

Industrial Property
(All Types)

12-Mo.
Forecast

38.06%

Transactions from Terraced Factory/
Warehouse



31.54%

Sales Growth (Value y.o.y)



-23.78%

Sales Growth (Volume y.o.y)



Source: Cushman & Wakefield / IVPS Research

MALAYSIA ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
-3.4% GDP Growth	▼	▲
0.1% CPI Growth	▼	▲
4.8% Unemployment Rate	▲	▼

Source: Department of Statistics Malaysia

Industrial Recovery Led by Manufacturing Sector

The industrial production index (IPI) rose 1.5% y-o-y in February, matching the rise in January. Growth was driven by the Manufacturing sector, which recorded an increase of 4.5% in February versus 3.5% in January. The major sub-sectors contributing to the growth in Manufacturing were Electrical & Electronics Products (10.3%); Petroleum, Chemical, Rubber & Plastic Products (8.9%); and Transport Equipment & Other Manufactures (3.2%). Export-oriented industries contributed to the growth in the Manufacturing sector by 5.8%, while domestic-oriented industries increased by 1.8%. In contrast, output in the mining sector dropped 6.0% in February due to the decrease in the Crude Oil & Condensate index (-11.5%) and Natural Gas index (-1.6%).

Increased Demand in Prime Industrial Areas

The industrial property sector has remained largely resilient despite the current COVID-19 outlook in Greater KL. The logistics and warehousing sectors experienced a spike of demand due to the e-commerce boom generated by the online shopping trend during the pandemic. Several industrial sub-sectors benefited greatly from the pandemic, namely logistics, pharmaceuticals, and medical supplies and equipment players.

With a lack of supply of large warehousing spaces, some occupiers are exploring built-to-suit spaces in locations such as Shah Alam, Klang, Puchong and Klang.

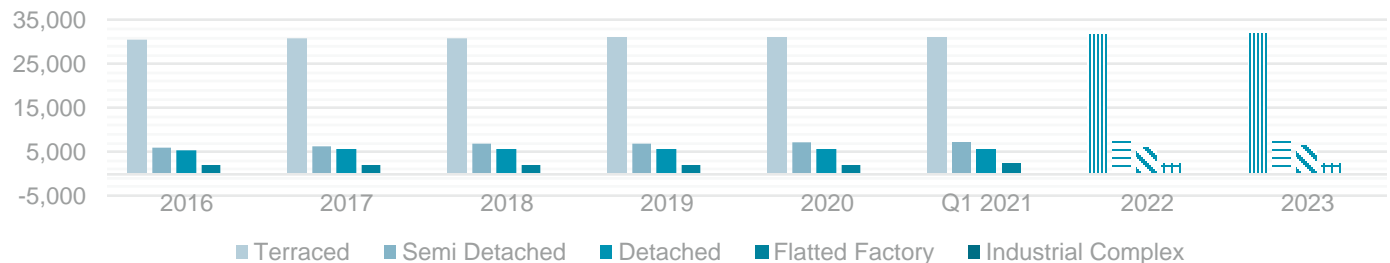
Large industrial developments recently completed or in development in Greater KL include Hap Seng Industrial Hub in Shah Alam, Ikea Regional Log in Pulau Indah, a cold-chain facility by Daiwa House Malaysia Logistics in Shah Alam, and Eco Business Park V in Puncak Alam.

Mixed Performance for Rent Outlook in Greater KL

Terraced and semi-detached properties experienced stable asking rental levels in most locations, and this situation is expected to remain through 2021. Detached properties and larger warehouses in highly sought-after prime areas generally commanded higher rentals.

Although the market has not yet returned to pre-COVID-19 levels, the growth of e-commerce has accelerated sufficiently so as to raise demand for good warehousing and sorting facilities. Demand for industrial properties in the short to medium term is expected to remain active, as businesses seek specific industrial properties to match their business needs.

INDUSTRIAL SUPPLY PIPELINE (GREATER KL)



Industrial Q1 2021

MARKET STATISTICS

SUBMARKET	INVENTORY (UNIT)	PLANNED & UNDER CONSTRUCTION (UNIT)	FACE RENT PSF (RANGE FOR ALL TYPES)		
			MYR/SF/MO	US/SF/MO	EUR/SF/MO
Central Region	24,204	478	MYR 1.20 – MYR 2.80	US\$0.30 – US\$0.69	€ 0.24 - € 0.57
Northern Region	4,620	719	MYR 0.70 – MYR 1.80	US\$0.17 – US\$0.44	€ 0.14 - € 0.36
Southern Region	1,497	367	MYR 0.70 – MYR 3.30	US\$0.17 - US\$0.81	€ 0.14 - € 0.67
Eastern Region	7,363	70	MYR 0.70 – MYR 1.60	US\$0.17 - US\$0.39	€ 0.14 - € 0.32
Western Region	8,438	1,384	MYR 1.00 – MYR 1.80	US\$0.25 – US\$0.44	€ 0.20 - € 0.36
TOTAL	46,122	3,055	MYR 0.70 – MYR 3.30	US\$0.17 – 0.81	€ 0.14 - € 0.67

a) Cumulative supply for all sub-markets are based on total supply of industrial space (all types).

b) Industrial Space within W.P. Kuala Lumpur, Gombak district and Petaling district are taken into consideration as Central Region.

c) Industrial Space within districts of Kuala Selangor, Hulu Selangor and Sabak Bernam are taken into consideration as Northern Region whereas districts of Kuala Langat and Sepang are taken into consideration as Southern Region.

d) Industrial Space within district of Klang are taken into consideration as Western Region whilst district of Hulu Langat are taken into consideration as Eastern Region.

Source: National Property Information Centre & IVPS / Cushman & Wakefield Research

SIGNIFICANT INDUSTRIAL DEVELOPMENTS – PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	SF	COMPLETION DATE
Hap Seng Industrial Hub	Central Region	Hap Seng Land	Approx. 1,300,000	2021
IKEA Regional Log	Western Region	IKEA Supply (Malaysia)	Approx. 1,022,000	2021
D Project Malaysia 1	Central Region	Daiwa House Malaysia Logistics	Approx. 178,000	2021
Eco Business Park V	Northern Region	Eco World Development Group	Approx. 500,000	2021
Integrated Logistic Hub	Central Region	LOGOS SE Asia Pte Ltd & Global Vision Logistics Sdn Bhd (JV)	Approx. 5,430,000	2024
LYL U10 Industrial Park (Phase 2)	Central Region	LYL Group	Approx. 900,000 – 1,500,000	2022

*Completion date might differ due to the delays during Covid-19 pandemic period.

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE
Dutch Lady's PJ Factory Land	Central Region	Dutch Lady Milk Industries Bhd / UEM Sunrise Bhd	432,550	MYR 200 million
Kawasan Perindustrian Bukit Raja Selatan	Western Region	FIW Steel Sdn Bhd / Axis-REIT	326,231	MYR 120 million

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