

Industrial Property
(All Types)

12-Mo.
Forecast

46.15%

Transactions from Terraced Factory / Warehouse



-2.72%

Sales Growth (Value y.o.y)



87.39%

Sales Growth (Volume y.o.y)



Source: Cushman & Wakefield / IVPS Research

MALAYSIA ECONOMIC INDICATORS Q3 2022

YoY
Chg

12-Mo.
Forecast

14.2%

GDP Growth



4%

CPI Growth



3.7%

Unemployment Rate



Source: Department of Statistics Malaysia

Industrial Production to Ease in Year 2023

Industrial market in Greater Kuala Lumpur and Malaysia as a whole is seen moderate movement in the fourth quarter (Q4 2022) and there will be more notable slowdown in the first half of 2023. This is widely being affected due to the decline in economic activity globally and the impact of tightening financial conditions that puts expansions in vulnerable regions at risk and deepening anticipated recessions globally. However, the conditions can be weigh on the country's trade and manufacturing performance in early 2023. Nevertheless, there is no weakening of labour market conditions as yet. A more dimmed manufacturing sector to be foresee next year.

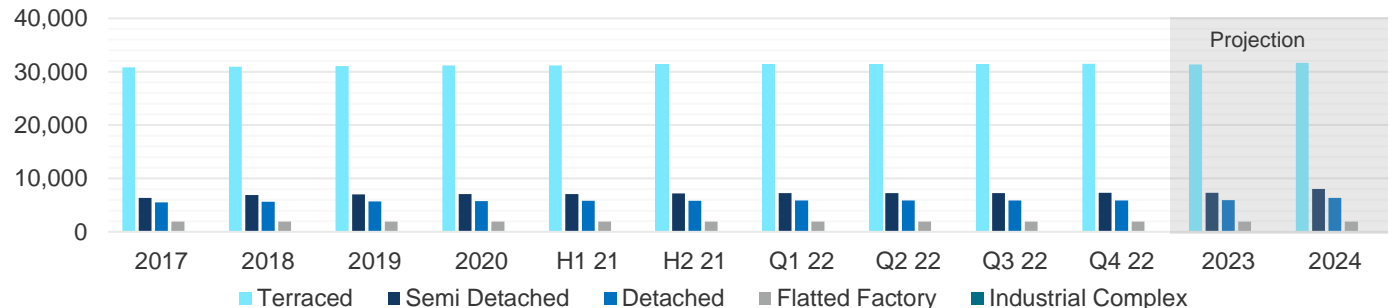
Rising of Global Demand and Use of Renewable Energy

It is anticipated that there will be greater demand for vital E&E components where more individuals become environmentally conscious and inclined to purchase newer power-saving appliances, replacing legacy appliances that lack power-saving or modern features. On a side note, as vehicle production levels recover from the pandemic slowdown, the automotive industry will also drive up demand for semiconductors. This is boosted further by rising demand and the development of new environmentally friendly vehicles, which require far more semiconductors due to having more features that necessitate more processing power. Consequently, industrial leasing activity is forecasted to remain its recovery journey with continuous demand for warehouse and factory space from this sector.

Prices and Rentals Still Remain Stable

The detached factories and warehouses in Petaling Jaya still continues to dominate with highest rental rates, ranging from RM 2.50 per sq.ft – RM4.20 per sq.ft per month. While, the rental rates for District of Shah Alam and District of Klang remained within the range of RM1.30 – RM 3.50 per sq.ft per month. Moving into the next quarter the 1st quarter of 2023, the rental rates are expected to remain stable. However, the asking prices of vacant industrial freehold land in selected localities of Greater Kuala Lumpur generally range from RM80 per sq.ft to RM400 per sq.ft which thoroughly depends on the location, accessibility, land areas, tenure and level of infrastructures that is built in within the property. While, the asking prices of vacant leasehold land are within the range of RM80 per sq.ft to RM160 per sq.ft.

INDUSTRIAL SUPPLY PIPELINE (GREATER KL)



Industrial Q4 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	24,353	691	MYR 2.50 - MYR 4.20	\$0.56 - \$0.94	€0.53 - €0.89
Northern Region	Kuala Selangor, Hulu Selangor, Sabak Bernam	4,689	813	MYR 0.80 - MYR 2.00	\$0.18 - \$0.45	€0.17 - €0.42
Southern Region	Kuala Langat, Sepang	1,569	451	MYR 1.30 - MYR 2.50	\$0.29 - \$0.56	€0.27 - €0.53
Western Region	Klang	8,760	1,246	MYR 1.30 - MYR 2.20	\$0.29 - \$0.49	€0.27 - €0.46
Eastern Region	Hulu Langat, Shah Alam	7,391	24	MYR 1.80 - MYR 3.50	\$0.40 - \$0.79	€0.38 - €0.74
TOTAL		46,762	3,225	MYR 0.80 - MYR 4.20	\$0.18 - \$0.94	€0.17 - €0.89

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 Q4 2022

- YSP Southeast Asia Holdings Bhd (YSPSAH) is buying a property in Bandar Baru Bangi, Selangor which will be used as expansion for food and health supplement productions for RM31 million.
- SKB Shutters Corp Sdn Bhd enters into land acquisition of 9.81 acres; purchased for RM36 mil for the development of a new manufacturing facility in Eco Business Park V (EBP V).

INVESTMENT TREND / INDUSTRIAL DEVELOPMENT ACTIVITIES

- 20 Apple suppliers are now located in Malaysia gives an important role in the supply chain, compared to 18 in Thailand, 16 in Philippines, 11 in India and 2 in Indonesia in response to China's covid response that caused production delays.
- YSP inked an agreement with Onkyo Electronics, a manufacturer of consumer electronic audio and video equipment for a property in Bandar Baru Bangi, Selangor to expand the group's production of food and health supplements.
- The technology sector is expected to decline entering 2023, owing primarily to weakness in the consumer-centric end market, namely PC and smartphone but Malaysia remains a key player in the global supply chain as 7% of total global semiconductor trade flows through Malaysia and commands 13% of global chip testing and packaging market share.
- GDP has secured a RM247 million design-and-build contract to construct a logistic hub in Bandar Bukit Raja 2 Industrial Park in Klang.
- EPF is investing in the development of a 100% pre leased logistics hub in Bukit Raja, Klang and entered into a shareholders agreement with ALP for the logistics hub.

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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