

Industrial Property  
(All Types)

12-Mo.  
Forecast

**44.8%**

Transactions from Terraced Factory / Warehouse



**31.19%**

Sales Growth (Value y.o.y)



**14.85%**

Sales Growth (Volume y.o.y)



Source: Cushman & Wakefield / IVPS Research

## MALAYSIA ECONOMIC INDICATORS Q4 2022

**7%**

GDP Growth

YoY  
Chg



12-Mo.  
Forecast



**3.7%**

CPI Growth  
February 2023



**3.6%**

Unemployment Rate



Source: Department of Statistics Malaysia

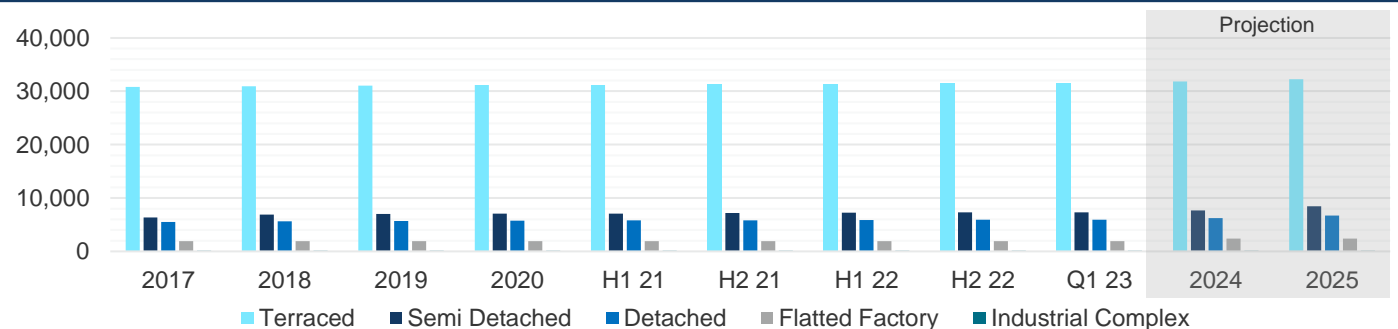
## Strong Sales Momentum to Continue in 2023

Industrial parks identified as bright spot for property sector as it is favoured by investors. We observed that the rising investment diversion from China on persisting US-China trade war will drive the sales momentum despite slower launches by developers as labour supply issues remain unresolved. Moreover, the reopening of country border last April plays a big part in the demand growth supported by the e-commerce and manufacturing sectors as reflected in the transaction data. It is notable that there are rising in demand for data centres as well as industrial parks providing an optimistic view for industrial property market in spite of tightening financial conditions and huge incoming supply. Nevertheless, the industrial market will continue to perform well if developers able to address the needs of market i.e., ESG requirements, greater power, sufficient cabling, as well as improve infrastructure and connectivity.

## Soft Outlook for Semiconductors and E&E

It is noteworthy that E&E sector has remained the cornerstone of the manufacturing sector in our country, contributing significantly to exports and approved investments. Malaysia's strong February exports partly due to a turnaround in China's manufacturing activities. The long-term outlook for semiconductors and E&E continues to be extremely bright but likely with slower growth due to short-term global economic headwinds where surveyed E&E companies are expecting a decline in orders and many major US-based tech companies announcing layoffs. Being a "golden goose" of Malaysia, this sector must be constantly nurtured in order to remain relevant and competitive by focusing on developing talent, ESG initiatives, supply chain resilience as well as digitalization.

## INDUSTRIAL SUPPLY PIPELINE (GREATER KL)



## 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	24,362	719	MYR 2.50 - MYR 4.20	\$0.56 - \$0.94	€0.52 - €0.88
Northern Region	Kuala Selangor, Hulu Selangor, Sabak Bernam	4,689	917	MYR 0.80 - MYR 2.20	\$0.18 - \$0.49	€0.17 - €0.46
Southern Region	Kuala Langat, Sepang	1,569	451	MYR 1.30 - MYR 2.50	\$0.29 - \$0.56	€0.27 - €0.52
Western Region	Klang	8,769	1,254	MYR 1.50 - MYR 2.90	\$0.33 - \$0.65	€0.31 - €0.61
Eastern Region	Hulu Langat	7,391	42	MYR 0.80 - MYR 1.60	\$0.18 - \$0.36	€0.17 - €0.33
<b>TOTAL</b>		<b>46,780</b>	<b>3,383</b>	<b>MYR 0.80 - MYR 4.20</b>	<b>\$0.18 - \$0.94</b>	<b>€0.17 - €0.88</b>

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 Q1 2023

- Jetson has proposed to dispose a 1.62-hectare industrial land together with a factory complex on it in Gombak for RM35 million.
- Paragon is selling industrial land in Cheras for RM17.5 million to D'nonce Technology Bhd which contains a single-storey detached factory with a three-storey office annexed.
- ADSB had entered into SPA with APSB for 23.538-acre land in Kuala Langat, Selangor for RM18.45 million.

## INVESTMENT TREND / INDUSTRIAL DEVELOPMENT ACTIVITIES

- Tesla's application was considered under MITI's program to attract Battery Electric Vehicle Global Leaders to invest in Malaysia and develop the EV industry and ecosystem.
- Axis REIT in talks to acquire RM120 million worth of assets within 2023 focusing on logistics and manufacturing facilities with long leases from tenants with strong covenants.
- COMPASS@KSL held a ground breaking ceremony of its green industrial park, offering two concepts i.e., the COMPASS Industrial & Logistics Park (120-acre cater for built-to-suit warehouses or manufacturing lots) and COMPASS SME Precinct (59-acre cater for ready-built factories and warehouses).
- Despite Malaysia's Electrical and Electronics (E&E) sector's slower global growth, exports for 2022 was RM593bil, 30% higher than in 2021 and continues to be an attractive location for E&E companies with 7% of the global market share and 13% global market share for semiconductor assembly, test and packing.
- The international investors, involved in the electrical and electronics sector, are set to occupy 40.47 hectares (ha) of land in the integrated industrial development known as Senai Airport City (SAC) by 2025.

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