

Industrial Property
(All Types)

12-Mo.
Forecast

47.43%

Transactions from Terraced Factory / Warehouse



80.72%

Sales Growth (Value y.o.y)



61.29%

Sales Growth (Volume y.o.y)



Source: Cushman & Wakefield / IVPS Research

MALAYSIA ECONOMIC INDICATORS Q2 2022

YoY
Chg 12-Mo.
Forecast

8.9%

GDP Growth



3.1%

CPI Growth



3.7%

Unemployment Rate



Source: Department of Statistics Malaysia

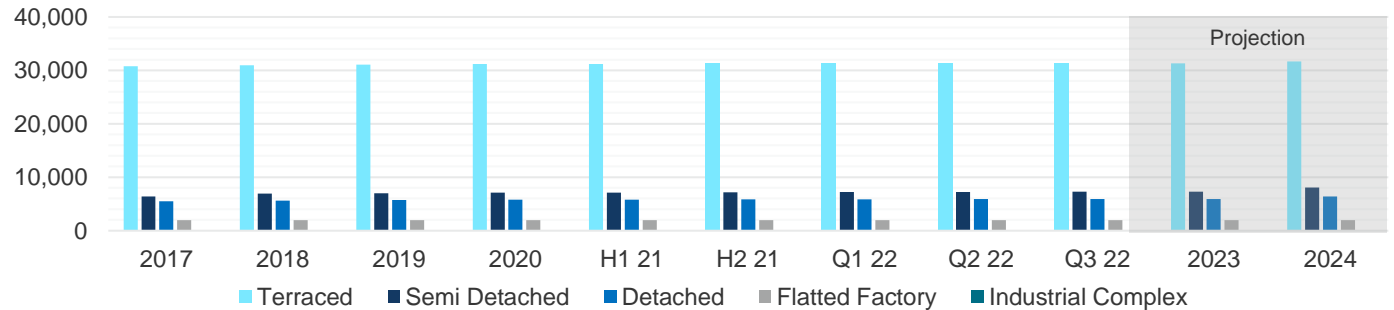
Industrial Property Market Continue to Flourish

In contrast to other sectors that are currently in recovery mode, the industrial real estate sector continues to thrive despite mounting inflation concerns. The industrial sector has demonstrated consistent growth over the course of the past few years due to the increased penetration rates of e-commerce. As a consequence of this, there is still an increasing demand for warehouse space to accommodate the increase in long-distance shipping, and there has also been a structural movement toward omnichannel shopping as a result of this. Since more international corporations establish new enterprises and facilities within the Asean region, it is anticipated that the industrial sector will reap the benefits of the aforementioned diversification and restructuring of global supply chain tactics.

Rose of Manufacturing

The industrial production index (IPI) increased slightly at 12.5% compared to previous quarter driven by the manufacturing sector the Manufacturing (14.9%), Electricity (13.2%) and Mining sectors (3.2%). The growth of the manufacturing sector is still anticipated to be underpinned by solid international commerce and robust domestic demand, recovering labour market conditions and ongoing policy support. Though manufacturing sector remained under pressure from raw material and labour shortages, rising prices and weak demand, notably from overseas, there were also signs that supply constraints were starting to ease and price pressures were abating. Nevertheless, the demand conditions will continue to improve.

INDUSTRIAL SUPPLY PIPELINE (GREATER KL)



Industrial Q3 2022

MARKET STATISTICS

SUBMARKET OF GREATER KL	INDUSTRIAL AREA	INVENTORY (UNIT)	PLANNED & UNDER CONSTRUCTION (UNIT)	FACE RENT PSF (RANGE FOR ALL TYPES)		
				MYR/SF/MO	US/SF/MO	EUR/SF/MO
Central Region	W.P. Kuala Lumpur, Gombak, Petaling	24,315	145	MYR 2.20 - MYR 4.20	\$0.47 - \$0.90	€0.49 - €0.93
Northern Region	Kuala Selangor, Hulu Selangor, Sabak Bernam	4,630	400	MYR 0.80 - MYR 2.00	\$0.17 - \$0.43	€0.18 - €0.44
Southern Region	Kuala Langat, Sepang	1,557	314	MYR 1.30 - MYR 2.50	\$0.28 - \$0.54	€0.29 - €0.55
Western Region	Klang	8,667	915	MYR 1.20 - MYR 2.40	\$0.26 - \$0.51	€0.26 - €0.53
Eastern Region	Hulu Langat	7,391	18	MYR 0.80 - MYR 1.80	\$0.17 - \$0.39	€0.18 - €0.39
TOTAL		46,560	1,792	MYR 0.80 - MYR 4.20	\$0.17 - \$0.90	€0.18 - €0.93

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

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

KEY SALES TRANSACTIONS AS AT Q3 2022

- Detached Factories 1 and Twin Factories 3 located in the 1,500-acre Elmina Business Park, Sungai Buloh has achieved 100% take-up with combined GDV of RM213 million.
- Axis REIT is acquiring an industrial facility comprises two warehouses and a three-storey annexed office building on a 268,581 sq ft freehold land located in Kapar, Klang for RM41 million cash.
- AME REIT has entered into 34 SPAs to acquire various properties from the industrial space solutions provider's subsidiaries with disposals totalling RM557 million.

INVESTMENT TREND / INDUSTRIAL DEVELOPMENT ACTIVITIES

- NCT has entered into four synergistic collaboration via MOBE with AmBank group and UOB Malaysia Bhd; via MoU with Malaysia-China Chambers of Commerce (MCCC); and via LBE with Samaiden Group Bhd to strengthen its value proposition for the upcoming NCT Smart Industrial Park (NSIP) project.
- LSH Capital and Gamuda Bhd have engaged into a collaboration agreement to support the construction industry's transition towards the IR4.0 via the digitalization of work processes and automation of construction works.
- NCT pens MoU with five parties namely Asia Pacific University of Technology and Innovation (APU), Furniweb Holdings Ltd, KS Industrial Tools Sdn Bhd, Solarvest Holdings Bhd and Universiti Tunku Abdul Rahman (UTAR), aims to develop 1,000 units of solar-ready factories and warehouses in SSIP to minimise industrial and commercial carbon footprints.
- Compass @ KSL officially launched recently offering built-to-suit warehouses and manufacturing lots with sizes ranging from 130,000 sq ft to 500,000 sq ft; as well as ready-built factories and warehouses measuring in sizes of 3,600 sq ft to 50,000 sq ft.
- Zetrix has signed MoU with MIMOS Technology aiming to spearhead the development of Malaysia's national blockchain roadmap.
- TNB Renewables (Tre) has operated a 50MW large-scale solar plant at Sepang, strengthened its commitment to increasing energy security and resilience, as well as creating a low emissions electricity sector through the adoption of renewable energy.

TIFFANY GOH

Country Manager

+6012 299 2778 | tiffanygoh@ivpsmalaysia.com

HEMA JAYARAMAN

Assistant Manager

+6012 480 2831 | hema@ivpsmalaysia.com

SABRINA KHALID

Occupier Services – Transaction Management

+6017 233 0661 | sabrina@ivpsmalaysia.com

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