

Industrial Property  
(All Types)

12-Mo.  
Forecast

**47.95%**

Transactions from Terraced Factory / Warehouse



**37.42%**

Sales Growth (Value y.o.y)



**-5.47%**

Sales Growth (Volume y.o.y)



Source: Cushman & Wakefield / IVPS Research

## MALAYSIA ECONOMIC INDICATORS Q4 2023

	YoY Chg	12-Mo. Forecast
<b>3%</b> GDP Growth		
<b>1.5%</b> CPI Growth November 2023		
<b>3.4%</b> Unemployment Rate		

Source: Department of Statistics Malaysia

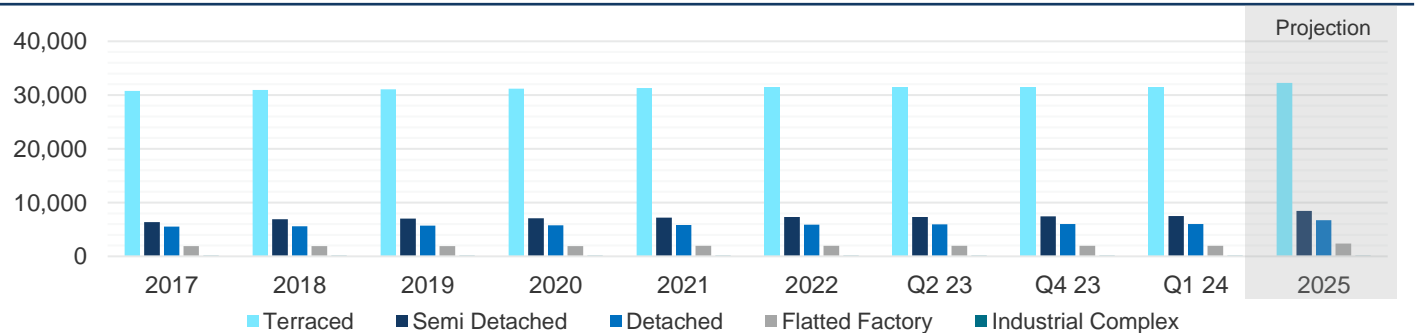
## Sustainable Upward Trend in Malaysia Industrial Production Index (IPI)

In January 2024, the Industrial Production Index (IPI) recovered to 4.3%, reaching its highest level since May 2023, with only a slight decrease of 0.03% in December 2023. The increase in the manufacturing sector was particularly notable, rising to 3.7% from a negative 1.4% in the previous month. This growth was driven by the performance of domestic-oriented industries, which saw an 8% increase, as well as a positive growth of 1.6% in export-oriented industries. Additionally, the data indicated a continuous upward trend for the mining sector, which recorded a growth rate of 5%. This growth was induced by increased production of natural gas and crude oil & condensate, with growth rates of 6.6% and 2.6%, respectively. The electricity sector also continued its upward trend, reaching a record growth rate of 8.3%, with the electricity index increasing from 1.4% to 2%. Overall, the Industrial Production Index (IPI) improved by 2.0% compared to the preceding IPI record, indicating a positive trend in industrial production.

## Tax Imposed on Logistic 2024

The announcement of Budget 2024 has gazetted that service tax will be imposed on logistic services. However, in order to avoid double taxation, a Media has recently been issued by the Ministry of Finance ("MOF") which stated the tax will be exempted from logistic services for directly exported goods, for transshipment activities, for transit activities, door-to-door logistic services, and F&B delivery services. Additionally, to mitigate the adverse effects on the daily operations of logistic activities, business-to-business (B2B) transactions are also exempted, eliminating the need to pay service tax on the acquisition of the same logistic service components. Furthermore, goods arriving in Malaysia for the purpose of transfer and unloading will also be exempted from the service tax.

## 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	709	MYR 2.50 - MYR 4.20	\$0.53 - \$0.90	€0.50 - €0.82
Northern Region	Kuala Selangor, Hulu Selangor, Sabak Bernam	4,941	612	MYR 0.90 – MYR 2.40	\$0.19 - \$0.51	€0.17 - €0.47
Southern Region	Kuala Langat, Sepang	1,605	545	MYR 1.50 – MYR 4.00	\$0.32 - \$0.85	€0.29 - €0.78
Western Region	Klang	8,822	1,708	MYR 1.60 – MYR 2.80	\$0.34 - \$0.60	€0.31 - €0.54
Eastern Region	Hulu Langat	7,376	69	MYR 0.90 - MYR 2.00	\$0.19 - \$0.42	€0.17 - €0.39
<b>TOTAL</b>		<b>47,146</b>	<b>3,643</b>	<b>MYR 0.90 - MYR 4.20</b>	<b>\$0.19 - \$0.90</b>	<b>€0.17 - €0.82</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

US\$/MYR\$ = 4.71; €/MYR\$ = 5.15 as at 21 March 2024

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## KEY SALES TRANSACTIONS AS AT Q4 2023

- Goodyear Tire & Rubber is going to close down the manufacturing plant in Shah Alam, effective by 30<sup>th</sup> June 2024.
- FM Global Logistics bought two plots of freehold land with a total size of 5.6 acres and amount of RM37.72 million in Setia Alaman Industrial Park, Klang.
- Peikko Group launched a new factory in Johor Bahru
- AME Reit accomplished the acquisition of Plot 16 at i-Park @ Indahpura in Iskandar, Malaysia with an amount of RM26.5 million.
- ABB Malaysia relocated to Sunway Reit Industrial @ PJ 1 by 1<sup>st</sup> January 2024.
- Corridor Venture and Sunway Reit entered into sale and purchase agreement to acquire an industrial property in Prai, Penang.

## INVESTMENT TREND / INDUSTRIAL DEVELOPMENT ACTIVITIES

- Venturing into the industrial segment, CapitaLand Malaysia Trust acquires three factories in Iskandar Malaysia for RM27 million.
- Enovix has made a total investment of RM5.8 billion over 15 years in Malaysia in order to establish high-volume manufacturing.
- Equalbase invested RM300 million in Valdor, Penang for its first carbon-neutral logistic complex.