

Industrial Q2 2023

Industrial Property
(All Types)

46.82%

Transactions from Terraced Factory / Warehouse

12-Mo.
Forecast

8.85%

Sales Growth (Value y.o.y)



-2.84%

Sales Growth (Volume y.o.y)



Source: Cushman & Wakefield / IVPS Research

MALAYSIA ECONOMIC INDICATORS
Q1 2023

5.6%

GDP Growth

YoY
Chg12-Mo.
Forecast

2.8%

CPI Growth
May 2023

3.5%

Unemployment Rate



Source: Department of Statistics Malaysia

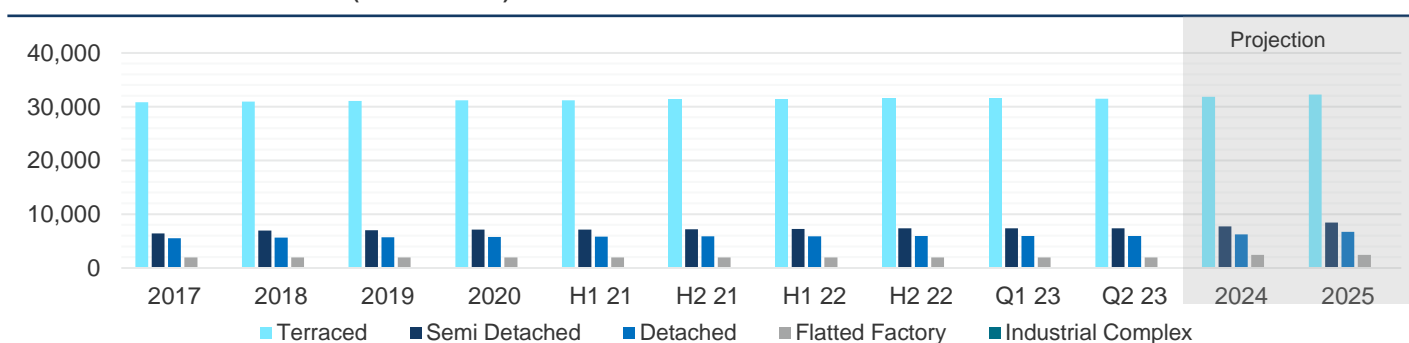
Malaysia's Industrial Production Weighed Down by All Sectors

Malaysia's IPI contracted by 3.3% in April 2023, attributed by all sectors namely Mining with -4.9% (March 2023: 0.8%), Manufacturing with -3.0% (March 2023: 4.1%) and Electricity with -2.0% (March 2023: 0.4%). In comparison with the preceding month, the IPI declined by 10.8% after registering a growth of 8.4% in March 2023. The deterioration of Manufacturing sector was its first contraction since July 2021, influenced by almost all subsectors except for Textiles (+2.5%) and Non-metallic Mineral, Basis and Fabricated Metal (+3.3%). Production in Mining sector declined by a continuous downturn in the Natural Gas index by 7.8% and a marginal drop of 0.9% in the Crude Oil and Condensate index. Being optimistic, we expect the industrial sector to flourish in moderation pace for upcoming months.

Logistics Credibility Proved on Strong Momentum

Malaysia is now the second-best performing ASEAN country in the World Bank Logistics Performance Index (LPI) 2023, behind Singapore after moving up its rank to 26. The long-awaited 2023 LPI report comes after 3 years of supply chain disruptions during Covid-19 pandemic where the last edition was published in 2018 with Malaysia ranked 41 and 32 in 2016. The latest LPI 2023 edition set a new key performance indicators based on Big Data approach measuring the speed of trade across 139 countries i.e., tracking actual high frequency international movements of maritime shipping, containers, airfreight, and postal parcels by trade lane and gateway. With this momentum, Malaysia will be able to enter Top 10 if it continues to benchmark Singapore. Being positive, we might see a gleaming future for logistics industry by improving our institutional and regulatory mismatches, bottlenecks at borders, low – value chain activities, and insufficient and unskilled manpower.

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	724	MYR 2.50 - MYR 4.20	\$0.28 - \$0.90	€0.49 - €0.83
Northern Region	Kuala Selangor, Hulu Selangor, Sabak Bernam	4,689	785	MYR 0.80 - MYR 2.20	\$0.17 - \$0.47	€0.16 - €0.44
Southern Region	Kuala Langat, Sepang	1,569	408	MYR 1.30 - MYR 2.50	\$0.28 - \$0.54	€0.26 - €0.49
Western Region	Klang	8,769	1,225	MYR 1.50 - MYR 2.90	\$0.32 - \$0.62	€0.30 - €0.57
Eastern Region	Hulu Langat	7,391	42	MYR 0.80 - MYR 1.60	\$0.17 - \$0.34	€0.16 - €0.32
TOTAL		46,780	3,184	MYR 0.80 - MYR 4.20	\$0.17 - \$0.90	€0.16 - €0.83

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 Q2 2023

- EcoBusiness Park V (EBP 5) signed the sale of industrial lots and factory units, involving EB Frozen Food (7 acres) in West Gate phase and TTL (4.7 acres) in Central Gate and other 21 factory units from Central Gate's new launch.
- Green Ocean disposed its land in Klang measuring 210,424 sf for RM23.4 million to Wilee Vegetable Oils together with its plant and machinery for RM1 million.
- Astino entered into SPA with Bukit Saujana Jaya for 884,703 sf freehold land in Kapar, Klang for RM60.16 million to expand its business operations.
- Sime Darby announced its proposed acquisition of 3 parcels of freehold land totaling 948.8 acres in Kapar, Klang for RM618 million, to be carried out in phases over 10 to 15 years to create high-technology and sustainable industrial development.

INVESTMENT TREND / INDUSTRIAL DEVELOPMENT ACTIVITIES

- US giant semiconductor, Texas Instruments plans to expand its footprint in Malaysia with two new assembly and test factories in KL and Melaka, with a total investment of RM14.6 billion and 1,800 jobs opportunity.
- Ovotherm, an Austrian specialized egg-packaging manufacturer, opened its first manufacturing site in Malaysia precisely in Klang with an investment of around RM38 million, choosing Malaysia as a new production site in Southeast Asia due to its unique location and talent pool.
- The Prestige Collection in Elmina Business Park debuted successfully with 97% take-up during its launch, consisting 7 units of park-side detached factories and 24 units of demi-detached factories.
- Proton plans to relocate its Shah Alam operations to Tanjung Malim by 2027, expected to retrieve additional investment up to RM32 billion and 10,000 jobs opportunity.
- IJM expected to commence construction Phase 1 of the Shah Alam International Logistics Hub next quarter consisting 4-storey logistics hub, 4-storey multi-level parking with 1-storey office and ancillary buildings with a total NLA of 2.8 million sf.
- Panasonic Manufacturing Malaysia has closed two (2) of its plants in Shah Alam on 31st March 2023, in part of restructuring whilst no other states were affected upon the rationalization exercise.

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