RM1.20 per sq. ft. for semi-detached units.

The industrial sector is expected to remain stable for 2025.

Supply of Industrial in Kuching



Abbreviation: e – estimate; f – forecast; RHS – refer to right-hand-side axis
Source: NAPIC, WTWY Research



26 Industrial Park, Kuching

Source: WTWY Research

MIRI

In 9M 2024, 103 units were transacted compared to 74 units for the same period in 2023, up by 39%. Transacted value increased 110% with RM89.3 million compared to RM42.5 million as of 3Q 2023. This reflected a strong industrial performance.

Industrial property demand continues to be mainly driven by oil and gas-related and logistics companies. Current supply is adequate to meet demand.

Growth has been somewhat hampered by the unsuitability of the Kuala Baram River for the berthing of large ships. Miri is expected to fare better in the near future with plans to upgrade Miri Port and deepen the Kuala Baram Delta.

With Petros having its engineering division onshore and the need for warehousing of FMCG, the industrial sector is looking positive.

Miri: Average Rent and Yield of Industrial Units

	2023	2024
Average Rent (RM per sq. ft.)	0.80 - 1.20	0.80 - 1.20
Average Yield	3% - 3.5%	3% - 3.5%

Abbreviation: per sq. ft. – per square foot
Source: WTWY Research

Sarawak (cont'd)

BINTULU

Based on NAPIC's data, 60 industrial units were completed to give a total stock of 1,060 units as of 3Q 2024. Incoming supply is 75 units, mainly semi-detached factories.

As of 3Q 2024, transactions of industrial units decreased from 44 to 33 units y-o-y, but transaction value increased from RM43.4 million (3Q 2023) to RM70.8 million (3Q 2024).

The demand for industrial space continues to be driven by mega projects, such as the petrochemical hub and the hydrogen hub (Sarawak H2 Hub) by Gentari Hydrogen and SEDC Energy (SEDCE).

Infrastructure works, eg., the Kuala Kemena-Jepak Bridge Project, the Jalan Johari Sunam-Jalan Kemena Project, and the Strategic Plan for 2024-2030 by The Bintulu Development Authority (BDA), have also encouraged industrial growth.

Industrial estates with close proximity and access to the deep seaports, such as Kidurong and Samalaju, continue to be popular and in better demand.

With the continuous mega project contracts, demand for industrial property will continue to increase. Prices and rental rates are anticipated to increase.

Bintulu: Average Rent and Yield of Industrial Units

	2023	2024
Average Rent (RM per sq. ft.)	2.00	2.10 - 2.20
Average Yield	4%	4%

Abbreviation: per sq. ft. – per square foot
Source: WTWY Research

SIBU

Transacted prices continue to trend upwards as a result of inflation.

Occupancy and take-up rates of industrial properties remain stable and are expected to be maintained for 2025.

Industrial property supply is generally from private and piecemeal developments scattered within existing industrial estates and are normally semi-detached units. Detached types are normally owner-occupied.

There are currently no significant industrial projects in Sibü.

Demand in the Sibü industrial market comes mainly from domestic light industrial services, shipbuilding, and repair. There is also increasing demand from SMEs for semi-detached units. Industrial demand is spurred by the recently completed Pan Borneo Highway, which has improved accessibility and positioned Sibü as a logistics hub for the central region of Sarawak.

A slight increase in average rental is anticipated for 2024 to RM1.35 per sq. ft. from RM1.20 per sq. ft. in 2023. The average yield for industrial semi-detached units is maintained at 4.0% to 4.5% per annum.

Sibü: Average Rent and Yield of Industrial Units

	2023	2024
Average Rent (RM per sq. ft.)	1.20	1.35
Average Yield	4.0% - 4.5%	4.0% - 4.5%

Abbreviation: per sq. ft. – per square foot
Source: WTWY Research

Sector Outlook

The industrial sector continues to be state-driven, largely mooted by the government through JVs, MOUs, and MOAs with major industrial investors. Focus remains on IT, clean energy, and digitalisation by 2030.

Sarawak continues to draw in foreign investments for 2024, with 146 approved for the first half of 2024 (cf. 1H 2023: 133).

There are 10 existing industrial parks throughout Sarawak, with 6 under construction and 1 in the pre-implementation stage, developed by the Ministry of International Trade, Industry and Investment (MINTRED) Sarawak.

The industrial sector for Sarawak looks promising with continued focus on semiconductors, electronics, IT, and biofuels. The State will continue its mission to draw in more investors for industrial expansion. Downstream activities generated by the expansion of various energy & IT sectors will also create more industrial property demand.



Mile 8 Industrial Park, Bintulu

Source: WTWY Research

07

Hotel



The projected growth of Malaysia's tourism sector is expected to gain further momentum with the upcoming “Visit Malaysia Year 2026”, improved flight accessibility, the expansion of the 15–30 days visa-free entry program to more countries, and the country's increasing prominence as a host for international and regional MICE events. These factors bode well for the hospitality property market. However, this optimism would be moderated by the anticipated short-term influx of new hotel supply entering the market.

Sr Peh Seng Yee

DIRECTOR
CBRE | WTW

Klang Valley

Tourism growth fuels expansion in the hotel sector

International and Domestic Tourism Drives Growth

Notable growth and improved market performance are driven by the rise in international tourist arrivals, bolstered by growing domestic tourism and more international flight options. These combined factors contribute to sustained growth and enhance the sector's economic impact.

As of 9M 2024, Malaysia recorded 18.4 million international tourist arrivals, a 27% y-o-y increase from 14.5 million. Notably, Malaysia welcomed 2.5 million visitors from China between January and September 2024, a 144% increase y-o-y. This was supported by expanded direct charter flights and a 30-day entry visa-free policy, introduced in December 2023, which is set to remain in place until the end of 2026.

International tourist expenditure in Malaysia also saw a substantial rise, reflecting robust growth in tourism recovery. In 1H 2024, international tourist spending reached RM45.4 billion, marking a 51% increase compared to RM30.1 billion in 1H 2023. This positive trend underscores the strengthening of Malaysia's appeal as a global travel destination and the resurgence of international tourism activities.

Ahead of Visit Malaysia Year 2026, Tourism Malaysia is optimistic about meeting its 2025 tourism targets, attracting 31.4 million international tourist arrivals with total expenditures of RM125.5 billion. This anticipated influx presents an opportunity for increased demand across all hospitality market segments.

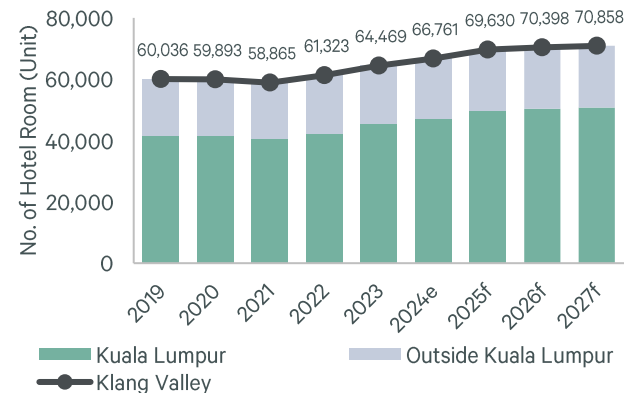
The Budget 2025 has also allocated RM550 million to boost tourism promotion and activities, including Visit Malaysia Year 2026. Enhanced flight access and increasing tourist arrivals, combined with Malaysia's role as host for numerous international and regional-scale MICE events, are expected to significantly benefit the Klang Valley hospitality market.

Raising the Bar: New 5-Star Hotels

As of 3Q 2024, Klang Valley's hotel supply consists of 66,449 units of 3- to 5-star hotel rooms. Of this supply, 32% is of 5-star hotels, 32% is of 4-star hotels, 24% is of 3-star hotels, and 11% is of serviced apartments.

By the end of 2025, over 2,000 new 5-star rooms are expected to enter the market, with an additional 488 rooms planned for 2026 and 198 rooms for 2027. Most of this new supply will be managed by leading hotel chains, such as Hilton Worldwide and InterContinental Hotels Group.

Number of Hotel Rooms in Klang Valley



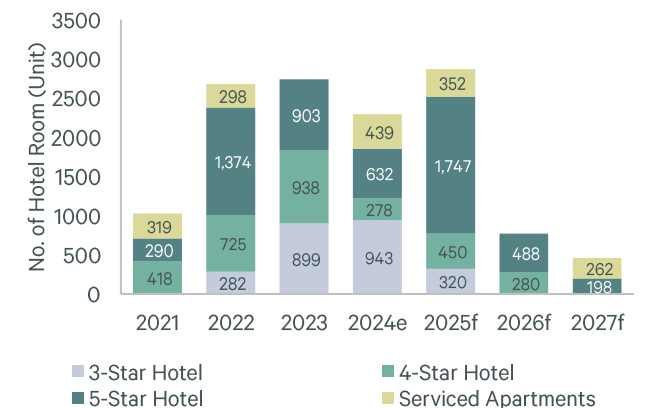
Abbreviation: e – estimate f – forecast
Source: CBRE | WTW Research & Consulting

Selected Upcoming Hotel Developments

Location	Hotel Name	Star
Merdeka 118	Park Hyatt KL	5
Tun Razak Exchange	Kimpton KL	5
Jalan Ampang	The Langham KL @ Oxley Tower	5
Jalan Ampang	SO Sofitel KL @ Oxley Tower	5
Jalan Conlay	Kempinski @ 8 Conlay	5
Jalan P Ramlee	Hyatt Centric City Centre KL	5
Jalan Raja Chulan	Waldorf Astoria Hotels & Resorts	5
Jalan Sultan Ismail	Conrad KL	5
Jalan Tun Razak	Regent KL	5
KL Midtown	Hyatt Regency KL	4
Jalan Hang Lekiu	Moxy Chinatown KL	3
KL Metropolis	Somerset @ KL Metropolis	SA

Abbreviation: SA – serviced apartment
Source: CBRE | WTW Research & Consulting

Annual Supply of Hotel Rooms in Klang Valley by Star Rating



Abbreviation: e – estimate f – forecast
Source: CBRE | WTW Research & Consulting

Klang Valley (cont'd)

Since 2022, the Klang Valley hotel industry has focused on luxury accommodations to serve both business and leisure travellers. In 2022, nearly 51% of new hotel rooms in Klang Valley were 5-star hotels. By 2025, 61% of the new hotel rooms in Klang Valley are expected to be in the 5-star category.

Most luxury hotels are located in Kuala Lumpur city centre, within walking distance of major landmarks, including the KLCC Twin Towers, the Tun Razak Exchange Financial District, and the Bukit Bintang shopping area. This allows easy access to business hubs, shopping, and entertainment.

Wave of New Global Brands

Klang Valley is seeing a wave of new international brands while existing brands continue to expand actively. Kempinski Hotels and Langham Hospitality Group (LHG) are making their debut while Accor Hotels, Hyatt Hotels, IHG, Hilton Worldwide, and Marriott International are further strengthening their presence.

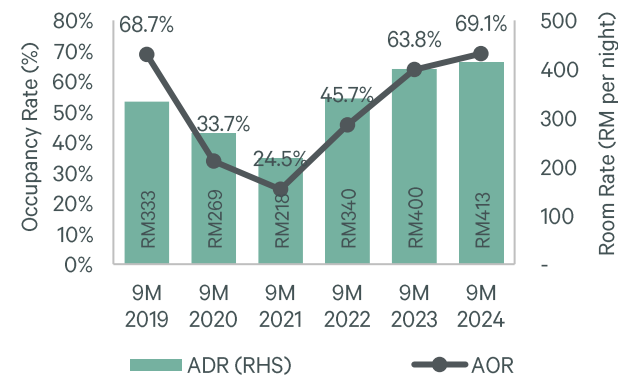
In 1Q 2024, Marriott International launched its first Moxy hotel in Malaysia, the Moxy Putrajaya, with 480 rooms. Courtyard by Marriott Kuala Lumpur South was launched in 2Q 2024, offering 278 rooms. Courtyard by Marriott is set to further expand with a new location in Subang in 2026.

Other notable additions in 2024 include the Imperial Lexis KL, ibis Styles Sepang KLIA by Accor, Lloyd's Inn Kuala Lumpur at Jalan Kamuning (Imbi), and the Crowne Plaza Hotel at Jalan Yap Kwan Seng.

Hotel Occupancy and Average Daily Room Rates Improvement

The Average Occupancy Rate (AOR) and Average Daily Rate (ADR) for hotels in the Klang Valley have surpassed pre-pandemic benchmarks.

AOR and ADR in Klang Valley



Abbreviation: AOR – Average Occupancy Rate; ADR – Average Daily Rate, 9M – January to September; RHS – refer to right-hand-side axis
Source: CBRE | WTW Research & Consulting

The increase in ADR reflects the hotel sector's proactive response to changing conditions. Following the Sales and Service Tax (SST) adjustment from 6% to 8% in March 2024, hotels have adjusted rates to align with the tax update. Additionally, rising operational costs, including expenses related to staffing and supplies, have led hotels to make slight adjustments to maintain service quality and operational efficiency. This thoughtfully managed increase in room rates helps hotels cover the rising operational costs while maintaining a high standard of hospitality for their guests.

The anticipated influx of new supply in the Klang Valley's hotel market is expected to intensify competition, potentially impacting occupancy levels and average room rates. However, this shift also creates opportunities for operators to differentiate their offerings, improve service quality, and attract a wider customer base, fostering a more vibrant and competitive market environment.

Budget 2025 has allocated RM550 million to boost tourism promotion and activities, including Visit Malaysia Year 2026. Enhanced flight access and increasing tourist arrivals, combined with Malaysia's role as host for numerous international and regional-scale MICE events, are expected to significantly benefit the Klang Valley hospitality market.

SEREMBAN

The hospitality market in Seremban remains modest, driven by local and regional visitors. Occupancy remains stable and benefits from its proximity to KL as an alternative for short leisure stays and business events.

Lexis Hotels & Resorts Sdn Bhd is now preparing to introduce Lexis Hibiscus 2 in Port Dickson, scheduled for completion in 2029. Located next to the existing Lexis Hibiscus, this project is scheduled for completion in 2029. The development will feature 1,710 high-end units, including 910 water homes and 800 sky pool suites, designed to provide a luxury stay experience. Lexis Hibiscus 2 is expected to attract 1.1 million tourists each year, with approximately half of the visitors projected to be international tourists.

Overall, Port Dickson is set to continue as the main driver of growth in the state tourism market.

Penang

Penang’s tourism boost through international hotels, new flights routes, and growing appeal

Penang Island experienced favourable occupancy and room rates from January to October 2024. Occupancy rates for beach hotels have ranged from 58% to 82%, while city hotels have seen rates between 53% and 74%. The Average Daily Rate (ADR) for beach hotels varied from RM417 to RM485 per night, whereas city hotels recorded between RM260 and RM315 per night.

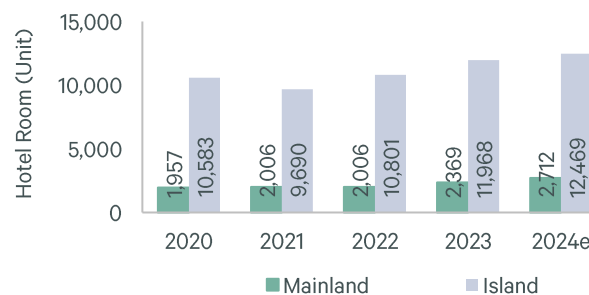
Penang is set to experience a substantial boost in tourism with new international hotels. Newly completed hotels in 2024 include:

- Crowne Plaza by Straits City, opened in August 2024, features 343 rooms, located in Butterworth.
- Penang Marriott Complex opened in September 2024 and comprises three properties, including the Penang Marriott Hotel with 223 rooms, the Marriott Executive Apartments Penang, and the Marriott Residences Penang. This complex is located along the iconic Gurney Drive.
- Lyf Georgetown by Ascott offers 144 rooms. It combines comfort with a community vibe, featuring co-living spaces and social areas designed for interaction among guests. The hotel is ideal for those looking for a blend of work and play.
- Citadines Connect Cecil Georgetown, a well-preserved pre-war building, houses 75 chic and modern rooms, suites, and apartments, offering all the comforts and amenities.

Additionally, MTT Hospitality Sdn Bhd has partnered with Pan Pacific Hotels Group to rebrand the Evergreen Laurel Hotel into the Gurney Bay Hotel (368 rooms). The hotel will undergo a full transformation over the next 18 to 24 months, starting from August 2024, culminating in its rebranding as the PARKROYAL hotel.

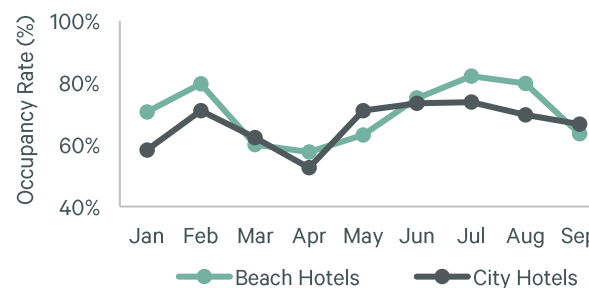
5-star boutique hotel JdV by Hyatt (156 rooms) and 4-star Galaxy Minyoun Penang (303 rooms) will be integral parts of The Light City’s 34-storey mixed-use development.

Cumulative Supply



Abbreviation: e - estimate
Source: CBRE | WTW Research & Consulting

Average Occupancy Rate (2024)



Source: CBRE | WTW Research & Consulting

Penang has enhanced its connectivity with new flight routes. AirAsia has launched four weekly flights from Penang to Shenzhen, while direct flights from Chongqing commenced on July 23, 2024.

With the anticipated opening of the Penang Waterfront Convention Centre in 2025, along with a robust pipeline of new hotels, Penang is well-positioned to attract a diverse range of tourists. The combination of improved accommodation options and increased international flight connectivity will likely solidify its status as a premier destination for both leisure and business travellers.



Rebranded Gurney Bay Hotel, Gurney Drive

Source: CBRE | WTW Research & Consulting



Citadines Connect Cecil Georgetown Penang, Lebuh Cecil

Source: CBRE | WTW Research & Consulting

Penang (cont'd)

More hotels in the pipeline in Penang include:

Development	No. of Rooms	Expected Opening
Harris Sunshine Penang, Air Itam	289	2025
Iconic Marjorie Hotel, Sungai Nibong	298	2025
Citadines Tanjung Tokong Penang	132	2025
Citadines Connect Bertam Georgetown Penang	TBC	2025
Capri By Fraser @ Jalan Magazine	255	2025
Hotel @ The Light Waterfront	459	2025
Hompton Air-Port @ Bayan Lepas	293	2025
Citadines Batu Maung Penang	200	2025
Le Méridien Penang Airport	200	2026
Westin Hotel, Penang	217	2027

Abbreviation: TBC – to be confirmed

Source: CBRE | WTW Research & Consulting

KEDAH

The main tourism hub is Langkawi, which saw 2.8 million tourist arrivals in 2023, according to the Langkawi Development Authority (LADA).

In 2024, the hotel sector saw an increase in average room rates for 3-star hotels (RM250), 4-star hotels (RM450), and 5-star hotels (RM1,500). Occupancy rates also improved across these hotels, to average 71.6%.

4-star hotels located in Alor Setar include The Jerai Hill Resort, The Grand Alora, and Raia Hotel. Langkawi hosts several 5-star hotels, such as Pelangi Beach Resort & Spa, The Riyaz Lavanya, The Westin Langkawi, The Ritz-Carlton, Tanjung Rhu Resort, and The St. Regis Langkawi.

Beaver Properties Group is planning a new 4-star hotel in Kulim. The hotel will be the first HARRIS-branded hotel in the region, developed in partnership with Ascott International Management (Malaysia) Sdn. Bhd. It is expected to be completed in 2027 and will be part of the Beaver Midtown Kulim integrated development, which spans 9.6 acres and will include commercial units, purpose-built offices, and three drive-thru units.

To boost tourism, the state will launch "*Tahun Melawat Kedah 2025*".

PERAK

In February 2024, YTL Hospitality REIT acquired the Syuen Hotel for RM55 million. The 13-storey, 290-room hotel, which had ceased operations in May 2020, will be rebranded as AC Hotels by Marriott.

The Haven Resort (150 rooms), a five-star resort in Ipoh, has partnered with the international hotel chain Tui Blue.

According to Tourism Perak Malaysia, the total number of domestic and international tourist arrivals in Perak reached 0.7 million from January to June 2024.

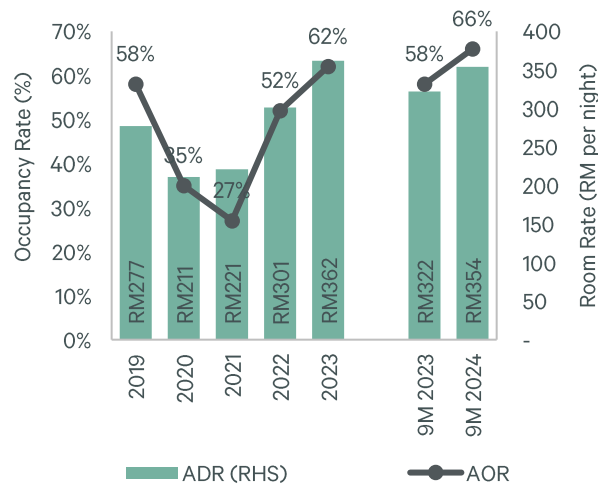
The increase in tourist arrivals coincides with the Visit Perak Year 2024 (TMP 2024) campaign.

Iskandar Malaysia

Positive Momentum in Hotel Performance

The hotel sector in Iskandar Malaysia (IM) continues to perform strongly. As of 9M 2024, the Average Occupancy Rate (AOR) improved to 65.8%, and the Average Daily Rate (ADR) to RM354 (cf. 9M 2023: AOR 57.8%; ADR RM322). This recovery is largely driven by returning guests, particularly from Singapore, which remains a key segment of IM's hotel industry.

Average Occupancy Rate and Average Daily Rate of Upscale Hotels in Iskandar Malaysia



Abbreviation: AOR – Average Occupancy Rate; ADR – Average Daily Rate; RHS – refer to right-hand-side axis; 9M – January to September
Source: CBRE | WTW Research & Consulting

Flourishing Tourism Industry

In the first nine months of 2024, Johor attracted over 15.9 million visitors, a 34% increase compared to 11.9 million visitors for the nine months in 2023. Singapore accounted for 12.6 million tourists, or about 79% of the total, mostly day visitors.

The Johor Tourism Ministry is preparing for Visit Johor Year 2026 and has allocated RM67.6 million to improve tourism infrastructure, including refurbishment of Johor Zoo, MBBJ City Forest, and the Kampung Sungai Melayu River Cruise.

Johor will also host the ASEAN Tourism Forum (ATF) in 2025. More business events will be promoted to drive the hospitality sector and attract visitors from Europe and East Asia.

Hotel Developments in Iskandar Malaysia

Hotel	Location	Star Rating	No. of Room	Expected Opening
OZO Medini	Medini	4	198	4Q 2024
Sheraton Johor Bahru	Johor Bahru City Centre	4	345	2025
Novotel Johor Bahru	Johor Bahru City Fringe	4	314	3Q 2025
Hyatt Place @ Quayside JBCC	Johor Bahru City Centre	TBC	200	4Q 2026
GreenTree Hotel	Permas Jaya, Masai	TBC	206	2026

Abbreviation: TBC – to be confirmed
Source: CBRE | WTW Research & Consulting

Number of Visitors to Johor

Country	Visitors	
	Jan – Sep 2023	Jan – Sep 2024
Singapore	9,533,774	12,601,310
Indonesia	910,015	1,003,179
China	232,483	720,367
Philippines	222,773	289,475
India	162,352	321,195
Japan	50,846	72,838
South Korea	56,823	56,019
Vietnam	116,857	131,977
Thailand	58,288	71,454
Europe	145,080	172,590
Australia	46,023	51,219
Brunei	3,989	3,983
Others	362,545	401,525
Total	11,901,848	15,897,131

Source: Tourism Johor, CBRE | WTW Research & Consulting

Iskandar Malaysia (cont'd)

Entry of More International Hotels

More international hotel brands are expanding into Iskandar Malaysia (IM), spurred by its positioning as a global destination for tourism, business, and investment.

International hotel brands are choosing to operate as a component of serviced apartment or shopping mall developments, a trend aligned with the rise of mixed-use developments. These integrated projects provide enhanced convenience and operational efficiency by combining hospitality with complementary residential and retail elements.

Examples of such developments include the Hyatt Hotel at Paradigm Mall and St Giles Southkey Hotel at Mid Valley Southkey. Several upcoming developments are Novotel JB at Space Residency, OZO Medini at UMCity Medini, and Hyatt Place at Quayside JBCC.

BATU PAHAT

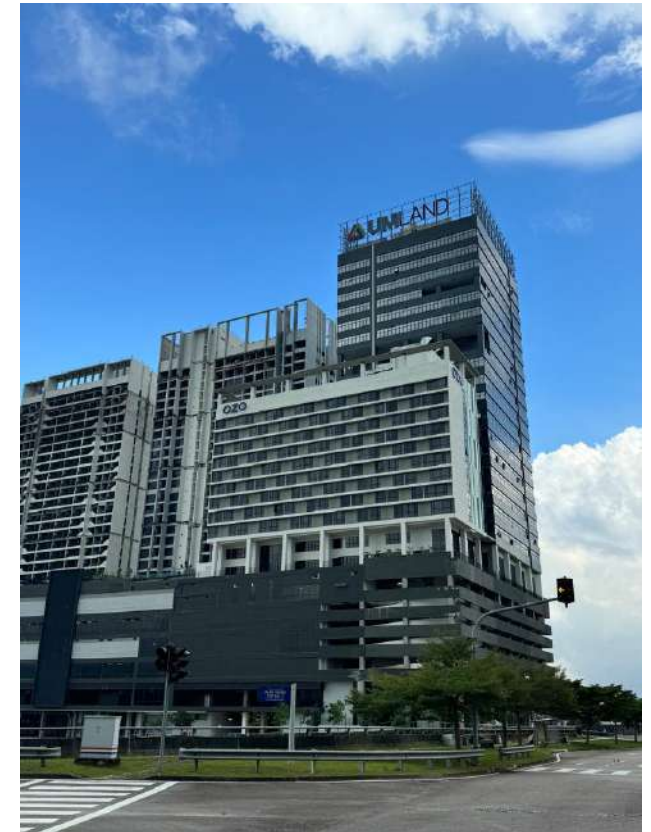
Batu Pahat's hotel sector remained uneventful. As of 3Q 2024, there were nine purpose-built hotels, all of which are currently operational, despite low booking rates. No new projects were announced.

MELAKA

Melaka experienced a significant influx of tourists, with 5.1 million arrivals in the first four months of Visit Melaka Year 2024. Following this surge, hotels are facing intense competition as newly completed serviced apartments such as Atlantis, Bali Residences, and The Wave offered Airbnb accommodation. To maintain market share, hotels are actively promoting attractive packages and banquet functions.

The Dusit Princess, a 5-star Thai hotel operator, is refurbishing the former Ramada Plaza Hotel on Jalan Bendahara, with the reopening anticipated in 4Q 2024.

Yong Tai Berhad has proposed the sale of the Courtyard by Marriott Melaka, a 5-star hotel with 284 rooms, to Southern Envoy Sdn Bhd for RM160 million.



OZO Medini Hotel with UMCity Premium Corporate Tower in Medini

Source: CBRE | WTW Research & Consulting

Sabah

Improved Sentiments on Sabah's Tourism Sector

Sabah registered visitor arrivals increased by 28% y-o-y, about 2.4 million between January and September 2024 (cf. 9M 2023: about 1.9 million people).

41% were international arrivals, led by China (383,827), Brunei (173,603), and South Korea (145,731). By the end of 2024, total tourist arrivals are expected to surpass 3 million. 3.7 million visitors to Sabah are targeted for Visit Malaysia Year 2026, with projected RM9.1 billion in tourism receipts.

As of mid-November 2024, there were 136 weekly direct international flights to Sabah from 19 regional cities and 372 domestic flights.

In December 2024, AirAsia commenced thrice-weekly flights from Ho Chi Minh City in Vietnam to Kota Kinabalu. More direct flight connections are expected from Indonesia and China.

Hotel occupancy for the year up to 3Q 2024 stood at 60%, with 4-star and 5-star hotels at 68% and 64%, respectively. In Kota Kinabalu, city centre and resort-type hotels are generally faring well.

Currently, there are approximately 2,373 rooms of 4- to 5-star hotel quality in development in Kota Kinabalu and the West Coast of Sabah. Notable projects include Club Med Borneo, InterContinental Resort, Alila Dalit Bay (which is completed yet to operate), Fairfield by Marriott, Avani Hotel, Sheraton, and Crowne Plaza KK Waterfront.

In October 2024, Borneo Beach and Mangrove Resort Sdn Bhd signed a hotel management agreement for a new five-star Hilton Resort and four-star Hilton Garden Inn (formerly Mimpian Jadi Resort) in Tuaran.

The improving tourism sector also continues to attract the development of short-term rental accommodation via Airbnb, with over 5,400 units ongoing from 11 developments. Notable serviced residence developments completed in 2024 are Bay Suites (447 units) and Sutera Bay (283 units), while Vetro 11 (260 units) is expected to be completed in early 2025.

To boost Sabah's tourism activities, the Meetings, Incentives, Conferences, and Exhibitions (MICE) segment and community-based tourism or rural tourism products, have been identified for development. The Sabah Tourism Board and AirAsia recently collaborated on a strategic partnership to boost the tourism industry with enhanced overall connectivity for domestic and international routes. Several cities included are Perth, Guangzhou, and Hong Kong.

Kota Kinabalu International Airport (KKIA) has been approved for a RM442 million upgrade to increase passenger capacity from 9 million to 12 million. The upgrade involves the expansion of the main terminal and additional aircraft parking bays. In 2019, KKIA recorded 9.4 million passengers, and this is expected to reach 12.4 million in 2034.



Alila Dalit Bay Hotel

Source: WTWS Research

TAWAU

Demand for hotel rooms in Tawau town improved, though room rates remained competitive. No new supply is expected in the short to medium term.

2024 saw the commencement of direct international and chartered flights from Tawau Airport to China. Semporna is seeing an increase in foreign visitor arrivals, especially from China. On supply, Wyndham Hotels & Resorts announced the new Wyndham Semporna Resort in July 2024, featuring 188 villas overlooking the Semporna waterfront. Among the incoming new hotel supply is Seafest Suites Hotel (240 rooms), which is set to be opened in 2025.

Tawau Airport will also undergo a RM130 million makeover, which will see passenger capacity increasing from 1.3 million to 2.5 million per year. It is currently operating at 1.7 million passengers.

Sarawak

KUCHING

The state drew in record-breaking numbers of visitors for 2024, surpassing even pre-pandemic levels.

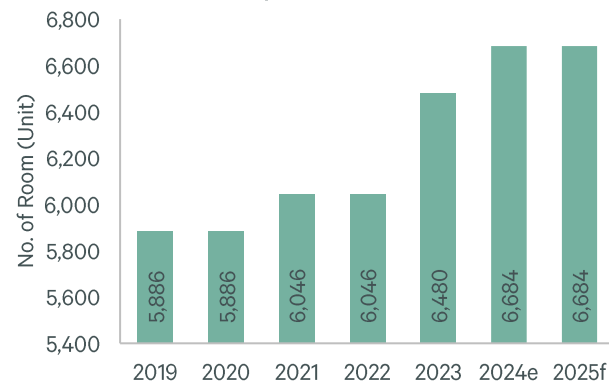
Ascending Tourism Figures

As of October 2024, Sarawak has recorded a total of 3,985,691 visitor arrivals and looks set to achieve an all-time high of 5 million visitors for the whole year 2024.

Average room rates of 3- to 5-star hotels for 2024 improved to RM235 (cf. Sarawak: RM217) per room night, from RM233 (cf. Sarawak: RM215) per room night in 2023. Occupancy rates remain improved at around 53%.

The addition of hotel rooms for 2024 came from the extension of Hotel 56 with 2 new floors (62 rooms) and a new wing (145 rooms) added, whilst Liwah Hotel was refurbished and revamped to be replaced by Theatre Hotel (93 rooms).

Hotel Supply in Kuching



Abbreviation: e – estimate; f - forecast
Source: WTWY Research



Theatre Hotel, Kuching

Source: WTWY Research



City Rise Hotel, Miri

Source: WTWY Research

MIRI

There were no transactions of hotels in Miri for 2024. Room demand has improved since 2023, with increased Bruneian tourists or visitors and business travellers post-pandemic.

A new 4-star hotel, namely, City Rise Hotel, located along Jalan Brooke, opened in March 2024, adding 268 hotel rooms to the market.

Room rates for 3 to 5-star hotels are maintained, with a slight increase in the 4 and 5-star category. Occupancy rates and REVPAR also remained more or less unchanged.

Events such as Sukan Malaysia (SUKMA) XXI Sarawak 2024, the Miri Marathon, the Miri Food Festival, Miri Bike Week, and the Borneo Jazz Festival held in Miri attracted tourists in 2024. The slew of developments launched/announced for Miri in the property, tourism, and infrastructure sectors are exciting news for this growing city. The launch of the hi-tech Kenyalang Smart City will also attract attention from locals and investors.

Miri: Average Daily Rate and Occupancy Rate

	Average Room Rate (RM per room per night)				
	2020	2021	2022	2023	2024 ^P
3-star	137-400	105-240	167-231	112-364	67-291
4-star	149-358	110-360	148-490	136-599	120-750
5-star	250-800	190-888	220-1,021	236-928	228-901
	Average Occupancy Rate (%)				
	2020	2021	2022	2023	2024 ^P
3-star			60%	60-65%	60-65%
4-star	NA	NA	60%	60-65%	60-65%
5-star			60%	60-65%	60-65%
Overall	40%	40%	60%	60-65%	60-65%

Abbreviation: NA – not available; p – preliminary
Source: WTWY Research

Sarawak (cont'd)

MIRI (cont'd)

The establishment of a friendship city collaboration with Zhaoping City of China will boost bilateral relations and promote trade, culture, and tourism between the 2 cities. This will draw in more tourists directly to Miri.

The implementation of tourism campaigns and new tourism products is vital to the industry. There are also benefits from ESG compliance for sustainable tourism in line with the World Tourism Agenda.

Government investments and efforts in attracting international events, and the establishment of the Tourism Development Authority in Miri are all positives for the tourism industry.

The hotel sector continues to face challenges with higher CAPEX compared to other industries and a longer break-even time frame.

BINTULU

Bintulu's hotel sector remained stable for 2024. Occupancies for 3- to 5-star hotels have improved but remain relatively low compared to the other major cities in Sarawak. Improvement is also noted for its average room rate from RM180 in 2023 to RM200 in 2024.

There were no transactions in 2024.

Batik Air announced KL-Bintulu direct flights starting from November 2024. This may increase visitors to Bintulu and improve hotel occupancies in 2025.

Bintulu: Average Daily Rate and Occupancy Rate

	Average Room Rate (RM per room per night)				
	2020	2021	2022	2023	2024 ^P
3-star	180-500	150-500	150-500	150-500	150-500
4-star	From 250	From 200	From 200	From 200	From 200
5-star	NA	NA	NA	NA	NA
	Average Occupancy Rate (%)				
	2020	2021	2022	2023	2024 ^P
3-star	NA	NA	50%	50%	50%
4-star	NA	NA	50%	50%	50%
5-star	NA	NA	NA	NA	NA

Abbreviation: NA – not available; p – preliminary
Source: WTWY Research

SIBU

Sibu's tourism industry continues to rely on domestic tourism and business travellers. With the economic recovery, Sibu has seen improvement in its hotel occupancy rate to more than 60% and average room rate from RM145 to RM165 per room night.

Sibu's hotel sector will experience a boost with the completion of the Pan Borneo Highway and the 2nd Trunk Road. Sibu's strategic central location in Sarawak has always appealed as a convenient destination or stopover for self-driving travellers from other major cities in Sarawak. The increased ease of travel and shorter travelling time will encourage more intertown travelling, thus increasing hotel demand.

More tourism programs, promotions, and activities are needed. Older hotels also need to be refurbished or revamped to increase their appeal to travellers. Online hotel platforms that offer alternative accommodation such as Airbnb present competition to traditional hotels.

Sibu: Average Daily Rate and Occupancy Rate

	Average Room Rate (RM per room per night)				
	2020	2021	2022	2023	2024 ^P
3-star	120-170	120-170	120-170	120-170	120-170
4-star	120-200	120-200	120-200	160-250	160-260
5-star	NA	NA	NA	NA	NA
	Average Occupancy Rate (%)				
	2020	2021	2022	2023	2024 ^P
3-star	60%	60%	60%	65%	65%
4-star	40%	40%	50%	55%	55%
5-star	NA	NA	NA	NA	NA

Abbreviation: NA – not available; p – preliminary
Source: WTWY Research

Sector Outlook

Sarawak's hotel sector outperformed other sectors in 2024, as shown by the number of visitors to Sarawak, which has reached a record high. This is thanks in part to its colourful tourism calendar mooted by the state's tourism programs and promotional efforts and its enthusiastic bid to host international events.

Based on the tourist arrivals for the first 3 quarters of 2024, the Ministry of Tourism Sarawak is confident that Sarawak will be able to achieve 5 million visitor arrivals for the year 2024, higher than the target and surpassing pre-pandemic levels.

Such momentum will propel Sarawak to be a "Must-Visit State" on the bucket list of tourists visiting Malaysia.

09

Significant Transactions

Significant Transactions

PROJECT NAME/ LOCALITY	DESCRIPTION	VENDOR	PURCHASER	TRANSACTION PRICE (RM)
KLANG VALLEY				
Eco Forest 2, Semenyih	Ten parcels of freehold land (847-acre)	U.K. Realty Sdn Bhd and BPlant	Mutiara Balau Sdn Bhd	742,407,086
Tropicana Gardens Mall	A purpose-built 7-storey leasehold shopping mall with 2,190 parking bays	Tropicana Indah Sdn Bhd	IOI Mall Damansara Sdn Bhd	680,000,000
Mapletree Logistics Hub	A freehold logistic warehouse (Net Lettable Area: 1.4 million sq. ft.)	Symphony Warehouse Sdn Bhd	Semangkuk Bhd	558,800,000
Banyan Tree KL	A freehold 5-star hotel comprises 55 well-appointed rooms, together with 81 parking bays within a 59-storey integrated commercial building	Lumayan Indah Sdn Bhd	Pavilion REIT Management Sdn Bhd	480,000,000**
Pavilion Hotel KL	A leasehold 5-star hotel comprises 325 well-appointed rooms, together with 147 parking bays within a 13-storey hotel block	Harmoni Perkasa Sdn Bhd		
Kawasan Perusahaan Bukit Raja	A leasehold industrial complex and a leasehold open storage yard	Amsteel Mills Sdn Bhd	Axis Real Estate Investment Trust (Axis-REIT)	351,800,000
Batang Berjuntai	A parcel of freehold agricultural land (826-acre)	Metalplex Plantation Sdn Bhd	Scientex Park (M) Sdn Bhd	335,680,438
D'Pulze Shopping Centre	A 7-storey freehold commercial building with 2 levels of basement comprising a supermarket, retail spaces, cinema, fitness centre and entertainment centre with 1,028 car park bays	D'Pulze Ventures Sdn Bhd	KIP Real Estate Investment Trust (KIP REIT)	320,000,000
Tropicana Gardens	A parcel of leasehold commercial land (8-acre)	Perbadanan Kemajuan Negeri Selangor	Tropicana Kajang Hill Sdn Bhd	224,000,000
163 Retail Park	A stratified 7-storey freehold retail shopping centre	D'Kiara Place Sdn Bhd	Sunway Real Estate Investment Trust (Sunway REIT)	215,000,000
Elmina Business Park, Sungai Buloh	A single-storey freehold industrial building/ warehouse with an annexed three-storey office building together with the ancillary buildings (under construction)	PTT Logistics Hub 1 Sdn Bhd	CapitaLand Malaysia REIT Management Sdn Bhd	180,000,000
Seksyen 51A PJ and Batu Caves	Two leasehold auto service centres	Cycle & Carriage Bintang Bhd	Axis Real Estate Investment Trust (Axis-REIT)	125,000,000*

* Concluded deal by CBRE | WTW

** Valued by CBRE | WTW

Source: Bursa Malaysia Announcement, JPPH, CBRE | WTW Research & Consulting

Significant Transactions

PROJECT NAME/ LOCALITY	DESCRIPTION	VENDOR	PURCHASER	TRANSACTION PRICE (RM)
ISKANDAR MALAYSIA				
Eco Botanic 3, Iskandar Puteri	Thirteen parcels of freehold land (240-acre)	River Retreat Sdn Bhd	Eco Botanic 3 Sdn Bhd	450,127,347
Eco Business Park VI	A piece of freehold industrial land (123-acre)	Eco Business Park 6 Sdn Bhd	Microsoft Payments (M) Sdn Bhd	402,302,175
Gelang Patah	A parcel of freehold industrial land (68-acre)	Tropicana Firstwide Sdn Bhd	NTT Data Group	383,131,544
Pulai	Fourteen parcels of freehold agricultural land (350-acre)	Lee Pineapple Company (Pte) Limited	Scientex Quatari Sdn Bhd	381,429,660
Pulai	A parcel of freehold commercial land for use as a data centre (39-acre)	Tropicana Firstwide Sdn Bhd	Computility Technology (Malaysia) Sdn Bhd	239,987,765
Plentong	Part of a parcel of freehold agricultural land (48-acre out of a total of 105-acre)	Paragon Business Hub Sdn Bhd	Bridge Data Centres Malaysia IV Sdn Bhd	238,317,196
Pulai	A piece of freehold mixed commercial land (42-acre)	River Retreat Sdn Bhd	ST Dynamo DC	178,230,118
Taman Maju Jaya, Johor Bahru	A parcel of freehold land (7-acre)	Pelangi Sdn Bhd	Maxim Pelangi Sdn Bhd	167,000,000
Axis Steel Centre @ SILC	A plot of freehold industrial land which is improved upon with 2 single-storey detached factories, a double-storey office building, a double-storey canteen and maintenance office, a single-storey training centre, a 3-storey worker hostel and other ancillary buildings	Axis Real Estate Investment Trust (Axis REIT)	<i>Confidential</i>	162,000,000
i-TechValley (Within Phase 3 SILC)	Seven plots of freehold industrial land (22-acre)	Pentagon Land Sdn Bhd	Digital Hyperspace Malaysia Sdn Bhd	134,794,536
Pulai	A parcel of freehold industrial land (25-acre)	Panoramic Industrial Development Sdn Bhd	Microsoft Payments (Malaysia) Sdn Bhd	132,471,276
Pulai	A piece of vacant freehold industrial land (21-acre)	Panoramic Industrial Development Sdn Bhd	Digital Halo Pte Ltd	115,877,876
JOHOR				
Parit Jawa, Muar	Twenty-four parcels of freehold agricultural land (1,094-acre)	Guan Hong Plantation Private Limited	Scientex Heights Sdn Bhd	200,000,000*
Kluang Mall	A 4-storey shopping complex with 920 parking bays	Tenaga Nusantara Sdn Bhd	Sunway Real Estate Investment Trust (Sunway REIT)	158,000,000

* Concluded deal by CBRE | WTW

Source: Bursa Malaysia Announcement, JPPH, CBRE | WTW Research & Consulting

Significant Transactions

PROJECT NAME/ LOCALITY	DESCRIPTION	VENDOR	PURCHASER	TRANSACTION PRICE (RM)
PENANG				
Seberang Perai Selatan	Thirty-seven pieces of freehold land (708-acre)	Land Capacity Sdn Bhd	Scientex (Skudai) Sdn Bhd	462,496,775
Courtyard by Marriott Penang (Tropicana 218 Macalister)	A four-star freehold hotel comprising 199 rooms	Tropicana Macalister Avenue (PG) Sdn Bhd	IOI Business Hotel Sdn Bhd	165,000,000
Perda City Mall	A shopping complex with a main floor area of 210,499 sq. ft.	Northern Mall Sdn Bhd	UDA Holdings Berhad	160,000,000
Seberang Perai Selatan	Thirteen pieces of freehold agricultural land (178-acre)	Jaks Solar Power Sdn Bhd	Summersonic Sdn Bhd Pacific Arena Sdn Bhd	77,700,000
Solok Bayan Lepas	A parcel of leasehold industrial land together with the buildings (4-acre)	Penang Development Corporation (PDC)	DHL Supply Chain (Malaysia) Sdn Bhd	53,000,000
Seberang Perai Selatan	Nine pieces of freehold agricultural land (96-acre)	Jaks Solar Power Sdn Bhd	Summersonic Sdn Bhd	41,804,508
Penang Times Square Phase 4	Part of a parcel of freehold land (1 acre out of a total of 12-acre)	Ivory Gleneary Sdn Bhd	Chin Hin Property (Penang) Sdn Bhd	40,000,000
Prai Industrial Estate	A parcel of leasehold industrial land together with the buildings (15-acre)	Hume Concrete Sdn Bhd	Skygate Technology (KL) Sdn Bhd	39,800,000
Seberang Perai Selatan	Four pieces of freehold agricultural land (83-acre)	Jaks Solar Power Sdn Bhd	Pacific Arena Sdn Bhd	35,939,726
NEGERI SEMBILAN				
Bandar Seremban Utama	Two pieces of commercial land (23-acre)	Real Attraction Sdn Bhd	AEON Co (M) Bhd	102,891,466
Bandar Springhill	Part of a parcel of freehold agricultural land (53-acre out of a total of 79-acre)	West Synergy Sdn Bhd	Antmed Malaysia Sdn Bhd	80,803,800
Bandar Enstek	Parcels of industrial and agricultural land (50-acre)	TH Properties Sdn Bhd	GoBuilders Netsoft Sdn Bhd; Educ8 Group Sdn Bhd; Malindo Airways Sdn Bhd; Meta Legends Sdn Bhd	70,257,000
Bandar Baru Enstek	Two pieces of vacant freehold industrial land (10-acre)	Signature Realty Sdn Bhd	Loi Foon Kion	25,701,312
MELAKA				
Courtyard by Marriott	A five-star hotel comprising 284 rooms	Apple 99 Development Sdn Bhd	Southern Envoy Sdn Bhd	160,000,000
Melaka Tengah	Six parcels of leasehold commercial land (19-acre)	MDS Developments Management Sdn Bhd; Aim Dev. Worldwide Sdn Bhd; Aim Holdings Worldwide Sdn Bhd	Chin Hin Property (Melaka) Sdn Bhd	41,936,800

Source: Bursa Malaysia Announcement, JPPH, CBRE | WTW Research & Consulting

Significant Transactions

PROJECT NAME/ LOCALITY	DESCRIPTION	VENDOR	PURCHASER	TRANSACTION PRICE (RM)
PERAK				
Syeun Hotel	A 13-storey standalone leasehold hotel building with 290 rooms	Syeun Hotel Bhd	YTL Hospitality Real Estate Investment Trust (YTL Hospitality REIT)	55,000,000
Taman Impiana, Gopeng	A leasehold housing development with individual titles issued, consisting of 1,201 leasehold titles for residential units, 3 leasehold titles for TNB substations, and 1 leasehold title for a Main Switchgear System electrical substation site, along with reserved land for infrastructure, utilities, amenities, and services (97-acre)	Farlim (Perak) Sdn Bhd	Gabong Holding Sdn Bhd	33,000,000
PAHANG				
Harbour Park, Gebeng Industrial Area	Part of a parcel of leasehold industrial land (59-acre out of a total of 163-acre)	Pasdec Corporation Sdn Bhd	Petroluxe Refinery (M) Sdn Bhd	73,496,033
Bentong	Four parcels of freehold commercial land (30-acre)	Sering Manis Sdn Bhd	Pembinaan Gapadu Sdn Bhd	65,000,000
KEDAH				
Kuala Muda	Three plots of freehold land (855-acre)	Hock Lean Rubber Estate Sdn Bhd	Blossom Eastland Sdn Bhd	148,975,200
The Andaman, Langkawi	A leasehold hotel building	Andaman Resort Sdn Bhd	Mutiara Hotels & Resorts Sdn Bhd	130,000,000
Bandar Amanjaya	A parcel of freehold commercial land (129-acre)	Sing Ta Nian Development Sdn Bhd	UEPE Land Development Sdn Bhd	95,999,030
Kawasan Pantai Kok, Langkawi	Two parcels of freehold development land (10-acre)	Pantai Kok Resort Development Sdn Bhd	IOI Business Hotel Sdn Bhd	90,100,000
Bandar Sungai Petani	Five pieces of freehold agricultural land (331-acre)	Central Kedah Properties Sdn Bhd	OSK Amanjaya Sdn Bhd	71,997,736
KOTA KINABALU, SABAH				
Armani Business Park	Six units of leasehold semi-detached industrial warehouse or factory with expected completion in 1Q 2025	Armani KPF2 Development Sdn Bhd	Vestland Resources Sdn Bhd	18,000,000
SANDAKAN, SABAH				
Labuk & Sugut	Thirteen parcels of leasehold agricultural land (7,505-acre)	Berkat Setia Sdn Bhd Bonus Indah Sdn Bhd Kian Merculaba Sdn Bhd	Sungei Mangis Plantation Sdn Bhd	165,111,628

Source: Bursa Malaysia Announcement, JPPH, CBRE | WTW Research & Consulting

Significant Transactions

PROJECT NAME/ LOCALITY	DESCRIPTION	VENDOR	PURCHASER	TRANSACTION PRICE (RM)
TAWAU, SABAH				
Kunak Town	An oil palm estate (200-acre)	Golden Harvest Palm Sdn Bhd	Magnum T2 Plantations Sdn Bhd	8,800,000
KUCHING, SARAWAK				
Kota Samarahan	A piece of leasehold development land (447-acre)	Naim Holdings Berhad	Onlyee Flora Sdn Bhd	223,380,000
Pines Square	A piece of freehold development land (20-acre)	Standard Parade Development Sdn Bhd	Vega Scope Sdn Bhd	70,000,000
Kuching Central LD	A piece of leasehold vacant land (4-acre)	Qualistar Sdn Bhd	Mee Ler Construction Sdn Bhd	31,350,000
Taman Perindustrian Demak Laut Phase IIb (Stage 2)	Five plots of leasehold industrial land (22-acre)	Land and Survey Department of Sarawak	Sarawak Consolidated Industries Bhd	21,621,356
Muara Tebas LD	A piece of leasehold development land (13.3-acre)	Makna Realiti Sdn Bhd	Hock Seng Lee Construction Sdn Bhd	18,000,000
Kuching Central LD	A piece of leasehold development land (4-acre)	Jack Wung Ee Ding	Double Delight Development Sdn Bhd	17,760,000
Summervale Residence	A piece of leasehold development land (1.4-acre)	BDC Assets Sdn Bhd	Tecktonic & Sons Holdings Sdn Bhd	16,000,000
Jalan Pending, Bahagian Kuching	A leasehold UMW Toyota Showroom	UMW Toyota Motor Sdn Bhd	Borneo Mobility Sdn Bhd	14,400,000
BINTULU, SARAWAK				
Kidurong Light Industrial Estate	A double-storey leasehold industrial office with 6-storey processing plant and ancillary building (10-acre)	Teju Logistics Sdn Bhd	KIP Real Estate Investment Trust (KIP REIT)	28,700,000
MIRI, SARAWAK				
Sawai LD	A leasehold agricultural land with an oil palm plantation and buildings (12,002-acre)	R. H. Plantation Sdn Bhd	Mahawangsa Sungai Bok Plantation Sdn Bhd	90,000,000
Dulit/ Sawai LD	4 parcels of leasehold agricultural land, each with an oil palm plantation and buildings (12,547-acre)	Jayamax Plantation Sdn Bhd	Mahawangsa Sungai Bok Plantation Sdn Bhd	75,000,000

Source: Bursa Malaysia Announcement, JPPH, CBRE | WTW Research & Consulting

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