

Industrial Q4 2023

Industrial Property
(All Types)**47.39%**

Transactions from Terraced Factory / Warehouse

12-Mo.
Forecast**19.17%**

Sales Growth (Value y.o.y)

**-3.37%**

Sales Growth (Volume y.o.y)



Source: Cushman & Wakefield / IVPS Research

MALAYSIA ECONOMIC INDICATORS
Q2 2023**3.3%**

GDP Growth

YoY
Chg12-Mo.
Forecast**1.8%**

CPI Growth

October 2023

**3.4%**

Unemployment Rate



Source: Department of Statistics Malaysia – October 2023

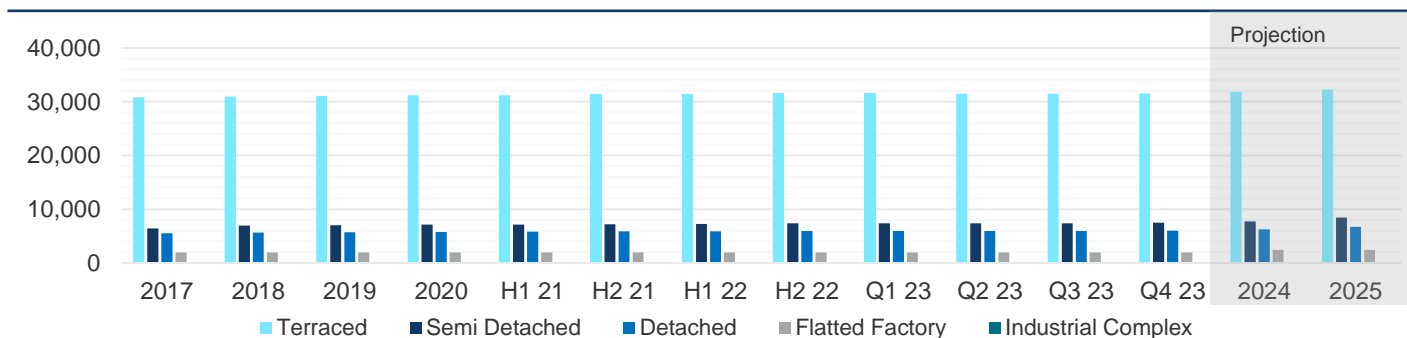
Upward Trend in Malaysia Industrial Production Index (IPI)

Malaysia's IPI increased by 2.7% y-o-y in October, showcasing the best performance since May 2023 compared to the decline in the previous month of 0.5%. The growth is mainly supported by Manufacturing sector, with 0.9% (September 2023: 0.4%) fueled by stronger domestic-oriented production of 6.7% (September 2023: 5.8%), despite the continuous decline in export-oriented industries of -1.5%, which has been ongoing since early 2023 due to supply chain disruptions, rising production costs, and global economic slowdowns. Meanwhile, Mining and Quarrying expanded by 8.7% (September 2023: -5.2%), contributing significantly to the overall IPI growth, and Electricity saw modest growth of 5.8% (September: 2.5%), maintaining its positive trajectory. On the month-to-month comparison, the IPI rose by 2.2%, marking a rise for three consecutive months following the 1.1% recorded in September 2023. Overall, Malaysia's IPI performance shows positive momentum in the industrial sector, indicating a gradual recovery.

Growth of Third-party Logistics (3PL) Providers

The logistics sector witnessed growing demand for comprehensive total logistics services as companies increasingly outsource logistics management to reliable service providers that offer value-added services such as warehousing, transportation management, packaging, and labeling. The growth of 3PL is driven by the booming e-commerce sector, as the surge of online shopping causes a heavy demand for efficient logistic services. In addition, Malaysia's manufacturing sector is thriving, which translates to increased needs for warehousing, transportation, and other logistic services. In order to attract clients and ensure efficiency in operation, 3PL providers are adopting automation and technology like automated guided vehicles (AGVs), drones, and warehouse management systems (WMS). 3PL providers are also offering eco-friendly solutions such as electric vehicles and green packaging to cater to companies ESG requirements.

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	24,402	746	MYR 2.50 - MYR 4.20	\$0.54 - \$0.90	€0.50 - €0.83
Northern Region	Kuala Selangor, Hulu Selangor, Sabak Bernam	4,941	611	MYR 0.90 - MYR 2.40	\$0.19 - \$0.51	€0.18 - €0.48
Southern Region	Kuala Langat, Sepang	1,605	545	MYR 1.50 - MYR 4.00	\$0.32 - \$0.85	€0.29 - €0.79
Western Region	Klang	8,819	1,634	MYR 1.60 - MYR 2.80	\$0.34 - \$0.60	€0.31 - €0.55
Eastern Region	Hulu Langat	7,376	69	MYR 0.90 - MYR 2.00	\$0.19 - \$0.43	€0.18 - €0.39
TOTAL		47,143	3,605	MYR 0.90 - MYR 4.20	\$0.19 - \$0.90	€0.18 - €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

US\$/MYR\$ = 4.67; €/MYR\$ = 5.05 as at 5 December 2023

KEY SALES TRANSACTIONS AS AT Q4 2023

- LKL International Bhd, through its wholly-owned subsidiary LKL Advance Metaltech Sdn Bhd (LKLAM), is selling a piece of freehold land together with a three-storey semi-detached factory with a built-up area measuring approximately 10,473 sf in Seri Kembangan, Selangor, to 8 Food Avenue Sdn Bhd (Avenue) for RM6.9 million.
- UMW is set to sell a 22.22-acre piece of land in Serendah, which is located within the UMW high-value manufacturing park, to Perodua for RM52.27 million.
- Atrium REIT has acquired buildings and leasehold land in Shah Alam, measuring 6,003 acres, from Amazing Blitz Sdn Bhd for RM41 million.
- Jasa Kita is deposing leasehold industrial land measuring 153,859 sf in the PKNS Setapak industrial area to Urban Reach Sdn Bhd for a cash consideration of RM43.08 million.
- Wasco has entered into a sale and purchase agreement with Array Metal to dispose of its freehold land in Klang, measuring 4.6 acres, for RM40 million.
- Minho is acquiring 19 acres of freehold land in an industrial area in Kuala Selangor for RM18.41 million to relocate its operations from its existing factory in Jalan Kapar.

INVESTMENT TREND / INDUSTRIAL DEVELOPMENT ACTIVITIES

- TH Properties Sdn Bhd unveiled Techpark@enstek Phase 3, Bandar Enstek, Negeri Sembilan, which comprises semi-detached factories and will be the largest among the three phases, covering a total area of 616.64 acres and is expected to be completed by 2026.
- Daiso Malaysia will be investing RM1 billion to build its largest global distribution centre warehouse in Pulau Indah, Klang, with an area of approximately 130,000 sf, expected to be completed in May 2026.

TIFFANY GOH

Country Manager

+6012 299 2778 | tiffanygoh@ivpsmalaysia.com

HEMA JAYARAMAN

Manager

+6012 480 2831 | hema@ivpsmalaysia.com

NADIA ZAIN

Manager - Occupier Services, Transaction & Management

+6012 550 3881 | nadia@ivpsmalaysia.com

cushmanwakefield.com

**A CUSHMAN & WAKEFIELD RESEARCH
PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 53,000 employees in 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2023 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.